

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 2192
ANSWERED ON 14.03.2023

TAX REDUCTION ON EVs

**2192. SHRI A. RAJA:
SHRI A. GANESHAMURTHI:**

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

- (a) the details of policies of the Government for incentivising manufacture of Electric Vehicles (EVs) in the country;
- (b) whether battery manufacturing capabilities and charging infrastructure facilities have improved during the last three years;
- (c) if so, the details thereof; and
- (d) whether tax reduction on EVs, exemption on stamp duty on purchase or lease of land obtained from the Government for the manufacturer is allowed so that people can go for EVs rather than petrol/ diesel vehicles and if so, the details thereof?

**ANSWER
THE MINISTER OF STATE FOR HEAVY INDUSTRIES
(SHRI KRISHAN PAL GURJAR)**

- (a):** Sir, the Ministry of Heavy Industries has given incentives to buyers and manufacturers of electric vehicles through following three schemes:
- i. **Faster Adoption and Manufacturing of Hybrid and Electric Vehicles in India (FAME India):** The Government notified Phase-II of FAME India Scheme for a period of five years commencing from 1st April, 2019 with a total budgetary support of Rs. 10,000 crore. Under FAME-India Scheme phase-II, incentives are provided to buyers of electric vehicles in the form of an upfront reduction in the purchase price of electric vehicles. The incentive is linked to battery capacity i.e. Rs. 10,000/KWh for e-3W and e-4W with a cap 20% of the cost of vehicle. Further, the incentive/ subsidies for e-2W has been increased to Rs. 15,000/KWh from Rs. 10,000/KWh with an increase in cap from 20% to 40% of the cost of vehicle w.e.f. 11th June, 2021.
 - ii. **Production Linked Incentive (PLI) Scheme for Automotive Sector:** The Government on 15th Sep., 2021 approved the PLI Scheme for Automotive Sector with a budgetary outlay of Rs. 25,938 crores to support domestic manufacturing of vehicles. Electric vehicles are covered under this PLI scheme.

iii. PLI Scheme for Advanced Chemistry Cell (ACC): The Government on 12th May, 2021 approved PLI Scheme for manufacturing of ACC in the country with a budgetary outlay of Rs. 18,100 crore. The scheme envisages to establish a competitive ACC battery manufacturing set up in the country for 30 GWh. Additionally, 5GWh of niche ACC technologies is also covered under the Scheme.

(b) & (c): Yes, sir. Under PLI ACC Scheme, three entities have been awarded the ACC capacities i.e. Rajesh Exports Limited - 5 GWh, Ola Electric Mobility Private Limited - 20 GWh & Reliance New Energy Solar Limited - 5 GWh.

Further, the Ministry of Heavy Industries has sanctioned 2,877 electric vehicle charging stations in 68 cities across 25 states/UTs and 1576 charging stations across 9 Expressways and 16 Highways under phase-II of FAME India Scheme has also been sanctioned.

(d): Sir, 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%.
