

Bajaj's affordable Chetak charges up e-scooter mkt

Major players hold 80% of sub-₹1L e-scooter segment, against 50-60% a yr ago

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Two-wheeler maker Bajaj Auto on Friday unveiled its latest offering — the Chetak 2901, a competitively priced e-scooter that is likely to heat the market further, challenging its peers which have also been introducing relatively affordable models in recent months.

Industry experts believe that major two-wheeler manufacturers are now shifting their focus to the sub-₹ 1 lakh segment in e-scooters. They have already captured an 80 per cent share of this segment, a significant increase from the 50-60 per cent share they held about a year ago.

The Chetak 2901, priced from ₹95,998, is equipped with a 2.8 kWh battery pack, and claims to offer a range of 123 km and a top speed of 63 km per hour. In contrast, the Chetak Urbane (2.9 kWh) starts at ₹1.23 lakh, while the Chetak Premium (3.2 kWh) begins at ₹1.47 lakh.

Other two-wheeler makers, too, have competitive offerings. Ola recently reduced the starting price of its SIX model (4 kWh) to ₹70,000, while Ather introduced its family scooter Rizta at a starting price of ₹1.1 lakh. Also, TVS' iQube starts at ₹1.1 lakh.

The competition is fierce, with Bajaj Auto holding a 13 per cent share of the electric two-wheeler market, according to data from the Society of Manufacturers of Electric Vehicles (SMEV). Market leader Ola has a 45 per cent share while TVS has a 15 per cent share. Ather has cornered 8 per cent of the market.

Eric Vas, president of Urbanite at Bajaj Auto, stated that the company has already begun shipping the Chetak 2901 to dealerships. He elaborated on the strategy to price it affordably, stating that

VINTAGE TRAIL

- Chetak was named after the legendary horse of the warrior king Maharana Pratap
- Chetak production started in 1972
- At its peak, it had waiting period of up to 10 years in 1980
- Bajaj had sold 500,000 units of the Chetak by 1983; 100 million units by 1995
- As competition intensified, Bajaj discontinued the Chetak in 2004
- In October 2019, the company re-introduced the iconic scooter brand in an electric avatar

ELECTRIC PLAY

50:50 split between e-scooters below ₹1 lakh and those above ₹1 lakh



the Chetak 2901 is “designed, specced, and priced to attract customers who are currently purchasing a petrol scooter to a full-size metal body electric scooter that can match and exceed a petrol scooter, without denting their wallet”.

Retail sales will commence from 15 June onwards. Vas expressed his belief

that the Chetak 2901 will “dramatically expand the electric scooter market”.

So, is the market witnessing a shift towards affordable e-scooters? Rakesh Sharma, executive director of Bajaj Auto, told Business Standard that the top five players have indeed started to “attack” the sub-₹ 1 lakh price point. He noted that the market shares of smaller players operating at this price point have shrunk with the entry of the big players. “The split earlier was 50:50 (between sub-₹1 lakh and the more expensive scooters). It remains the same now, too -- just that the top five players now have 80 per cent of the market,” he explained.

Electric two-wheeler sales shot up by more than 65 per cent in March compared to February as the FAME II subsidy was about to expire. At the end of March, the Centre launched the Electric Mobility Promotion Scheme (EMPS) for four months and it replaced the FAME II subsidy scheme. The subsidy, however, was capped at only ₹10,000 per vehicle, half of what was offered under the previous scheme. Several companies had to pass on the impact of the less subsidy to consumers, which affected overall e-two-wheeler sales in April and May.

According to SMEV (Society of Manufacturers of Electric Vehicles) data, electric two-wheeler sales nearly halved in April (compared to March) to 64,511 units and continued to slide further in May (63,841 units).

Despite these challenges, Bajaj Auto has been aggressively expanding the Chetak dealership network, with the scooter now available across more than 500 showrooms in the country. The Chetak range of scooters has received approval for the EMPS subsidy from the Ministry of Heavy Industries (MHI), and Bajaj Auto is part of the Government of India's Production-Linked Incentive (PLI) Scheme for electric vehicles.