

# e2W registrations recover in July but very modestly

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Even though electric two wheeler (e2W) companies saw a slight recovery in July of 12 per cent with 49,518 registrations — after a wash out in June because the government slashed the FAME 2 subsidy by a third — registrations are still lower for the second month in a row compared to April FY24.

The slow pace has raised doubts about whether the registrations will reach anywhere near either Niti Aayog's ambitious target of 2.4 million vehicles in FY24 or whether they will be closer to the trimmed down industry expectation of around one million.

In June, e2W registrations plunged to a mere 44,253, the worst month in more than a year, as companies hiked scooter prices. This was against the one lakh registrations in May though in this month too, the figure was an aberration on account of companies aggressively liquidating their stocks at the existing lower price which went up from 1 June.

Despite the recovery in July, registrations are only at 60 per cent, 77 per cent and 48 per cent respectively of March, April and May of 2023.



With a total of 0.26 million vehicles registered in the first four months of FY24, the Niti Aayog target of 2.4 million now looks like a pipedream as companies will have to hit over 267,000 registrations every month for the next eight months to make it happen.

Even to achieve the lower industry estimate of one million means companies will have to register over 92,000

## SLOW RIDE

The market is still nowhere near where it was in April (registrations)

Company	April	July
Ola	22,041	18,333
TVS	8,758	9,599
Ather	7,794	6,198
Bajaj	3,719	3,912
Okinawa	3,218	2,138
Ampere	8,324	1,343
Hero MotoCorp	145	959
Hero Electric	3,332	759
Total	63,743	49,514

Note: Only the figures of key players have been given in the chart  
Source: VAHAN data

every month which looks tough.

Yet the three top players, Ola Electric, TVS and Ather Energy, are quietly consolidating their position in the market; their combined market share has gone up from 63 per cent in May to 68 per cent in July.

With Okinawa and Hero Electric dropping sub 6 per cent, the 150 odd players in the market will very soon shrink

to just 4-6 players in the real game.

The good news is that many companies are launching new vehicles at lower price points (prices that would have been far lower if the subsidy had not been cut) that include Ola's S1 Air and the new scooter from Ather Energy which will be announced on Wednesday. TVS is also unveiling its new electric vehicle on 23 August in Dubai.

Ather Energy is expected to offer its entry level bike at around the same price range as Ola Electric.

Sources in the company say Ola Electric has had pre-bookings of around 50,000-60,000 but customers had to pay a nominal fee of ₹2,000 to do so. The actual full bookings of ₹1.01 lakh (when customers pay the entire amount), which began on July 28, have garnered 3,000 consumers.

But will these new launches, many at the entry level, get back the customers and the volumes? The industry estimates that the increase in price due to the subsidy cut dissuaded about 30 per cent of potential customers who preferred to wait and watch.

At least five of the top E2W players in July are far short of even their normal registrations in the month of April. For example, Ampere's registrations are a sixth of what it had in April, Ola's are 83 per cent, Ather's are 80 per cent, Hero Electric's 25 per cent, and Okinawa's 66 per cent. Only Bajaj Auto, Hero Motocorp and TVS bucked the trend but only marginally.