

## set to double in 2027

Government initiatives, sustainable demand, declining battery costs, infrastructure development, and innovation are propelling India's electric vehicle market towards a cleaner and greener future.

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India's electric vehicle (EV) market has been experiencing rapid growth, with sales projected to double by 2027. This surge in demand can be attributed to various factors, including government initiatives, increased awareness of sustainable transportation, decreasing battery costs, infrastructure development, and innovation and collaborations. The latest report from the Indian Private Equity and Venture Capital Association (IVCA) predicts that the EV industry will surpass 9 million units per annum by 2027.

The Indian government's focus on reducing carbon emissions and promoting the use of EVs has led to the implementation of multiple schemes and tax incentives, encouraging manufacturers and consumers to transition towards EVs. Moreover, the need for sustainable transportation and the declining battery costs have made EVs more accessible to consumers. In this context, let's take a closer look at the key factors driving the growth of the Indian EV market.

### Government initiatives:

Government initiatives have played a pivotal role in fostering the growth of the electric vehicle market in India. The government has introduced policies and schemes, such as the Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India (FAME) scheme, which provides financial incentives to manufacturers, buyers, and suppliers of EVs, thereby enhancing affordability and accessibility.

The Indian government has set an ambitious target of achieving 30 per cent EV penetration by 2030 and has implemented various policies and incentives to encourage EV adoption. These measures include tax exemptions, subsidies for EV buyers, and support for the development of charging infrastructure.

### Increased demand for sustainable transportation:

Another crucial driver of the Indian EV market is the increased demand for sustainable transportation. As people become more aware of the environmental impact of conventional vehicles, they are actively seeking cleaner alternatives. Electric vehicles offer a sustainable transportation option that produces zero emissions and reduces the carbon footprint of the transportation sector, leading to a surge in demand for EVs in India. The country's severe air pollution issues have also contributed to the growing awareness and concern for the environment, further propelling the demand for cleaner and more sustainable transportation options like EVs.

### Decreasing battery costs:

The decreasing cost of batteries is a significant factor fueling the growth of the electric vehicle market in India. The high cost of batteries has traditionally been a barrier to EV adoption, as it constitutes a substantial portion of the vehicle's total cost. However, advancements in technology and increased production have led to a rapid decrease in battery costs. With further advancements in battery technology and economies of scale in EV production, it is expected that the cost of EVs will decrease significantly in the coming years, making them more affordable and accessible to a wider range of consumers in India.

### Infrastructure development:

Infrastructure development is another key driver of the Indian EV market. The lack of charging infrastructure has been one of the major obstacles to widespread EV adoption. To address this challenge, the Indian government is actively working on developing the necessary charging infrastructure. The National Electric Mobility Mission Plan (NEMMP) aims to establish charging stations across the country, with the goal of having one charging station every three kilometres in cities and every 25 kilometres on highways.

Additionally, with the government's push for local manufacturing under the Make in India initiative, several global automakers have announced plans to set up EV production facilities in India. This will contribute to increased domestic production and supply of EVs, further boosting the market.

### Innovation and collaborations:

Innovation and collaborations are also driving the growth of the Indian EV market. The industry is witnessing a significant increase in innovation, with companies developing advanced technologies to improve the performance and efficiency of EVs.

Overall, the Indian EV market has witnessed substantial growth in recent years, and these factors are expected to continue driving its expansion in the coming years.



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