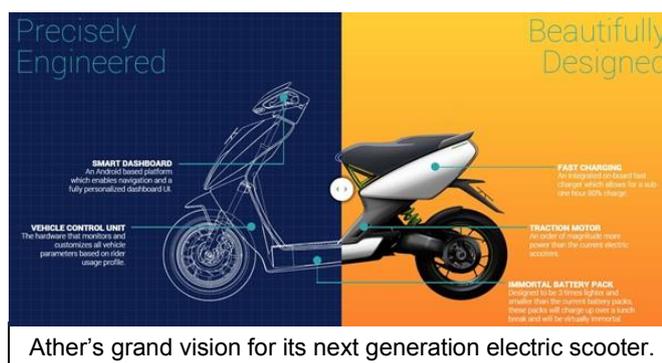


Indian Electric Scooter Start-Up Mobilizes US\$1M with Support from USAID

“Being a part of AFCEF4 competition enabled us to develop a more viable business plan that is more attractive to investors.” *Tarun Metha, Co-Founder and CEO*



It is estimated that cities account for up to 75 percent of global CO₂ emissions, with the transportation sector among one of the highest contributors.¹ As of 2009, transportation accounted for approximately one-fifth of global primary energy use and one quarter of all energy-related carbon dioxide (CO₂) emissions, with nearly half of those emissions originating from passenger vehicles.²

India faces the same transportation, economic, and environmental challenges as other large, rapidly developing countries in the world. Air pollution levels in New Delhi, India's capital, greatly exceed national and World Health Organization health-based standards, and transportation is by far the largest source of pollution. In the past 30 years alone, Delhi's population more than tripled and the number of vehicles increased almost 15 times. By 2020 the population is expected to surpass 22 million, with car sales expected to increase 10% per year.³

In recent years, electric vehicles have emerged as an increasingly popular alternative in big cities struggling to cope with growing populations and pollution. According to India's Society of Manufacturers of Electric Vehicles, an estimated 130,000 electric vehicles were sold in India in 2011-12. By 2020, the government hopes to have at least 7 million electric and hybrid vehicles in the country. In an effort to reach this goal, the government has begun providing subsidies of up Rs.50,000 (approx. \$800 USD) for electric two-wheelers.⁴

This new trend focusing on energy efficient and electric vehicles has given rise to a number of new companies and technologies. Among them is Ather Energy, an electric vehicle technology start-up founded in 2013 by group of ambitious engineers based at the India Institute of Technology in Madras. The company recently closed on a US\$1M seed round of equity financing from several well-known Indian angel investors, V Sachin and Binny Bansal, co-founders of Flipkart. For their first product, the company is building smart, electric scooters targeted at the upscale portion of the Indian market. With plans to open a brand new design center in Indiranagar, Bangalore, test rides and facility tours are expected to begin in 2015.

Shortly after incorporating, Ather Energy joined the USAID's Private Financing Advisory Network-Asia (PFAN-Asia) program through the 4th Asia Forum for Clean Energy Financing (AFCEF-4) Business Plan Competition where the company was selected as a semi-finalist. At AFCEF-4, Ather Energy participated in a capacity building workshop and the main Investor Forum, enabling them to further refine their investment pitch as well as gain exposure to industry experts and investors.

¹ *Cities and Climate Change*. United Nations Environment Programme.

<http://www.unep.org/resourceefficiency/Policy/ResourceEfficientCities/FocusAreas/CitiesandClimateChange/tabid/101665/Default.aspx>

² *EV City Case Book: A Look at the Global Electric Vehicle Movement*. 2012.

<http://www.iea.org/publications/freepublications/publication/EVCityCasebook.pdf>

³ *Transportation in Developing Countries: Greenhouse Gas Scenarios for Delhi, India*. Center for Climate and Energy Solutions. May 2001.

<http://www.c2es.org/publications/transportation-developing-countries-greenhouse-gas-scenarios-delhi-india>

⁴ *Govt plans subsidy to boost electric, hybrid vehicle sales*. January 3, 2013.

http://www.livemint.com/Politics/vALP1H7qAiQbZbDJqKEZTJ/Govt-plans-subsidy-to-boost-electric-hybrid-vehicle-sales.html?utm_source=copy