Scooter sales in fast lane on EV boom, GST cuts

ANJALI SINGH
Mumbai, 10 August

Charging up

- Siam data showed domestic scooter sales rising 30.8% Y-o-Y in the Q1FY27 from 1.7 million units to 2.2 million units
- Motorcycles, still the larger segment by volume, grew at a comparatively modest 14%
- Siam attributed the divergence partly to last year's GST rate cut
- Escooters are amplifying the shift

For decades, motorcycles have been the default choice for Indian two-wheeler (2W) buyers — rugged, fuel-efficient and inexpensive to maintain, particularly in rural and value-conscious markets. That preference, however, appears to be loosening its grip.

Data released by the Society of Indian Automobile Manufacturers (Siam) showed domestic scooter sales rising 30.8 per cent year-on-year (Y-o-Y) in the first quarter of financial year 2026-27 (Q1FY27), from 1.7 million units to 2.2 million units. Motorcycles, still the larger segment by volume, grew at a comparatively modest 14 per cent, from 2.9 million units to 3.3 million units.

Siam attributed the divergence partly to last year's goods and services tax (GST) rate cut. "The growth in the scooter segment was higher compared to motorcycles in two-wheelers in Q1FY27, and the segment continued with the momentum created due to reduced GST," it said.

The shift also marks a reversal of a long-term trend in the Indian two-wheeler market. During the 1980s, scooters dominated domestic sales, but motorcycles steadily gained ground after the entry of the four Japanese joint ventures in the mid-1980s.

As consumers gravitated towards more fuel-efficient and technologically advanced motorcycles, the segment's share of the market eventually crossed 70 per cent.

Electric scooters (escooters) are amplifying the shift. Domestic sales in the above-250-watt escooter category — which includes models from Ather Energy, Bajaj Auto's Chetak, Hero MotoCorp's Vida, and TVS Motor's iQube — nearly doubled from 207,000 units to 393,000 units. Exports from the category rose nearly 12-fold.

Kumar Rakesh, associate director at BNP Paribas, who tracks the automotive and technology sectors, said EVs contributed significantly to the overall growth in scooter sales during the quarter. "Excluding EVs, the rest of the scooter segment grew 22 per cent Y-o-Y," he said, adding that the emerging "sports scooter" sub-segment was also outperforming the broader category.

After excluding both EVs and sports scooters, growth in the remaining scooter portfolio falls to the mid-teens — only marginally higher than motorcycle growth, Rakesh said. Motorcycles continue to be weighed down by weak demand in the entry-level segment.

Tata trustees call for inclusion of SRTT members in AGM

BS REPORTER
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The letter assumes significance because the absence of Sir Ratan Tata Trust could imply a lack of quorum at Tata Sons' AGM

Some trustees of Tata Trusts, the largest shareholder of Tata Sons, approached the Maharashtra Charity Commissioner recently with a plea to allow trustees of the Sir Ratan Tata Trust (SRTT) to participate in a critical annual general meeting (AGM).

SRTT, one of the two core shareholders of Tata Trusts, was barred by the Charity Commissioner earlier this year from attending meetings and taking any decisions following alleged violation of governance norms linked to life trustees. Ahead of the Tata Trusts board meeting on August 13 and the Tata Sons AGM on August 18, the letter to the Commissioner assumes significance because absence of SRTT could imply a lack of quorum. The AGM is expected to take up adoption of accounts, besides reappointment of N Chandrasekaran as a board director on Tata Sons.

Chandrasekaran, whose second term as executive chairman of Tata Sons is until February 2027, is due to retire as a board director by rotation. In the letter to the Commissioner, the trustees have cited the need for one-time freeing up of the SRTT, citing the proposed grants of ₹400 crore and payout of dividends that are to be approved at the AGM.

RPSG Group subsidiary to acquire ReNew's 1.4 Gw solar capacity for ₹4,859 cr

NANDINI KESHARI & ISHITA AYAN DUTT
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The RP-Sanjiv Goenka Group (RPSG) on Monday announced that Purvah Green Power Private Limited, the renewable energy platform of CESC Limited, will acquire a 1.4 gigawatt peak (Gwp) operating solar portfolio from Renew Solar Power Private Limited, at an enterprise value of ₹4,859 crore. The portfolio is held across six project special purpose vehicles (SPVs) in Rajasthan and Karnataka.

Funded by the parent company, it is among the largest acquisitions of solar assets in the Indian market, the company said in a statement.

More than 90 per cent of the capacity is contracted with the Solar Energy Corporation of India under long-term power purchase agreements, with the balance contracted with Karnataka distribution companies, it said, adding that all PPAs are over a 25-year tenure.

"This marks our move from a conventional power player to a diversified energy platform," said Shashwat Goenka, vice chairman, RPSG. "For us, this is going to be a combination of disciplined greenfield development as well as selective acquisitions, which will accelerate value creation for us."

Post the acquisition, Purvah's contracted capacity will increase to 4.8 Gwp, of which 1.8 Gwp is operational and 3 Gwp is at various stages of construction.