

EV race among states: Early movers pull ahead

Those that seized the initiative doubled sales as others play catch-up

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Way back in 2017, India's technology capital, Karnataka, became the first state to introduce a dedicated electric vehicle (EV) policy. By January 2021, at least 15 states had EV policies in some form, which increased to 25 states by April 2025.

As Maharashtra's new EV policy grabbed headlines on Tuesday, industry experts indicate that states like Uttar Pradesh, Maharashtra, Karnataka, Delhi, and Tamil Nadu are reaping the most from their early-mover advantage, posting twofold sales compared to states that rolled out policies later.

Take the case of Karnataka: the penetration of electric two-wheelers (e2Ws) was just 0.01 per cent, four-wheelers (e4Ws) 0.16 per cent, and three-wheelers (e3Ws) 0.35 per cent in 2018–19, a year after the policy was introduced. This increased to 11.25 per cent, 4.42 per cent, and 12.73 per cent, respective-

ly, by 2024–25.

The state fine-tuned its policy from time to time, with the latest update in February 2025 targeting ₹50,000 crore in investments, 100,000 jobs, and 2,600 EV charging stations. This comes at a time when the India's EV market has seen a fourteenfold rise in volume and a ninefold growth in penetration over the past five years, according to data by CEEW Green Finance Centre.

"In 2024–25 alone, India recorded 1.96 million EV sales, with a penetration rate of 7 per cent. A previous CEEW-GFC study found that states with EV policies have achieved nearly double the sales of those without. Presently, around 25 states and Union Territories have notified dedicated EV policies, with Uttar Pradesh, Maharashtra, Karnataka, Delhi, and Tamil Nadu leading the charge with the highest sales volumes," said Gagan Sidhu, director, CEEW-GFC.

The states that announced their

policies between 2017 and 2020 included Delhi, Kerala, Maharashtra, Uttarakhand, Tamil Nadu, Andhra Pradesh, Madhya Pradesh, Uttar Pradesh, and Telangana. In addition, Bihar, Chandigarh, Punjab, Haryana, Gujarat, Assam, and Himachal Pradesh had their draft EV policies in place as early as January 2021.

"India, much like Europe, is following a policy-driven path to electrification, where systemic pushes — ranging from tax incentives and loan concessions to relaxed parking norms — are actively enabling EV adoption," said Dhriti Kharbanda, lead — strategic partnerships and collaborations in the climate change and sustainability practice at IPE Global.

Take the case of Maharashtra, for instance. The state's new policy not only offers purchase incentives for consumers but also extends financial incentives aggregating ₹11,373 crore over five years to encourage EV manufacturing,

DRIVING THE CHARGE

By April 2025, 25 states and UTs had notified EV policies — up from 15 in Jan 2021

States with early EV policies (2017–2020)

like UP, Maharashtra, Karnataka, Delhi, Tamil Nadu lead in sales

India saw 1.96 million EV sales in FY25, with 7% market penetration



KARNATAKA

- The state was India's first state to roll out a dedicated EV policy in 2017

- Its EV 2W penetration rose from 0.01% in 2018–19 to 11.25% in 2024–25

MAHARASHTRA

- State's new policy includes ₹11,373 cr in incentives over 5 years

- EV 3W penetration in the state rose to 10.41% in 2024–25 from 1.91% in 2021

adoption, and the development of charging infrastructure. This even includes toll exemptions. The state unveiled its previous EV policy in September 2021, and since then, penetration of e3Ws has increased to 10.41 per cent (from 1.91 per cent), e2Ws to 10.17 per cent (from 3.19 per cent), and e4Ws (personal) to 3.46

per cent (from 1.84 per cent), according to CEEW-GFC data.

"Studies infer that mainstreaming EVs into both public and private fleets is gaining traction across these states due to strong policy backing. e3Ws have seen the highest EV penetration so far," Kharbanda added.