

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 2076
ANSWERED ON 15.03.2022

ELECTRIC VEHICLE MANUFACTURING CENTRE/HUB

†2076. **SHRI MOHANBHAI KALYANJI KUNDARIYA:**
SHRI P.C. MOHAN:
SHRI DIPSINH SHANKARSINH RATHOD:

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

- (a) whether India will become electric vehicle manufacturing centre (hub) in the coming five years;
- (b) if so, the details thereof;
- (c) the main issues in India in the field of electric vehicles;
- (d) the scope of changed opportunities of business for Indian Industrial Sector; and
- (e) whether these steps help in economic development of the country and the job creation, if so, the details thereof?

ANSWER

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

(a) & (e): Sir, to enhance India's Manufacturing capabilities and to help in the economic development of the country, the union cabinet on 12th May, 2021 approved the Production Linked Incentive (PLI) Scheme for setting up manufacturing facilities for Advance Chemistry Cell (ACC), Battery Storage in India, with a total manufacturing capacity of 50 Giga Watt Hour (GWh) with an outlay of Rs. 18,100 crores over a period of 5 years. Also, the Government approved the Production Linked Incentive (PLI) Scheme for Automobile and Auto Components Industry in India for enhancing India's Manufacturing Capabilities for Advanced Automotive Technology (AAT) Products for Auto sector including electric vehicles with a budgetary outlay of Rs. 25,938 crores over a period of five years.

Further, Ministry of Heavy Industries is administering phase-II of Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles to promote adoption of electric/ hybrid vehicles (xEVs) in India 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. Electric vehicles are being supported by the way of demand incentives under FAME India Scheme phase II to reduce the cost difference between the electric vehicles and ICE vehicles.

Contd./-

Further, following initiatives have also been taken up by the Government of India for promotion of electric vehicles in the country –

- i. The demand incentive under FAME-II scheme has been increased to Rs. 15,000/KWh from Rs. 10,000/KWh with an increase in cap from 20% to 40% of cost of vehicle, thus enabling cost of electric two wheelers to be at par with ICE two wheeler vehicle.
- ii. 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%.
- iii. Ministry of Road Transport & Highways (MoRTH) announced that battery-operated vehicles will be given green license plates and be exempted from permit requirements.
- iv. MoRTH issued a notification advising states to waive road tax on EVs, which in turn will help reduce the initial cost of EVs.
