

GOVERNMENT OF INDIA  
MINISTRY OF HEAVY INDUSTRIES  
RAJYA SABHA  
UNSTARRED QUESTION NO. 3476  
ANSWERED ON 01.04.2022

**FUNDS AND LOANS FOR ELECTRIC VEHICLES**

**3476. DR. KIRODI LAL MEENA:**

Will the Minister of *Heavy Industries* be pleased to state:

- (a) whether the use of electric vehicles (EVs) is increasing in the country;
- (b) if so, whether Government proposes to set up an institute for funding business, providing loans for public transport and commercial vehicle segment with focus on EVs;
- (c) if so, the details thereof;
- (d) whether Government is also formulating any scheme to provide incentive for manufacturing of equipment so as to promote the conversion of vehicles into EVs;
- (e) if so, the details thereof; and
- (f) the time by when a final decision is likely to be taken in this regard?

**ANSWER**

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

**(a):** Yes Sir, the use of electric vehicles is increasing in the country. As per e-vahan portal (Ministry of Road Transport and Highways), there are about 10.76 lakhs electric vehicles registered as on 25.03.2022.

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

**(d) to (f):** Sir, there is no such proposal under consideration of MHI for providing incentives for manufacturing of equipment for the conversion of vehicles into EVs. However, 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. 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. 11<sup>th</sup> June, 2021.

Further, following two Production Linked Incentive (PLI) schemes are being implemented by the Ministry of Heavy Industries for promotion of manufacturing of electric vehicles:

- i. The Union Cabinet on 12<sup>th</sup> May, 2021 approved the PLI scheme for setting up manufacturing facilities for Advanced Chemistry Cell (ACC), Battery Storage in India, with a total manufacturing capacity of 50 Giga Watt Hour (GWh) and with an outlay of Rs. 18,100 crores for 5 years.
- ii. Government has approved the PLI scheme for Automobile and Auto Components with a budgetary outlay of Rs. 25,938 crore over a period of five years. Electric vehicles are covered under this PLI scheme.

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