Quote by Nikhil Dhaka, Vice President, Primus Partners

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River Mobility races to expand—but losses mount in a tough EV market

Backed by Yamaha and Toyota Ventures, the EV startup has scaled up retail and scooter sales within a year. But rising losses, low production utilization, and wary Indian consumers raise questions about whether it can survive the shakeout.

Authored by Rwit Ghosh

River Mobility founders Aravind Mani (left) and Vipin George (Photo Credit: Special Arrangement)

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Electric scooter company River Mobility has seen its losses more than double in FY25, reaching ₹176 crore—up from ₹82 crore in FY24—even as revenue grew 20-fold. The company's aggressive expansion into retail outlets, with 25 stores now operational, has been a key driver of this surge.

In FY24, River's revenue stood at ₹5 crore, according to regulatory filings accessed by business intelligence platform Tofler. In FY25, it jumped to ₹104 crore. Despite the mounting losses, CEO and co-founder Aravind Mani remains confident about the company's growth prospects. "We only had four months of sales in FY24. At the time, we didn't have any distribution, and we were selling out of an office in Whitefield, Bengaluru," Mani told Mint. “Over the last year, we’ve opened 25 outlets. Revenue increased because we’re now selling through more outlets." The company saw a dramatic 16-fold increase in scooter sales, from 390 units in FY24 to 6,157 units in FY25, underscoring the impact of this retail expansion. Launched in October 2023, River Mobility’s Indie electric scooter is now the company’s flagship product.

Expansion plans amid tough market conditions

River Mobility is targeting 100 stores by the end of FY26 and aims to expand rapidly across India. Currently, its footprint is largely confined to southern India, with a new store in Pune scheduled for April. "Opening there (in Pune) makes sense from a fundamental perspective because it’s a large two-wheeler market," said Mani, stressing that growth decisions are driven by practicality, not just optics. “We're increasing our spend in marketing as we scale across the country."

The company spent the previous financial year focusing on adding manpower to its R&D segment while also increasing staffing at its manufacturing plant in Hoskote on the outskirts of Bengaluru.

River Mobility expects to be gross margin profitable between September and October this year. “Once we hit a scale of selling 15,000 to 20,000 units a month, we will be ebitda positive," Mani said. Achieving that will require a sharp ramp-up in production. Though the Hoskote facility can produce up to 8,000 units a month, it’s currently operating at under 20% capacity—producing just 1,000–1,500 units. River plans to scale gradually through the year, aiming to hit 75% capacity (about 6,000 units a month) by the Diwali season—one of India’s biggest festivals, when sales typically spike. Founded in 2021 by former Ultraviolette Automotive employees Aravind Mani and Vipin George, River Mobility has raised $68 million, approximately ₹565 crore, from investors such as Yamaha Motor Co., Israel’s Maniv Mobility, Al Futtaim Group, Toyota Ventures, and Lowercarbon Capital.

But despite the strong global backing, Indian investors have yet to come on board. A fresh fundraise is planned, though timelines remain fluid. “We're just waiting on a few macroeconomic conditions to stabilise. The tariff war is quite bad. We don't know if we're looking at a recession this year," Mani said. “We have enough strategics on the cap table. What we need is a very strong financial growth investor to come in."

Current market scenario

Making a meaningful dent in the market won’t be easy, given how legacy players like Hero MotoCorp, TVS, and Bajaj Auto are expanding their EV offerings. “Challenges for new entrants, at the end of the day remains reach to the customer and the product. The fundamental pillars," said Amit Kaushik, country head at Urban Science, an automotive consulting company. “Of course, if you have the right product, right pricing and reach, there's room to play."

Given the head start on supply chain, distribution and overall presence that most of the bigger companies have in the space, the survival odds for many of the startups in the space aren't great. “A few years down the line, we may see maybe 10-20% of these startups survive.

The rest will be consolidated into the bigger players," said Nikhil Dhaka, vice president at Primus Partners, a global management consulting firm. “They can create innovation and build niche products, but incumbents have their dealer networks. That's a big thing."

Consumer perspective

Then there’s the task of convincing consumers.

According to Deloitte’s 2025 Global Automotive Consumer Study, just 8% of Indian consumers prefer all-battery electric vehicles (EVs). Internal combustion engines still dominate at 54%, with hybrids and plug-in hybrids at 21% and 12%, respectively. Safety remains a key concern. The Deloitte report found that concerns around battery technology are among the top three issues when it comes to battery-powered EVs in India.

“Safety is still a critical issue, and we've seen so many examples of vehicles catching fire," said Dhaka of Primus Partners. Urban Science’s Kaushik agrees. “The quality of products from early entrants into the EV space wasn't reliable. It's why customers still continue to have a soft corner for traditional players on whom they've been relying on for years."

The concern isn’t unfounded. Karnataka alone saw 83 EV fire incidents last year—most involving two-wheelers, according to news reports. EV adoption is also hampered by poor infrastructure.

The Deloitte study found that only 44% of consumers have dedicated access to home charging, while 41% have no access at all.

Public charging infrastructure is limited, and there is no unified charging port system yet, further complicating EV adoption in India