



India registered only 5,400 e-buses in 2025-26, needs sales to reach 60k to reach EV30@30 goals

Delhi: Fuel price volatility and worsening urban air pollution have become pressing challenges for India. Yet, the country remains far behind its electrification targets in the segment of buses, despite e-buses offering a promising solution to both the issues.

India's 2030 targets of EV30@30 suggest, 40% of bus sales in India should be electric. However, according to an analysis by ITDP India, based on data from Vahan Dashboard, in 2025-2026, only 4% of the buses registered were electric in the country. This approximately translated to 5,400 e-buses registered in the last financial year. As annual vehicle registrations closely mirror the annual sales and capture a more realistic picture, the analysis uses the same.

These figures indicate that India is yet to reach the pace needed to meet its 2030 electrification target. Furthermore, in order to reach the target of 40% of bus sales being electric, the e-bus sales will have to increase to a whopping 62,352 units, a year, by FY 2030-31, which is nearly 12 times more than the current rates!

Projections by ITDP India further suggests that this a highly challenging target to achieve in the next four years. According to the projections in the "Accelerating Clean Mobility through India's ZEV Opportunity" report, India's overall e-bus registration share, will likely grow upto only 4.7% in 2026-27 and 7.3% in 2028-29. In 2030-31, which is the target year for EV goals, it is likely that only 17,814 units will be registered, giving e-bus a market share of only 11.4% in terms of annual registrations share.

Year	Projected Bus Registrations Based on CAGR	Projected E-bus Registrations Based on CAGR of 32%	Projected E-bus Registrations Share (%)	Required e-bus Registrations to meet target	Actual e-buses Registered
2025-26	1,21,904	4560	3.7%	18,286 (15%)	5400
2026-27	1,28,048	5988	4.7%	25,610 (20%)	
2027-28	1,34,502	7865	5.8%	33,625 (25%)	
2028-29	1,41,281	10,328	7.3%	42,384 (30%)	
2029-30	1,48,401	13,564	9.1%	51,940 (34%)	
2030-31	1,55,881	17,814	11.4%	62,352 (40%)	

These projections are based on the registrations trends we saw in the e-bus segment between 2022-24. In those two years, the compound annual growth rate or CAGR was 32%. The projections had shown in 2025-2026, only 3.7% of total bus registration will be electric.

“While the actual numbers show that India has done marginally better, they are not far from the projections. This indicated that the growth rate is still very low and won’t dramatically increase unless some policy reforms are introduced,” said Aditya Rane, Deputy Manager, Transport Systems and Electric Mobility, ITDP India.

He noted the need for the bus industry to move on from an approach that encourages demand-side growth, by giving subsidies to the buyers, to moving to an approach promoting supply-side growth.

These can be done through supply-side regulation, where mandates are put both on buyers and manufacturers to adopt e-buses. “Till now a voluntary approach hasn’t helped to induce demand at scale. Hence putting regulations is crucial. This must be backed with phase-wise targets from the government, allowing the industry to achieve smaller electrification milestones, like starting with STUs, government fleet then moving to staff/ school buses, and eventually to private stage and contract carriage buses,” added Aditya.

While supply-side regulations can be introduced, the high capex of e-buses cannot be ignored, as it is one of the key reasons for the low number of e-buses. E-buses are much costlier than conventional Internal Combustion Engine (ICE) buses, and the cost difference varies from nearly ₹ 1 crore for an e-bus, in comparison to ₹ 40-60 lakh for an ICE bus. This has become a financial entry barrier.

“Private operators, who make up 93% of the bus ecosystem in the country, have voiced the struggle with financing e-buses via loans, owing to higher interest rates levied. This is happening due to no resale markets, and no residual value framework for e-buses, leading to financiers adding a risk premium,” added Aditya. Some of the changes that can help the industry flourish include, re-channelising government incentives from subsidies at the time of buying/ leasing, to enabling low-cost financing. “We need interest subvention and introduction of a residual value framework for e-buses. This will turn out to be much more economical for the government’s fiscal plans than giving out outright subsidies,” said added Sivasubramiam Jayaraman, Deputy Director, ITDP India.

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