

# 1 mn e2W sales target for FY24 hit by tepid festival sales

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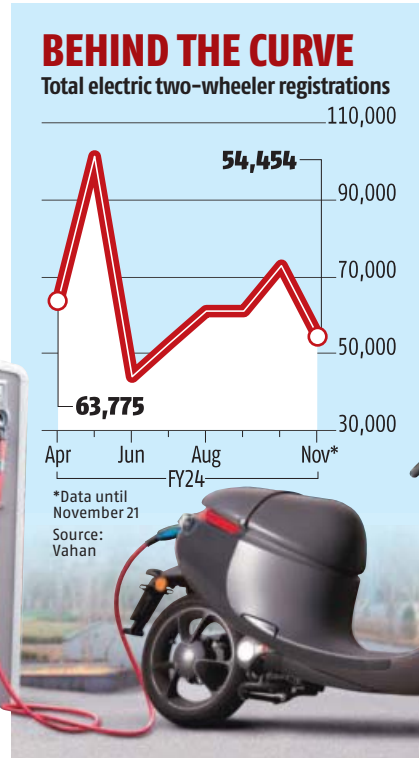
New Delhi, 21 November

Industry projections that registrations of electric two wheelers will reach the one million mark by FY24 are looking unrealistic.

Sales in the festival season have been lower than expected. Registrations reached only 0.5 million in the first eight months of the financial year with only a few days of November left.

“We would have had to reach at least 100,000 a month in the festival season of October and November to get the momentum for 1 million but that has not happened. We expect the next months to be a period of lull so we have to wait for FY25 sometime from May and June for the momentum towards 100,000 a month to pick up,” said the founder of a leading two-wheeler company. He added that the issue seemed to be that electric two-wheeler companies are not seen as ‘reliable’ by potential customers who prefer to wait and watch. These companies have to collectively make 5,000 vehicles every day for the next 100 days to hit the million mark. Currently, they are making an average of 2,200 a day. The huge ramp up required is unlikely to happen in the remaining months.

The heavy industries ministry had asked the finance ministry for an additional amount of ₹1,500 crore for meeting the subsidy requirement under FAME-2. It’s believed this was approved. The bulk of it was to be disbursed to electric two-wheeler



companies but the money was contingent on the industry’s 1-1.2 million sales projection, which no longer looks possible.

According to VAHAN data, registrations in October went up to 72,683, a growth of 18 per cent over September. For November, with about 10 days to go, the figure was

54,454. Companies estimate that going by the trend, the registrations for this month will be the same as those for October, with the best case scenario being around 80,000. December is expected to be quiet.

Companies cite many reasons for why the expected FY24 growth has not happened. One, the sudden sharp decrease in the subsidy led to prices going up by 5-10 per cent. Two, companies have not been able to introduce enough new models and that has worked as a dampener. Ather, for instance, is only now planning to expand its product line base from two to four and this will include a family scooter in two months and a premium variant of its 450 model.

Three, the regulatory challenges have kept potential buyers away. These include allegations about companies not following localisation norms and being asked to return the subsidy; the contentious issue of customers being overcharged on chargers; growing quality issues; and the lack of charging infrastructure.

Lastly, another reason for the sluggish growth is that the companies themselves are ambivalent about their future strategy and investment plans because they are unclear whether the subsidy will be extended or not. The default option most have taken is tweaking existing models to provide some semblance of variety to customers while waiting for the subsidy issue to be resolved before investing.

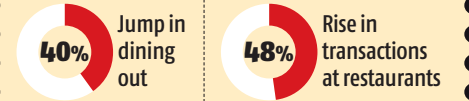
## DINING OUT TO GETTING FIT, INDIANS PUMPED LIFE INTO EXPERIENCE ECONOMY

From embarking on journeys, and indulging in culinary delights to savouring the rich experience of dining out, Indians are now redefining how festivals are celebrated, paving the way for the rise of the ‘experience economy’. Razorpay in its Diwali Trends Report released on Tuesday looked at how Indians spent this festival season. This report was an analysis and comparison of over 700 million transactions conducted on the Razorpay platform. The insights are based on the trends and patterns from the two months leading up to Diwali each year: September and October in 2023 versus August and September in 2022.

SHIVANI SHINDE

### 2023 FESTIVE SPIRIT

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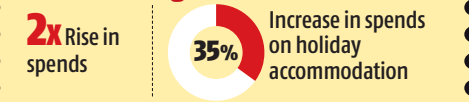


#### Mission fitness



137% rise in dietitian consultancy services

#### Festival of flights



#### Ferris wheels & rangoli



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137% Rise in jewellery and watch sales

