

GOVERNMENT OF INDIA  
MINISTRY OF HEAVY INDUSTRIES  
RAJYA SABHA  
UNSTARRED QUESTION NO. 2037  
ANSWERED ON 23.12.2022

**INCONVENIENCE ON SWITCHING OVER TO HYBRID AND ELECTRIC  
VEHICLES**

2037. SHRI P. WILSON:

Will the Minister of Heavy Industries be pleased to state:

- (a) the details of amount of funds that have been disbursed and allocated under Phase II of FAME India scheme across the country including Tamil Nadu from the year 2019 till date and the update on the scheme;
- (b) whether the Ministry has conducted any studies to see whether a switch to hybrid and electric technology in vehicles via Phase II of FAME India scheme would cause inconvenience or difficulties for the motorists, who are using conventional vehicles and the solution to such a problem; and
- (c) if so, the details thereof, if not, the reasons therefor?

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

(a): Sir, the Ministry of Heavy Industries formulated a Scheme namely Faster Adoption and Manufacturing of Electric Vehicles in India Phase II (FAME India Phase II) on pan India basis including the state of Tamil Nadu, for a period of five years commencing from 1<sup>st</sup> April, 2019 with a total budgetary support of Rs. 10,000 crore. This phase mainly focuses on supporting electrification of public & shared transportation, and aims to support through demand incentive 7090 eBuses, 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 under the Scheme.

Under Phase-II of FAME India Scheme, 7,66,478 Electric Vehicles have been supported till 19<sup>th</sup> December, 2022 by way of Demand Incentive amounting to about Rs. 3,311 Cr. Further, MHI has sanctioned 6315 e-buses to 65 cities/STUs/CTUs/ State Govt. entities for intracity and intercity operations across 26 states/UT under the Scheme. The Ministry has also sanctioned 2877 charging stations in 68 cities across 25 states/UTs under FAME India (Faster Adoption and Manufacturing of Hybrid & Electric Vehicles in India) Scheme Phase II.

The details of the budgetary allocation and utilization to implement Phase II of FAME-India Scheme is as under:

Sl. No.	Financial Year	Budget Allocation	Fund Utilization as on 30.11.2022
1	2019-2020	Rs. 500.00 Crore	Rs. 500.00 Crore
2	2020-2021	Rs. 318.36 Crore	Rs. 318.36 Crore
3	2021-2022	Rs. 800.00 Crore	Rs. 800.00 Crore
4	2022-2023	Rs. 2903.08 Crore	Rs. 1128.45 Crore

(b) & (c): No Sir, no such study has been conducted by the Ministry of Heavy Industries in this regard under FAME India Scheme Phase-II. Further, following inconvenience or difficulties faced by the motorists, who are using conventional vehicles, for switching to hybrid and electric vehicles technology:

- (i) High upfront cost of electric vehicle as compared to corresponding Internal Combustion Engine (ICE) vehicle.
- (ii) Customer anxiety about range of electric vehicle.
- (iii) Limited models available in India compared to ICE vehicles especially in Electric car segment.

The following steps have been taken by the Government to bring down the above mentioned inconvenience or difficulties faced by the motorists for switching to hybrid and electric vehicles technology:

- i. The demand incentive for electric two wheelers has been increased to Rs. 15,000/KWh from Rs. 10,000/KWh along with an increase in cap from 20% to 40% of the cost of electric vehicle with effect from 11<sup>th</sup> June, 2021.
- ii. The Government on 12<sup>th</sup> May, 2021 approved a Production Linked Incentive (PLI) Scheme for manufacturing of Advanced Chemistry Cell (ACC) in the country which will lead to lowering the prices of battery in the country along with a consequent drop in the cost of electric vehicles. Further, the PLI Scheme for Automobile and Auto Component was notified on 23<sup>rd</sup> September, 2021 also has the provision for incentivizing Electric Vehicles.
- iii. 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%.
- iv. Keeping in view the need for promoting electric mobility and alternate fuels, the Ministry of Road Transport and Highways, vide notification issued on 18<sup>th</sup> October, 2018, has exempted Battery Operated Vehicles, from the requirement of permit for carrying passengers or goods.

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