

New models, increased adoption help double EV volumes in 2023

SWARAJ BAGGONKAR
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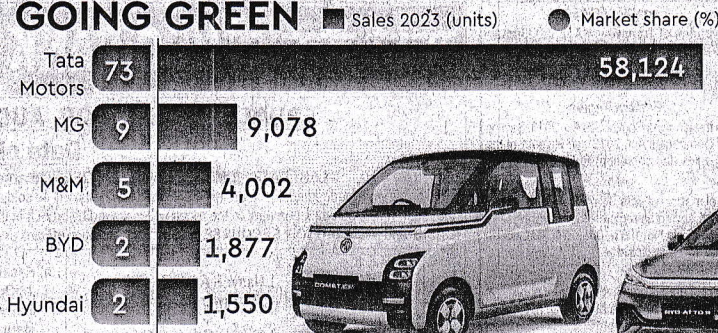
SEVERAL NEW LAUNCHES and increased adoption by consumers have led to doubling of the passenger electric vehicle (EV) market in the country in 2023. The penetration of EVs has also doubled, making India one of the fastest-growing markets globally.

The segment saw volumes of 79,388 units during 2023, marking a growth of 108% over the 2022 volumes, when the total stood at 38,198 units, as per data shared by the Federation of Automobile Dealers Association (Fada).

The EV penetration in the PV segment jumped to 2% last year against 1% clocked in 2022. While this is much lower than the 12.5% of the US and 40% of China, experts say the rate of adoption of EVs in India is encouraging, considering that until 2 years ago, they were not even on buyers' radar.

Rohan Kanwar Gupta, vice-president and sector head - corporate Ratings, Icara, said: "The EV penetration in the PV segment continues to grow at a healthy pace, led by enhanced customer confidence and improving charging infrastructure. The segment is expected to witness multiple model launches in the near term, which would aid in

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Source: Federation of Automobile Dealers Association; *including others

enhancing customer affordability and thus further accelerate EV adoption."

Tata Motors continued to lead the rankings with a share of 73% on the back of successful launches of the Tiago EV and Nexon EV. Two Chinese-backed brands — MG Motor India and BYD — controlled 11% of the Indian market with shares of 9% and 2%, respectively. The two brands exited December with a share of 16%.

MG Motor launched the Comet during the year.

Mahindra & Mahindra (M&M), which entered the market in January last year, finished the year with a

share of 5%. There are about 18-20 fully electric cars and sports utility vehicles (SUVs) on sale at present priced under ₹10 lakh to more than ₹1 crore.

"The EV penetration in the passenger vehicle segment is expected to grow at an exponential pace over the medium term. Icara expects EVs to constitute about 4-6% of the overall PV sale volumes by FY25," Gupta added.

While the adoption of electric vehicles has been strong, the penetration level has been low due to lack of options in the affordable segment. The luxury car segment, for instance, saw EV penetration of

16% in 2023. For Tata Motors, the penetration stands at around 9-12%.

The EV adoption rate is also hindered by promotion of hybrid vehicles by companies which are not yet present in the segment. Car market leader Maruti Suzuki and Toyota Kirloskar have positioned its couple of models — Grand Vitara and Urban Cruiser Hyryder — as competitors to an electric vehicle in terms of efficiency.

While more hybrids are expected in the medium term, as many as 10-12 electric cars are expected to hit the roads in the next 15-18 months.