

# India's Electric Bus Market Set For Exponential Growth



Mobility Outlook Bureau

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*Considerable development in sales owing to many Government initiatives and OEM efforts - ResearchAndMarkets*



The 'Electric Bus Market in India 2023 - 2028' report from **ResearchAndMarkets** reveals a promising trajectory for the country's electric bus sector. In the fiscal year 2023, 1,919 electric buses were sold, with projections indicating a robust compound annual growth rate (CAGR) of ~89.21% from FY 2024 to FY 2028, reaching an estimated 41,566 units.

As of July 2023, approximately 3,000 electric buses have been registered, and pending orders are nearing 7,000 units. Maharashtra, Uttar Pradesh, Delhi, and Gujarat collectively contribute over 75% of these registrations, showcasing concentrated growth in key regions.

The surge in the electric bus market can be attributed to various factors, including heightened demand aggregation, standardization initiatives, technological advancements, and improvements in charging infrastructure. The Indian government's commitment to fleet electrification, coupled with original equipment manufacturers' (OEMs) efforts to establish integrated electric vehicle ecosystems, acts as a catalyst for this notable growth.

Both Central and state governments actively support electric vehicles (EVs) through incentives such as the FAME II scheme, PLI scheme, road tax exemptions, and reduced GST. With a strong emphasis on cleaner public transportation, substantial investments are planned for mobility infrastructure, promising a transformative impact on the sector.

Key trends highlight the electric bus category's higher EV integration compared to other vehicle segments in primary EV sales states. Notably, Uttar Pradesh (UP) records a 15% penetration rate, Karnataka stands at 12%, and Maharashtra at 8%. The upward trajectory is sustained by growing consumer demand, standardized products, technological advancements, and improved charging infrastructure.

Technological progress, translating into enhanced charging efficiency, extended range, and expected reductions in battery costs, positions electric buses for widespread adoption. Pro-EV policies with specified e-bus penetration targets further solidify the sector's potential, indicating a cumulative annualized potential exceeding 15,000 e-buses driven by state and city road transport corporations (STUs).