

Festival season, discounts boost Ola Electric sales

NITIN KUMAR

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Under regulatory scanner, Bengaluru-based Ola Electric has witnessed an uptick in its sales after facing a decline during the last few months. The company's daily average sales rose to 1,154 units in October, according to Vahan data from the Ministry of Road Transport and Highways (MoRTH). With sales reaching 17,315 units between October 1 and October 15, the company has also boosted its market share to 34 per cent, up from 27 per cent in September, in the electric two-wheeler (e2W) segment.

While this surge provides a breather for the EV manufacturer, industry experts caution its adverse impact. The sales spike is largely fuelled by the festive season and discounts offered by Ola, which are unlikely to be sustainable in the long run. Moreover, despite this temporary boost, the current sales figures still lag behind those recorded over the past five months in this calendar year, said EV market experts.

The turnaround comes on the heels of Ola's "Boss" (The Biggest Ola Season Sale), a seasonal push launched on October 3, coinciding with the festival season. Ola dropped the price of its S1 X 2kWh model to as low as ₹49,999. Buyers of other versions of the S1 also enjoyed up to ₹25,000 off, while those eyeing the flagship S1 Pro could avail a ₹5,000 exchange bonus. The Boss sale of Ola is already under regulatory scanner as the Automotive Research Association of India (ARAI) has raised concerns over the company's recent pricing practices, this newspaper reported recently.

In a mail dated October 8 to the Bhavish Aggarwal-led company, the ARAI has flagged Ola's failure to inform it about a price reduction for its S1 X 2kWh model before the launch of the Boss sale. This oversight could affect the model's eligibility for a government subsidy under the PM Electric Drive Revolution in Innovative Vehicle



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Month	Total sales	Daily average
Jan '24	32,424	1,046
Feb '24	34,061	1,175
Mar '24	53,638	1,730
Apr '24	34,160	1,139
May '24	37,387	1,206
Jun '24	36,855	1,229
Jul '24	41,787	1,348
Aug '24	27,603	890
Sep '24	24,705	824
Oct '24*	17,315	1,154

* Until October 15

Source: Vahan

Enhancement (PM E-DRIVE) scheme.

By pricing its e2W under ₹50,000, Ola Electric has rolled out discounts exceeding 33 per cent, in stark contrast to the modest 5-10 per cent reductions offered by its competitors. Experts caution that such aggressive pricing strategies may come at the expense of profitability.

"Landing a vehicle for under ₹50,000 is a steal," said Preetesh Singh, a specialist in CASE and alternative powertrains at NRI Consulting & Solutions.

"The uptick in sales is anticipated, as consumers are unlikely to opt for products priced above ₹100,000 when they can snag one at half the cost. Yet, this boost is only a temporary fix; sustaining such steep discounts is not feasible and could jeopardise profitability in the long run," Singh added. Ola Electric did not respond to Business Standard's query regarding the number of vehicles sold at a discount, the impact of these sales on its profitability, and other related details.