

Electric two-wheeler sales skid by a fourth

Govt's punitive action leads to a big dent in registrations

SURAJEET DAS GUPTA

New Delhi, 30 April

Stung by the government's punitive action on electric two-wheelers, registrations in April fell by nearly a fourth to 62,581 from 82,292 in March, according to data from VAHAN.

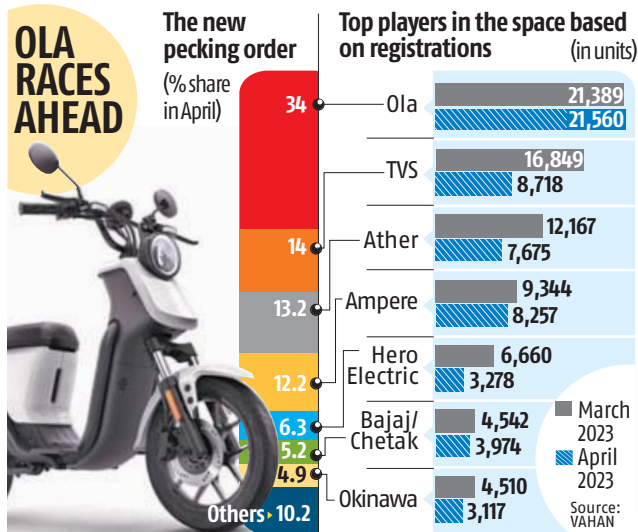
Electric two-wheeler companies, including Okinawa, Hero Electric, Ather Energy, and TVS, have all clocked their lowest registrations in the four months of this calendar year. Ola Electric has been the only exception to this bloodbath, and has crossed its March numbers, hitting 21,560 registrations in April, which is its highest in this calendar year.

As a result, there have been some interesting changes in the electric two-wheeler pecking order. The Bajaj Auto and Chetak Technologies combine has quietly moved up to the top five in April from its sixth spot in March, while Ampere has replaced Ather in the third spot.

The big hit taken by most electric two-wheeler companies has been due to the punitive action by the department of heavy industries (DHI) on Hero Electric and Okinawa, based on a whistleblower complaint. The two companies have been under audit investigation for breaking the localisation requirement of 50 per cent on their scooters, without which they cannot claim subsidies.

The two companies saw their collective registrations drop by a dramatic 43 per cent in April over March, and their share of the total electric two-wheeler pie is now a mere 10 per cent. In the 2022 calendar year, the two held nearly 31 per cent of the market.

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OLA TO REPAY CUSTOMERS FOR SEPARATELY BILLED CHARGERS

Ola Electric has agreed to compensate consumers for the price of the charger which was billed separately as an add-on rather than being included within the ex-factory price of the scooter when they bought it. Ola has indicated it will comply with the directive to offer this compensation. **SURAJEET DAS GUPTA** writes

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DEADLINE FOR BATTERY SAFETY TEST EXTENDED BY 6 MONTHS

The Centre has extended by six months the deadline to obtain the mandatory electric vehicle battery safety test certification from the ministry of heavy industries, *Business Standard* has learnt. The certification was compulsory for manufacturers from April 1 if they wanted subsidies under various schemes. **NITIN KUMAR** writes

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Electric...



According to industry estimates, as much as ₹1,200 crore of subsidies are stuck over this issue, the bulk of which pertains to these two players. If the DHI action is not challenged, it could seriously dent their bottom lines and working capital as they have already paid the subsidy to the customers in anticipation of disbursements.

But Sohinder Gill, chief executive officer of Hero Electric, said there had been media reports about the possibility of the company being asked to give back the subsidy. "If and when we get it, hopefully it would open the doors for dialogue and resolution rather than the stalemate for the past 15 months."

Gill said the market leaders manufacturing big volumes in 2019-21 had been the worst affected because of the non-existing supply chain, which was further hit by Covid for two consecutive years in 2020 and 2021. But late entrants, such as Ola, Bajaj, TVS, Kinetic, and Okaya, benefitted thanks to the supply chain that was beginning to take off in small numbers, he said.

However, the DHI's action has not been limited to only these two companies. It has also withheld subsidies to Ather, Ola, TVS, and Hero Motocorp for allegedly violating subsidy norms by charging customers separately for an accessory for the charger, rather than incorporating it within the ex-factory price. There is a cap of ₹1.5 lakh on the ex-factory price on electric two-wheelers for availing the FAME 2 subsidy.

While the issue is getting

resolved, it has dented registrations. The effect has been palpable both on Ather Energy as well as TVS, which were earlier on a roll. Ather's registrations have fallen by 37 per cent to hit 7,675 in April. TVS's fall has been sharper, with its registrations declining by nearly 50 per cent to 8,718 in April.

ESMA...

"The (February 17) measures are targeted to ensure compliance by the clearing members located in Germany with the requirements under section 30 (3) of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act), i.e. not to clear at a non-recognised third-country CCP as a clearing member, as soon as possible, but not later than 31 October 2024," the official added.

The capital requirements for European banks clearing at third-country CCPs are defined in the Capital Requirements Regulation (CRR) of the EU. These

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SOLUTION TO #3959

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