

Conventional 2W makers take prime spot in EV sales, courtesy Bajaj, TVS

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A sharp increase in Bajaj Auto's sales, together with a 44 per cent jump in TVS' registrations which touched 13,000, has helped incumbent players (which include TVS and Hero MotoCorp) to become key players in the electric two-wheeler sweepstakes, grabbing close to a third of the 71,171 vehicles registered till 29 May. In April, these three incumbent operators had only a 20 per cent share of the market.

It has also helped that in May, registrations went up by 12 per cent over April that had seen a steep fall due to government action against many electric two-wheeler companies for violating various FAME 2 subsidy rules.



Bajaj Auto slashed the price of Chetak EV by around ₹20,000 in March, which helped double the bookings

The three incumbent players (mostly Bajaj and TVS) registered 20,458 vehicles collectively in May, which is pretty close to the largest player in the market, Ola Electric, which registered 22,201 vehicles — its highest ever in the past 18 months.

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Company	Registrations		% change MoM
	April	May	
Ola	21,999	22,201	0.9
TVS	8,748	12,897	47
Ather	7,785	11,211	44
Bajaj	4,068	7,317	80
Ampere	8,321	6,078	-26
Okinawa	3,217	2,552	-20.6
Hero Electric	3,332	1,853	-44
HeroMoto	145	244	68

Note: Data as on May 29

Source : VAHAN portal

The increase from incumbent operators comes close on the heels of the government decision to reduce the FAME 2 subsidy by a quarter till the end of this financial year and withdraw it totally later. Bajaj Auto Managing Director Rajiv Bajaj had opposed the

subsidy scheme, telling *Business Standard* recently that 'it is a flawed approach, unsustainable, breeds complacency and motivates corruption'. TVS, however, supported its extension. The battlelines are getting drawn more sharply. A few days

Ambani-backed EV maker said to weigh raising \$85 mn

Altigreen Propulsion Labs is considering raising \$85 million (about ₹700 crore) in a new funding round as the electric cargo vehicle maker looks to ramp up its production and invest in new models, according to sources. The company, which counts Mukesh Ambani among its backers, is seeking a valuation of \$350 million in the new round. Some of its existing investors could tag along and sell their shares, the people said.

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ago, Ola Electric raised \$300 million, with a valuation of \$6 billion, and is also readying to go for an IPO in early 2024. It is expected to present a fierce challenge to Bajaj and TVS. However, the latter have substantial cash reserves in their

books and are clearly ready to push the gas pedal.

All three companies are eligible for incentives under the production-linked incentive scheme.

Bajaj Auto company executives have already said that they will ramp up their capacity in the plant to 15,000 by the end of the year. The ramping up of registrations has been helped by Bajaj Auto cutting the price of its Chetak by around ₹20,000 in March. This helped double the bookings. Bajaj Auto was able to do this by cost architecture and a closer look at vendor costs. It has also expanded its availability to over 85 cities and work is underway for new launches.

Ola has said it is ramping up its two-wheeler capacity from 500,000 to 2,000,000 with incremental investment.

Yet, the May numbers also reflect the adverse impact of the

dispute on localisation norms (that companies availed themselves of the subsidy without meeting the 50 per cent localisation condition) that has been brewing for months between the government and companies such as Hero Electric and Okinawa.

As a result, the two companies, once among the top three players in the market, jointly registered only 4,405 vehicles in May, that's a mere 6 per cent of the total market.

Start-up Ather Energy (in which Hero MotoCorp has a reasonable stake) has also been able to ramp up its numbers. Registrations have gone up by 44 per cent to 11,211 vehicles in May. (April was an outlier due to its dispute with the government on charging customers separately for chargers, a practice it has had to stop). In March, though, Ather had already registered more than 12,000 vehicles.