

Chairman's communique

Kick-starting
an era of green
mobility

GOVERNMENT POLICIES LIKE DIFFERENTIATED TAX POLICY AND LOCALISED INCENTIVES TO PROMOTE START-UPS WILL FURTHER PUSH ELECTRIFICATION IN THE RIGHT DIRECTION.”

Sunjay Kapur
Chairman and Non-Executive Director

Business
enhancement is
through future
technology

Our ability to embrace change and promote innovation has resulted in a successful year for the Company. Our revenue has grown 36% in the last financial year, even as the global light vehicle market witnessed a decline in sales. EVs have become a significant part of our portfolio and account for 62% of the net order book. Our dependence on pure ICE is also reducing, going down to 18% from 25% last year. As part of our future-forward technology roadmap, we introduced three new products in FY 2021-22.

The movement toward sustainable development to slow down the adversity of climate change is gaining momentum globally. Our green energy initiatives are agile in adopting the latest innovations and aligned with global CO2 regulations. We are working towards guiding a well-entrenched novel ecosystem in the fast lane development of Electric Vehicles. The continued rise in technology investments is metamorphosing us and the automotive industry into a mobility ecosystem.

Simultaneously, the automobile sector is also going through a global semiconductor chip shortage. The supply-side pressure on the industry is intense with a move toward vehicle electrification and hybridisation. The industry solution is the development of a robust semiconductor manufacturing ecosystem.

Electric Vehicles (EVs) sales have gained momentum in the last few years. It is driven by tightening regulations and rising customer awareness. The sales of electric cars – Battery Electric Vehicles (BEVs) and Plug-in Hybrid Electric Vehicles (PHEVs) – nearly doubled to 6.6 million in 2021, representing more than 8% of total light-vehicle sales. It is up from 4.0% in 2020 and a noticeable leap from 0.9% in 2016. As we advance, the increase in sales of EVs will be a big goal to meet CO2 targets.

The EV market is driven by mass and low-cost-mobility segments in India, mainly two- and three-wheelers. Government policies like differentiated tax policy and localised incentives to promote start-ups will further push electrification in the right direction. The Union Budget emphasises

on creating urban fossil fuel zones, a battery swapping policy, and recognition of energy as a service. Another landmark announcement was the policy on Green Hydrogen, envisioning India as a global leader by producing 5 million tons of Green Hydrogen by 2030. State Governments are also measuring up to the task of promoting e-mobility. 18 states are providing incentives to EV consumers.

THE ESG PRACTICES PROPEL THE COMPANY FORWARD WITH LONG-TERM STRATEGIC DECISIONS USING TECHNOLOGY IN EVERY POSSIBLE ACTION OF THE ORGANISATION.

We are committed to ESG (Environment, Social, and Governance) practices, and to that effect, we have constituted a committee to ensure the implementation of the ESG reporting framework. The paradigm shift in our revenue focus towards EVs aids our quest to ensure compliance with ESG norms. Through the ESG committee, I draw focus on a connected approach toward sustainability, environmental issues, carbon neutrality, and stakeholder longevity. The ESG practices stride the Company forward with long-term strategic decisions using technology in every possible action of the organisation. The current impact is slight but visible regarding resource efficiencies, quality standards, monitoring carbon footprint, social implications, equality in opportunity, and aligning CSR activities with ESG. However, the absolute and complete impact of the committee's practices will come to light as the Company's purpose evolves with these implementations.

I firmly believe the future of mobility is charged with technology leaning into electric powertrain to prompt a clean and innovative way of transportation. Shaping direction towards this future, I am grateful for the support of all stakeholders for believing in our conviction. Embracing change has put us on the edge of a broader ecosystem, where innovation is defining industry leaders.

Regards,

Sunjay Kapur
Chairman and Non-Executive Director