

GOVERNMENT OF INDIA  
MINISTRY OF HEAVY INDUSTRIES  
LOK SABHA  
UNSTARRED QUESTION NO. 959  
ANSWERED ON 08.02.2022

**PROMOTION OF ELECTRIC VEHICLES**

**959. SHRIMATI POONAMBEN MAADAM:  
SHRI RITESH PANDEY:**

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

- (a) the measures taken/proposed to be taken by the Government to promote the manufacturing and use of electric vehicles in the country;
- (b) whether any time limit has been fixed or is proposed to be fixed by the Government for converting all the vehicles used in the country into electric vehicles and if so, the details thereof;
- (c) the budgetary allocation for promoting the electric vehicles for this financial year;
- (d) the number of vehicles in the Central Government offices targeted/to be targeted for conversion into electric vehicles during 2020-21 along with the number of electric vehicles targeted/to be targeted for use in such offices during the said period; and
- (e) whether the Government proposes to provide incentives/subsidies to the buyer and manufacturers of electric 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 formulated a Scheme Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India (FAME India) Scheme in 2015 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. 01<sup>st</sup> 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.

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 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 covered 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):** No Such proposal is under consideration in the Ministry of Heavy Industries.

**(c):** Sir, the details of fund allocation under Phase-II of Faster Adoption and Manufacturing of Hybrid and Electric Vehicles (FAME) scheme for promoting the electric vehicles in the financial year 2021-22 is as under:

Figure are in Rs. Crore

Financial Year	Fund allocation (Budget Estimate)	Fund allocation (Revised Estimate)
2021-22	756.66	800.00

**(d):** No Such proposal is under consideration in the Ministry of Heavy Industries.

**(e):** Yes Sir, under Phase-II of FAME-India Scheme, incentives are provided to buyers of electric vehicles in the form of an upfront reduction in the purchase price of electric vehicles. Under this scheme, the incentive amount is directly proportional to the battery capacity of the EV. The incentive amount is INR 10,000 per kWh of battery capacity for e-3W and e-4W segments, and INR 20,000 per kWh for buses. The maximum incentive is also capped at 40% of the ex-showroom price for e-buses and 20% for e-3W and e-4W segments. Further, w.e.f. 11<sup>th</sup> June, 2021, demand incentive for e-2W is increased to Rs. 15,000/KWh from Rs. 10,000/KWh with a cap of 40% cost of vehicles. Also, battery electric vehicles using Advanced Chemistry Cell (ACC) batteries are also eligible for incentive upto 16% under PLI scheme for Automobiles and Auto Components.

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