

GOVERNMENT OF INDIA  
MINISTRY OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES  
RAJYA SABHA  
UNSTARRED QUESTION NO. 863  
ANSWERED ON 10.02.2020

**PROGRESS IN THE SALES OF ELECTRIC/HYBRID VEHICLES**

863. SHRI JOSE K. MANI:

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

(a) the details of progress in the sales of electric/hybrid vehicles in India, against the target of six-seven million by the year 2020;

(b) whether the adoption of electric/hybrid public transport vehicles is facing roadblocks, due to lack of charging stations; and

(c) the details of steps being taken to promote electric/hybrid vehicles in the shared mobility market, considering its high penetration in the Indian market, as pointed by NITI Aayog?

**ANSWER**

**THE MINISTER OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES  
(SHRI PRAKASH JAVADEKAR)**

(a) to (c):The Department of Heavy Industry is administrating Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India (FAME India) Scheme for promotion of adoption of electric/hybrid vehicles (xEVs) in India since 01<sup>st</sup> April, 2015.The Phase-I of the Scheme was extended from time to time and the last extension was allowed till 31st March 2019. Presently, Phase-II of FAME India Scheme is being implemented for a period of 3 years w.e.f. 01<sup>st</sup> 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 subsidies approx. 7000 e-Buses, 5 lakh e-3 Wheelers, 55000 e-4 Wheeler Passenger Cars and 10 lakh e-2 Wheelers. With greater emphasis on providing affordable & environment friendly public transportation options for the masses, the scheme will be applicable mainly to vehicles used for public transport or those registered for commercial purposes in e-3W, e-4W and e-bus segments. However, privately owned registered e-2W will also be covered under the scheme as a mass segment.

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In the First Phase of the Scheme about 2.8 lakh hybrid and electric vehicles are supported by way of demand incentive amounting to about Rs 359 crore. Further, DHI sanctioned 425 electric and hybrid buses to various cities in the country with total cost of about 300 Crores. Out of 425 electric and hybrid buses, about 417 buses are plying on the road. The Department of Heavy Industry also sanctioned about 500 Charging Stations/ Infrastructure for Rs. 43 Crore (approx.) in cities like Bangalore, Chandigarh, Jaipur and NCR of Delhi under Phase-I of FAME-India Scheme.

Under Phase-II of FAME India Scheme, about 10,000 Electric Vehicles are supported by the way of Demand Incentive amounting to about Rs. 27 Cr. Further, 5595 electrical buses amounting to Rs 2800 Crore (Approx.) Govt. incentive are sanctioned to various States (City Transport Undertakings) under Phase-II of the Scheme. Department of Heavy Industry has also sanctioned 2,636 Electric Vehicles (EVs) amounting to Rs 500 Crore (Approx.) Charging Stations in 62 cities across 24 States/UTs under FAME India (Faster Adoption and Manufacturing of Hybrid & Electric Vehicles in India) scheme phase II.

It is not the fact that adoption of EVs are facing roadblocks due to lack of charging Stations. In last 10 months about 11000 EVs have been purchased by consumers under FAME-II Scheme and efforts of DHI in establishment of charging Stations are resulting in increase in sales of EVs.

In addition, following initiatives were also taken up by the Government to promote electric/ hybrid vehicles (including shared mobility) use in various part of the country –

(i) Under new GST regime, GST on EVS is reduced from existing 12% rate to 5% 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.

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