

GOVERNMENT OF INDIA  
MINISTRY OF HEAVY INDUSTRIES  
LOK SABHA  
UNSTARRED QUESTION NO. 2714  
ANSWERED ON 02.08.2022

**PRICES OF ELECTRIC VEHICLES**

**2714. SHRI JAGDAMBIKA PAL:**

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

- (a) whether the Government has any proposal to bring the prices of Electric Vehicles (EVs) below the prices of Petrol Vehicles (PVs) keeping in view the budget of common man and if so, the details thereof;
- (b) whether the Government has taken any new initiative to facilitate transition to EVs by 2030 and if so, the details thereof; and
- (c) whether the Government proposes to alter the entire fleet of public transportation including buses and auto-rickshaws to electric fleet and if so, the details thereof?

**ANSWER**

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

**(a):** Sir, in order to reduce the price of electric vehicles and promotion of adoption of electric vehicles, following steps have been taken by the Government in the country:

- i.* Under FAME India Scheme Phase-II, the demand incentive for electric two wheelers 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 from 11<sup>th</sup> June, 2021, thus enabling cost of Electric two wheelers at par with that of ICE two wheeler vehicles.
- ii.* The Government on 12th May, 2021 approved a Production Linked Incentive (PLI) scheme for manufacturing of Advanced Chemistry Cell (ACC) in the country in order to bring down prices of battery in the country. Drop in battery price will result in cost reduction of electric vehicles.
- iii.* Electric Vehicles are also incentivized under Production Linked Incentive (PLI) scheme for Automobile and Auto Components, which was approved on 15<sup>th</sup> September 2021 with a budgetary outlay of Rs. 25,938 crore for a period of five years.
- iv.* 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%.
- v.* Ministry of Road Transport & Highways (MoRTH) announced that battery-operated vehicles will be given green license plates and be exempted from permit requirements.
- vi.* MoRTH issued a notification advising states to waive road tax on EVs, which in turn will help reduce the initial cost of EVs.

**(b) & (c):** Sir, no such proposal is under consideration in the Ministry of Heavy Industries.

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