

Alternative Fuel Vehicles Outsell Petrol Cars in India

Prelims: Current events of national and international importance | Economy

Why in News?

According to data released by the Federation of Automobile Dealers Associations (FADA), alternative fuel vehicles, collectively surpassed petrol-powered passenger vehicles in Indian retail sales for the first time in history.

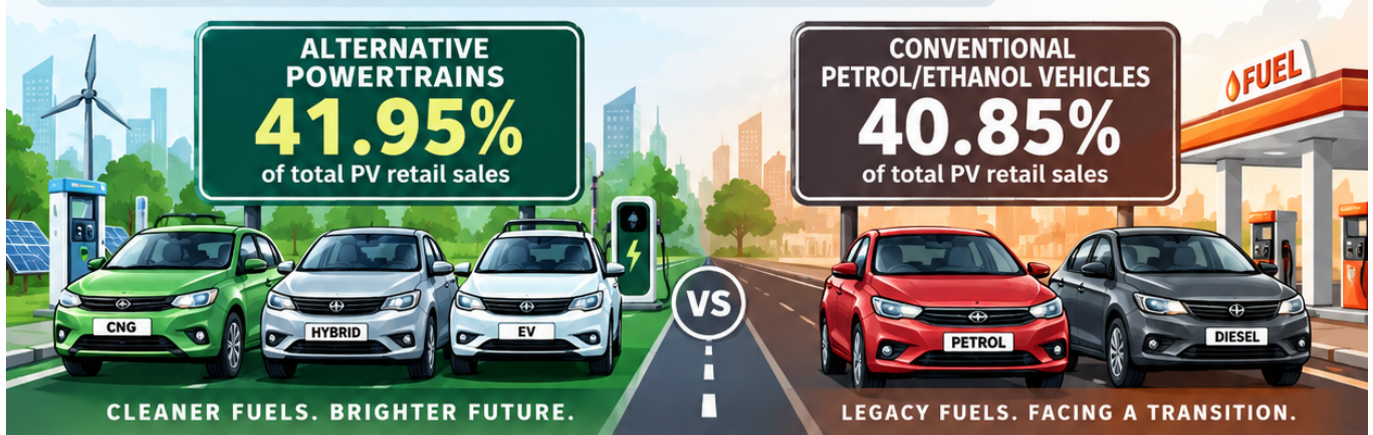
Key Highlights of the Recent Data

- Alternative powertrains accounted for **41.95%** of total passenger vehicle (PV) retail sales, surpassing conventional petrol/ethanol vehicles, which fell to **40.85%**.
- **Breakdown of Alternative Powertrains**
 - **Compressed Natural Gas (CNG): 25.28%** (remains the single largest alternative fuel choice).
 - **Strong/Plug-in Hybrids: ~9.00%**.
 - **Electric Vehicles (EVs): 7.63%**.
- **Legacy Powertrains**
 - **Petrol / Ethanol-blend: 40.85%** (still the largest individual fuel category, though its collective dominance has faded).
 - **Diesel: 17.21%**.
- **Shift Duration** - Just a year prior (August 2025), petrol-powered cars held an **11%-point lead** over all alternative powertrains combined.

INDIA'S PASSENGER VEHICLE MARKET A HISTORIC REVERSAL

CLEANER ROADS
STRONGER TOMORROW

For the first time, alternative powertrains have overtaken conventional petrol/ethanol vehicles in PV retail sales.



BREAKDOWN OF ALTERNATIVE POWERTRAINS (41.95%)



CNG

25.28%

Remains the single largest alternative fuel choice.



Strong/Plug-in Hybrids

~9.00%



Electric Vehicles (EVs)

7.63%

LEGACY POWERTRAINS (58.06%)



Petrol / Ethanol-blend

40.85%

Still the largest individual fuel category, though its collective dominance has faded.

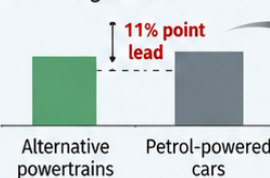


Diesel

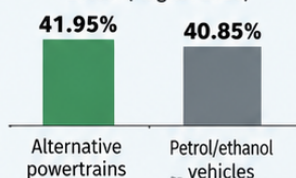
17.21%

HOW THE PICTURE CHANGED

August 2025



Latest (August 2026)



KEY TAKEAWAY FOR UPSC

- ✓ Signals a clear shift towards cleaner mobility.
- ✓ CNG, hybrids and EVs are gaining consumer acceptance.
- ✓ Reflects the impact of policy support, fuel price dynamics, and growing environmental awareness.
- ✓ Important for India's energy security, climate commitments and sustainable transport transition.

DRIVING INDIA TOWARDS A GREENER TOMORROW



Key Drivers

- **Running Cost** - Surging fuel prices have driven cost-conscious retail buyers towards CNG and hybrid models offering lower operational costs per kilometer.
- **E20 Transition** - FADA dealers reported consumer hesitation surrounding the national rollout of E20 (20% ethanol-blended petrol) fuel, nudging buyers toward non-petrol alternatives.
- **Rural Acceleration** - Rural PV retail sales grew by **24.99% YoY**, significantly outstripping urban growth (**10.93% YoY**), demonstrating that the adoption of alternative powertrains is expanding beyond metropolitan cities.
- **Broad EV & Hybrid Adoption** - Total EV sales across all segments (including 2W and 3W) reached a record 2.98 lakh units, registering a **52.9% YoY growth**.

Reference

[India Today | Alternative fuels overtake petrol in India](#)



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