

GOVERNMENT OF INDIA  
MINISTRY OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES  
DEPARTMENT OF HEAVY INDUSTRY  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 95**  
ANSWERED ON 14.09.2020

**PROMOTION OF ELECTRIC VEHICLES**

95. DR. AMEE YAJNIK:  
SHRI VIJAY PAL SINGH TOMAR:

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) the steps taken by Government for the promotion of Electric Vehicles in the country;
- (b) whether Government has asked the auto manufacturing companies to concentrate on production of Electric Vehicles in the country; and
- (c) if so, the details thereof?

**ANSWER**

THE MINISTER OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES  
(SHRI PRAKASH JAVADEKAR)

(a): The Department of Heavy Industry is administering Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India (FAME India) Scheme for promotion of adoption of electric/hybrid vehicles (xEVs) in India since 01<sup>st</sup>April, 2015. Phase-I of the Scheme was extended from time to time and the last extension was allowed till 31<sup>st</sup>March, 2019. Presently, Phase-II of FAME India Scheme is being implemented for a period of 3 years w.e.f. 01<sup>st</sup>April, 2019 with a total budgetary support of Rs. 10,000 crores. This phase will mainly focus on supporting electrification of public & shared transportation, and aims to support, through demand incentives approx. 7000 e-Buses, 5 lakh e-3 Wheelers, 55000 e-4 Wheeler Passenger Cars and 10 lakh e-2 Wheelers. With greater emphasis on providing affordable & environment friendly public transportation options for the masses, the scheme will be applicable mainly to vehicles used for public transport or those registered for commercial purposes in e-3W, e-4W and e-bus segments. However, privately owned registered e-2W will also be covered under the scheme as a mass segment. In addition, creation of charging infrastructure will be also supported to address range anxiety among users of electric vehicles.

In the First Phase of the Scheme about 2.8 lakh hybrid and electric vehicles were supported by way of demand incentive amounting to about Rs 359 crore. Further, DHI sanctioned 425 electric and hybrid buses to various cities in the country with total cost of about Rs. 280 Crores. The Department of Heavy Industry had also sanctioned about 500 Charging Stations/Infrastructure for Rs. 43 Crore (approx.) under Phase-I of FAME-India Scheme. Under Phase-II of FAME India Scheme, 27,027 Electric Vehicles have been supported till 08.09.2020 by way of Demand Incentive amounting to about Rs. 95 Cr. Further, 5595 electrical buses have been sanctioned to various State/ City Transport Undertakings under Phase-II of the Scheme. This involves Government incentive of around Rs. 2800 Cr.

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Department of Heavy Industry has also sanctioned 2,636 Electric Vehicles Charging Stations amounting to Rs 500 Crore (Approx.) in 62 cities across 24 States/UTs under FAME India (Faster Adoption and Manufacturing of Hybrid & Electric Vehicles in India) scheme phase II. In addition, following initiatives were also taken up by the Government to promote the use of electric/hybrid vehicles (including shared mobility) in various parts of the country –

- (i) Under the new GST regime, GST on EVs has been reduced from 12% rate to 5%.
  - (ii) Ministry of Power has allowed sale of electricity as ‘service’ for charging of electric vehicles. This would provide a huge incentive to attract investments into charging infrastructure.
  - (iii) The Government, vide S.O. 5333(E) dated 18th October, 2018 has also granted exemption to the Battery Operated Transport Vehicles and Transport Vehicles running on Ethanol and Methanol fuels from the requirements of permit.
  - (iv) In the budget of 2019-20, the Hon’ble Finance Minister announced provision of additional income tax deduction of Rs 1.5 lakh on the interest paid on loans taken to purchase electric vehicles.
- (b) & (c): The Government encourages adoption of electric vehicles in the country through FAME-India scheme and various other initiatives, as already mentioned in para (a) above.

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