

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
LOK SABHA
STARRED QUESTION NO. 200
ANSWERED ON 20.12.2022

MANUFACTURING OF ELECTRIC AND HYBRID VEHICLES

***200. SHRI SUDHEER GUPTA:
SHRI RAVI KISHAN:**

Will the Minister of HEAVY INDUSTRIES भारी उद्योग मंत्री be pleased to state:

- (a) the present status of the manufacturing of electric and hybrid vehicles in the country;
- (b) whether the Government proposes to disburse Rs. 1,000 crore under Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India (FAME-II) Scheme to some companies involved in sales and production of electric two wheelers in the country and if so, the details thereof;
- (c) whether the Government has received any complaints regarding misappropriation of subsidies under the Government's FAME scheme by some electric vehicles manufacturers;
- (d) if so, the details thereof and the action taken by the Government against such fraudulent companies;
- (e) the reasons for slow pace of implementation of FAME Scheme; and
- (f) the steps taken/being taken by the Government to bring down the cost of electric and hybrid vehicles at par with those Internal Combustion Engines?

ANSWER
THE MINISTER OF HEAVY INDUSTRIES
(DR. MAHENDRA NATH PANDEY)

(a) to (f): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF LOK SABHA STARRED QUESTION NO. 200 FOR 20.12.2022 ASKED BY SHRI SUDHEER GUPTA AND SHRI RAVI KISHAN REGARDING “MANUFACTURING OF ELECTRIC AND HYBRID VEHICLES”.

(a) Sir, the Ministry of Heavy Industries is implementing a scheme named Faster Adoption and Manufacturing of Electric Vehicles in India Phase II (FAME India Phase II) to promote adoption of electric/hybrid vehicles (xEVs) in the country. At present, Phase-II of FAME India Scheme is being implemented for a period of 5 years w.e.f. 01st April, 2019 with a total budgetary support of Rs. 10,000 crores. This Phase focusses on supporting electrification of public & shared transportation through subsidies for 10 lakh e-2 wheelers (e-2Ws), 5 Lakh e-3 Wheelers (e-3Ws), 55,000 e-4 Wheelers (e-4Ws) passenger cars, and 7090 e-Buses. As on 09th Dec 2022, 64 original equipment manufacturers (OEMs) of electric vehicles have been registered and 7.47 Lakh EVs under FAME India Phase II have been sold.

(b): Under FAME India Scheme Phase-II, the demand incentive/ subsidy is given to consumers (buyers/end users) in the form of an upfront reduced purchase price of hybrid and electric vehicles to enable wider adoption, which is reimbursed to the Original Equipment Manufacturers (OEMs) by Government of India. The total budgetary support of under this scheme is Rs. 10,000 crores.

(c): Yes, Sir. The Ministry has received complaints regarding misappropriation of subsidies under the Government’s FAME India Phase II scheme by some electric vehicles manufacturers, whose details are given as **ANNEXURE**. The complaints are mainly related to the violation of Phased Manufacturing Programme (PMP) guidelines under FAME India Scheme Phase-II.

(d): All the complaint cases have been referred to the testing agencies for re-verification. After examination of reports in respect of two OEMs, the models of these two OEMs have been suspended from the FAME scheme. Further, the processing of their pending claims has been stopped till they submit sufficient evidence to show their compliance to PMP timelines.

(e): The FAME India Scheme Phase II is demand driven. This scheme helps in demand generation of electric vehicles by way of reducing the cost of acquisition of such vehicles. As the demand of electric vehicles increases, the pace in implementation of FAME India Scheme also increases. The sale of electric vehicles under this scheme has significantly increased over the years as seen from the table below:

Sr. No.	Year	Sale of EVs (Nos)
1	2019-20	19,100
2	2020-21	48,179
3	2021-22	2,37,811
4	2022-23 (Up to 9 th December, 2022)	4,42,901

(f): Sir, following steps have been taken by the Government to bring down the cost of electric/hybrid vehicles at par with those with internal combustion engines:

i. The demand incentive for electric two wheelers has been increased to Rs. 15,000/KWh from Rs. 10,000/KWh along with an increase in cap from 20% to 40% of the cost of electric vehicle with effect from 11th June, 2021.

ii. The Government on 12th May, 2021 approved a Production Linked Incentive (PLI) scheme for manufacturing of Advanced Chemistry Cell (ACC) in the country which will lead to lowering the prices of battery in the country along with a consequent drop in the cost of electric vehicles. Further, the PLI Scheme for Automobile and Auto Component was notified on 23rd September, 2021 also has the provision for incentivizing Electric Vehicles.

iii. GST on electric vehicles has been reduced from 12% to 5%; GST on chargers/ charging stations for electric vehicles has been reduced from 18% to 5%.

iv. Keeping in view the need for promoting electric mobility and alternate fuels, the Ministry of Road Transport and Highways, vide notification issued on October 18, 2018, has exempted Battery Operated Vehicles, from the requirement of permit for carrying passengers or goods.

ANNEXURE

ANNEXURE REFERRED IN LOK SABHA STARRED QUESTION NO. 200 FOR 20.12.2022 ASKED BY SHRI SUDHEER GUPTA AND SHRI RAVI KISHAN REGARDING “MANUFACTURING OF ELECTRIC AND HYBRID VEHICLES”.

List of alleged Original Equipment Manufacturers (OEMs)

1. Hero Electric Vehicles Private Limited
2. Okinawa Autotech Private Limited
3. Benling India Energy and Technology Private Limited
4. Okaya Ev Pvt. Ltd
5. Jitendra New Ev Tech Pvt. Ltd.
6. Greaves Electric Mobility Pvt. Ltd. (formerly Ampere Vehicles Private Limited)
7. Revolt Intellicorp Pvt. Ltd.
8. Kinetic Green Energy & Power Solutions Ltd.
9. Avon Cycles Ltd.
10. Lohia Auto Industries.
11. Thukral Electric Bikes Pvt. Ltd.
12. Victory Electric Vehicles International Private Limited
