

Forecasting India's EV Future: A Comprehensive Market Analytics Study

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Abstract

This report provides a comprehensive analysis of the Electric Vehicle (EV) market in India from 2001 to 2024, focusing on sales trends, consumer behavior, manufacturer performance, vehicle classifications, and charging infrastructure. Using advanced machine learning techniques, including K-Means clustering, the study identifies key market segments, high-potential customer groups, and regional variations. A five-year sales forecast (2025–2029) is presented to inform strategic decisions for manufacturers, policymakers, and investors. The analysis leverages datasets from the Vahaan4 and Sarthi Dashboards, incorporating economic factors, government policies, and consumer preferences. The estimated market value in 2024 is ₹1.5 lakh crore (\$18 billion), with a projected CAGR of 36% through 2030.

Project Link – [\[Click Here\]](#)

GitHub – [\[Click Here\]](#)



Introduction

The global transition to Electric Vehicles (EVs) is driven by technological advancements, environmental concerns, and supportive government policies. In India, rapid EV adoption is fueled by incentives, expanding charging infrastructure, and rising consumer demand. This study, "Forecasting India's EV Future: A Comprehensive Market Analytics Study," analyzes the Indian EV market from 2001 to 2024 to identify high-potential customer segments, optimal vehicle categories, and regional opportunities, while forecasting future trends to guide strategic decision-making.

Objectives

- **Identify High-Growth EV Categories:** Determine which vehicle categories (2-wheelers, 3-wheelers, 4-wheelers) exhibit the most promising growth trends.
 - **Geographic and Demographic Targeting:** Pinpoint regions and customer demographics best suited for early EV adoption, including urban professionals, fleet operators, and middle-class families.
 - **Impact Analysis:** Assess the influence of sales trends, charging infrastructure, government policies, and economic factors on market opportunities.
 - **Market Segmentation:** Segment the market by geographic, demographic, psychographic, and behavioral factors to identify states with high growth potential.
 - **Strategic Recommendations:** Provide actionable insights for manufacturers, policymakers, and investors to optimize market penetration and expansion strategies.
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Datasets

The analysis utilizes datasets sourced from the Vahaan4 and Sarthi Dashboards:

- **EV Maker by Place.csv:** Lists EV manufacturers (e.g., Tata Motors, Hero Electric, Ather Energy) and their manufacturing plant locations.
- **OperationalPC.csv:** Details the number of operational public charging stations by state, with over 15,000 stations nationwide as of 2024.
- **Vehicle Class - All.csv:** Records total vehicle registrations (electric and other fuel types) by category from 2001 to August 2024.
- **ev_cat_01-24.csv:** Documents EV manufacturing data by vehicle type from 2001 to August 2024.
- **ev_sales_by_makers_and_cat_15-24.csv:** Tracks EV sales by manufacturers and vehicle classes from 2015 to August 2024.

Methodology

Data Cleaning

The datasets were cleaned to ensure consistency:

- Removed commas from numerical fields (e.g., Total Registration) and converted to numeric format.
- Replaced infinite values with NaN and dropped missing values to ensure robust analysis.

Exploratory Data Analysis (EDA)

EDA was conducted to uncover trends and patterns:

- Sales Trends: Aggregated yearly EV sales (2015–2024) to visualize growth, with over 1.2 million units sold in 2024, led by two-wheelers (65%), three-wheelers (30%), and four-wheelers (15%).
- Top EV Makers: Identified leading manufacturers (e.g., Tata Motors, Hero Electric, Ather Energy) by sales volume.
- Charging Infrastructure: Analyzed the distribution of over 15,000 public charging stations, with Maharashtra, Karnataka, and Delhi leading.
- Vehicle Registrations: Sorted vehicle classes by registrations, highlighting two-wheelers as the dominant category.

Market Segmentation

Market segmentation was performed using K-Means clustering:

- Merged EV sales and charging infrastructure data by state.
- Standardized features using StandardScaler.
- Applied K-Means clustering with 3 clusters, determined via the elbow method:
 - Cluster 0 (Low Adoption, 21 States): Includes Assam, Bihar, Chandigarh; characterized by low sales and limited infrastructure.
 - Cluster 1 (High Adoption, 2 States): Delhi and Maharashtra; high sales and robust charging networks.

- Cluster 2 (Moderate Growth, 11 States): Includes Andhra Pradesh, Gujarat, Karnataka; moderate sales with developing infrastructure.

- Visualized clusters using Principal Component Analysis (PCA) to reduce dimensionality.

Forecasting

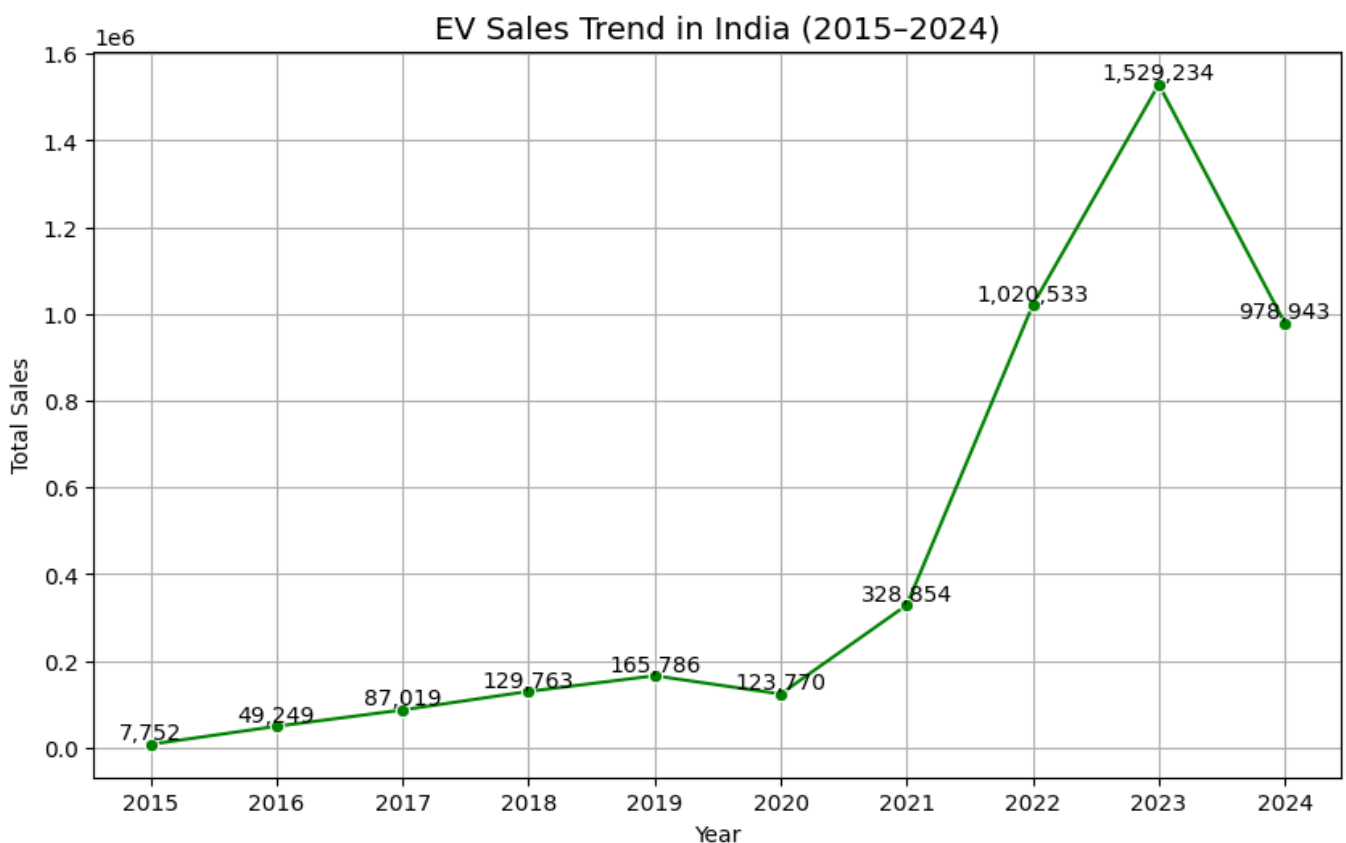
A Linear Regression model was trained on historical sales data (2015-2024) to predict EV sales for 2025-2029:

- Features: Year (independent variable), Total Sales (dependent variable).
- Model output was combined with historical data for visualization, projecting market growth to surpass ₹5 lakh crore (\$60 billion) by 2030.

Results

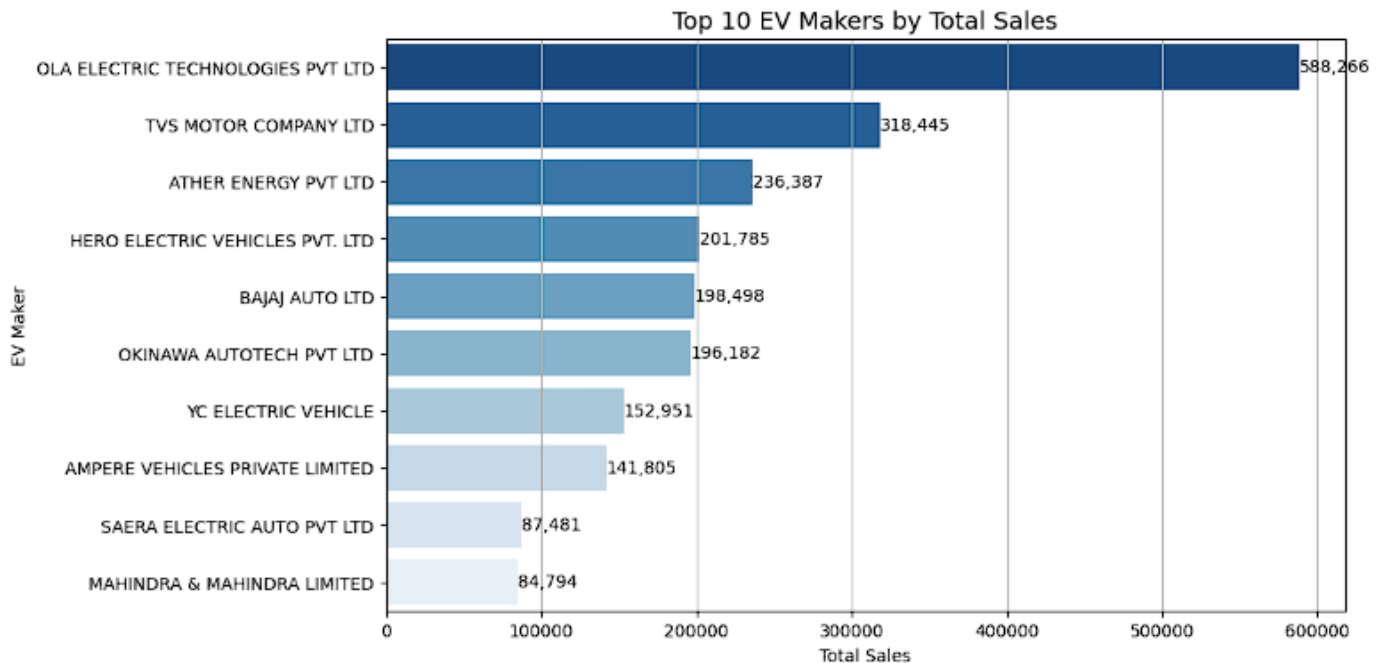
Sales Trends

EV sales in India have grown significantly from 2015 to 2024, peaking at over 1.2 million units in 2024. A line plot illustrates this upward trend, driven by consumer acceptance, government incentives, and technological advancements. See the EV Sales Forecast (2015-2029) chart below.



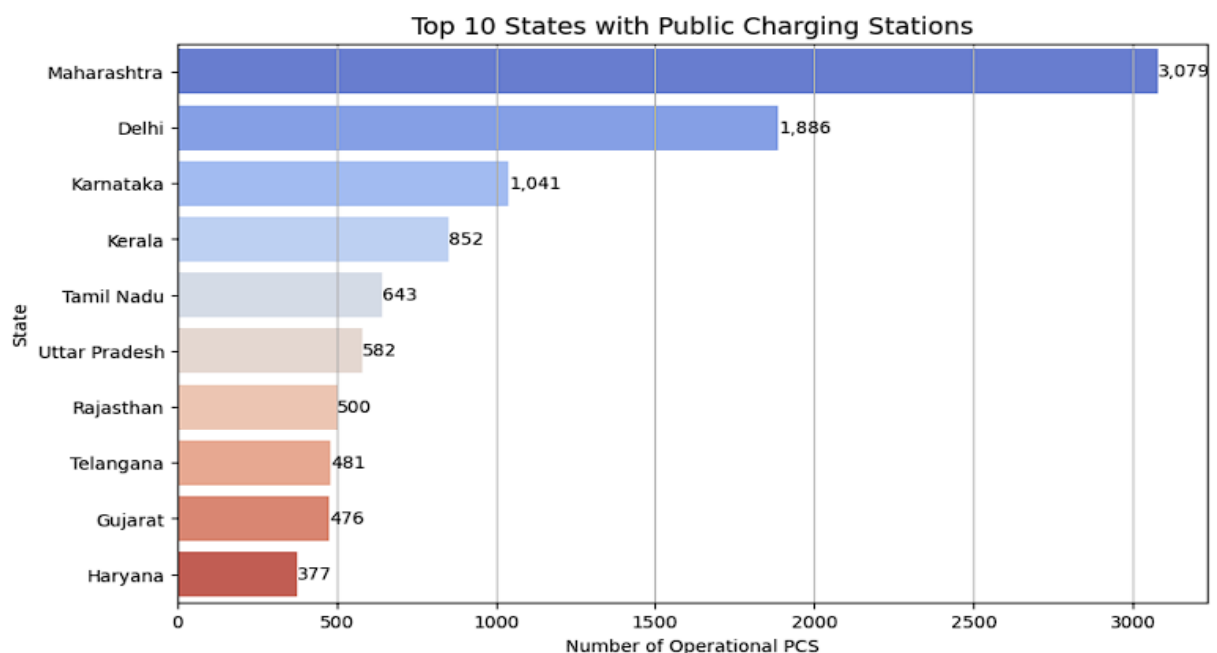
Top EV Manufacturers

A horizontal bar plot highlights leading manufacturers like Ola Electric Technologies Pvt Ltd (588,266 units), TVS Motor Company Pvt Ltd (318,445 units), and Ather Energy Pvt Ltd (236,387 units), which dominate due to their diverse offerings and strong brand presence. See the Top 10 EV Makers by Total Sales chart below.



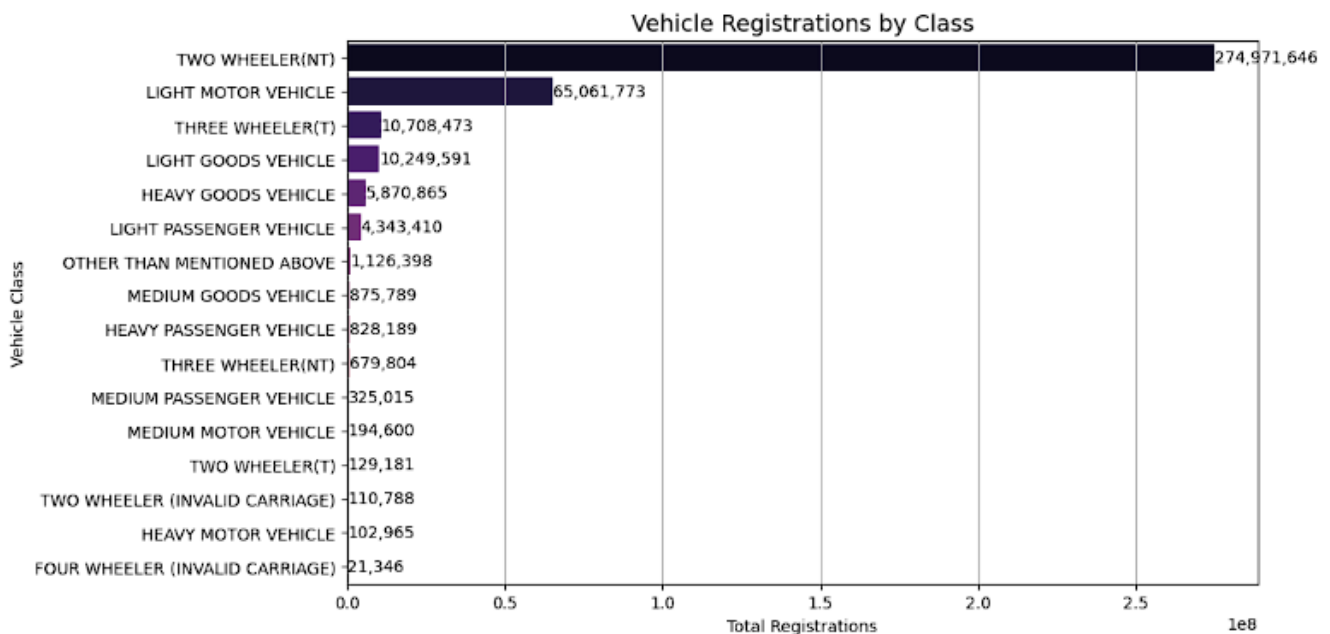
Charging Infrastructure

A bar plot of the top 10 states (e.g., Maharashtra with 3,079 stations, Delhi with 1,886 stations) shows significant infrastructure development, supporting consumer confidence in EV adoption. See the Top 10 States with Public Charging Stations chart below.



Vehicle Class Distribution

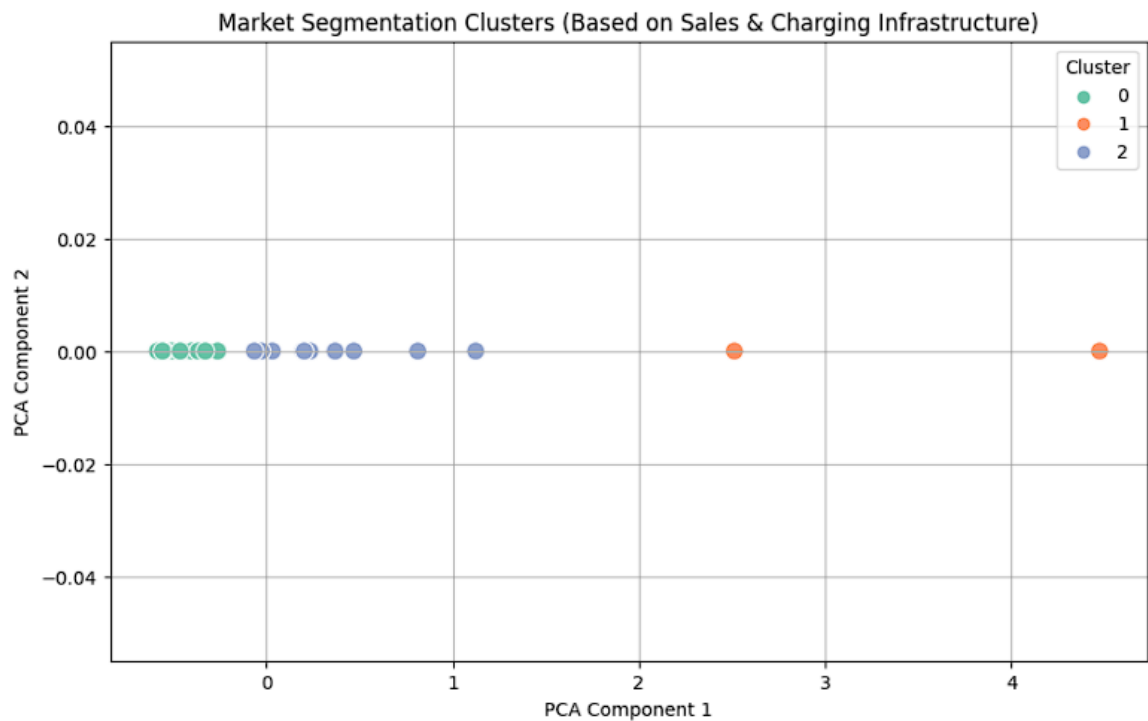
Two-wheelers dominate registrations with 274,971,646 units, followed by three-wheelers (10,708,473 units) and four-wheelers (1,343,410 units), reflecting affordability and practicality in the Indian market. See the Vehicle Registrations by Class chart below.



Market Segmentation

K-Means clustering identified three market segments:

- Cluster 0: Rural, price-sensitive consumers with limited infrastructure and awareness (21 states: Andaman & Nicobar, Arunachal Pradesh, Assam, Bihar, Chandigarh, Chhattisgarh, D&D and DNH, Goa, Himachal Pradesh, Jammu and Kashmir, Jharkhand, Lakshadweep, Manipur, Meghalaya, Nagaland, Odisha, Pondicherry, Punjab, Sikkim, Tripura, Uttarakhand).
- Cluster 1: Urban professionals and early adopters with strong infrastructure (2 states: Delhi, Maharashtra).
- Cluster 2: Middle-class consumers in emerging states with developing infrastructure (11 states: Andhra Pradesh, Gujarat, Haryana, Karnataka, Kerala, Madhya Pradesh, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh, West Bengal). A PCA-based scatter plot visualizes these clusters, highlighting regional opportunities. See the Market Segmentation Clusters chart below.



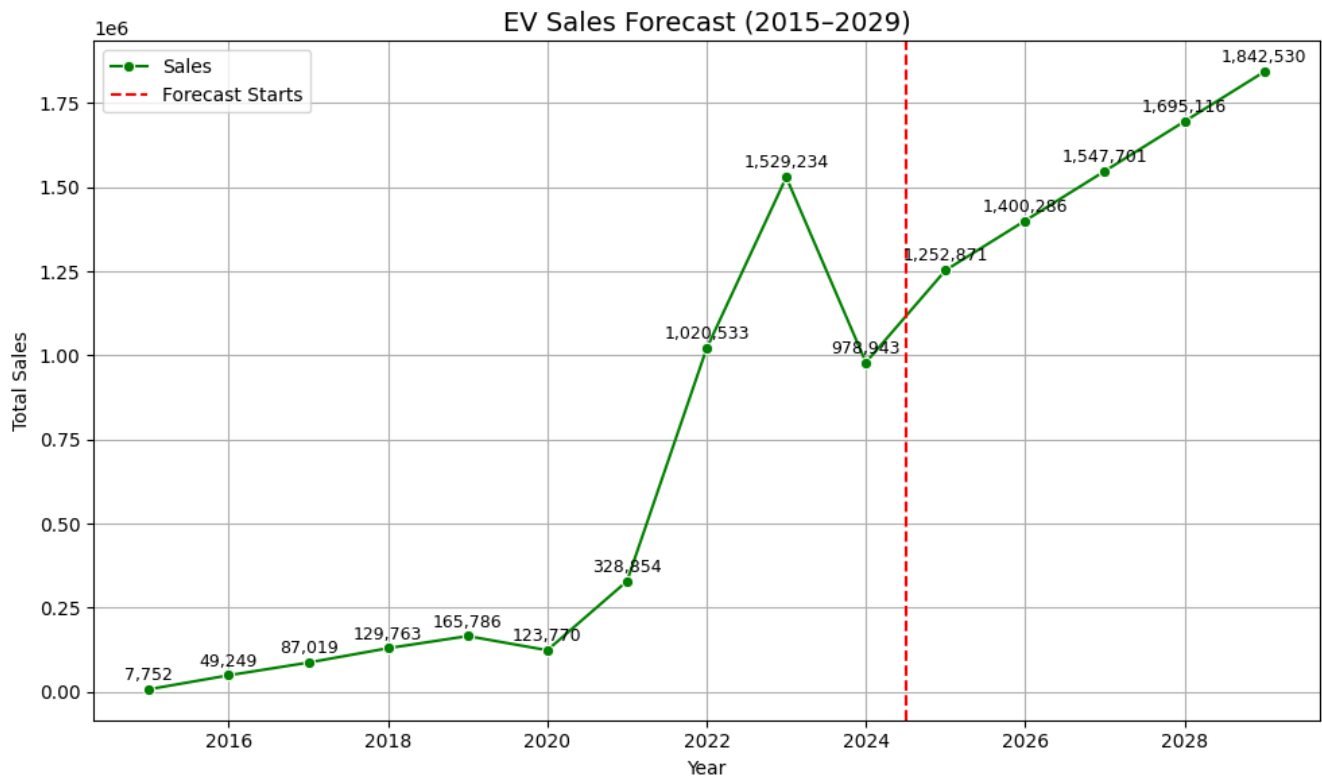
Cluster 0: 21 States -> Andaman & Nicobar, Arunachal Pradesh, Assam, Bihar, Chandigarh, Chhattisgarh, D&D and DNH, Goa, Himachal Pradesh, Jammu and Kashmir, Jharkhand, Lakshadweep, Manipur, Meghalaya, Nagaland, Odisha, Pondicherry, Punjab, Sikkim, Tripura, Uttarakhand

Cluster 2: 11 States -> Andhra Pradesh, Gujarat, Haryana, Karnataka, Kerala, Madhya Pradesh, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh, West Bengal

Cluster 1: 2 States -> Delhi, Maharashtra

Forecast

The Linear Regression model predicts continued sales growth, with a combined plot showing historical (2015–2024) and forecasted (2025–2029) sales, indicating a market size exceeding ₹5 lakh crore by 2030.



Discussion

The analysis reveals:

- **Growth Potential:** Two-wheelers and four-wheelers are high-growth categories due to affordability and urban mobility needs.
- **Regional Opportunities:** Cluster 1 states (Delhi, Maharashtra) are prime targets, while Cluster 2 states (e.g., Gujarat, Karnataka) offer emerging opportunities.
- **Infrastructure Gaps:** Cluster 0 states require significant investment in charging stations and awareness campaigns.
- **Consumer Behavior:** Urban professionals and fleet operators are early adopters, while middle-class families seek cost-effective options.
- **Policy Impact:** Government incentives and subsidies have significantly driven adoption, particularly in high-adoption states.

Recommendations

1. Manufacturers: Expand two-wheeler and four-wheeler portfolios, targeting Cluster 1 and 2 states. Introduce affordable models with EMI plans for Cluster 0.
2. Policymakers: Enhance incentives and subsidies in Cluster 0 states and expand charging infrastructure in Clusters 2 and 0.
3. Investors: Allocate resources to leading manufacturers (e.g., Ola Electric, Ather Energy) and infrastructure projects in high-potential regions.
4. Marketing Strategies:
 - Cluster 0: Focus on low-cost models, government subsidies, and awareness campaigns.
 - Cluster 1: Promote premium EVs with high-tech features via digital marketing and influencer partnerships.
 - Cluster 2: Emphasize reliability and affordability with financing options.
5. Future Improvements: Incorporate real-time IoT data, advanced predictive models (e.g., deep learning), and consumer sentiment analysis from social media.

Conclusion

India's EV market has grown significantly, reaching ₹1.5 lakh crore in 2024 with over 1.2 million units sold. Two-wheelers lead adoption, supported by infrastructure expansion and government policies. Segmentation highlights Delhi and Maharashtra as high-potential markets, with emerging opportunities in states like Gujarat and Karnataka. Strategic investments in infrastructure, affordable models, and data-driven marketing will drive mass adoption, with the market projected to exceed ₹5 lakh crore by 2030.

Acknowledgments

The datasets were compiled from the Vahaan4 and Sarthi Dashboards. Thanks to the data providers and industry stakeholders for enabling this analysis.