

# With policy push, more options, EV sales overtake hybrid growth

**ON THE GROUND.** EV sales cross one lakh units vs about 82,700 hybrid units in FY25

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Electric car sales in India are growing at a faster pace as compared to hybrid cars, which have stagnated in terms of percentage growth over the last three years.

According to industry data, while electric passenger car sales have grown 4.4 per cent between January and May, hybrid cars were stagnant at 2.5 per cent during this period.

In FY25, cumulative sales of zero-emission cars (EVs), including sports utility vehicles and multi-purpose vehicles, scaled a new high of 1.07 lakh units, an increase of 18 per cent year-on-year compared with 91,320 units in FY24. FY25 also marks the first time that this segment has surpassed the one lakh units milestone.

But in terms of strong hybrid cars, the total sales recorded were around 82,700



**BETTER ADOPTION.** The increase in penetration is testament to the rising consumer confidence in EVs, said an HMIL official

units in FY25. Currently, around 20 models of EVs are sold in India by mass-market companies including Hyundai Motor India, JSW MG Motor, Kia India, Mahindra & Mahindra, Tata Motors, Citroen and BYD India. In terms of strong hybrid vehicles, there are only three companies including Honda Cars India, Maruti Suzuki India and Toyota Kirloskar Motor, with a limited portfolio.

## GOVERNMENT POLICY

Another reason for more EV penetration is favourable policies adopted by the Centre and State govern-

ments. For instance, the Centre levies 5 per cent GST on EVs compared with 43 per cent on hybrid cars.

Several States offer zero registration cost for EVs too. Only Uttar Pradesh offers similar waiver to strong hybrid vehicles.

According to experts, Karnataka and a few other States are considering similar waivers on hybrids.

Maruti Suzuki and Toyota have welcomed these moves because they are betting big on hybrids, while pure-EV players such as Mahindra & Mahindra and Tata Motors argue that it would not help

the country achieve the target of 30 per cent EV penetration (of the total vehicles sales) by 2030.

Government think-tank NITI Aayog has said that EVs and hybrid vehicles are fundamentally different and thus cannot be incentivised at the same level.

"They (EVs) are a different thing altogether. They have zero operational emissions; absolutely nothing. Hybrids, on the other hand, do have emissions, albeit lower. So, comparing hybrids and battery EVs would be wrong," Sudhendu Jyoti Sinha, Advisor at NITI Aayog, recently told *businessline*. Tarun Garg, Whole-time Director and COO, Hyundai Motor India, said, "The increase in EV penetration is a testament to the increasing consumer confidence in EVs, clarity in government policies, development of charging infrastructure and driven by new launches, including Creta Electric."