

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 298
ANSWERED ON 19.07.2022

MANUFACTURING OF ELECTRIC AND BATTERY VEHICLES

**298. DR. NISHIKANT DUBEY:
SHRIMATI RAKSHA NIKHIL KHADSE:
SHRI MANOJ KOTAK:**

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

(a) whether Government is promoting the manufacturing and use of electric and battery eco-friendly vehicles in the country and if so, details thereof including the Electric Vehicles (EVs) registered during the last three years, year-wise;

(b) whether the Government is providing incentives under Production Linked Incentives (PLI) Scheme for the manufacturers of EVs and battery operated vehicles and its equipment to encourage production of EVs and incentives to buyers of these vehicles in purchase price of EVs and if so, the details thereof during the last three years, year-wise; and

(c) whether the Government proposes to convert all the vehicles in the country into electric and battery eco friendly vehicles and if so, the details thereof?

ANSWER

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

(a) & (b): Yes Sir, in order to promote manufacturing and usage of electric and battery eco-friendly vehicles in the country, the Government launched the Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India (FAME India) Scheme in 2015 on PAN India basis with an aim to reduce dependency on fossil fuel and to address issues of vehicular emissions. 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 and aims to support, through subsidies, 7090 e-Buses, 5 lakh e-3 Wheelers, 55000 e-4 Wheeler Passenger Cars and 10 lakh e- 2 Wheelers. In addition, creation of charging infrastructure is also supported to address range anxiety among users of electric vehicles.

Under the scheme, 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 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. Since beginning of the scheme i.e. 01st April, 2019, total 4.72 lakh EVs (e-2W, e-3W and e-4W) with demand incentive of about Rs. 1908.00 Cr. have been supported under the scheme as on 14th July, 2022.

As per e-vahan portal, Ministry of Road Transport and Highways, the details of electric vehicles registered in the country over the last three years is as under:

Sl. No.	Financial Year	No. of electric vehicles
1.	2019-20	1,68,317
2.	2020-21	1,34,853
3.	2021-22	4,29,477

Further, following steps have been taken by the Government for adoption of electric vehicles in the country:

- i. The demand incentive for electric two wheelers under FAME India Scheme Phase-II 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 11th 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 covered under Production Linked Incentive (PLI) scheme for Automobile and Auto Components, which was approved on 15th 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.
- (c): No such proposal is under consideration in the Ministry of Heavy Industries.
