

# Legacy companies in the mobility space are tying up with and even acquiring young startups to travel into the future



## Synopsis

Legacy companies like Mahindra and Mahindra, Hero MotoCorp, and Gulf Oil are collaborating with startups such as Ather Energy, Charge+Zone, and Tirex to explore opportunities in the mobility space. These collaborations aim to leverage synergies in electric vehicle (EV) and ecommerce sectors. Mahindra has partnered with Charge+Zone and Statiq to develop an extensive network of EV charging stations. Hero MotoCorp has joined forces with Ather Energy to create an interoperable fast-charging network. RPG Enterprises has acquired Tyresnmore.com, while Gulf Oil has acquired Tirex Transmission to strengthen their presence in the EV market.

It's two for the road. With an eye on the future, **legacy companies** are tying up with **startups** to exploit **synergies** in the highly **competitive** and fast-changing **mobility space**. Leading players such as Mahindra and Mahindra, RPG Enterprises, Hero MotoCorp and Gulf Oil are joining hands with younger firms like Ather Energy, Charge+Zone, Tyresnmore.com, Koovers and Tirex for an array of business requisites today—to ride into a different world tomorrow.

There is a range of collaborations— from **partnerships** to **joint ventures** and technical tie-ups—and sometimes acquisitions to move ahead in electric vehicle (EV) and e-commerce spaces, in particular. Experts say new business

opportunities, digitalisation, quest for increased efficiencies, push towards zero emissions and the need for sustainable technologies are bringing together these diverse set of companies.

### **Getting charged up**

Auto companies are collaborating to scale up the charging infrastructure. Mahindra has partnered with two companies in the EV-charging space—Charge+Zone and Statiq—to offer solutions for its upcoming range of cars. After unveiling XUV400, Mahindra has a line of electric SUVs to be launched in India in the next few years. Veejay Nakra, president–automotive division, M&M, says, “We are bringing efficient solutions to accelerate the mass adoption of EVs in India. Our focus is on battery and technology. We want to produce global EV products.”

Says Kartikey Hariyani, founderCEO, Charge+Zone: “We put up charging infrastructure in the hot spots frequented by Mahindra’s customers on the Mumbai-Pune corridor.”

Mahindra is working to create a vast network of EV charging stations. Nakra says its partnerships will strengthen the charging infrastructure and solve the biggest concern of an EV consumer—range anxiety.

Hariyani says apps to locate charging stations as well an EV under ₹10 lakh with a range of 300 km on a single charge can be game-changers in India.

In October last year, the Bureau of Indian Standards approved a Light Electric Combined Charging System (LECCS), India’s first, indigenously developed charging standard that combines AC and DC for light electric vehicles like two-wheelers and three-wheelers. The technology was developed by Ather Energy, a leading electric two-wheeler startup.

Following this, in December, Hero MotoCorp, the world’s largest two-wheeler manufacturer, entered into a partnership with Ather for an interoperable fast-charging network in India.

This enables riders to use the grids of either company—over 1,900 fast-charging points, which will go up to over 3,000 by 2030.

“Consumers get access to an extensive common network of charging stations, alleviating range anxiety. Multiple players using a common platform also enhances profitability,” says Ravneet Phokela, chief business officer, Ather Energy.

This could catapult India into the global league of technology-based solution providers in the EV sector, say experts. So far, the lack of a charging standard for light EVs meant most manufacturers adopted proprietary standards, which discouraged the prospect of interoperability in India. Many electric three-wheeler players chose to go with outdated charging standards used in the Chinese

market.

Says Niranjana Gupta, CEO, Hero MotoCorp: "A homegrown connector standard, for both fast- and slow-charging, is a breakthrough achievement to take the industry forward and make India the global leader in the light electric vehicle category."

### **Deals in wheels**

The automotive aftermarket sector— which deals with parts and components— is poised for rapid expansion in India. This has led several original equipment manufacturers (OEMs) to partner with or acquire e-commerce platforms to transform the auto aftermarket experience for consumers. In August, RPG Enterprises acquired Tyresnmore.com, an e-retailer of tyres and batteries that provides delivery and fitment at the doorstep.

This acquisition could redefine India's aftermarket e-commerce sector. Tyresnmore.com saw year-on-year growth of about 50% in the business-to-consumer (B2C) segment from FY2019 to FY2022. It provides consumers with a range of brands and has fitted over 150,000 tyres at the doorstep since its inception in FY2015, catering to more than 75,000 individual customers and 40,000-plus fleet vehicles. The platform has witnessed a fivefold surge in website traffic since the pandemic year of FY2021, attracting over 500,000 monthly visitors

As part of RPG Enterprises, Tyresnmore.com can scale up its operations and reach new markets. Rajeshwar Wadhwa, CEO of Tyresnmore.com, says, "We can now shift our focus towards accelerating our ambition—to become India's premier multi brand automotive aftercare e-retailer."

Around the time Tyresnmore.com was acquired, Schaeffler India acquired spare parts platform Koovers, which supplies to over 7,000 workshops and has a portfolio of around 1.8 million parts from various manufacturers. This has helped Schaeffler India expand its digital business. "Our expansion strategy, marked by the addition of new hubs and dark stores, is not just an expansion of physical footprint but a strategic move to deepen market penetration and enhance customer accessibility and distribution capabilities," says Harsha Kadam, MD & CEO, Schaeffler India. According to Schaeffler's estimates, digital penetration in India's auto aftermarket is expected to go up from 1% in 2022 to 7-10% in 2030. The rise in the number of passenger vehicles in operation and the average car age will lead to growth.

Meanwhile, in a strategic move to bolster its presence in the EV space, Hinduja Group's Gulf Oil has acquired a controlling stake in EV charger maker Tires Transmission. This acquisition is part of its ambition to be a leader in the charging ecosystem, a market valued at \$20 billion in India and is expected to cross \$200 billion by 2030, according to a study by the Council for Energy, Environment & Water—Centre for Energy Finance. This deal brings together Tires's firm footing in the charger market and Gulf Oil's distribution reach and

B2B customers. Gulf Oil has also entered into a strategic partnership with ElectreeFi, which provides software as a service to EV companies. Says Ravi Chawla, MD & CEO, Gulf Oil: “These **collaborations** are pivotal steps in our journey to make a substantial mark in the entire EV value chain. We are leveraging our distribution network to expand our penetration in the EV landscape—from EV fluids to DC chargers to SaaS formats.”

Old and new companies are tangoing on the road to the future.