

EV registrations in Jan dip 15% despite Centre push

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After seeing a big rise last year, the retail market share and sales of electric vehicles (EVs) fell in January.

According to industry players, the decline in sales is owing to a halt in FAME-II (Faster Adoption and Manufacturing of Hybrid and Electric Vehicles) subsidies, the rising cost of EVs, and supply-chain constraints.

This comes after sales touched an all-time monthly high of 119,483 units in November.

EV registration in January declined over 15 per cent to 100,852 units.

Sales in January are lower than those of December (102,422 units), according to the data on the Vahan portal of the Ministry of Road Transport and Highways.

According to the data shared by the Federation of Automobile Dealers Associations (FADA), the EV market share declined across categories compared to ICE vehicles. "In two-wheelers, the share came down from 5.7 per cent in December to 5 per cent in January. Similarly, the three-wheeler share declined from 53.3 per cent to 50 per cent, for passenger vehicles it was from 1.3 per cent to 1 per cent and for commercial vehicles from 0.3 per cent to 0.2 per cent," said Manish Raj Singhania, President, FADA.

This decline is despite the government



push for green mobility by doubling its budgetary allocation for the FAME scheme and extending Customs duty exemption for manufacturing lithium-ion batteries. In terms of the retail sales data shared by FADA, on a year-on-year basis, they more than doubled in electric two-wheelers to 64,363 units (115 per cent), while being flat at 0.2 per cent growth over December 2022.

Ola Electric (18,245), TVS Motor (10,404), Ather Energy (9,139) and Hero Electric (6,393) were the top players during the month. In three-wheelers, sales declined by 3 per cent over December to 32,911 units and were up by 73 per cent over January 2022.

Sales of commercial EVs were down by 15 per cent over January 2022 and 23 per cent against December 2022. As regards passenger vehicles, they were up 116 per cent on a year-on-year basis and 11 per cent on a monthly criterion. Though market

leader Tata Motors saw a 73 per cent increase over January 2022, compared to December, it saw a 17 per cent dip.

"EV penetration and volume have largely plateaued across segments in recent months. Though the reasons are varied, we believe for two-wheelers, it is the implementation of stricter norms; for three-wheelers, it is the absence of the market leader; and for passenger vehicles, it is the lack of a wide range of model offerings," said a report by equity research firm BNP Paribas.

Based on the industry data, the sales of largest barred (their subsidies were stopped) original equipment manufacturers (OEMs) — Okinawa Scooters and Hero Electric — declined 51 per cent and 29 per cent, respectively, since November. Dealers of both electric two-wheeler manufacturers say the decline in sales is due to price hikes and longer waiting periods. A majority of the dealers bearing the brunt of the Centre's decisions are from the stable of Okinawa Scooters and Hero Electric because they contribute 83 per cent of the 243,310 vehicles sold by the 17 excluded OEMs (of the 64 OEMs registered under FAME II so far) and 20 per cent in the total EVs sold in 2022. Subsidies of both the OEMs were halted in September.

The halt on FAME subsidies led to an increase in prices of EVs. "The prices of Okinawa's electric scooters have seen a ₹13,000-40,000 increase," said an Okinawa dealer in Gurugram.