

**HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
DEPARTMENT OF HEAVY INDUSTRY**

**RAJYA SABHA
UNSTARRED QUESTION No. 3223
TO BE ANSWERED ON 22.07.2019**

Increasing usage of electric vehicles

3223. SHRI SANJAY RAUT:

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) whether Government is planning to speed up use of electric vehicles in various parts of the country to address the dual challenges of rising pollution and to reduce dependency on fossil fuels;
- (b) if so, the details thereof alongwith the time-limit fixed for the purpose;
- (c) whether the existing production capacity of electric vehicles would be able to meet the requirement;
- (d) whether automobile industry has demanded incentives, as well, for making infrastructure facilities; and
- (e) if so, the details thereof and Government's response thereto?

ANSWER

**THE MINISTER OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES
(SHRI ARVIND GANPAT SAWANT)**

(a) to (e): The National Electric Mobility Mission Plan (NEMMP) 2020 is a National Mission document providing the vision and the roadmap for the faster adoption of electric vehicles and their manufacturing in the country. This plan has been designed to enhance national fuel security, to provide affordable and environmentally friendly transportation and to enable the Indian automotive industry to achieve global manufacturing leadership. As part of the NEMMP 2020, the Government approved Phase-I of FAME India Scheme in March, 2015 for a period of 2 years w.e.f 1st April 2015 with an aim to reduce dependency on fossil fuel and to address issues of vehicular emissions. The Phase-I of the Scheme was extended from time to time and the last extension was allowed till 31st March 2019. Since inception of the scheme, about 2.78 lakh vehicles have been supported by way of extending demand incentives of Rs. 343 Crore [Approx]. As pilot project, 465 buses were also sanctioned to various cities/ states to promote public transportation under the scheme.

Based on outcome and experience gained during the Phase-I of FAME India Scheme and after having consultations with all stakeholders including Industry and Industry Associations, the Government notified Phase-II of FAME India Scheme on 8th March 2019, which is for a period of three years commencing from 1st April 2019 with a total budgetary support of Rs. 10,000 crore. This phase will mainly focus on supporting electrification of public & shared transportation, and aims to support through incentives about 7000 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 will be supported in selected cities and along major highways to address range anxiety among users of electric vehicles.

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An Expression of Interest (EoI) has been issued on 4th June 2019 inviting proposals from State/UT Government Departments, State/City Transport Undertakings, Municipal Corporations or any other similar Public Entity interested in the deployment of electric buses for public transport in different cities on an Operational Cost Model, for availing incentives under Phase II of FAME India Scheme.

On 12th July 2019, the Department has issued another Expression of Interest inviting proposals from Urban Local Bodies (ULBs)/Municipal Corporations, PSUs (State/Central) and public/Private Entities desirous for development of EV charging infrastructure in different states/cities.

In addition, following initiatives were also taken up by the Government to speed up electric vehicles use in various part of the country –

- (i) Under new GST regime, the rates of GST on Electric Vehicles has been kept in the lower bracket of 12% (with no Cess) as against the 28% GST rate with Cess up to 22% for conventional vehicles.
- (ii) Ministry of Power has allowed sale of electricity as ‘service’ for charging of electric vehicles. This would provide a huge incentive to attract investments into charging infrastructure.
- (iii) The Government, vide S.O. 5333(E) dated 18th October, 2018 has also granted exemption to the Battery Operated Transport Vehicles and Transport Vehicles running on Ethanol and Methanol fuels from the requirements of permit.
- (iv) The Government, vide draft GSR 430(E) dated 18th June 2019 has proposed exemption of registration fees for battery operated/electric vehicles to promote the use of eco-friendly vehicles in the country.
- (v) In the budget of 2019-20, the Hon’ble Finance Minister announced for providing additional income tax deduction of Rs 1.5 lakh on the interest paid on loans taken to purchase electric vehicles.
