

EV sales surge in January on renewed subsidy push

Second Half of 2024 saw higher EV sales, peaking in Oct at 219,482 units

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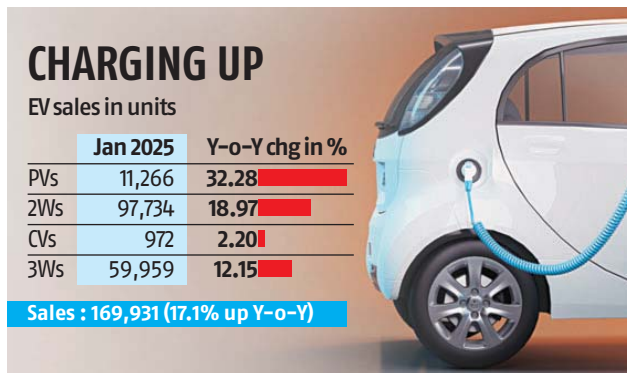
Sales of electric vehicles (EVs) in the country surged 19.4 per cent month-on-month (M-o-M) and 17.1 per cent year-on-year (Y-o-Y) to 169,931 units in January, according to data from the Federation of Automobile Dealers Association (Fada).

While passenger vehicles and two-wheelers registered double-digit Y-o-Y and M-o-M growth, commercial vehicles and three-wheelers saw single-digit growth. Sales of passenger vehicles, two-wheelers, commercial vehicles and three-wheelers were 11,266, 97,734, 972 and 59,959 units, respectively, in January.

This is an increase of 32.3 per cent, 18.8 per cent, 12.1 per cent and 2.2 per cent from the corresponding period last year.

In the two-wheeler retail segment, the highest sales of 24,336 units were recorded by Ola Electric, which saw an M-o-M increase of 76.7 per cent. Sales of the company, however, fell nearly 25 per cent year-on-year (Y-o-Y). TVS Motor and Bajaj Auto recorded a jump of 55 per cent and 95.6 per cent Y-o-Y in sales.

In the case of passenger vehi-



cles, Tata Motors, MG Motors, Mahindra & Mahindra (M&M) and Hyundai Motor saw substantial rise in their monthly sales. However, Tata Motors and M&M witnessed a fall compared to the same period last year. The same was the case for their electric vehicles.

The second half of 2024 saw higher total EV sales, peaking in October at 219,482 units, the highest monthly figure of the year.

Electric vehicle sales, however, fell in November and December to 192,575 and 132,302 units (till December 29), respectively, but monthly sales remained above 100,000 units throughout the year.

Last year's growth received a fresh push as the Ministry of Heavy Industries (MHI) reinstated subsidies for cargo electric three-wheelers (e3Ws) under the PM E-DRIVE scheme for the remainder of the current financial year (FY25).

However, the subsidy, previously halted after annual targets for FY25 were achieved, has been revised downward to ₹25,000 from ₹50,000 per vehicle. The industry (e3W) sold 80,546 units within months of the scheme's launch.

Fada anticipates a significant rise in market share across all segments.

"Electric vehicle retail sales continued their strong trajectory

in January, reflecting growing consumer acceptance and robust original equipment manufacturer (OEM) commitment to clean mobility. The recent Bharat Mobility Global Expo strongly reflected this shift, with the spotlight firmly on green-energy vehicles and an industry determined to accelerate the shift towards green energy. With over 30–35 new EV launches expected this year, we anticipate a notable rise in market share across all segments—from two and three-wheelers to passenger and commercial vehicles. The future for electric mobility looks exceedingly bright. We believe it will play a pivotal role in shaping India's automotive landscape in the months to come," said C S Vigneshwar, Fada president.

The EV market is expected to grow at a compound annual growth rate (CAGR) of 43 per cent, reaching 932,000 units by 2030. Of this, 61 per cent of the demand is projected to come from electric SUVs.

Nitin Gadkari, Road Transport & Highways Minister, had said last year that EV sales in the local market are expected to grow to 10 million units by the turn of the decade, generating jobs for 5 million people.