

1-million target may be missed

SHALLY SETH MOHILE
& SHINE JACOB

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India's electric two-wheeler market, which was likely to touch 1 million units by 2022-23 (FY23), may fall short of the target, even as sales at most firms have been advancing at a fast clip, reveals the Society of Manufacturers of Electric Vehicles (SMEV) — an association representing Indian manufacturers of electric vehicles (EVs) and EV components.

Electric two-wheeler makers attribute it to an amalgam of factors, including supply-side glitches, impending government regulations, incidents of fire, and delay in the disbursement of Faster Adoption and Manufacturing of (Hybrid and) Electric Vehicles II (FAME II) subsidies, forcing start-ups to mothball their expansion and ramp-up plans.

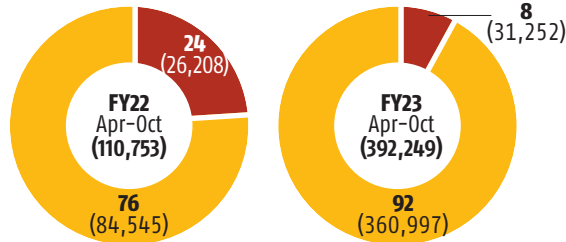
“Notwithstanding strong demand, electric two-wheeler sales in India are likely to end FY23 with 750,000 units, against our earlier projection of 1 million units,” says Sohinder Gill, director-general, SMEV.

Electric two-wheeler sales

ELECTRIC 2-WHEELER SALES

% share total e-2 wheeler mkt (Figures in brackets no. of sales)

■ Low speed ■ High speed



Source: Society of Manufacturers of Electric Vehicles

in the first seven months of FY23 rose to 392,349 units, against 110,753 units in the corresponding period last year.

The Ministry of Heavy Industries on Wednesday announced a list of safety tests that will be mandatory for EV manufacturers from April 2023 to receive subsidies under various EV promotion schemes.

These tests will enhance human safety of the battery used in these vehicles by requiring checks at three levels — battery pack, battery management system, and the cell — the ministry said in a circular.

Rakesh Sharma, executive

director at Bajaj Auto, says even as “the progression is strong, it’s slower than expected due to a combination of supply-chain issues, pricing, and to some extent, worries around quality”.

Sharma expects electric two-wheelers to account for 20 per cent of the internal combustion engine (ICE)-driven market by the end of FY23. It presently accounts for 11 per cent.

According to Gill, although the festival season was good for most manufacturers, it could have been better, if not for supply-related issues and a delay in FAME II incentive handout. It led to a working



all manufacturers,” says a source at Ather Energy.

Ather is optimistic about the industry reaching the target of 1 million units by the year-end, informs the source.

Nitin Kapoor, managing director, Saera Electric — the manufacturer of low-speed two-wheelers and three-wheelers which will contract-manufacture LML’s e-scooters — says the impending regulations for battery safety are set to create a temporary disruption in the market.

The government’s testing agencies, says Kapoor, do not have the requisite instruments in adequate numbers. This, he says, may also lead to some delay in testing all models and variants of manufacturers. This may hold up launches of models and, in turn, impact overall industry volumes.

“All these issues may temporarily crimp sales. Once everything is streamlined in six months or so, volumes will advance,” he adds. As a result, the electric two-wheeler penetration is likely to be 9 per cent of the total two-wheeler market, against the earlier projection of 12 per cent by FY23, observes Kapoor.

capital squeeze at different start-ups, says Sharma.

Electric two-wheeler registrations hit an all-time high this year, touching nearly 68,324 vehicles in the festival month of October this year — an increase of 29 per cent over the previous month. Electric two-wheelers now account for about 4 per cent of total two-wheeler registrations (ICE and electric) between January and October this year.

“We don’t see any slowdown in sales in the months to come. While the first half was slow because of supply-chain issues, the recent sales trend has been very encouraging for