

Ola rules out price hikes in e-scooters

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Ola Electric has ruled out any increase in the price of its electric scooter (e-scooter) models because of implementation of the new more stiffer safety norms for electric vehicles. It called such a move 'unlikely'.

The government has extended the earlier October 1 deadline for the implementation of new battery testing norms for electric vehicles (EVs). Ola is in variance with some EV and lithium ion (Li-ion) battery makers who have said this could lead to an increase in costs by 10 per cent or more. Arun Kumar G R, chief financial officer, Ola said: "There will hardly be any increase in costs

for us. We use value engineering to tackle cost hikes, if any."

On whether price would increase because of additional safety investments, Kumar said: "It is unlikely. Tough luck for those undercutting customers. We sell a high-quality product. It is a natural progression of value engineering and is a few bricks in the evolution structure." Kumar said cost increases have to be seen from the prism of the investment cycle.

"We invest in technology because we work on advanced software and write our own codes. For a low-cost Chinese player or one doing assembly work by importing components from there, perhaps costs could escalate."



Asked whether companies would face the problem of liquidating inventory, he said: "The inventory problem is for internal combustion engine

vehicles and not for EVs. In EVs, no one keeps a large inventory of battery packs. Their cell performance deteriorates after 180 days."

The firm has been doing wire bonding as part of the safety toolkit and is working on thermal propagation. It simply means if one cell is defective and catches fire, it will not spread to the rest. The company has already developed a solution for it and is ready for homologation. As battery lines are automated, they will require some tweaks to ensure traceability of cells.

But Kumar said that costs and quality have become inversely proportionate — a major worry for customers choosing new technology.