

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
RAJYA SABHA
UNSTARRED QUESTION NO. 2030
ANSWERED ON 17.03.2023

ELECTRIC VEHICLES POLICY

2030. SHRI AYODHYA RAMI REDDY ALLA:

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

- (a) whether Government plans to further promote subsidy on the purchase of Electric Vehicles (EVs), if so, the details thereof and if not, the reasons therefor;
- (b) whether Government plans to set up EV manufacturing plants in India, if so, the details thereof and if not, the reasons therefor;
- (c) whether Government plans to increase electric mobility in the country, if so, the details thereof and if not, the reasons therefor; and
- (d) the details of land and electricity support proposed for enhancing electric mobility in the coming years?

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

(a) & (b): Sir, the Ministry of Heavy Industries has given incentives to buyers and manufacturers of electric vehicles through following three schemes:

- i. **Faster Adoption and Manufacturing of Hybrid and Electric Vehicles in India (FAME India):** The Government notified Phase-II of FAME India Scheme for a period of five years commencing from 1st April, 2019 with a total budgetary support of Rs. 10,000 crore. Under FAME-India Scheme phase-II, incentives are provided to buyers of electric vehicles in the form of an upfront reduction in the purchase price of electric vehicles.
- ii. **Production Linked Incentive (PLI) Scheme for Automotive Sector:** The Government on 15th Sep., 2021 approved the PLI Scheme for Automotive Sector with a budgetary outlay of Rs. 25,938 crores to support domestic manufacturing of vehicles. Electric vehicles are covered under this PLI scheme.
- iii. **PLI Scheme for Advanced Chemistry Cell (ACC):** The Government on 12th May, 2021 approved PLI Scheme for manufacturing of ACC in the country with a budgetary outlay of Rs. 18,100 crore. The scheme envisages to establish a competitive ACC battery manufacturing set up in the country for 30 GWh. Additionally, 5GWh of niche ACC technologies is also covered under the Scheme.

PTO

(c): Yes Sir, following steps have been taken by the Government to increase electric mobility 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 11th 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 15th 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.

(d): Sir, no such proposal is under consideration in the Ministry of Heavy Industries.
