

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
RAJYA SABHA
UNSTARRED QUESTION NO. 3477
ANSWERED ON 31.03.2023

SUBSIDY FOR ELECTRIC VEHICLES

3477. SHRI IRANNA KADADI:

Will the Minister of Heavy Industries be pleased to state:

- (a) whether Government has established any policy for the subsidy for electric vehicles in the country;
- (b) whether the policy has been able to achieve its laid down aims and objectives, if so, details thereof;
- (c) whether Government is planning to allow FDI for the electric vehicles industry; and
- (d) the details of steps taken by Government for the promotion of electric vehicles in the country?

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

(a) to (d): Yes sir, the Ministry of Heavy Industries has launched three schemes to promote electric and hybrid vehicles production in the country. Their details are as under:-

- i. The Government notified Faster Adoption and Manufacturing of Electric Vehicles in India Phase II (FAME India Phase II) Scheme with a budgetary outlay of Rs. 10,000 crore for a period of five years commencing from 1st April, 2019 to promote hybrid/ electric technology in transportation so as to reduce dependency on fossil fuels and to address issues of vehicular emissions. FAME II intends to support 7,090 e-Buses, 5 lakh e-3 Wheelers, 55,000 e-4 Wheeler Passenger Cars (including Strong Hybrid) and 10 lakh e-2 Wheelers. Further details about the FAME II India scheme can be seen on the website at <https://heavyindustries.gov.in/UserView/index?mid=1378> .

The details of targeted vehicles to be supported vs actual vehicle sales under FAME India Scheme Phase-II, category-wise as on 15.02.2023 are as under:

Category	Vehicles to be supported (in No's)	Actual Vehicles supported (in No's)
e-2W	10,00,000	7,92,529
e-3W	5,00,000	81,172
e-4W	55,000	6,831
e-Buses	7,090	2,435
TOTAL	15,62,090	8,82,967

- ii. Production Linked Incentive (PLI) Scheme for Automobile and Auto component industry with a budgetary outlay of ₹ 25,938 crore, provides financial incentives to boost domestic manufacturing of Advanced Automotive Technology products including electric vehicles and their components. The scheme provides incentive up to 18% of eligible sales of electric vehicles and their components. Further details about the scheme can be seen at <https://heavyindustries.gov.in/UserView/index?mid=2482> .
- iii. Production Linked Incentive (PLI) Scheme for Advanced Chemistry Cell (ACC): The Government has approved PLI Scheme for manufacturing of ACC in the country with a budgetary outlay of ₹ 18,100 crore. The scheme incentivises the establishment of Giga scale ACC manufacturing facilities in the country for 50 Giga Watt hour (GWh). These ACCs will be used in batteries which are aimed to promote the widespread adoption of EVs. Further details may be seen at <https://heavyindustries.gov.in/UserView/index?mid=2487> .

Further, following steps have been taken by the Government to promote adoption of electric vehicles in the country:

- 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 11th June, 2021, thus enabling cost of Electric two wheelers at par with that of Internal Combustion Engines (ICE) two-wheeler vehicles.
- ii. 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%.
- iii. Ministry of Road Transport and Highways (MoRTH) announced that battery-operated Vehicles will be given green license plates and be exempted from permit requirement for carrying passengers or goods.
- iv. MoRTH issued a notification advising states to waive road tax on EVs, which in turn will help reduce the initial cost of EVs.

Automobile is a liberalized sector and 100% Foreign Direct Investment (FDI) by automatic route is permitted in this sector, no permission has been given by the Ministry of Heavy Industries.
