



Ambattur in Chennai.

## TI Cycles' electric scooter biz picking up speed

Swetha Kannan

After stagnating for over a year, TI Cycles' electric scooter segment is slowly showing signs of revival.

The company launched the BSA-branded electric scooters in 2009. "For about one-and-a-half years after launch the business was good, before it began to stagnate," says Mr Rajesh Mani, General Manager – Marketing.

Mr Mani blames the influx of brands in the market, especially Chinese players, "who could not give consumers good service on products." The category thus was badly hit as consumers began to view it with scepticism, adds Mr Mani.

Electric scooter is a nascent market in India at 40,000 units in 2010-11 — down from 60,000 the previous year. For nearly a year, TI Cycles' electric scooters business was flat. "But it has gained fillip in the first half of this year with strong double-digit growth. Growth has especially picked up in the second quarter," says Mr Mani. Electric scooters registered volume growth of 79 per cent for the second quarter on a lower base.

"With rising petrol costs and government subsidies, we expect the momentum to continue through the year." (The Government provides subsidy of 20 per cent on ex-factory price of electric vehicles.)

TI Cycles attributes the revival to "rationalisation of product mix" and "focus on key markets" — Tamil Nadu, Gujarat Kerala, Delhi, and Andhra Pradesh — where the company has a strong service back-up or petrol prices are high.

"In 2009, we launched a slew of products in the e-scooter segment. Today, we are focussed on two products — the high-speed scooter at 50 km/hour, costing Rs 38,000 — and the mid-range scooter (Rs 25,000, 30 kmph)."

The company is set to launch a low-cost model for Rs 22,000 (25 kmph).

Also, Chinese players are no longer in the market and consumer confidence is back, adds Mr Mani.

BSA e-scooters are sold through 65-odd 'BSA Motors' showrooms. The electric scooter has found takers in students, old people, women and small-time traders, says Mr Mani.

E-scooters are assembled at a plant in Ambattur, Chennai. While motor is imported from China, other parts are indigenous.

Revenues

TI Cycles clocked revenues of Rs 1,100 crore last year. About 85 per cent came the cycles and 8 per cent from fitness products; electric scooters and others account for the rest. "E-scooters don't account for chunk of revenues but they are an important part of our business."

Other players in the e-scooter market are Hero and Yo.