

# PM E-DRIVE delivers 1.13 mn vehicles

**SHINE JACOB**  
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The PM E-DRIVE scheme delivered 1.13 million electric vehicles in its first year while offering half the per-vehicle subsidy compared to FAME-II, signalling a decisive shift from market activation to system-wide consolidation, said a study by the Council on Energy, Environment and Water (CEEW)'s Green Finance Centre on Tuesday.

Despite halving the per-unit demand incentive to ₹5,000 per kWh, PM E-DRIVE (PM Electric Drive Revolution in Innovative Vehicle Enhancement) enabled 3.4 times higher annual EV volumes than FAME-II (Faster Adoption and Manufacturing of Electric Vehicles in India Phase II). This rapid growth with fewer subsidies also shows that India's EV space is maturing, resilient and ready for long-term integration into the economy.

India's automotive sector —contributing 7.1 per cent to GDP and supporting over 30



million jobs — is undergoing rapid transformation. EV sales have grown 15-fold since FY20, rising from just over 2,000 units in FY15 to around 1.96 million units in FY25, taking overall EV penetration to 7.49 per cent. The CEEW-GFC study 'Navigating India's Electric Mobility Transition: Market Dynamics to Policy Shifts' assesses national EV adoption trends and compares the performance of FAME-II (FY20-FY24) with PM E-DRIVE (FY25-FY28). FAME-II was critical in establishing India's

## Gathering Steam

Parameter	FAME-II	PM E-DRIVE
Total outlay (₹ cr)	11,500	10,900
Time period (years)	5*	3.5**
Vehicle categories	E2W, E3W, E4W, Ebuses	E2W, E3W, E4W, Ebuses, Etrucks, Eambulances
Vehicles Supported (mn)	1.56	2.85
Volume achieved — annualised (mn)	0.33	1.13
Incentive per Kwh (₹)	10,000	5,000

\*FY19-24; \*\*Oct 2024-March 2028

Source: CEEW

EV market, while PM E-DRIVE builds on that foundation to scale adoption more efficiently and sustainably.

The CEEW-GFC analysis also shows that India's EV market has structurally evolved. While early EV adoption (FY20-FY21) was dominated by e-rickshaws, the growth engine has since shifted: Electric two-wheelers (E2Ws) surged from FY22 onwards and became the largest EV segment by FY25, with over 1.15 million units sold. This transition signals a move from informal and commercial use towards broader

household and enterprise uptake. The EV mix is also broadening — commercial electric four-wheelers saw a clear uptick by FY25, pointing to growing fleet electrification in urban logistics and shared mobility. Further, electric buses, though still a small share, show steady growth, signalling early institutional adoption.

Karthik Ganesan, fellow and director, strategic partnerships, CEEW, said: "The shift from FAME-II to PM E-DRIVE marks an important inflexion in India's EV policy."