

At 75, Ashok Leyland has the drive to go electric

SHINE JACOB

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It serves as a testament to the industrial aspirations of young India on September 7, 1948. The country's first Prime Minister, Jawaharlal Nehru, persuaded Punjabi freedom fighter Raghunandan Saran to start Ashok Motors, which eventually became the iconic Ashok Leyland we know today.

As the company completes its 75-year journey on Thursday, leading India's automobile revolution, Ashok Leyland is silently undergoing another transformation, this time in the electric vehicle (EV) sector. Within two years of commencing operations in October 2021, Ashok Leyland's EV subsidiary, Switch Mobility, has already captured approximately 20 per cent of the market share in India's thriving electric bus (e-bus) market.

At 75, the company is all set to drive its future growth through an aggressive foray into EVs in the Indian and overseas markets, particularly the UK.

Switch Mobility plans to introduce at least two new products annually for the next five years and has already secured investments of around ₹1,200 crore.

As part of its renewed global focus, Switch Mobility intends to launch more EV products in Europe and is exploring exports from India to markets such as West Asia,



A Switch Mobility bus near San Pablo de Valladolid church in Valladolid, Spain. The company is looking to expand its product portfolio in Europe

Africa, Mauritius, Bangladesh, and Nepal, among others.

The company is also preparing for the launch of electric variants of the Dost and Bada Dost light commercial vehicles.

"We currently hold a 20 per cent market share in India and are already the third-largest player in the UK market. Globally, around 750 buses are currently on road, including approximately 500 in India. Moving forward, our goal is

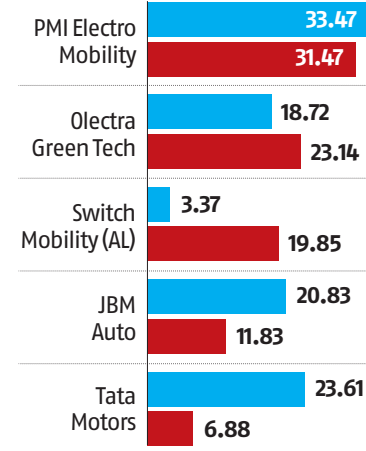
to maintain a position in the top three in both of these countries over the next three to five years," said Mahesh Babu, chief executive officer, Switch Mobility.

According to data from JMK Research & Analytics, Ashok Leyland's share of the e-bus market in India in 2021-22 was a mere 3.37 per cent, which increased to 20 per cent in 2022-23. The company anticipates more innovations in the Indian market and believes that its

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E-bus market share in India (%)

■ FY 2021-22 ■ FY 2022-23



Source: JMK research

electric double-decker bus represents a step in that direction. It also expects the adoption of e-buses to increase rapidly from the current 3.5 per cent.

The company plans to launch its e1 bus in the European market by the end of the year.

"Europe has set a goal for all city buses to be electric by 2030. They are pursuing this aggressively. The high-voltage system we are using in India accounts for almost 60 per

cent of the value, and the design is similar compared to the overseas market. We see synergy between the two. The technology will be the same, but customer touchpoints and design will differ between the two areas," Babu added.

He mentioned that Switch Mobility is also considering exports from India, where it has a capacity of around 1,500 units.

"At present, we have a capacity of 2,500 units. As we expand capacity at the Ashok Leyland facility, we can scale it up to 5,000 in three months if we receive orders. We are exploring exports to Mauritius, Nepal, Bangladesh, and African countries," he added.

Hinduja Group's EV subsidiary has already entered into partnerships with Chalo, a transport technology company, for the deployment of 5,000 e-buses across India. Similarly, it has partnered JSW for 71 buses to introduce e-buses for employee transportation in India.

Ashok Leyland also operates a company called OHM Global Mobility, which takes up electric mobility-as-a-service (eMaaS) contracts. Ashok Leyland recently announced that it would invest up to ₹300 crore as equity in OHM to operationalise the company.

"We are in the process of operationalising OHM this month. We expect it to be a major player in eMaaS contracts," Babu said.