

Fire-safety norms for Li-ion battery could push up e-scooter prices by 10%

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New Delhi, 2 September

Prices of electric scooters could go up by more than 10 per cent owing to extra fire-safety norms, just when their sales showed a substantial increase in August.

The government on September 1, through a notification, mandated additional safety requirements for lithium-ion batteries, to come into effect on October 1.

These relate to battery management systems, on-board chargers, designs of the battery pack, thermal propagation due to internal cell short-circuits that could lead to fire, etc.

They are applicable to two-wheelers, three-wheelers and cars (experts say cars have advanced batteries, so most of them will stay untouched).

The new norms are based on the recommendations of an expert committee constituted by the Ministry of



Road Transport and Highways against the backdrop of a series of fire incidents concerning electric scooters across the country.

While prices of batteries and electric

scooters may go up, consumers who had shelved plans to buy such scooters might re-think their plans.

Lithium-ion batteries are assembled in the country either in-house by original

THE NEW SAFETY STANDARDS FOR LITHIUM ION BATTERIES

▶ **New mandatory requirements are related to battery management system, on-board charger, design of the battery pack, thermal propagation due to internal cell short circuit which could lead to a fire, among others**

▶ **Battery prices are expected to go up by around ₹10,000**

▶ **Battery makers say that they will have to pass on the cost to OEMs, but it is a small price to pay for additional safety**

▶ **Requirement to have data of manufacture on each cell says OEMs difficult to implement**

▶ **OEMs say the deadline for implementing the new standards from October 1st is too stiff. Need discussions with policy makers for a staggered implementation**

equipment manufacturers (OEMs) like Ola Electric and Ather Energy or are sourced from third-party assemblers who import the cells.

Samrath Kochar, founder and chief

executive officer (CEO) of Tronke, which assembles lithium-ion batteries and sells them to top electric scooter manufacturers in the country, said: "The new rules will lead to an increase in the cost of a battery by 20 per cent on, say, a ₹1 lakh scooter because new equipment has to be bought and new tests done. And as a battery accounts for half the cost of a vehicle, the additional cost outgo would be ₹10,000. But the amendments are in the interests of end users because they will provide enhanced security. Only companies with good R&D and testing standards will be able to qualify and pass them."

Kochar said for electric scooters cheaper than ₹1 lakh, the percentage increase in prices would be higher because the cost of testing would be the same as that for a premium scooter.

However, he said with the appreciation of the dollar, manufacturers had little leeway to absorb the cost increase. A leading

electric scooter maker said the new standards were the key to vehicle safety.

But there are problem areas.

"While we are reading the safety standards there are some tough areas to follow. How do we ensure that every cell is imprinted with a manufacturing date on it? That looks difficult," said a senior executive of an electric scooter company.

The other tough area, lithium-ion battery manufacturers say, is the deadline of October 1.

Sohinder Gill, CEO of Hero Electric, said: "It's a well-thought-out policy. The industry and the policymakers now have to agree on a framework of implementation in the short and medium terms. Some crucial points will take months of development and testing before starting mass production."

There is a consensus this will allay growing safety concern about electric vehicles.