

2W majors close the gap with startups in EV game

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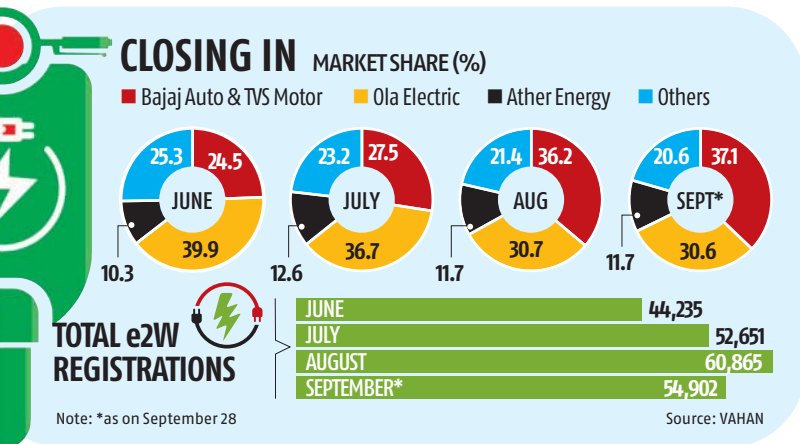
Incumbent two-wheeler giants TVS and Bajaj Auto have in the last four months aggressively ramped up volumes, which has helped them grab a substantial share of even the electric two-wheeler market. They have also reduced their gap in the number of registrations vis-a-vis the big electric two-wheeler startups, which include Ather Energy and Ola Electric.

The two players have increased their share in the EV two-wheeler market from 24.5 per cent in June to 37.1 per cent in September till date after subsidies were cut by the government in May. The figures are based on registration data from the government's VAHAN portal.

Bajaj Auto has virtually closed the gap with Ather Energy in September, notching up 6,423 electric vehicle (EV) registrations compared to 6,466 registrations by Ather as on Thursday. While Bajaj has more than doubled its electric scooter registrations from June to September, Ather has seen its numbers increase by just 40 per cent in the same period.

In the case of TVS, its gap in registrations with Ola Electric in September has come down to 2,903 vehicles from 9,802 in June this year. While TVS' registrations are up 1.7 times between June and September, the number of registrations by Ola Electric over the same period is lower, according to the latest available data.

The e2wheeler (e2W) startups say that they have been hamstrung by the delay



in getting clearances from the government for some of their new electric scooter models (both Ola and Ather have launched new models) for them to be eligible for the FAME 2 subsidy.

As a result, these models could not be delivered to the showrooms. A senior executive of one of the affected companies said: "We have not been able to deliver the scooters to our customers, even though we have a booking backlog."

He adds that they were not even allowed to transfer models from the factory to the dealers and save some time on logistics while they waited for the government to clear the new models for FAME 2. "Of course, we now have clearances, but the month is gone," he says.

He argues, however, that this is a temporary problem which will hopefully not be there during the festival season.

Other experts say that the incumbent

players, Bajaj and TVS, are ramping up their EV volumes this year with an eye on the substantial incentives (13 to 15 per cent) available under the production-linked incentive (PLI) scheme for electric two-wheelers in FY24. The incentive is a cushion for them to neutralise the impact of the reduction in the FAME 2 subsidy.

Of course, with a 30 per cent share of the market, Ola Electric still reigns supreme in the electric two-wheeler space. TVS occupies the second spot, while Ather is in third place, with Bajaj Auto closing in. The reality, however, is that the promised take-off in the electric two-wheeler industry is still waiting to happen. Niti Aayog had projected that sales would hit 2.3 million by FY24, but industry experts say that it may only be between 1 million and 1.3 million, unless the festival season bumps up sales exponentially.