

News monitored for: Greaves Cotton

**E-MOBILITY**

# Ampere Electric eyes new frontiers with MLR Auto

The company is working on a larger electric portfolio of two- and three-wheelers which will sync with its last-mile mobility vision statement, says **Murali Gopalan** in a conversation with **Nagesh Basavanhalli, MD and Group CEO of Greaves Cotton**.



customer through clean solutions while "extracting lifecycle value" for this last-mile space.

**New strategy paying dividends**

The strategy is clearly paying off given that the new businesses which kicked off in the last three years now contribute to 30 percent of revenue while the share of electric mobility is 12 percent. Further, Greaves decided to restructure its plant operations by centralising its engine operations in Aurangabad and selling the land parcel in Pune to a realtor.

"All the strategic manufacturing businesses, be it auto or non-auto are consolidated into one mega site in Aurangabad which frees up land for an EV mega site at Ranipet in Tamil Nadu," elaborates Basavanhalli. The Pune sale generated Rs 320 crore which can be put to good use in new businesses.

The core business is now strengthened, efficient and continues to grow except in shared mobility auto engines "which we expect will make a comeback". Autorickshaw sales have been tepid in recent months thanks to the pandemic, which has led to closure of schools and thin attendance in offices.

Beyond e-mobility,

Any conversation with Nagesh Basavanhalli will see three words – last-mile mobility – come up quite constantly. The MD and Group CEO of Greaves Cotton is clearly passionate about the subject, which explains why the company is literally going the extra mile (no pun intended) in this space.

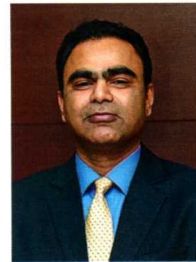
It also puts in context Basavanhalli's vision for Ampere Electric, the two-wheeler arm, while balancing the B2C space with the imperatives of cargo movement. This is precisely why Ampere recently picked up a 26 percent stake in the Hyderabad-based MLR Auto to fill in the missing blanks.

"For our B2B and B2C clientele, there has been

growing demand for an e-auto to carry cargo and people too in some cases. Now with MLR, this gap has been quickly filled," he explains. In fact, while retailing electric two-wheelers to customers like Amazon and Big Basket, they were seeking a "three-wheeler especially electric" for carrying cargo and people while keeping total cost of ownership at reasonable levels.

As Basavanhalli says, the potential for electric "is great" thanks to the Centre's policies like FAME II coupled with incentives coming in from a host of state governments. This has made EVs affordable and Ampere is now "working hard on the supply chain and localisation" to meet demand.

With its 26 percent stake in MLR Auto, which has electric cargo and passenger three-wheelers, Ampere Electric can operate as a full-range, last-mile electric vehicle company.



**Nagesh Basavanhalli:** "For our B2B and B2C clientele, there has been growing demand for an e-auto to carry cargo and people too in some cases. Now with MLR, this gap has been quickly filled."

All this fits in with the parent company's vision to move from a B2B player in supplying engines to OEMs to a more rounded B2B plus B2C. It has helped in getting closer to the

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**STRATEGY**



**Ranipet plant running ahead of schedule**

The plan for Ranipet was to offer products by the end of March 2022 and the good news is that "we are running ahead of schedule". Local talent is being hired with the average age at 26; the plant is "coming up to speed" while the first Ampere Experience Centre is also part of the retail initiative for a digital showroom. The Chennai-Bengaluru corridor could also see creation of strategic partnerships and a tremendous emphasis on more local manufacturing..

this coming in India – "it vindicates our stand of thinking early". Awareness was an issue in this industry but not any longer with electric now seeing more customers queue up for scooters and cars.

"Greaves will offer petrol plus diesel plus electric and we are well positioned to be present in all segments. Disruption is here to stay and we are ready to take on the challenge," reiterates Basavanhalli. In his view, Ampere's biggest plus is that it plays in the "heart of the market" which is about affordable last-mile mobility in the price range of Rs 40,000 to Rs 80,000.

"This is what India needs," he says, while pointing out that 40 percent of his company's customers are first-time buyers. Over the next couple of years, there will be greater price parity with ICE two- / three-wheelers and the subsidies will also help.

"Ampere has an advantage thanks to the earlier founders and has been through a lot of learning on product, technology and supply chain along with the Greaves ecosystem," continues Basavanhalli. There is a better understanding of customer needs with supporting infra like retail and finance to help take the electric story forward, he adds.

"Sure, there will be competition but this is good in order to increase awareness and open up avenues for new, agile players. We are present in two- and three-wheelers which is a big arena and in the belly of the market under Rs 100,000," says Basavanhalli. Ampere is present in 400 towns and will continue to grow which is evident from the "growing dealer interest in participating in our story". ■

Basavanhalli is paying a lot of attention to retail which has a strong aftermarket presence of 7,000 retailers and 12,000 mechanics. Additionally, there is access to Greaves Care and Greaves Retail, which comprises over 200 retailers along with multi-brand service, spares and retail. Greaves Finance also becomes an enabler for Greaves Mobility while Greaves Technology will pave the way for "a lot of hi-tech engineering" in Ampere.

"Electric mobility is a big growth driver and the momentum began with the acquisition of the Coimbatore-based Ampere four years ago. The Ranipet plant will ultimately go up to a million units in Plant 1 with enough scope to expand further in Plant 2 as and when it is needed. "Last-mile mobility is a big challenge especially with clean air needs and the recent UN report on global warming," says Basavanhalli.

From the parent company's point of view, Ampere is its two-wheeler electric brand, Ele is the e-rickshaw brand in the north and east while Teja is the MLR brand. All these are part of the electric division of Ampere and will evolve "as we go forward".

According to him, there are also significant efficiencies coming in with new talent being roped in for Ampere, Greaves Technology and Greaves Finance. "Ampere has people from India and Detroit and for the traditional business, the normal route of consolidation has been adopted for the workforce. It is a natural progression for a company which is drawing up a template for the next two decades," says Basavanhalli.

The objective is to draw resources from within Greaves while building new skills and thinking like a startup for Ampere. Right now, the focus is to consolidate and add value – the Magnus Pro scooter is doing well and the key is to get more products out into the market "before getting into any potential expansion into four-wheelers".



**Ampere plans to deploy a hybrid retail sales model – like this phygital Experience Centre in Ranipet where consumers can check out EVs like the Magnus Pro, interact with EV experts, engage through digital interfaces and even quaff coffee at a lounge bar.**