

Ola gears up to take on M&M, Tata with electric CV plan

Likely to launch three- & four-wheeler commercial vehicles next year

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Ola Electric is set to enter the commercial vehicle space with the launch of electric small commercial vehicles (eSCVs) with three and four wheels. In doing so, it will be taking on the two top commercial vehicle giants, Tata Motors and Mahindra & Mahindra. In May, the Tatas announced the launch of the electric Ace EV, a four-wheel eSCV, and are expected to give deliveries shortly.

Mahindra & Mahindra is the dominant player in the three-wheeler electric cargo market with its Treo Zor.

A senior Ola executive confirmed the development and said the company will come out with introductory products in both (three-wheeler & four-wheeler eSCVs) segments next year.

The eSCV category represents commercial vehicles — with a gross vehicle weight not exceeding 3.5 tonnes (according to VAHAN) — which are generally used for last-mile delivery by e-commerce players.

The Ola executive said that the “sweet spot” is between 1 tonne and 3 tonnes where it will concentrate initially in both segments. eSCVs, also known as small trucks, are eligible for subsidies under the government’s FAME 2 Scheme.

Ola Electra is also readying the launch of an electric passenger three-wheeler which puts it in direct competition with Bajaj Auto, Mahindra & Mahindra, and Greaves Cotton.

It will also expand its commercial vehicle foray to include light commercial vehicles in its portfolio.



IN THE FASTLANE

▶ **Gross weight of vehicles in the eSCVs category** shouldn't exceed 3.5 tonnes

▶ **Ola dubs 1-3 tonnes** as "sweet spot" for its eSCVs

▶ **eSCVs are eligible for subsidies** under FAME2 Scheme

▶ **While Tatas are coming out with 4-wheeled Ace EV**, Mahindra has 3-wheeled Treo Zor

▶ **Tata Motors has signed MoUs with Amazon, Flipkart, bigbasket** to deliver 39,000 eSCVs

▶ **By selling its electric scooters, three-wheelers, and cars**, Ola looks to target a captive driver partner base

trillion issued a year ago -- a growth of 68.57 per cent... There has been a remarkable increase in the speed of processing of income tax returns filed during the current fiscal (year), with almost 96.5 per cent of the duly verified ITRs having been processed during the period," the CBDT said..

Ola...



Tata Motors sources say that its ACE electric vehicle has been on extended trial runs with fleet owners as charging ecosystems develop on their premises. Formal deliveries are expected to start shortly.

Ola Electric's entry into three-wheelers has been partly prompted by its plan to go for a massive electrification drive in its ride-sharing business. In selling its electric scooters, three-wheelers, and cars, it can target a captive

driver partner base.

Ola is a big player in the three-wheeler ride-sharing business and it will build some of the electric auto rickshaws according to the requirements of Ola drivers.

Both two-wheeler and auto rickshaw owners will soon be getting information about the incentives and finance support that Ola Electric plans to offer to persuade them to buy its vehicles.

Senior executives believe there is a substantial market in eSCVs and eLCVs which offers attractive margins because many of the ICE products currently available are unattractive. That is why Ola is re-engineering the product as well as its design-balancing cost with value.

In the eSCV space, Tata Motors has already signed MOUs with Amazon, Flipkart, and BigBasket to deliver 39,000 vehicles in Delhi, Pune, Mumbai, and other locations, according to reports.

Currently, total SCV market, including the pick up segment, is around 45,000 units a month which is predominantly ICE. Now the four wheel SCV segment is starting its first moves to electric conversion.

In electric three-wheelers, only about 10,400 units have been sold in calendar year 2022, according to Bain's estimates.

But it predicts that the move towards electrification will rise from the current 4 per cent in 2022 to 22 per cent by 2026 and 45-50 per cent by 2033 in a market of 770,000 vehicles.