INDIA ELECTRIC VEHICLE MARKET

Size & Share Analysis - Growth Trends and Forecast, 2025-2029

Mordor Intelligence | Source report updated July 2026

Market Overview

The India Electric Vehicle Market is segmented by vehicle type, including commercial vehicles, passenger vehicles and two-wheelers, and by fuel category. The report provides market sizing in both USD value and unit volume, together with further splits by vehicle configuration, body type, propulsion type and fuel category.

Indicator	Details
Study Period	2017-2029
Forecast Period	2025-2029
Historical Period	2017-2023
Market Size, 2025	USD 54.41 billion
Market Size, 2029	USD 110.7 billion
CAGR, 2025-2029	19.44%
Market Concentration	Medium

Market Analysis

The market is estimated at USD 54.41 billion in 2025 and is expected to reach USD 110.7 billion by 2029, representing a CAGR of 19.44%. The industry is undergoing a transition marked by expanding domestic manufacturing capabilities, localization of critical components and technological advancement.

Manufacturers are increasing investment in EV production facilities, research and development, battery systems and powertrains. Domestic localization is intended to reduce import dependence, while specialized component manufacturers are strengthening the wider supply-chain ecosystem.

Consumer offerings are also becoming more sophisticated. The source highlights longer-range premium vehicles and increasing collaboration between automakers and technology companies around connected vehicles and smart-charging solutions.

Charging Infrastructure and Supply Chain

Public charging infrastructure expanded to 10,900 stations in 2022, supported by both slow- and fast-charging facilities. Private-sector participation has increased through partnerships aimed at building charging networks across major urban centres and highways.

- 6,800 slow-charging stations were recorded in 2022.
- 4,100 fast-charging stations were recorded in 2022.
- Manufacturers are adopting advanced production technologies, automation and renewable energy within manufacturing facilities.
- Circular-economy practices and local component production are becoming more prominent.

Market Trends and Growth Drivers

Government initiatives and regulatory measures are identified as major drivers of EV adoption. The FAME India scheme, state-level fleet electrification programmes and vehicle scrappage measures have supported demand, while the national objective of increasing vehicle electrification continues to influence market development.

State governments have increasingly incorporated electric buses into public fleets. The source cites Delhi's approval of 300 new low-floor electric AC buses in March 2021, with 100 entering service in January 2022. It also reports a 62.58% increase in demand for electric commercial vehicles in 2022 compared with 2021.

- Falling battery prices and government incentives have supported EV sales.
- Lower auto-loan interest rates and improving consumer spending conditions are relevant demand-side factors.
- New vehicle launches and additional market entrants are expected to support battery-pack demand.
- GDP per capita is projected in the source to reach USD 4,205.47 by 2030.

Segment Analysis: Vehicle Type

Two-Wheelers

Two-wheelers dominate the Indian electric vehicle market, accounting for approximately 92% market share in 2024. Their position is supported by affordability, lower operating costs, suitability for congested urban areas, government incentives, wider product availability and improving battery and charging technology.

Commercial Vehicles

The commercial vehicle segment has a smaller current share but is projected to record substantial growth through 2029. Key drivers include electric-bus adoption in public transport, electric delivery vehicles in logistics, dedicated charging infrastructure and fleet operators' focus on lower operating and maintenance costs.

Passenger Vehicles

Passenger EVs represent a significant opportunity across hatchbacks, sedans, MPVs and SUVs. New models at different price points, improving charging infrastructure, longer driving ranges and enhanced vehicle features are making electric passenger vehicles more attractive to conventional car buyers.

Segment Analysis: Fuel Category

Hybrid Electric Vehicles (HEV)

The source states that HEVs account for approximately 99% of the market under its fuel-category segmentation in 2024. It attributes this to established manufacturing infrastructure, broad product availability, consumer familiarity and expanded hybrid offerings from major manufacturers.

Fuel Cell Electric Vehicles (FCEV)

FCEVs are identified as the fastest-growing fuel category, with the report projecting growth of approximately 85% from 2024 to 2029. Growth is linked to advances in hydrogen fuel-cell technology, investment in hydrogen infrastructure, government support and potential applications in heavy-duty commercial transport.

Competitive Landscape

Competition is characterized by rapid product innovation, localization, charging and battery partnerships, production-capacity expansion and entry into new vehicle segments. The market combines established automotive groups with specialist EV manufacturers and is described as moving from fragmentation toward moderate consolidation in some segments.

Company	Source Classification
Ampere Vehicle Private Limited	Listed industry leader
Ather Energy Pvt. Ltd.	Listed industry leader
Okinawa Autotech Pvt. Ltd.	Listed industry leader
Ola Electric Mobility Pvt. Ltd.	Listed industry leader
TVS Motor Company Limited	Listed industry leader

Strategic Priorities for Market Participants

- Product differentiation and cost optimization through localization.
- Investment in battery technology, connected features and charging capabilities.
- Expansion of dealer and after-sales service networks.
- Strategic partnerships in technology, battery systems and charging infrastructure.
- Addressing battery safety, range anxiety and charging availability to strengthen consumer confidence.
- Flexible manufacturing and vertical integration to improve supply-chain resilience.

Recent Industry Developments

- August 2023: Gabriel India reported development of components for the Maruti Suzuki Jimny and Stellantis electric Citroen C3, alongside work on components for additional manufacturers.
- August 2023: Ola Electric launched the S1X at INR 79,999, with 2-kWh and 3-kWh battery variants and stated ranges of 91 km and 151 km respectively.
- August 2023: Hyundai Motor India signed an asset purchase agreement relating to identified assets of General Motors India's Talegaon plant in Maharashtra.

Report Scope

Indicator	Details
Vehicle Type	Commercial Vehicles; Passenger Vehicles; Two-Wheelers
Commercial Vehicles	Buses; Heavy-duty Commercial Trucks; Light Commercial Pick-up Trucks; Light Commercial Vans; Medium-duty Commercial Trucks
Passenger Vehicles	Hatchback; Multi-purpose Vehicle; Sedan; Sports Utility Vehicle
Fuel Category	FCEV; HEV
Broader Market Definition	Includes BEV, PHEV, HEV and FCEV electric propulsion categories in the market definition.

Research Methodology

Mordor Intelligence describes a four-step methodology: identifying key variables, building a market model, validating and finalizing estimates through primary research, and producing research outputs. Historical and forecast market revenue is estimated using sales volume and average selling price, with factors such as inflation, market-demand shifts, manufacturing costs, technological advancement and consumer preferences incorporated into the model.