

# EV sales on road to 1.5 mn in 2023 despite subsidy cut

## ON FULL CHARGE

Category	2022			2023		
	Vehicles registered	Evs registered	EV penetration (%)	Vehicles registered	Evs registered	EV penetration (%)
Two-wheelers	15,601,853	631,475	4.0	16,854,118	838,618	5.0
Three-wheelers	677,475	350,238	51.7	1,060,291	570,299	53.8
Passenger cars	3,337,547	33,207	1.0	3,524,860	70,603	2.0
Buses	42,591	1,961	4.6	73,481	2,441	3.3
Overall	21,570,396	1,025,118	4.8	23,598,248	1,494,447	6.3

Doesn't include data from Telangana and Lakshadweep;  
Overall registrations include data of other categories of vehicles, too

Source: VAHAN

### NITIN KUMAR

New Delhi, 26 December

Electric vehicle (EV) sales this year have witnessed a robust increase of over 45 per cent so far, notwithstanding the subsidy cuts and regulatory shifts. Total EV registration figure in

2023 is just shy of 1.5 million units, significantly higher than last year's score of a little over 1 million.

All this has pushed the overall EV penetration in the country beyond 5 per cent – to 6.3 per cent against 4.8 per



cent in 2022.

This year was marked by a reduction in subsidies for electric two-wheelers (e2Ws), a category that makes up around 55 per cent of total EV sales.

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elevated equity valuations,” said Sinha.

However, others are betting on faster earnings growth in the future. G Chokkalingam, founder & CEO of Equinomics Research, argued: “The reversal in the interest-rate cycle could translate into lower interest outgo for corporates and households, boosting corporate profits and household disposable income.”

## EV sales...

Industry experts attribute the sales surge this year to a shift in consumer interest towards more environmentally friendly vehicles. This change has also been influenced by a flurry of product launches by startups in the two- and three-wheeler (e3W) segments, coupled with an increased availability of vehicles in the four-wheeler category.

Government incentives have also played a pivotal role in propelling this growth, they noted.

“The confidence of customers in the e2W and e3W categories has been bolstered not only by startups but also by established players in the internal combustion engine (ICE) space introducing new products. Government subsidies, improved financing options, and the increase in battery swapping facilities have further facilitated the expansion of the industry,” said Preetesh Singh, specialist CASE and alternate powertrains, NRI Consulting & Solutions.

The e3W category led the charge in market penetration, topping the 53 per cent mark, up from 51 per cent last year.

“In 2023, the EV market, especially the three-wheeler segment, transitioned from concept to reality,” said Ayush Lohia, CEO, Lohia Auto, an e3W manufacturer.

Though passenger cars exhibited the lowest penetration across

all categories, their penetration doubled this year to 2 per cent. In the two-wheeler category, penetration increased this year to 5 per cent versus 4 per cent last year.

The bus segment, on the other hand, struggled; its penetration stood at 3.3 per cent this year against 4.6 per cent last year.

Despite the overall increase in penetration, industry players argued the uptick was not deemed significant due to the

government’s decision in June to reduce subsidies.

“The sales of EVs could have reached the two million mark this year had the government not reduced the subsidy for e2Ws. The subsidy cut set the industry back by at least one year,” said an industry player.

However, government officials contended that the subsidy cut was essential as it could not be sustained indefinitely.

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Solution tomorrow

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