

# Greaves Electric gears up for new product launches

After refunding FAME subsidy a month ago

SWARAJ BAGGONKAR  
Mumbai, November 20

**GREAVES ELECTRIC MOBILITY** is gearing up to launch a new scooter and a passenger version of its three-wheeler, Eltra, over the next few months.

The vehicles will be the first to be launched by the electric two- and three-wheeler maker after it refunded the entire ₹124-crore subsidy it had received under the government's Faster Adoption and Manufacturing of Electric and Hybrid Vehicles (FAME) scheme, along with the accrued interest (around ₹15 crore), in October.

Subsidies to the company under FAME were halted following an investigation over violation of manufacturing guidelines. Greaves Electric now hopes the government would soon restart the subsidies.

Speaking with *FE*, Sanjay Behl, CEO and executive director, Greaves Electric, said: "The ministry (of heavy industries) informed us that they are pursuing the process of withdrawal of show-cause notice and restoration of Greaves Electric Mobility back onto the FAME portal. We are hopeful that this will be done rapidly, but we have not been given any committed deadline."

Greaves Electric was among the companies against whom an investigation was started by the Centre following allegations of violation of the Phased Manufacturing Programme under the FAME-II scheme.

The removal of subsidy led to an increase in its product prices, which in turn led to a drop in demand. From a nearly 7% market share in January 2023, Greaves' share fell to under 5% in August 2023, in the domestic electric two-wheeler category, data from the Federation of Automobile Dealers Association (Fada) show.

"We are keen to ensure that our

## ON THE REBOUND

■ The Centre had started a probe into Greaves Electric over allegations of flouting the Phased Manufacturing Programme under the FAME-II scheme

■ The removal of subsidy led to an increase in its product prices and a drop in demand

■ From a nearly 7% market share in January, its share fell to under 5% in August in the domestic electric two-wheeler category

■ With the controversy now behind it, Greaves is pressing on with its investment plans

customers get rightful incentives to adopt electric scooters over ICE (internal combustion engine) alternatives and restore a level-playing field with other EV players in the industry," Behl said.

With the subsidy controversy now behind it, Greaves is pressing on with its investment plans for product development and market expansion initiatives. The company has lined up a capital expenditure (capex) of ₹100 crore for FY24, as per sources. In the September quarter, it had cash reserves of nearly ₹850 crore.

"Nearly two-thirds of our capex is for product and technology development. We launched the Primus in the early part of the year and we are about to launch another high-speed electric scooter Ampere NXG (80-85 kmph speed) with full-stack IoT connectivity before the end of the current (FY24) financial year," Behl added.

In the electric three-wheeler segment, Greaves is currently doing several trials with large companies like Delhivery, Magenta, Zomato and Shadowfax to name a few.