

EV sales rise 20% in June on low base effect

However, sales down 14% from May

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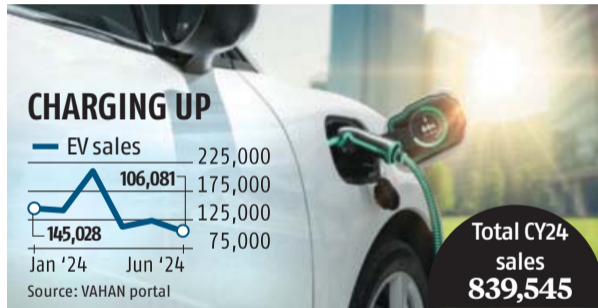
Sales of electric vehicles (EVs) in June increased over 20 per cent year-on-year (Y-o-Y) to 106,081 units. However, on a month-on-month (M-o-M) basis, the tally was down 14 per cent from 123,704 units sold in May. It was the lowest sales figure this calendar year.

The Y-o-Y rise, experts said, came on the back of low-base effect as EV sales had dropped last year due to the Centre's tweaks in EV subsidies.

The sharp M-o-M decline, they suggested, could be due to a combination of factors such as changes in government policies and people's increasing interest towards hybrid vehicles.

So far this year, about 839,545 EVs have been sold, accounting for approximately 6.69 per cent of the total 12,541,684 vehicles sold.

"Low incentives for e2Ws (electric two-wheelers), increasing consumer confidence in hybrids, a lack of robust charging infrastructure,



and high EV prices are all impacting EV sales," said Preetesh Singh, specialist CASE and alternate powertrains, NRI Consulting & Solutions.

E2Ws accounted for 57 per

cent of the 839,545 EVs sold overall in 2024. Changes in e2W sales significantly impact the overall sales of the EV category.

This year, the government reduced the subsidy to the sec-

tor by half in April with the introduction of the ₹500 crore Electric Mobility Promotion Scheme 2024 (EMPS 2024). Under EMPS 2024, the subsidy cap for e2Ws is now ₹10,000 per vehicle, down from ₹22,500, while for e3Ws, it has been reduced to ₹50,000 from ₹111,505. Both categories will receive incentives of ₹5,000 per kilowatt-hour (kWh).

Industry executives are concerned that the expected increase in sales could be delayed if the government does not extend the deadline of EMPS or introduce the third phase of FAME.