

Time to shut down production of ICE scooters: Bhavish

'Legacy players should invest in meaningful two-wheelers'

SURAJEET DAS GUPTA

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In a direct challenge to legacy two-wheeler companies, Bhavish Aggarwal, founder and chief executive officer of Ola Electric, has asked them to shut down their internal combustion engine (ICE) scooter production and, instead, invest in making "meaningful" and "quality" two-wheelers.

On Independence Day, the company launched four new electric scooter

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BHAVISH AGGARWAL,
FOUNDER & CEO, OLA ELECTRIC

models in various price ranges and also showcased four different electric motor-bikes, which will be rolled out by the end of next year. With this, Ola takes a firm lead over its legacy competitors in showcasing its range of electric two-wheelers.

"Legacy two-wheeler companies should now close down the production of ICE scooters and invest in making meaningful and quality two-wheelers for their customers," Aggarwal told *Business Standard*. Turn to Page 6 ▶



ILLUSTRATION: BINAY SINHA

developments, which are already visible and optimising them to the full extent,” K V Kamath said. Jio Financial will be a full-service financial sector player, offering a range of products from retail lending to insurance, and digital payments business.

The entry of the company into the NBFC space has stoked concerns about a disruption similar to the one in the telecom business. However, market experts maintain a mixed view, with IIFL Securities not expecting any disruption but a slight negative impact on the profitability of other companies. Analysts at Morgan Stanley, however, said it was too early to comment on the same. According to the shareholding pattern of Jio Financial Services, 46 per cent equity is held by the promoters of Reliance Industries.

Bhavish...

Asked whether his new electric scooters were positioned to wean away ICE scooter buyers in various segments to their electric equivalents in 100-150 cc, Aggarwal said: “Those who view the electric scooter market from the lens of an ICE vehicle (cubic capacity equivalent) are bound to remain in the chains of the past. The electric market is very different.”

With a share of over 37 per cent of the electric two-wheeler market in July, Ola is already the number one player in the field. The industry sold around 0.7 million electric two-wheelers in 2022, and the government’s target is to hit 2.4 million this year. However, after the uncertainty over the

FAME 2 subsidy, it does not seem likely that the target for FY 24 will be achieved.

Aggarwal said Ola had done its bit to end the ICE age — the company had stated that it should end by 2025 — through the launch of four electric scooter models. “Our portfolio now has five scooters, from ₹80,000 to ₹1,50,000, and covers all price points. With the new range, I firmly believe that customers will now have no reason to buy an ICE scooter,” he said. He said ICE players, if they had any doubts, should go to Ola’s 1000-odd outlets and see how consumer choices had changed.

Responding to the question as to why e-scooter volumes were still very small, Aggarwal said, “That will change. The launch of these five scooters will help us ramp up volumes faster as now we have an EV product at every price point. We have expanded our capacity to 1 million already and will further expand to 2 million by the end of the year.” Aggarwal pointed out that control over cell battery technology and the raw materials used for it had been a crucial part of their strategy, as key parameters like fast charging, range, weight of the vehicle were dependent on that.

Cap goods...

“Due to the surge in construction activity, labourers have ample opportunities. Simultaneously, the second generation of migrant labourers is not enthusiastic about continuing in this field. The parents of the next gener-