

E-scooter makers near inflexion as August registrations go up

Spurt was led by Ather Energy that saw fourfold increase in registrations

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Electric scooters (e-scooters) saw sharp increase in registrations in August — going up by over 10 per cent over July — after seeing falling/nominal growth numbers month-on-month since May this financial year (2022-23, or FY23).

The number of e-scooters registered went up from 33,099 in July to 36,463 on August 31, based on the data of eight companies, according to figures from the VAHAN website. The statistics do not include incumbent two-wheelers like Bajaj Auto and TVS Motor Company.

The spurt in growth was led by Bengaluru-based Ather Energy that saw fourfold increase in registrations in August, after the launch of its new models late July.

Hero Electric has been able to hit the 10,000-plus mark once again in August after over four months. It had breached the 13,000-mark in April, but chip shortage wreaked havoc on the company and its sales.

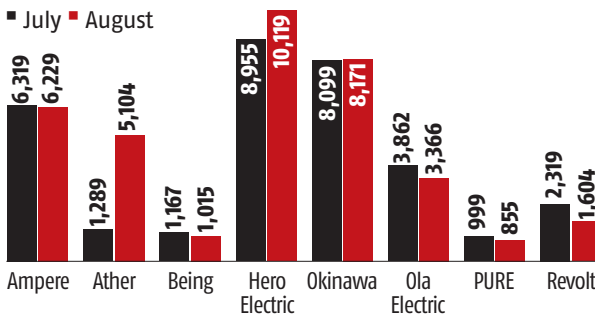
Ather was clearly the star as it saw its registrations touch a record 5,104 in August, compared with a minimal 1,289 in July. This is the highest monthly registration number the company has hit since its launch. The company unveiled the Gen 3 450X, at a starting price of ₹1.39 lakh (ex-showroom Delhi), and the Ather 450 Plus Gen 3 scooter at ₹1.17 lakh.

Says Ravneet S Phokela, chief business officer of Ather Energy: “We have registered the highest-ever monthly sales of 6,410 scooters in August. The demand has always been strong, but we have been grappling with supply-chain constraints. It is



CHARGING AHEAD

■ July ■ August



Source: VAHAN

now that all the hard work on ramping up the supply chain is beginning to pay off, and we see growth in our production numbers.”

Phokela points out that a growing momentum in production will unclog the waiting period for deliveries. Along with footprint expansion, this will help it along further as the festival season kicks into gear. Keeping Ather company is Hero Electric — the market leader in the electric two-wheeler industry saw its registration numbers go up 13 per cent end-August.

A sharp increase in August registrations has come at a time when the total two-wheeler registrations have remained stagnant — falling nominally by far less than a per cent. The combination, however, has helped e-scooters shore up their share

of total two-wheelers (internal combustion engine, or ICE, and electric) in August to around 3.5 per cent, based on VAHAN data.

This is somewhat close to the best month in FY23 — in April, it hit 3.58 per cent, with registrations of a record 43,348. After April, the share fell to as low as 2.65 per cent in May, edging back to 3.1 per cent in July.

Analysts, however, say if e-scooter sales of Bajaj Auto and TVS — which are around 5,000 per month (if they are assumed as registrations) — are taken into consideration, the share of e-scooters will touch 4 per cent.

This is quite close to what electric vehicle makers regard as the point of inflexion after which the conversion from ICE into electric will be quicker.

Nagesh Basavanhalli, executive vice-chairman, Greaves Electric Mobility (erstwhile Ampere Vehicles), has projected that the tipping point for the e-scooter industry to see large conversions from ICE into electric is expected to come by the end of FY23 when it will hit 4-5 per cent of total two-wheeler sales (based on the base of 2021-22, or FY22) — or simply sell 700,000 e-scooters.

But the downside is that the increase in registration is skewed only because of encouraging performance by a few companies. Registrations for five of the eight e-scooter players were down, with Ola Electric falling to the fifth place, replaced by Ather in the fourth spot, with over 3,300 registrations — lower than what they were in July.

But with the launch of Ola's new affordable model at ₹99,000 on August 15, analysts say they are expecting a substantial uptick in numbers in September, which could help in increasing the overall e-scooter penetration further.

E-scooter makers, however, say the market has grown sharply if viewed from a yearly perspective, albeit incidents of some scooters going up in flames and shortage of semiconductor chips and cells of batteries being a dampener.

However, the sales of e-scooters have jumped from a mere 40,000 in 2020-21 to a sixfold increase of 250,000 in FY22. In FY23, analysts expect them to hit 700,000 — a growth of 2.8x over the previous financial year (FY22).

The reasonable expectation now among most e-scooter makers is that about 30-35 per cent of the total scooter market will shift to electric by 2027.