

Link : <https://www.thehindubusinessline.com/companies/as-higher-prices-hurt-electric-vehicles-registrations-decline/article69365393.ece>

SALES SPUTTER

**Higher prices drag
EV registrations down**



Mumbai: With rising prices of electric four wheelers owing to road and other taxes by State governments and a reduction in subsidies, sales continue to slide. In 2023, over 73,000 units were registered, while in 2024 sales dropped to 67,000+ units. In 2025, up till March, only 8,000 odd units were registered, according to Vaahan data. p10

Higher prices drag down electric vehicle registrations

SLOGGING GROWTH. State govts impose road and other taxes, which hurt demand

Aroosa Ahmed
Mumbai

Following the reduction in electric vehicle subsidies and a nationwide price surge, electric vehicle adoption has slowed.

This downward trend is evident in the decreasing registration numbers recorded last year, a pattern that persists in 2025.

According to data from *Vahan*, which tracks vehicle registrations in the country, in CY2022, electric four-wheeler registrations were at 33,267 units, and it more than doubled to 73,299 units in CY2023 due to subsidies, lower prices and more launches.

However in CY2024, EV registrations fell to 67,407 units.

In 2025, electric vehicle registrations dropped on a month-on-month basis: January saw registration of 4,117 vehicles; February had



EYEING 'EV'OLUTION. The government is targeting 30 per cent electric vehicle penetration by 2030

2,665 EVs registered, and 1,720 EV cars have been registered so far in March.

State governments have started to impose road and other taxes on electric vehicles, leading to price increases across the country. Experts have pointed out that this would slow down vehicle penetration.

TAX BURDEN

"The additional tax on

premium electric vehicles would slow broader consumer adoption," Nikhil Dhaka, Vice-President, Primus Partners, told *businessline*.

The government is targeting 30 per cent electric vehicle penetration by 2030. Presently, electric vehicle penetration is around 2 per cent.

EV penetration is expected to reach 9 per cent by

FY30, according to Nomura, and is expected to grow to 5 per cent by FY27.

'OFFER SUBSIDIES'

"The government should think about continuing the subsidy, which will help in the penetration of EVs across the country," said Manish Raj Singhania, Chairman of Research & Academy, Federation Of Automobile Dealers Association.

The Maharashtra government will be implementing a 6 per cent tax on premium electric vehicles priced ₹30 lakh from April.

"The implementation of road tax by the Maharashtra government would lead to an increase in on-road price for EVs in the State."

"The same is likely to be offset, to an extent, by an expectation of a gradual decline in battery prices," said Rohan Kanwar Gupta, Vice-President & Sector Head, Corporate Ratings, ICRA Ltd.