

Discounts fail to fire up e2w sales in January

Industry unlikely to meet FY24 target of 1 million registrations

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Registrations of electric two-wheelers have not seen a pick-up in the first month of 2024 despite substantial discounts being offered by startups Ola Electric and Ather Energy. The number stood at over 70,044 vehicles till January 30, which is lower than 73,294 registrations in December last year.

However, Bajaj Auto and TVS, the two incumbent players in the market, have refrained from joining the discounting game. Even so, they have collectively been able to exceed their registrations in January 2024 over December last year.

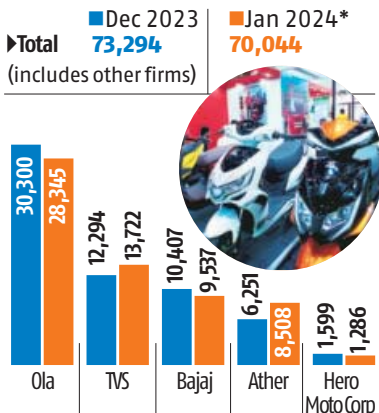
The lacklustre performance is evident from the fact that the total registrations for electric two-wheelers in the first 10 months of FY24, according to VAHAN data, was 0.68 million.

Although this was the number for the entire year of FY23, industry estimates at the start of FY24 had projected registrations of 1.2 million. This figure is unlikely to be reached by the end of the financial year, as it would require an average of 160,000 registrations per month over the next two months, more than doubling from January.

Admits the chief executive of a top electric two-wheeler company: "The market is facing many uncertainties. The future of FAME 3 and subsidies are a key area, and the accumulation of subsidies

IN THE SLOW LANE

Electric two-wheeler registrations



*As on January 30

Source: Vahan

which are pending with the government for eight to nine months, putting pressure on working capital requirements, is another."

He says customers are postponing their buying decisions. Many new models are expected to hit the market in the next few months, such as the family scooter from Ather, a series of products from TVS, and also from Bajaj. Hence, they are waiting and watching before going ahead and buying an electric scooter.

With Ola Electric slated to go for its

initial public offering, which it is hoping to push through before the general elections, the company is looking at increasing its volumes by offering a ₹20,000 discount on its Ola S1 X. The model is now available at ₹89,999, bringing it close to the price of Honda's Activa, the best-selling scooter in the country.

Following in Ola's footsteps, Ather Energy slashed the price of its 450S electric two-wheeler by ₹20,000. The model is now selling at ₹1.09 lakh ex showroom.

While Ola Electric is at the top of the electric two-wheeler pack, with a 40 per cent-plus share of the registrations in January, its registration numbers in the earlier months also included the sale of electric scooters which it has undertaken to provide to its promoter group company ANI Technologies for the expansion of its electric bike taxi service in various cities of the country.

The number of these scooters sold each month has not been divulged by the company separately.

On the other hand, the two incumbent operators, Bajaj and TVS, together have a 33.2 per cent share of the market and Bajaj Auto has said that it is trying to hit the 15,000 sales mark by Q4 of this financial year. Even Hero MotoCorp, which was lagging, has registered 1,286 vehicles in January, and if this is added to the tally of incumbent players, the latter's share of the market will go up to over 35 per cent.