

# TEAM KICKSTARTERS

## TEAM MEMBERS:

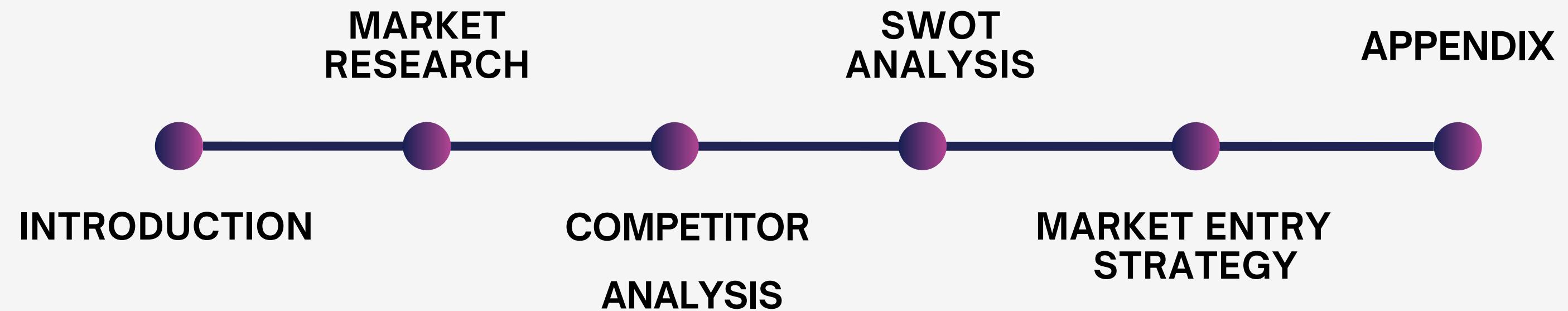
HARSHITH

HARNIKA

BHARSHITA



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# INTRODUCTION

JSW Group, traditionally known for its strong presence in the steel manufacturing sector is diversifying its portfolio by venturing into the electric vehicle (EV) market through a strategic partnership with SAIC-owned MG Motor India.

## Key points:

- Joint Venture(JV) to focus on creating a robust EV ecosystem with forward and backward integration of the supply-chain
- Production capacity to increase from the current 1,00,000 plus to up to 3,00,000 vehicles annually
- Aggressive product onslaught with a new launch every three to six months starting this festive season, with a focus New Energy Vehicles (NEVs)
- To expand manufacturing footprint with extensive localisation

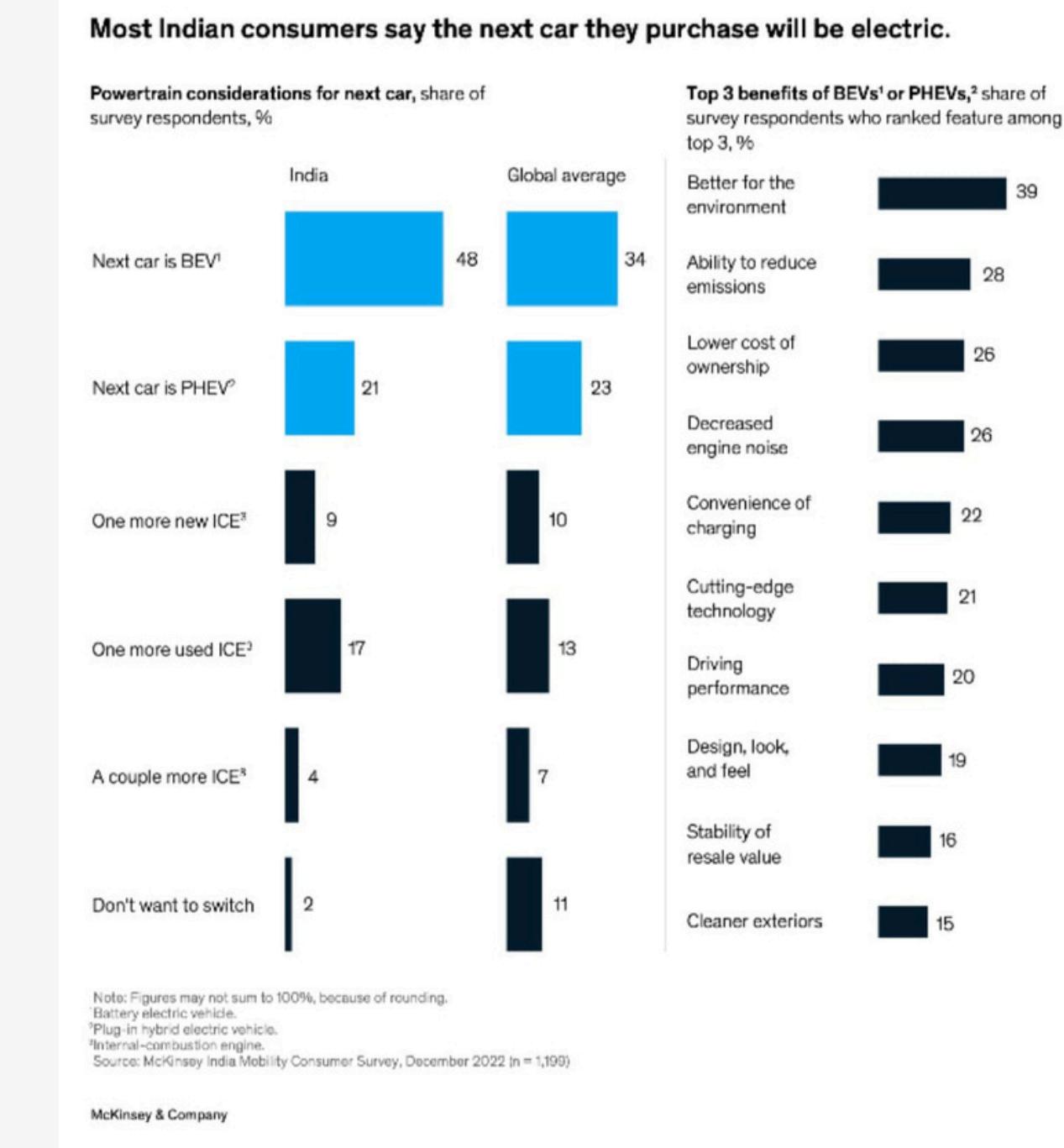
## FINANCIAL STATUS OF JV:

- SAIC Motor, a global Fortune 500 company with annual revenues of around US\$ 110 billion and is present in over 100 countries
- Present value of JSW group is US\$ 23 billion .
- The two firms would inject a total of 50 billion rupees (\$602 million) into the JV.



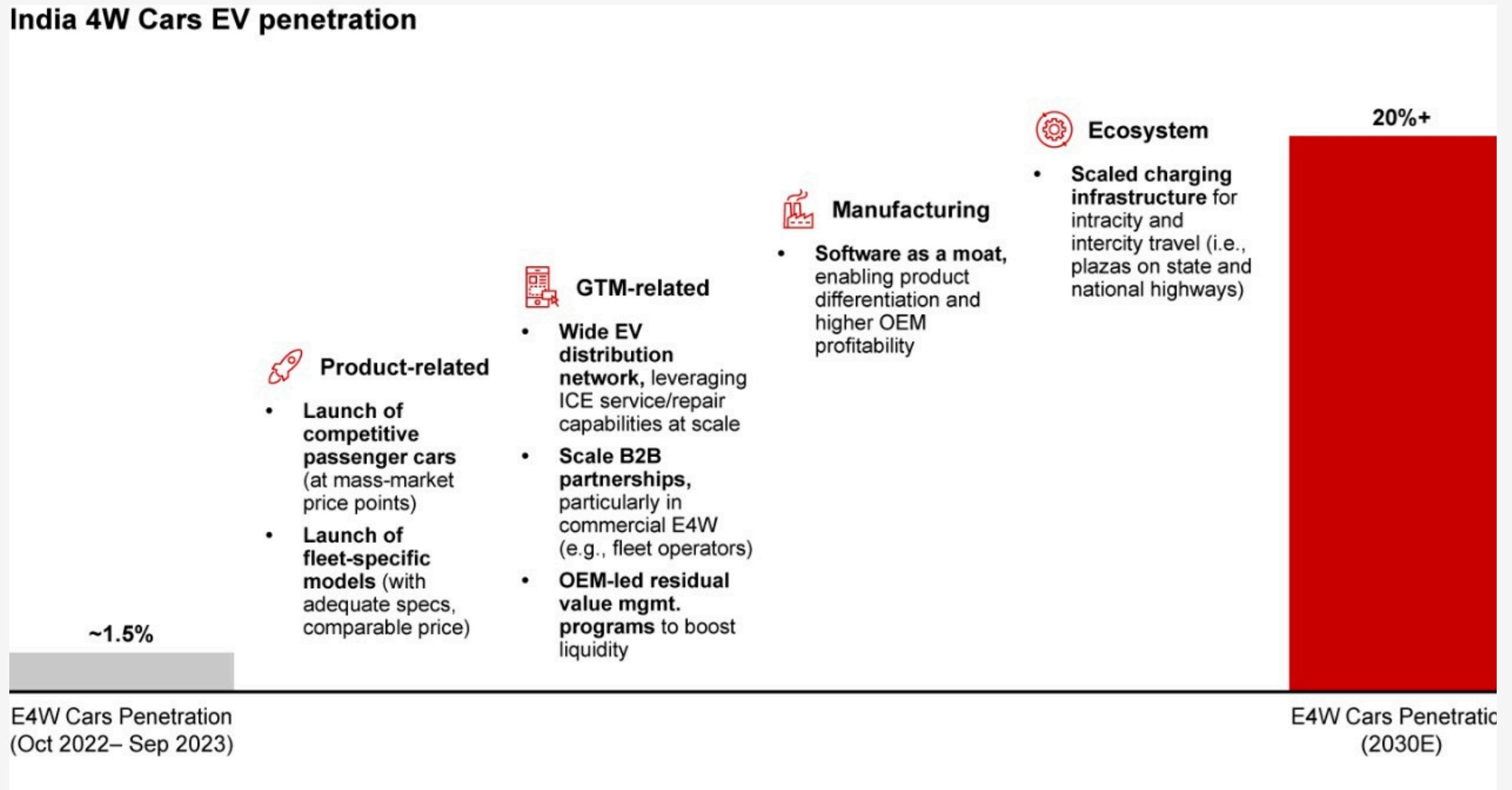
# MARKET RESEARCH

- Consumer sentiment suggests the transition to electric cars will gain momentum. The vast majority of people are eyeing EVs for their next car purchase, with a clear preference for full battery electric vehicles (49 percent)
- India's overall 4W market is large: 4–5 million units were sold in fiscal 2023, with the market growing steadily at ~2% compound annual growth rate (CAGR) between fiscal 2018 and 2023.
- This indicates there is a good scope in the field of 4W EVs in the market
- Presently, half of commercial vehicle sales are B2B-led, with early partnerships already emerging between Original equipment manufacturer(OEMs) and top B2B customers.



## EV car penetration could jump manifold from approximately 1.5% to 20%+ by 2030

### India 4W Cars EV penetration



- The EV-Ready India dashboard has projected an impressive 45.5% Compounded Annual Growth rate(CAGR) in EV sales between 2022 to 2030.
- While current 4W EV penetration is low at 1%-1.5%, 4W EV sales have grown rapidly at 85%-90% CAGR over fiscal 2018-23, albeit on a small base.

- **Impact on other business**- Raw materials like steel can be obtained at a cheaper price as JSW steel is a part of JSW group. This also benefits JSW steel for having more business.
- **Potential Synergies**- Here JSW acts as a role of (OEM) while MG has the latest technology and a already existing distribution network hence forming a very good B2B partnership.

# COMPETITOR ANALYSIS

## Present Condition-

Tata Motors is India's **largest electric vehicle manufacturer**, cornering some **75 percent of the market**, led by its hugely popular Nexon EV which currently receives some 3,500 order a month. The company became India's most valuable EV company, after **raising \$1 billion** from private equity major TPG Rise Climate.

## Future plans-

Tata Motors will be expecting to **invest \$2 billion** into the subsidiary over the next five years. Not just that, the group is also busy building what it calls **Tata UniEVerse**, an ecosystem that will leverage group synergies, where several Tata companies will together to provide **EV** solutions to consumers as it looks to improve adoption in the country.



Mahindra&Mahindra is one of the fast growing companies in EV sector. It has a market share value around 7% in year 2023.Right now it offers only one XUV400(15.49lakh) SUV which has a very good positive feedback.

## FUTURE COMPETITION FROM OTHER COMPANIES:

- There are also companies which have very less market share value compared to MG and Tata motors right now but are growing with very high speed like BYD,Citroen etc.,
- Tesla is reportedly in advanced talks to enter the Indian market and may invest nearly \$30 billion over the next five years.

# SWOT ANALYSIS

## Strengths

- Low Cost Per Unit of Distance Traveled
- Technical expertise
- Well established market in the field
- Eco friendly
- Excellent cash flow
- High expected market penetration rate
- Convenience in recharging (not required of going to filling stations frequently)

## Opportunities

- Lower taxes
- Increasing prices of fuel prices of ICE
- Rapidly progressing urbanisation across india
- Ministry of heavy industries(MHI) has allocated 2,700 cr under FAME India scheme to subsidize EVs
- Other incentives like production linked incentive(PLI)
- So much market to capture and less competitors

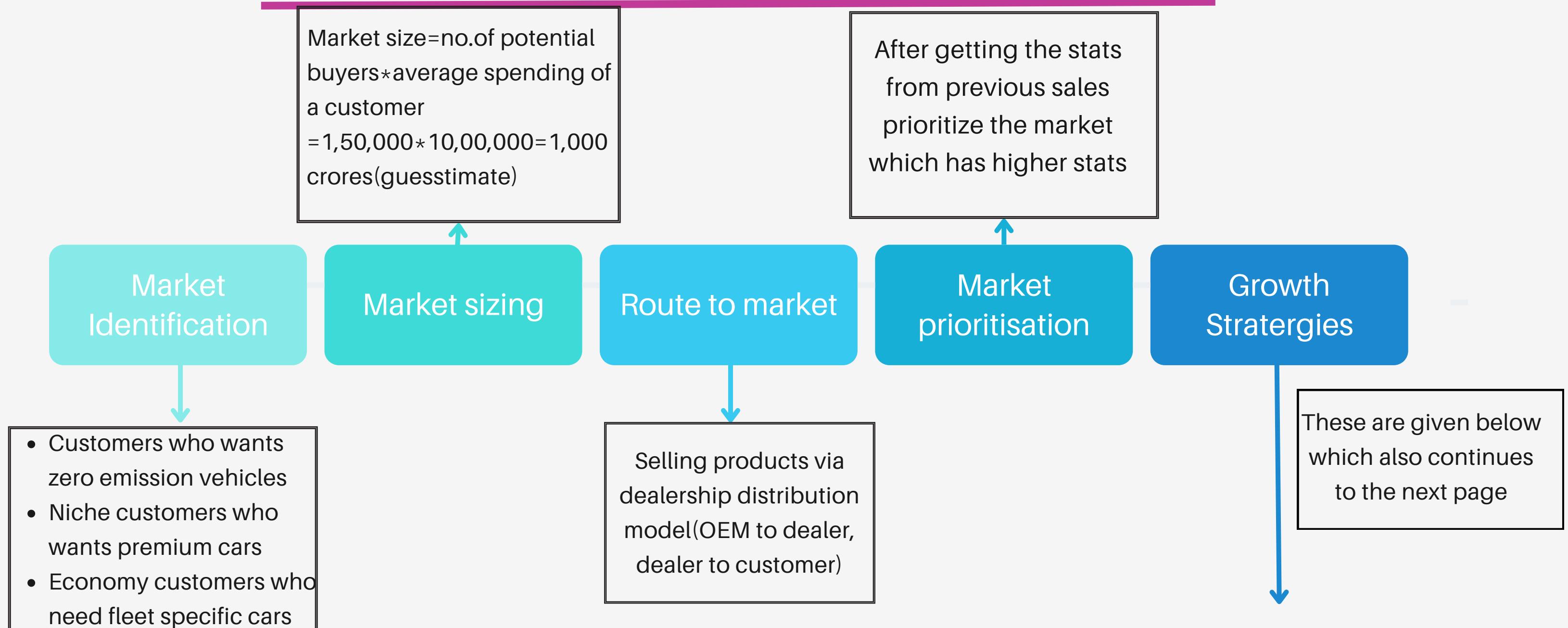
## Weaknesses

- Needs time to get charged
- Lack of charging booths
- Cannot be used for long distance transport
- High price of EV's(20-30% higher)
- Performance problems in intense cold or hot weather

## Threats

- Competition from alternate fuel vehicles(Ex:CNG)
- High availability and use of fossil fuels makes people shift less towards EV's
- Low cost and high efficiency of ICE vehicles

# MARKET ENTRY STRATEGY



**Launch of a fleet-specific EV model at the right price point to accelerate penetration in passenger 4W:**

- The market currently lacks an economical 4W passenger EV designed for fleets, with current EV models priced significantly higher than ICE or CNG models.
- Servicing the increasing demand for “green” fleet vehicles will require OEM(i.e, JSW) to introduce tailored products for this market at the right price points (INR 8–10L), and with fleet-specific features like speed-limiting and comfortable rear seats.
- Lower prices, and the commensurate lower range and performance (as compared to ICE vehicles), will limit EV fleets to intracity use cases, while ICE fleet models will continue to serve intercity routes.

## **The 4W EV market needs more entry-level cars and utility vehicles:**

- Current EV penetration has been limited to ~1.5%, due to higher prices, shorter range, and lesser power. EV cars cost roughly 50% more, have 50%-60% lower range, and ~30% less engine power as compared to comparable ICE models.
- Accelerated EV adoption in India will necessitate price-competitive EV car models, which will further be enabled by a decline in battery prices as the market attains scale, as well as “fit-for-purpose,” EV-first platforms for the mass market.

## **Extensive distribution networks will be key to scaling electric cars in India:**

- This will require to define a clear EV network footprint metropolitan cities, Tier 1 cities, and top states. The top 3 states of Maharashtra, Karnataka, and Uttar Pradesh constitute ~70% of all EV dealerships.
- Under the dealership model, OEMs sell their products to dealers, and dealers, through their own chain stores, sell directly to customers. This dealership model gives OEMs more liquidity in terms of cash flow. Another advantage for OEMs under this model is that it allows them to distribute their automobiles through the dealers' sales network relatively quickly and at relatively low cost.
- Create relevant incentive structures to push EV models.

## **A reliable residual value management mechanism could fuel EV car penetration:**

- A secondary market is essential for the EV car market, even more so than the 2W space, due to the higher upfront costs of cars.
- To speed up development, We need to develop residual value management programmes via buybacks or other schemes, to provide comfort around liquidity to consumers, until 3P marketplaces evolve to meet this need.

## **Accelerated setup of a wide charging ecosystem:**

- This will be important to drive EV adoption, not just within cities but across key national highways and major tourist destinations, given electric cars have shorter ranges than ICE models, which especially affects intercity travel.
- In the longer term, the requirement for a dense charging network will decrease as battery technology, EV performance, and range improve, which will reduce the need for top-up charging (Ex: The Mercedes EQS 580 already offers 800+ km range on a single charge).

# APPENDIX

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# THANK YOU