ELECTRIC VEHICLE

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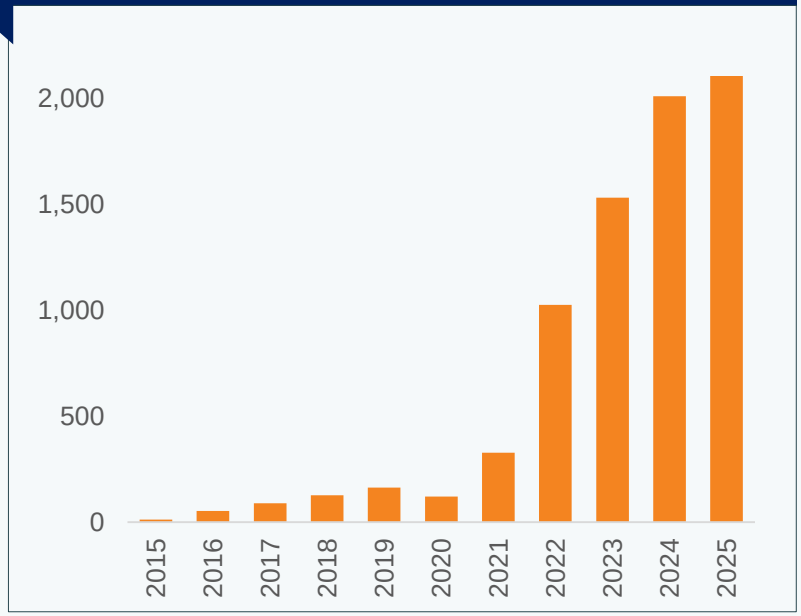
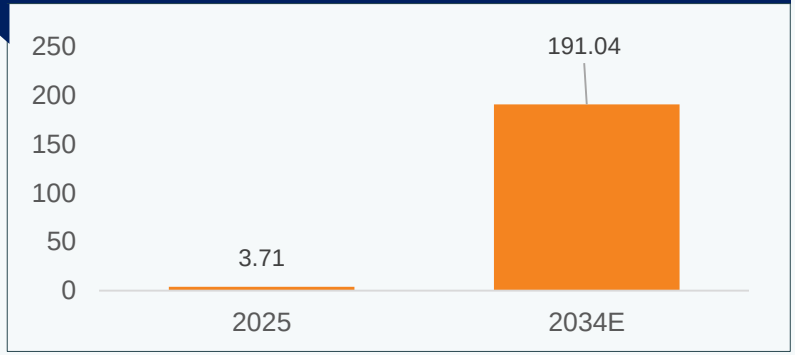
Executive summary

- The government has notified the PM E-DRIVE scheme with a budget of Rs. 10,900 crore (US$ 1.30 billion), set to run from October 1, 2024, to March 31, 2026. It aims to boost electric vehicle adoption, charging infrastructure, and EV manufacturing in India.
- The Indian electric vehicle (EV) market is poised for "strong and steady" growth through 2030 as companies increasingly shift focus to this segment, supported by robust government leadership.
- As of Q3 FY26, India's EV sales reached 6,89,050 units, representing 7.29% penetration of total automotive sales with 2W and 3W making up nearly 87% of EV volumes, EV penetration rising across 2W, 3W passenger and 4W segments QoQ.
- The EV sector is dominated by two-wheelers and three-wheelers, constituting roughly 87.61% of total EV sales in Q3 FY26.
- Electric passenger vehicles (4Ws) showed an 51.13% YoY growth, reaching around 78,171 units sold in Q3 FY26.
- In 2025, the global electric vehicle market was valued at US$ 917.30 billion. It is forecasted to reach approximately US$ 4,886.20 billion by 2034, growing at a significant CAGR of 20.43% from 2026-34.
- According to IMARC Group, the Indian electric vehicle market was valued at US$ 3.71 billion in 2025 and is projected to grow to US$ 191.04 billion by 2034, registering a CAGR of 54.94% during 2026-34.
- India has established an objective to increase the proportion of electric vehicle (EV) sales to 30% in private cars, 70% in commercial vehicles, 40% in buses, and 80% in two-wheelers and three-wheelers by the year 2030. This equates to an ambitious objective of 80 million EVs on Indian roads by 2030 as per the estimates of CII.
- India's mobility industry is set to exceed Rs. 51,92,400 crore (US$ 600 billion) by 2030, driven by EV adoption, with two-wheeler EVs reaching 35-40% and four-wheeler EVs hitting 15-17%.
- Electric vehicle (EV) sales penetration in India is projected to exceed 7% by FY28, contingent on the timely resolution of rare earth element supply disruptions and continued new model launches, according to a report by CareEdge Advisory.

Sale of EVs in calendar year (in thousands)

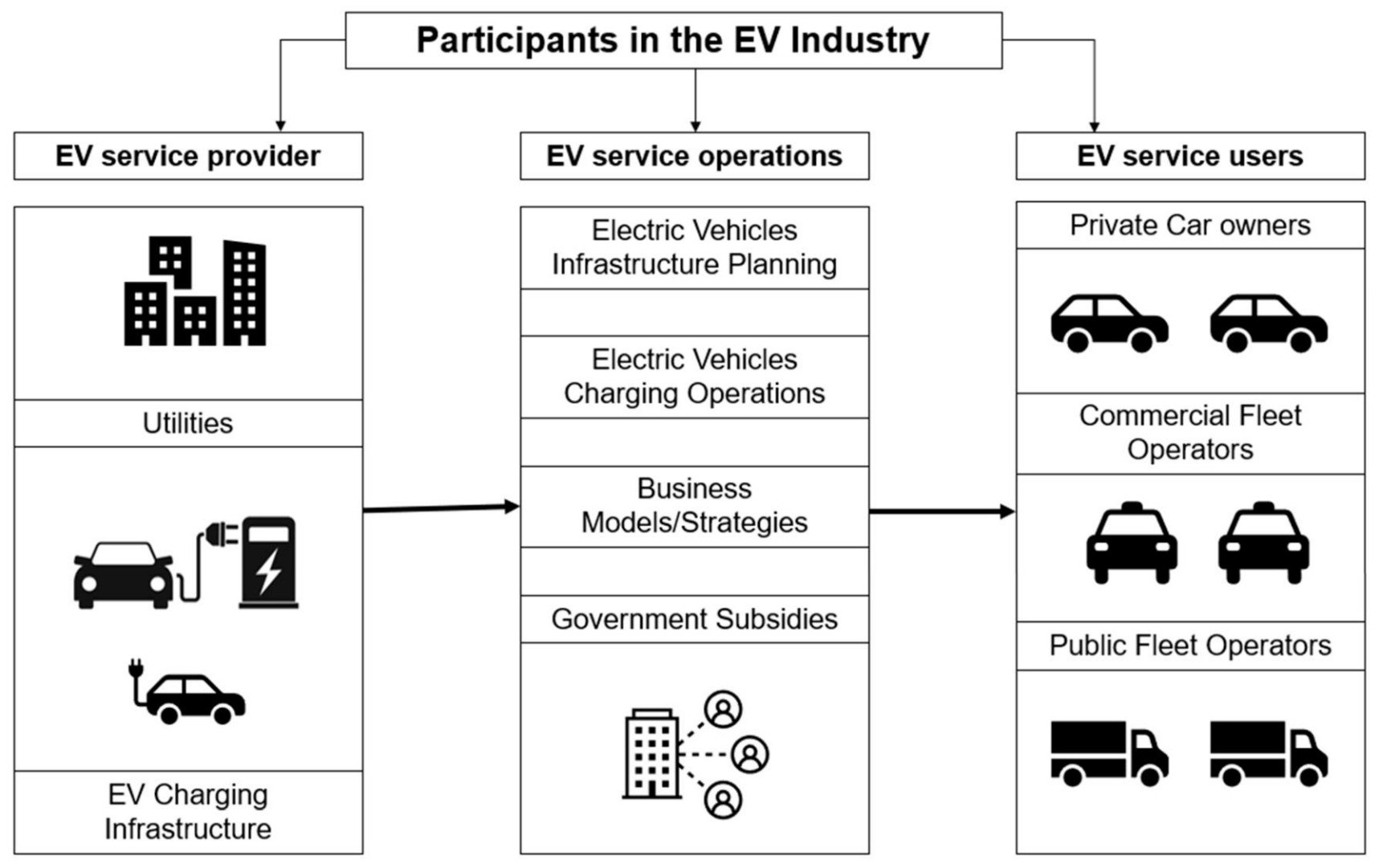


EVs market size in India (in US$ billion)



Source: *PIB, Media research*

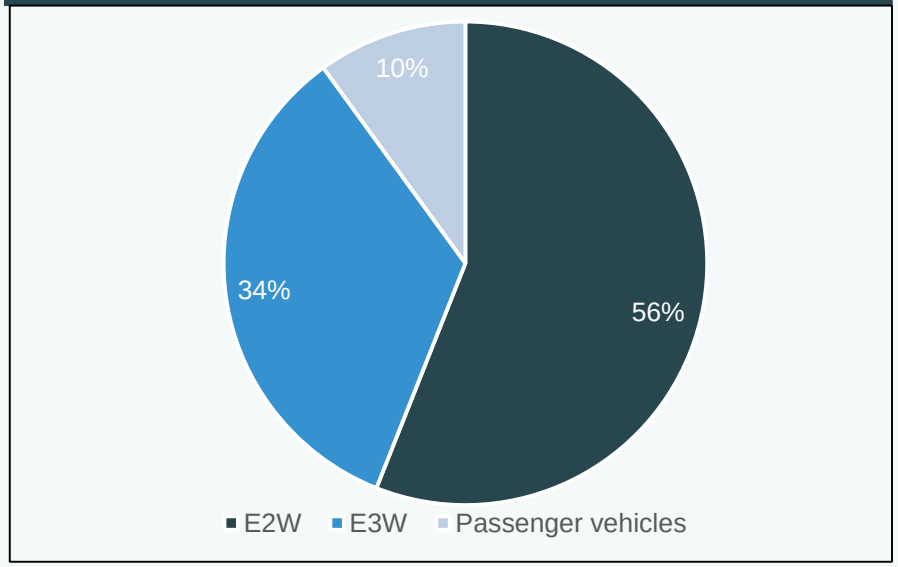
Participants Structure



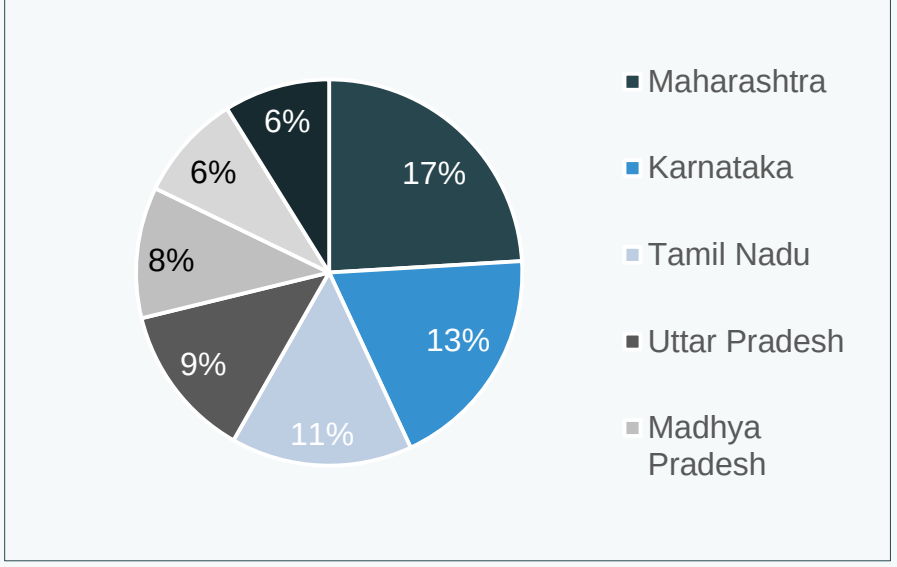
Source: *EY Parthenon Electrifying Indian Mobility, PIB*

Sector Composition

Electric vehicle sold by category in FY25



Share of two-wheeler sales by state as of CY25 (%)



- As of February, Maharashtra leads in 2W sales for FY26, attributed to increased income levels and favorable government regulations.
- Karnataka has set a goal to electrify 100% of three and four-wheeler cargo vehicles by December 2030.
- Madhya Pradesh is committed to achieving a 100% electric commercial and logistics fleet, 100% electric buses, and 100% electric government vehicles by 2028.
- In January 2026, electric car sales surged to 30,314 units, 51% jump from 20,088 units a year ago and a 27% MoM growth.
- EV sales grew by 22% in FY25 to 2.05 million units, up from 1.68 million in FY24.
- Electric passenger vehicles crossed the 2,80,000 units mark with 81.1% growth. E-2W registrations rose 11.5% to 1.28 million units, while E-3Ws saw a 15.4% rise to around 7,97,000 units in FY25.

Source: PIB, E-2W:Two-wheeler, E-3W: Three-wheeler

Advantage India



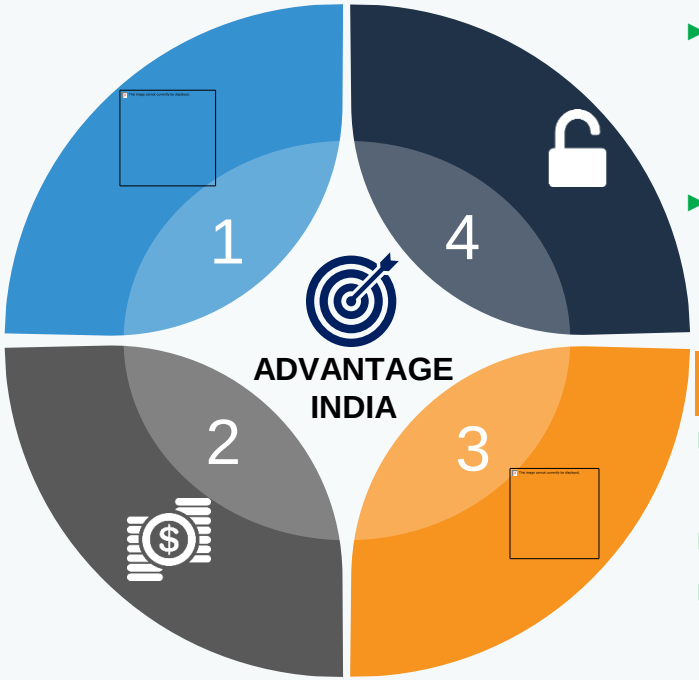
Advantage India

1 Growing demand

- In 2025, Indian automakers introduced as many as 18 new electric vehicles (EVs), as India's EV sales rose 16-17% to approximately 2.38 million units in CY2025, achieving 8% market penetration despite global headwinds, while sustaining the 30% target by 2030 through continued policy support.
- As of December 2025, India’s EV charging network has expanded rapidly, growing rapidly from FY22 to Q3 FY25. Public charging stations reached 29,151 by Q3 FY25, marking a strong 78% CAGR.
- Sales of luxury electric vehicles (EVs) in India rose by 84% YoY to 10,656 units in 2025, up from 5,780 units in 2024, as per data from the VAHAN portal of the Ministry of Road Transport and Highways.

2. Opportunities

- Opportunity for the EV sector lies with the establishment of 1.32 million charging stations in India by 2030, requiring 4,00,000 installations yearly.
- Tamil Nadu is set to receive around Rs. 50,000 crore (US$ 5.84 billion) in EV sector investments by 2025, aiming to generate approximately 150,000 jobs.
- Union Minister of Commerce & Industry, Mr. Piyush Goyal, launched Bharat Mobility Global Expo 2025, outlining India's vision to lead in EVs and target Rs. 8,65,000 crore (US$ 100 billion) exports.
- In September 2025, Union Minister Mr. Nitin Gadkari inaugurated India’s inaugural Hydrogen Highway, a pivotal initiative to advance green hydrogen adoption and integrate clean energy into long-distance freight transport. The project includes establishing hydrogen fueling stations along key national highway corridors.



4. Increasing investment

- India is emerging as a global hub for auto component sourcing and the industry exports expected to reach the target of US$ 100 billion by 2030.
- India’s auto component industry will see Rs. 25,000-30,000 crore (US$ 2.89-3.46 billion) investment in FY26 for capacity expansion and EV parts, after Rs. 15,000-20,000 crore (US$ 1.73-2.31 billion) in FY25, says ICRA
- India's electric vehicle (EV) sector garnered approximately Rs. 2.23 lakh crore (US$ 25.6 billion) in investments between 2020 and 2025, representing 18% of the projected total investment required by 2030. Investments in public charging infrastructure over the same period constituted around 9.6% of the Rs. 20,600 crore (US$ 2.36 billion) estimated to be needed by 2030.
- On August 4, 2025, Vietnam’s EV maker VinFast has opened its first overseas plant in Thoothukudi, Tamil Nadu, marking its third facility globally. The project involves a phased investment of Rs. 16,000 crore (US$ 1.83 billion), with Rs. 4,300 crore (US$ 490 million) committed in the initial phase.

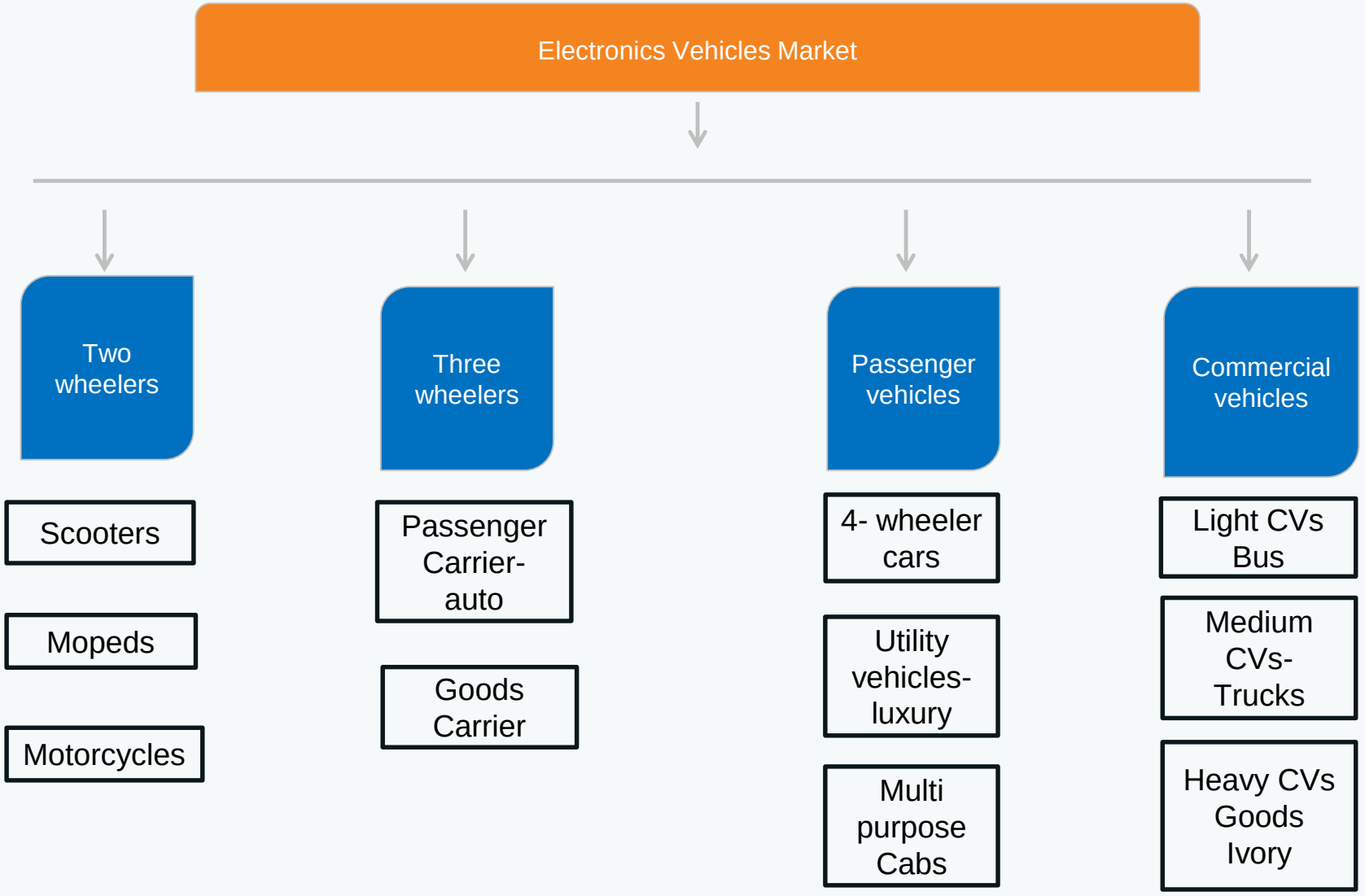
3 Policy support

- In Phase-II of the FAME India scheme, the Ministry of Heavy Industries (MHI) approved a capital subsidy of Rs. 800 Crore (US$ 96.13 million) to set up 7,432 Electric Vehicle Public Charging Stations (EVPCS).
- 100% FDI allowed under automatic route for the auto components sector.
- The Ministry of Housing and Urban Affairs launched the PM-eBus Sewa Scheme on August 16, 2023, with a Rs. 20,000 crore (US$ 2.28 billion) support to deploy 10,000 electric buses through the PPP model. By August, 2025, 7,293 e-buses had been sanctioned across 14 states and 4 union territories.
- A 100% customs duty exemption was granted on 25 critical minerals, including lithium and cobalt, essential for EV battery production.
- On July 29, 2025, DPIIT signed an MoU with EV maker Ather Energy to boost India’s EV and manufacturing startup ecosystem. The partnership will support deep-tech startups with mentorship and infrastructure in areas like battery tech, vehicle manufacturing, and clean energy.

Market Overview

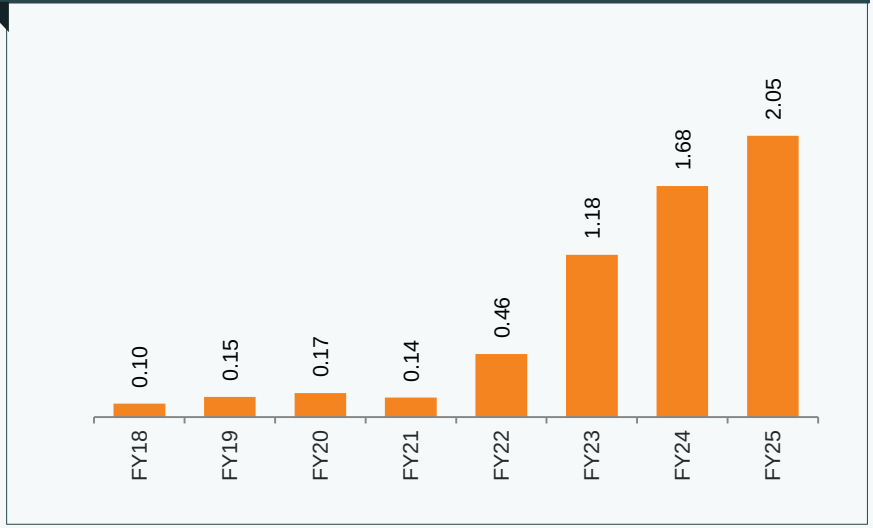


Product segments

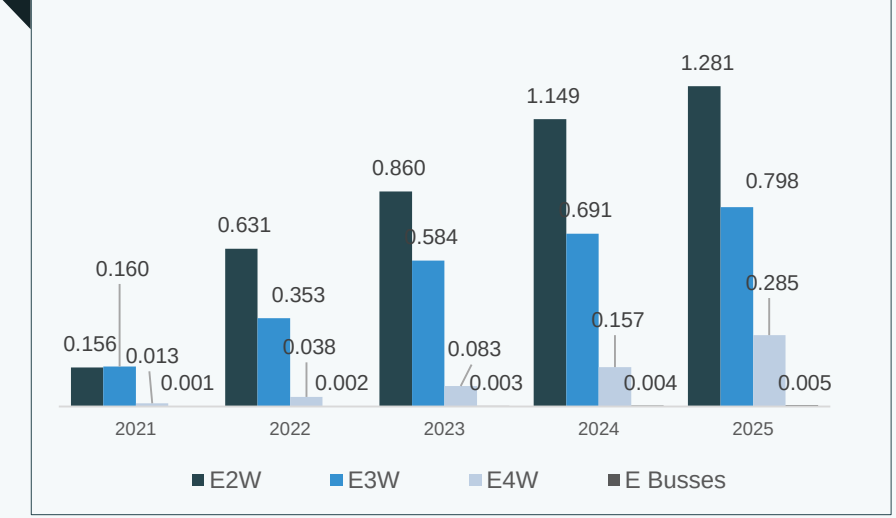


Robust growth

No. of electric vehicle registered over the year (in millions)



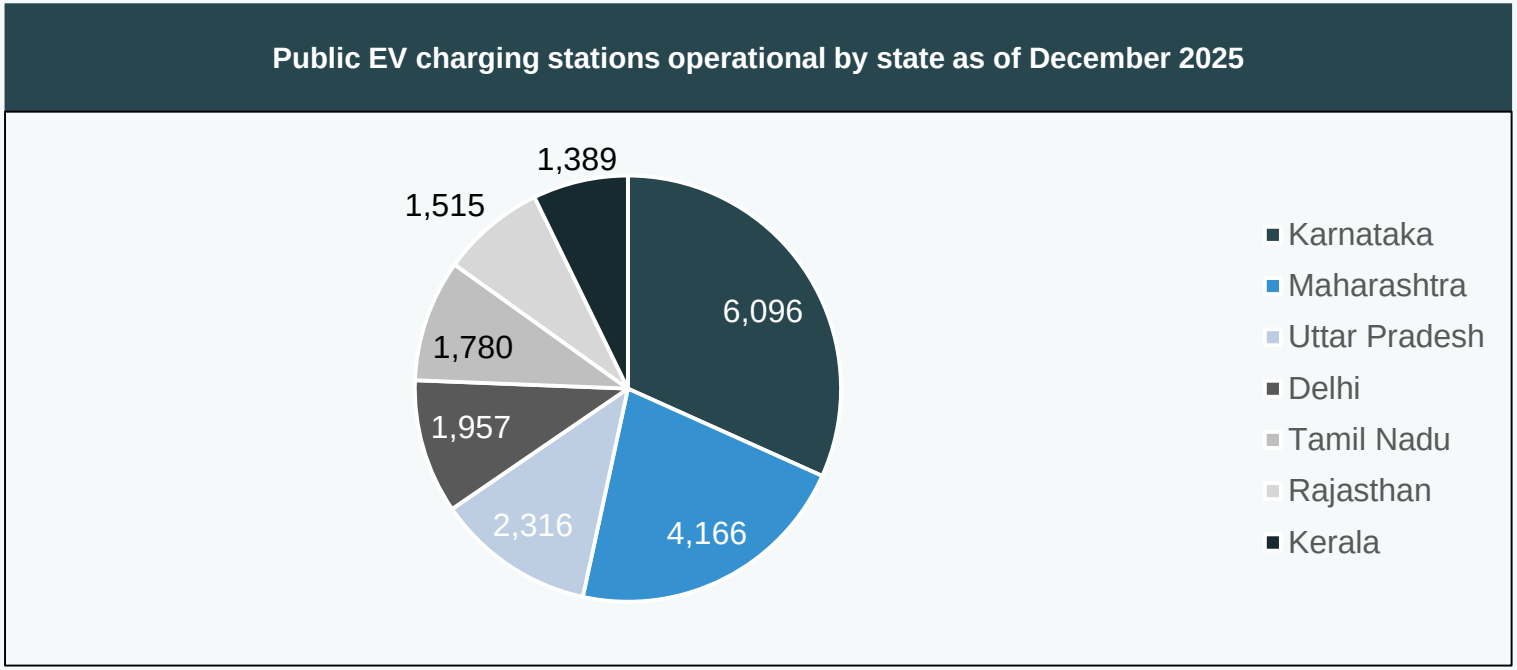
Number of electric vehicles sold by category (in millions)



- India's electric vehicle (EV) sales continued to rise in FY25, reaching 2.05 million units, up from 1.68 million in FY24. While the total number of units sold increased, the YoY growth slowed to 22% in FY25, compared to a sharper 42.37% jump in FY24.
- The automotive industry's transition to electric vehicles is picking up speed. The rise in electric vehicle registrations in recent years has been fueled by supportive government policies and a shared goal of reducing CO2 emissions.
- India's electric vehicle market is set to reach US$ 191.04 billion by 2034, with EV financing alone growing to Rs. 4,00,000 crore (US$ 47.03 billion) by 2030, driving massive job creation and industry expansion.
- A total of 2,12,804 EV units were sold in December 2025, led by robust growth in electric passenger vehicles (e-PVs) and sustained demand across two-wheelers, three-wheelers, and commercial vehicle segments.
- E2W sales in December 2025 was 98,160 units, marking a 33.07% rise from 73,766 units a year earlier, with their share in total EV sales decreasing to 46.13% from 49.22%.
- In December 2025, E3W sales surged to 88,272 units, 48.58% jump from 59,412 units a year ago and a 5.51% MoM growth.
- The overall electric buses saw dispatches of over 5000 units in 2025.

Source: *PIB, News Articles, EY Parthenon Electrifying Indian Mobility*

EV infrastructure



- The GST on electric vehicles has been lowered from 12% to 5%, and the GST on chargers and charging stations for electric vehicles has been decreased from 18% to 5%.
- Major industry players are striving to improve electric vehicle charging infrastructure, Hyundai Motor India is enhancing accessibility to electric vehicles nationwide, expanding its ultra-fast EV charging network with 11 new stations strategically located in cities including Mumbai, Pune, Ahmedabad, Hyderabad, Gurugram, and Bangalore, as well as along major highways. Additionally, Hyundai Motor India Ltd. plans to install 100 charging stations by 2027, in line with its agreement with the Government of Tamil Nadu.
- The Indian government launched ambitious plans to add approximately 72,000 new EV chargers by FY26, including around 22,100 fast chargers for cars, reflecting strong policy support for infrastructure development.
- According to the Ministry of Heavy Industries, India has 29,151 public charging stations as of December 2025.
- Karnataka led in the number of public charging stations with about 6,096 stations by December 2025, surpassing Maharashtra, due to early EV policy adoption and a strong push for fleet electrification.

Source: EY Parthenon Electrifying Indian Mobility, PIB

Recent Trends and Strategies



Key Advancements in the Electric Vehicle Industry

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Key Highlights

- BHEL's EV super app commenced beta testing in January 2026 across 10 states, facilitating real-time charger reservations with 85% uptime and seamless UPI payment integration for over 50,000 users.
- Ola Electric is developing its proprietary cell manufacturing capabilities (Bharat Cell) to better manage costs and supply. The company aims to achieve a 5 GWh capacity by the end of FY2026, with its current operational capacity standing at 1.4 GWh.
- Panasonic, in partnership with IndianOil and an Indo-Japanese consortium comprising Patton and Toshiba, is planning EV battery manufacturing facilities. Tesla is reportedly evaluating the establishment of a pilot cell production line.
- Ather Energy has partnered with South Korea's Infineon Technologies to advance semiconductor technologies tailored for light electric vehicles (LEVs), focusing on enhancing charging infrastructure and safety features.
- Mahindra and Mahindra, is in talks with the Kerala government to establish an electric vehicle (EV) manufacturing facility in the southern state, renowned for its significant EV adoption.
- India has projected a 140.2% YoY rise in battery-powered passenger vehicle production to approximately 3,01,400 units, aligning with its target of achieving a 30% EV market share by FY30, supported by subsidies, financing options, and infrastructure development plans.
- In August 2025, NITI Aayog proposed a national EV policy focusing on mandates and disincentives rather than subsidies, targeting 30% EV share of total vehicle sales by 2030 and pilot programs for 100% electrification of buses and freight vehicles.
- The government has sanctioned Rs. 1,062 crore (US$ 120 million) in August 2025 for 85 civil depot and 88 power projects, with Rs. 475 crore (US$ 54 million) already disbursed to nine states/UTs to boost EV accessibility, affordability, and localisation.
- In August 2025, Suzuki Motor announced an US$ 8 billion investment in India over five-six years and began production of its first EV in Gujarat, aiming to expand EV manufacturing capacity.
- In September 2025, Odisha government unveiled the draft EV Policy 2025 aiming for 50% electric vehicle adoption in new registrations by 2030. The policy expands incentives across vehicle categories and includes infrastructure plans for fast charging stations.

Source: *News Articles*

Growth Drivers



Policies to boost Electric Vehicle manufacturing I of II

1

FAME II for EV

- FAME India Phase-II, launched in April 2019 with a budget of Rs. 11,500 crore (US$ 1.31 billion), aims to boost EV adoption, expand electric bus fleets, and develop charging infrastructure.
- As of June 30, 2025, the government had supported over 16.29 lakh electric vehicles under FAME II, including 14.35 lakh e-2 wheelers, 1.65 lakh e-3 wheelers, 22,644 e-4 wheelers, and 5,165 electric buses from a sanctioned 6,862 buses. Public charging infrastructure progress showed 8,885 EV public charging stations installed out of 9,332 sanctioned, backed by Rs. 912.5 crore (US$ 103.66 million) allocated for these installations.
- During the scheme period, a total of 1,671,606 electric vehicles have been supported (sold). Additionally, 5,195 e-buses have been deployed under the scheme as of 31 January 2026.
- Under FAME-II, the Phased Manufacturing Programme (PMP) was launched to boost local production of EVs and their components, with incentives limited to vehicles meeting PMP norms. As of July 2025, 8,885 EV PCS units have been installed under the FAME-II scheme.

2

Electric Mobility Promotion Scheme

- A scheme with a budget of Rs. 778 crore (US$ 93.5 million) ran for six months from April 1, 2024, to September 30, 2024. The initiative offered incentives to purchasers of electric two-wheelers (e-2W) and electric three-wheelers (e-3W).
- The Scheme supports 3,72,215 EVs, comprising 3,33,387 e-2Ws, and 38,828 e-3Ws (including 13,590 rickshaws & e-carts and 25,238 e-3Ws in L5 category), offering incentives exclusively for advanced battery-equipped vehicles.
- The EMPS 2024 scheme has been merged into PM E-DRIVE, retaining similar incentives while focusing on domestic sourcing under the Phased Manufacturing Programme, with benefits extended to startups and MSMEs across states like Tripura.

Source: *PIB*

Policies to boost Electric Vehicle manufacturing II of II

3

The government has outlined a scheme to transition 8,00,000 diesel buses to environmentally friendly alternatives, possibly supplanting FAME III

- The replacement strategy encompasses 200,000 electric buses for state transport undertakings (STUs), 550,000 for private operators, and 50,000 for schools and employee transport by 2030.

4

Bihar cabinet approves new electric vehicle policy

- The Bihar Government has endorsed the Bihar Electric Vehicle (EV) Policy-2023, targeting a 15% incorporation of EVs in all vehicle registrations within the state by 2028.
- In order to stimulate the uptake of electric vehicles, the policy implements several measures, such as offering subsidies of up to 75% on Motor Vehicle (MV) Tax and purchase incentives of up to US$ 15.04 billion (Rs. 1.25 lakh) for the initial 1,000 personal four-wheeler EVs.
- Additionally, the policy encourages the utilization of renewable energy for EV charging stations, establishing approved tariff rates of Rs. 8/kVA (US$ 95.78/VA) for high-tension EV charging stations in the FY24.
- The state cabinet has approved a proposal from the transport department to procure 400 electric buses as part of the "PM-e Bus Sewa" program for six districts in Bihar.

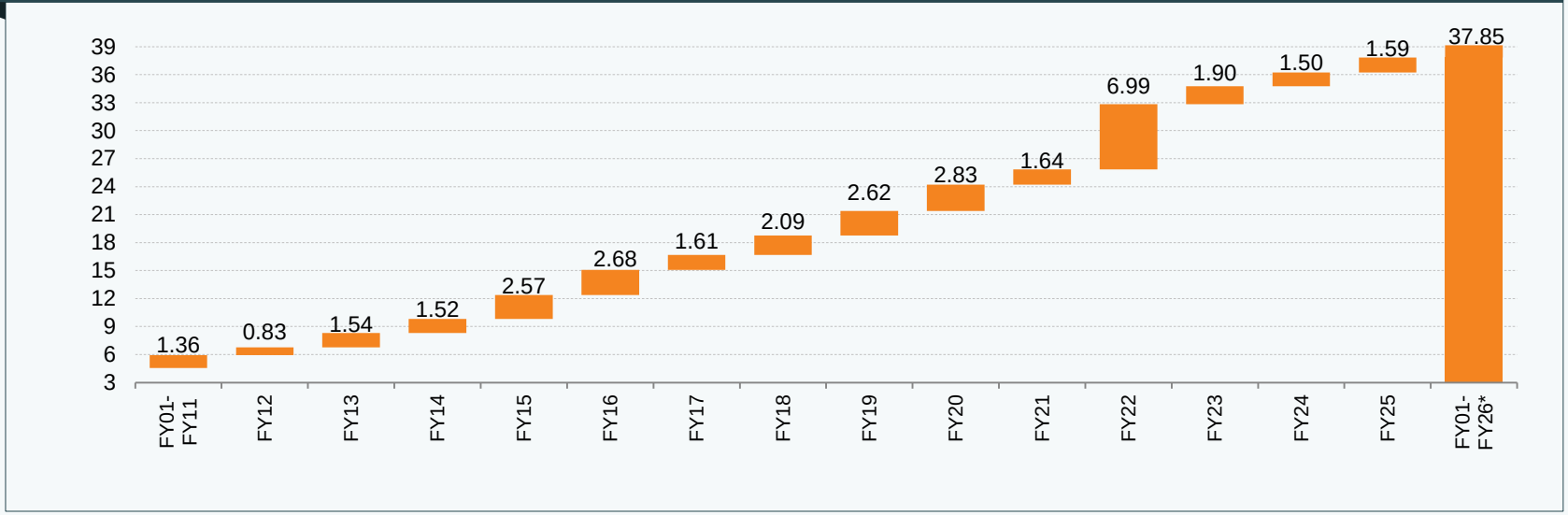
5

Tamil Nadu is set to introduce a policy for battery manufacturing

- Buses operated by the State Transport Undertakings (STUs) account for a significant proportion of public transport in Tamil Nadu. The Government of Tamil Nadu intends to electrify these fleets via a phased programme of augmentation and replacement. The State aims to elevate the proportion of electric buses to 30% of the total fleet by 2030.
- With over 40% of automotive components manufacturing already taking place in the state, Tamil Nadu has identified future mobility as a key growth sector. Consequently, the state has introduced several incentive schemes for EV manufacturing, including a 20% capital subsidy on fixed assets for manufacturing setups.

Source: *PIB, News Articles*

Investments have been rising at a fast pace



- The automobile sector received a cumulative equity FDI inflow of about Rs. 2,59,753 crore (US$ 39.15 billion) between April 2000-June 2025.
- With the launch of the “Make in India” initiative, the Government is expected to vitalise substantial investment in the auto components sector.
- A cumulative investment of ~Rs. 12.5 lakh crore (US$ 180 billion) in vehicle production and charging infrastructure would be required until 2030 to meet India’s electric vehicle (EV) ambitions.
- On August 4, 2025, Vietnam’s EV maker VinFast has opened its first overseas plant in Thoothukudi, Tamil Nadu, marking its third facility globally. The project involves a phased investment of Rs. 16,000 crore (US$ 1.83 billion), with Rs. 4,300 crore (US$ 490 million) committed in the initial phase.
- The government increased the PLI allocation for automobiles and auto components to Rs. 3,500 crore (US$ 409 million) in FY25, up from Rs. 604 crore (US$ 70.6 million) in FY24.

Source: *ACMA, DPIIT, News Articles*

Opportunities



Primary Investors in the Electric Vehicles Market











- Hero MotoCorp is investing up to Rs. 275 crore (US$ 30.3 million) in electric vehicle manufacturer Euler Motors, strengthening its commitment to the electric three- and four-wheeler segment.
- Tata Motors aims to achieve 30-40% of its sales from electric vehicles (EVs) by FY30 and plans to invest approximately Rs. 18,000 crore (US$ 2.16 billion) to create an ecosystem for its electric vehicle business. Over the next two years, the company has scheduled the launch of 10 new models.
- Tata Motors signed an agreement with the Tamil Nadu government in March 2024, to establish a vehicle manufacturing facility in Ranipet near Vellore, with an investment of US$ 1.08 billion (Rs. 9,000 crore). Investment is anticipated to generate more than 5,000 job opportunities over a five-year period.
- Hyundai Motor intends to invest US$ 2.45 billion (Rs. 200 billion) in Tamil Nadu over the next decade to enhance its electric vehicle initiatives in India.
- From 2025, Hyundai plans to introduce electric vehicles across various price ranges in India's mass market till FY2030.
- The World Bank's IFC invested US$ 137 million in India's e-bus sector, funding JBM Ecolife US$ 100 million and GreenCell Mobility US$ 37 million to deploy 4,000 electric buses and create 12,000 jobs across several Indian states.
- Vedanta Limited announced on World EV Day (September 8, 2025) that it has invested over Rs. 12,500 crore (US$ 1.42 billion) to boost metal production for India’s electric vehicle industry, expanding capacity across aluminium, zinc alloy, and ferrochrome plants.

Source: *News Articles*

Emerging Companies in the Electric Vehicle Landscape

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ATHER

Ather Energy has secured Rs. 600 crore (US$ 71 million) from the National Investment and Infrastructure Fund, increasing its valuation to US$ 1.3 billion. This investment positions Ather as India's fourth unicorn of 2023.

On July 29, 2025, DPIIT signed an MoU with EV maker Ather Energy to boost India's EV and manufacturing startup ecosystem. The partnership will support deep-tech startups with mentorship and infrastructure in areas like battery tech, vehicle manufacturing, and clean energy.

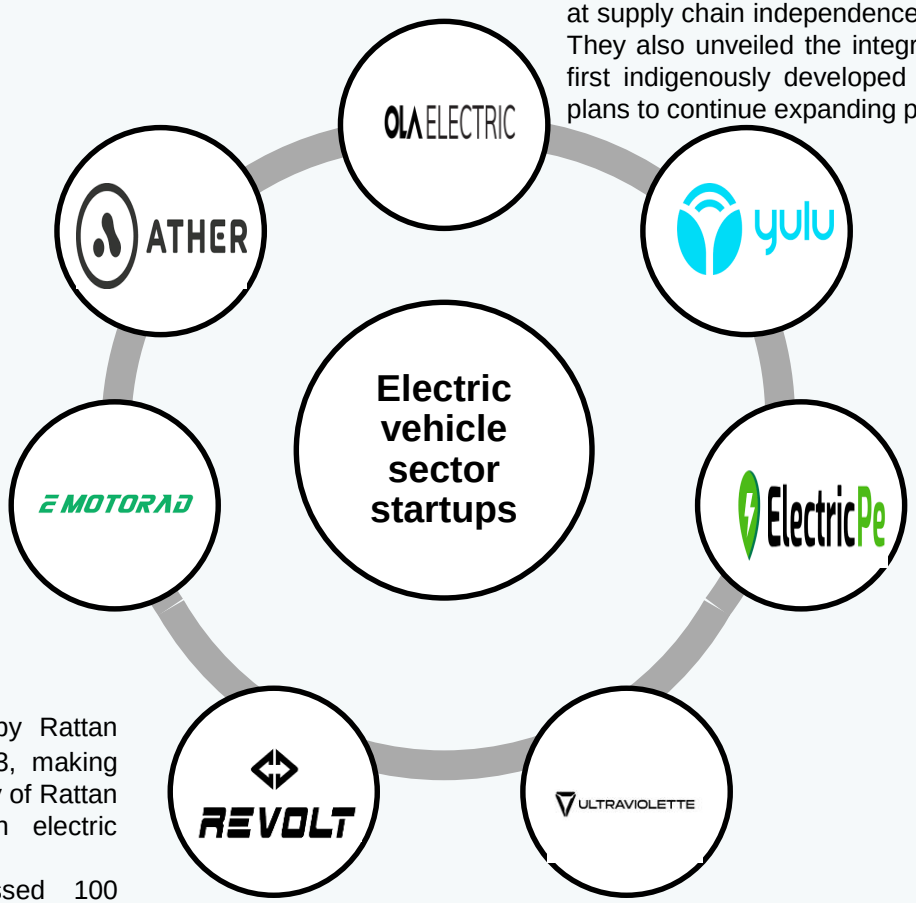
E Motorad opened 12 new Exclusive Experience Stores across India in FY25 and expanded its dealer network to over 550 dealers, boosting sales and market presence.

REVOLT motors was acquired by Rattan India Enterprises Ltd, in January 2023, making Revolt motors a wholly-owned subsidiary of Rattan India Enterprises Ltd, specializing in electric vehicle manufacturing.

In December 2023, company crossed 100 dealerships across the country.

Revolt Motors plans to expand to 400 dealerships by FY26 and triple sales to 40,000 units from the current 13,000-14,000.

Source: *Company Websites, News Sources*



OLA Electric in October 2025, showcased its indigenously developed ferrite motor that requires no rare-earth magnets, aimed at supply chain independence and to be deployed starting Q3 FY26. They also unveiled the integration of the 4,680 Bharat Cell, India's first indigenously developed lithium-ion cell, in their vehicles with plans to continue expanding product offerings.

YULU, in July 2025, raised Rs. 25.7 crore (US$ 2.92 million) in a Series B3 funding round from Magna International via allotment of Series B3 Compulsory Convertible Preference Shares (CCPS). This investment bolstered Yulu's plans for a US$ 100 million Series C funding to scale its gig-economy electric scooter operations.

ElectricPe, In January 2024, Greaves Finance, an NBFC, collaborated with ElectricPe.

Company also broadened its services by inaugurating both virtual and physical mobility centres, where it retails diverse electric two-wheeler brands.

ElectricPe is set to launch 50 new mobility centres across 24 cities by June 2025, bringing its total to 64 centres in 32 cities

Ultraviolette Automotive Ultraviolette has entered the European market with its F77 MACH 2 and F77 SuperStreet electric motorcycles, launching across 10 countries including Germany, France, the UK, and Italy. The company aims to derive 30-35% of its revenue from global export by 2028, starting with Europe in 2025.

Major Battery Producers in India

EXIDE	A major battery manufacturer in India, providing a diverse array of batteries tailored for electric vehicles.
AMARON LASTS LONG. REALLY LONG.	It stands out as a technological pioneer and a major producer of lead-acid batteries in India, catering to both automotive and industrial sectors.
OKAYA ELECTRIC VEHICLES	Okaya Power, a premier battery manufacturer in India, specializes in providing batteries tailored for electric vehicles renowned for their superior energy density, rapid charging capabilities, and extended lifespan.
Livguard energy unlimited	Livguard Energy Technologies has swiftly gained traction in the battery market as a newcomer, offering a variety of EV batteries that have garnered widespread acclaim.
HBL	India's leading research-based company, and one of the biggest manufacturer for battery.
nexcharge	Utilizing cutting-edge technology, Company provide scalable energy storage solutions that ensure seamless integration, application, and safeguarding of precious environmental resources.

Source: *Respective Company websites, News articles*

Key Industry Contacts



Key Industry Contacts

Agency		Contact Information
SIAM Society of Indian Automobile Manufacturers	Society of Indian Automobile Manufacturers (SIAM)	Core 4-B, 5th Floor, India Habitat Centre Lodhi Road, New Delhi – 110003 Phone: 91 – 11 – 24647810 -12, 91-11-47103010 Fax: 91-11-24648222 E-mail: siam@siam.in Website: www.siam.in
ARAI Progress through Research	Automotive Research Association of India (ARAI)	Survey No. 102, Vetal Hill, off Paud Road, Kothrud, Pune - 411 038 Tel No. : +91-20-67621185 Fax No. : +91-020-30231104 Email Id : info@araiindia.com Website: www.araiindia.com

Appendix



Glossary

- ACMA: Automotive Component Manufacturers Association of India
- SIAM: Society of Indian Automobile Manufacturers
- ARAI: Automotive Research Association of India
- CAGR: Compound Annual Growth Rate
- FDI: Foreign Direct Investment
- FY: Indian Financial Year (April to March); So, FY12 implies April 2011 to March 2012
- GOI: Government of India
- Rs.: Indian Rupee
- US$: US Dollar
- Wherever applicable, numbers have been rounded off to the nearest whole number

Exchange rates

Exchange Rates (Fiscal Year)

Year	Rs. Equivalent of one US$
2004-05	44.95
2005-06	44.28
2006-07	45.29
2007-08	40.24
2008-09	45.91
2009-10	47.42
2010-11	45.58
2011-12	47.95
2012-13	54.45
2013-14	60.50
2014-15	61.15
2015-16	65.46
2016-17	67.09
2017-18	64.45
2018-19	69.89
2019-20	70.49
2020-21	73.20
2021-22	74.42
2022-23	78.60
2023-24	82.80
2024-25	86.47
2025-26*	87.96

Exchange Rates (Calendar Year)

Year	Rs. Equivalent of one US$
2006	45.33
2007	41.29
2008	43.42
2009	48.35
2010	45.74
2011	46.67
2012	53.49
2013	58.63
2014	61.03
2015	64.15
2016	67.21
2017	65.12
2018	68.36
2019	69.89
2020	74.18
2021	73.93
2022	79.82
2023	82.61
2024	84.49
2025	87.16
2026*	90.80

Note: **- Until February 2026*

Source: *Foreign Exchange Dealers' Association of India*

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