'Range worries keep EVs as second cars'

DEEPAK PATEL
New Delhi, 15 December

Customers are still hesitant to buy electric vehicles (EVs) as their primary car due to concerns around public charging infrastructure, accuracy of driving range and assured resale value, issues that largely remain unresolved, said Maruti Suzuki India Senior Executive Officer (Marketing & Sales) Partho Banerjee.

Maruti Suzuki, which plans to launch its first electric vehicle, the e Vitara, in the domestic market next year, is seeking to address these concerns as it works to strengthen the overall EV ecosystem in the country.

He noted that electric car penetration in India would increase only when consumers gain the confidence to buy EVs as their primary household vehicle. "We believe that the customer is not confident (about EVs). The initial products that were launched, and the experiences from those, have created a huge amount of negativity in the minds of people regarding the driving range," Banerjee said, adding that most EV buyers currently use them as secondary vehicles.

"It's not the primary car. Since public infrastructure is not there, the buyer doesn't want to take a chance. So, if he wants to buy his first vehicle, it happens to be not in EV, but in ICE (internal combustion engine) or some other vehicle," Banerjee told reporters in New Delhi during a media roundtable. By FY30, Maruti Suzuki plans to have five EV models in its overall product portfolio.

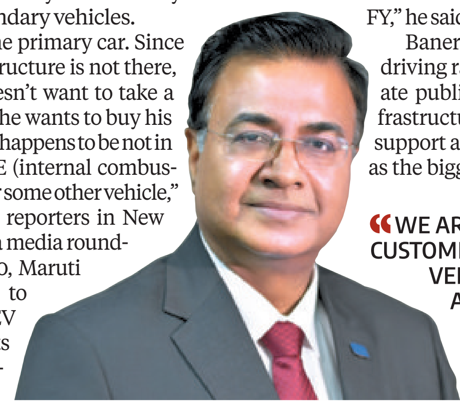
"By then, the industry will be around 5.5-6 million and EV penetration will be around 13-15 per cent. But this was before GST 2.0. So, we now have to reassess the market since there are reports that post GST 2.0, the penetration of EVs is going down. The ideal time to do it will be next FY," he said.

Banerjee identified driving range, inadequate public charging infrastructure, after-sales support and resale value as the biggest challenges to EV adoption in India. "We are trying to instil confidence in the customers before they acquire an EV. If the buyer is not confident about the entire ecosystem they will not buy an EV," he said.

The automaker plans to have 1,500 EV-enabled workshops across 1,100 cities and has already set up 2,000 charging points. "For resale value we are going to have an assured buyback scheme and subscription scheme as well," Banerjee said. Maruti Suzuki has already begun exports of the e Vitara, having shipped 10,000 units to 26 markets.

As part of efforts to deepen the EV ecosystem, the company plans to localise battery production and other critical components over the next few years. "Right now, we are importing the batteries, but yes, we have a plan for localisation. It is very much on the cards in a phased manner over the next few years," Banerjee told reporters. Acknowledging that the lack of a robust EV ecosystem has constrained growth compared to ICE vehicles, he said original equipment manufacturers must first ensure product quality, strong after-sales service and a reliable ecosystem to build consumer trust.

The firm plans to introduce multiple electric models across body styles and aims to set up around 100,000 charging stations by 2030 in partnership with dealers and charging point operators as it seeks to attain leadership in the EV segment.



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Partho Banerjee
Senior Executive Officer, Marketing & Sales, Maruti Suzuki India

Tata Power to weigh 20-50 Mw SMR plants, says CEO

PRESS TRUST OF INDIA
Bhubaneswar, 15 December

Tata Power will explore setting up small modular reactor (SMR) projects of 20-50 megawatt capacity after legal amendments required for the entry of private players into the nuclear space, a top company official said.

Meanwhile, the company has already started exploring locations for future nuclear plants, Tata Power Chief Executive Officer and Managing Director Praveer Sinha said in an interaction. The government on Monday moved the Sustainable Harnessing and Advancement of Nuclear Energy for Transforming India (SHANTI) Bill, which seeks to overhaul laws governing India's civil nuclear sector, opening it up to private participation and putting in place a new liability regime, in a bid to address concerns voiced by the industry partners. Minister of State in the PMO Jitendra Singh moved the bill in Lok Sabha. Sinha said there are a lot of opportunities in the nuclear energy area in the country.

"Now that it is expected to be amended, when the fine print comes, we will be able to see what the opportunities are, but yes ... we look at small modular reactors of 20-50 MW," he said.

Sharing his views on the sector, Sinha said it will take some time for new plants to come up.

Tata Power CEO and MD Praveer Sinha said the company has already started exploring locations for future nuclear plants

IHH plans India expansion after Fortis open offer, to add 2,000 beds by 2028

SANKET KOUL
New Delhi, 15 December

After completion of its mandatory tender offer in Fortis Healthcare and Fortis Malar Hospitals, Malaysian health care giant IHH Healthcare is aiming to add 2,000 beds in a bid to double down on value creation in India.

IHH, which is Asia's largest multinational private healthcare provider, currently has over 5,000 beds across a combined network of 35 hospitals and 11 states. It has presence in over 10 countries, including India, China, Malaysia, Singapore and Türkiye.

The company is eyeing to scale its footprint and remain on track to expand capacity by more than one-third to approximately 7,000 beds in India by 2028. This comes after IHH had to wait for seven years for an approval from the Securities and Exchange Board of India (Sebi) to proceed with its mandatory open offer to acquire a 26 per cent stake each in Fortis Healthcare and Malar Hospitals.

IHH had acquired a 31 per cent stake in Fortis through its subsidiary NTK in November 2018, but suspended the open offer for an additional 26 per cent after Japanese drugmaker Daiichi Sankyo filed a contempt plea against Fortis founders Malvinder and Shivinder Singh.

The deal was held up in court amid Sankyo's long-running dispute with the Singh brothers over its purchase of Ranbaxy Laboratories more than a decade ago.

"The completion of the Fortis open offer allows us to move decisively into the next phase of growth in India. This comes at a pivotal time as IHH undertakes a group-wide transformation to future proof our business," Prem Kumar Nair, Group Chief Executive Officer at IHH Healthcare said.

The completion of the open offer puts focus on whether IHH's bed expansion would come via greenfield expansions by Fortis. The chain currently runs 33 healthcare facilities, including joint ventures, and operations and maintenance facilities, with around 5,800 operational beds across India.

With the IHH deal in legal limbo, Fortis had been making smaller acquisitions over the past three to four years to expand its bed count, which were mostly brownfield expansions.

In the last three financial years, the Delhi based hospital chain has added over 1,800 beds — with the company having 3,979 operational beds according to its investor presentation for Q2 FY23. Most of this expansion has come through capacity expansion in existing facilities.

"We are open to doing greenfield hospitals as well, and as and when some appropriate opportunity comes, we will certainly look at that," Fortis MD and CEO Ashutosh Raguvanshi had said in the company's earnings call for Q2 FY26.

Prem Kumar Nair, group CEO at IHH Healthcare, said the Fortis open offer would allow the firm to move decisively into the next phase of growth in India

Indian cement firms most exposed to CBAM risk: WEF

SAKET KUMAR
New Delhi, 15 December

Carbon-intensive companies in India are beginning to adapt to the European Union's (EU's) impending Carbon Border Adjustment Mechanism (CBAM), which puts restrictions on the entry of products with a high polluting capacity, even as sectors such as cement face some of the highest exposure once the levy enters its definitive phase on January 1 next year, according to a report by Climate Finance Asia and the World Economic Forum.

The report flags cement as the most vulnerable. Its export from India carries a carbon-payment intensity of about 65 per cent per dollar of EU production or import, higher than Brazil's and close to China's and South Africa's.

Around 11.5 per cent of India's cement export goes to the EU, creating direct exposure once CBAM pricing becomes operational.

The study, which examines corporate readiness in Brazil, China, India, and South Africa for the CBAM, finds no evidence so far of broad competitiveness losses for exporters from these economies.

It notes that firms in these economies are investing in low-carbon technologies, giving them a first-mover advantage.

"A first mover advantage is emerging for companies that act now. These leading corporations are leveraging early investments in low-carbon technologies to differentiate their products, command premium pricing, and consolidate market share effectively turning regulatory pressure into a powerful tool for competition," the report said.

The report notes that firms in carbon-intensive sectors such as cement, steel, oil and gas, and mining are responding through investment in low-carbon technologies, digital carbon-accounting systems, and greater supply chain transparency.

Many companies are also adopting internal or "shadow" carbon pricing to guide capital-expenditure decisions, signalling a shift in corporate strategy driven by carbon-linked trade rules.