

# June sees e-two-wheeler registrations fall sharply

Drop 60% over May record of 105,348 units

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Electric two-wheeler registrations dropped sharply in June across all players to 42,124, a mere 40 per cent of the record registrations in May of 105,348.

Last month, companies had moved aggressively to liquidate their stocks before June 1 when they had to increase prices to compensate for the reduction of the government's FAME 2 subsidy.

The industry estimates that the sharp increase in price will impact overall sales in FY24 which are expected to be between 1 million to 1.2 million, less than half of Niti Ayog projections of 2.4 million by the end of this financial year. In FY23, the industry sold 0.75 million vehicles.

"Due to the increase in prices, 30 per cent of the potential customers who would have bought electric vehicles at the earlier price are out of the market," said a leading electric scooter company executive. "They will only come back when we launch the stripped down versions of our scooters at prices closer to the earlier ones. It will take us a few months to come out with those affordable models, so we don't expect it to go up to normal levels before the festive season."

The executive added that he does not see the market hitting more than 1 million in FY24, far lower than both government and industry projections.

Sohinder Gill, director general of the Society of Manufacturers of Electric Vehicles, expressed the same view. "The trend will continue in the short term before it stabilises or undergoes an uptick during the festival season. But the potential loss will not be made up until the government triples the subsidy budget for a year or two and pays the subsidy backlog," said Gill.

The situation would have been better, he said, had the commuter segment not been forced out of the market by the log-jam caused by subsidy disbursements being blocked and the failure to resolve the dispute. In this shrinking market, Ola Electric and Ather Energy accounted for over 50 per cent of the registrations in June. Ola saw its registrations drop by 42 per cent to 6,332 vehicles as compared with May. Incumbent players like Bajaj Auto experienced a euphoric May when its electric scooter registrations crossed the 10,000 mark for the first time, only to be followed by a fall in June to just 2,675 vehicles. TVS's registrations dropped by a third.

## Sales at 15 month low

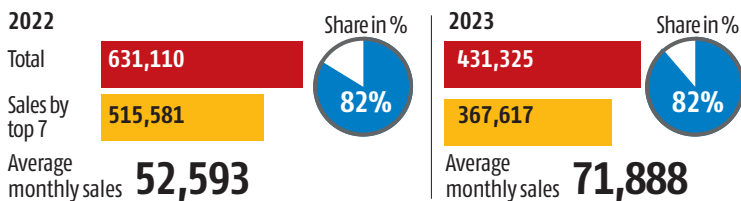
The electric two-wheeler (e2W) segment — with sales of 42,124 vehicles — touched a 15-month low in June this year. The last time the industry recorded sales numbers below this was in February 2022, when 35,721 vehicles were sold. As a result, the e2Ws segment's sales declined 60 per cent from the all-time high of 105,348 units recorded last month.



Leaders in 2022	Leaders in 2023	Sales in May 2023	Sales in June 2023	The decline (in %)	Lowest since when
Ola Electric	Ola Electric	28,625	16,332	43	Sep '22
Okinawa Autotech	TVS Motor	20,397	6,844	66	Oct '22
Hero Electric	Ather Energy	15,406	4,194	73	Jul '22
Ampere Vehicles	Ampere Vehicles	9,635	1,488	85	Oct '21
Ather Energy	Hero Electric	2,109	1,076	49	May '21
TVS Motor	Bajaj Auto	9,966	2,672	73	Mar '23
Bajaj Auto	Okinawa Autotech	2,907	2,475	15	Jun '21
<b>Overall e2W sales</b>		<b>105,348</b>	<b>42,124</b>	<b>60</b>	<b>Feb '22</b>

Despite the June decline, the monthly sales average of 71,888 vehicles during the first six months of this year is still higher than 52,593 units sold, on an average, in the first six months of 2022.

### Share of these top players in overall market



Among the companies, though there has been a change in ranking among the top seven firms, not a single one has gone out of the list. The biggest slide came for Okinawa, which dropped from second rank in 2022 to seventh in 2023. **NITIN KUMAR**

Source: VAHAN portal of the Ministry of Road Transport and Highways (MoRTH)

Companies such as Hero Electric have stopped production of their electric vehicles as they do not have the working capital (around ₹350 crore to ₹400 crore) required to be up and running. Sources say banks are ready to disburse them money only after the government releases the subsidy dues owed them and this will only happen after the pending investiga-

tion concludes whether they violated the rules on localisation. As a result, Hero Electric registrations fell to a new low in June of a mere 1,076, down by nearly half from May. The company has gone from being one of the top players last year to having a market share of only 2.6 per cent. The other big player, Okinawa, has a market share of over 6 per cent.