GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
RAJYA SABHA
UNSTARRED QUESTION NO. 552
ANSWERED ON 29.11.2024

PROMOTING ELECTRIC VEHICLE PRODUCTION

552. SHRI IRANNA KADADI:

Will the Minister of Heavy Industries be pleased to state:

(a) the current status and growth trajectory of Electric Vehicle (EV) manufacturing and adoption within heavy industries in India;

(b) Government's initiatives and incentives aimed at promoting EV production and adoption among heavy industries;

(c) the challenges faced by heavy industries in transitioning to EV technologies, including infrastructure, cost, and regulatory hurdles; and

(d) the comparative analysis of EV penetration in heavy industries in India versus global trends, and the steps being taken to enhance competitiveness?

ANSWER

MINISTER OF HEAVY INDUSTRIES
(SH. H.D. KUMARASWAMY)

(a): As per the information received from Society of Indian Automobile Manufacturers (SIAM), the registration figure of electric commercial vehicles for last two financial years are given below:

Category	Domestic Sales (Number of Vehicles)	
	FY 2022-23	FY 2023-24
Electric Commercial Vehicles	3,116	8,661

(b): Ministry of Heavy Industries is currently implementing the following schemes for promoting EV production and adoption among heavy industries in the country: -

i. PM Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-DRIVE) Scheme with an outlay of Rs.10,900 crore for a period of two years from 01.04.2024 to 31.03.2026. The EMPS-2024 implemented for the period of 06 months, from 01.04.2024 to 30.09.2024, is subsumed in this Scheme. This scheme aims to incentivise sale of e-2W, e-3W, e-Trucks, e-Ambulances, and e-buses. The scheme also supports development of charging infrastructure and upgrading testing agencies over two years, up to FY 2025-26. Out of the total outlay of the scheme, Rs.500 crore allocated for e-trucks & other emerging EVs. Additionally, Rs. 2,000 crore has been allocated for installation of EV Public Charging Stations (PCS).

ii. Production Linked Incentive Scheme for Automobile and Auto Component Industry (PLI-AAT) with a budgetary outlay of ₹25,938 Crore. The scheme incentivises various categories of electric vehicles including e-2W, e-3W, e-4W, e-buses and e-trucks also.

Further, following initiatives have also been taken up by the Government of India to increase the use of electric vehicles in the country: –

i. GST on electric vehicles and chargers/charging stations for electric vehicles has been reduced to 5%.
ii. Ministry of Road Transport & Highways (MoRTH) announced that battery-operated vehicles will be given green license plates and be exempted from permit requirements.
iii. MoRTH issued a notification advising states to waive road tax on EVs, which in turn will help reduce the initial cost of EVs.

(c): As per the information received form Society of Indian Automobile Manufacturers (SIAM), Key barriers in enhancing adoption of electric trucks (heavy industries segment) in the market include:

i. **High Initial Cost**: Electric trucks typically have a higher upfront cost compared to traditional diesel trucks, primarily due to the high cost of batteries.
ii. **Range Anxiety:** Concerns regarding the range of electric trucks and the availability of charging infrastructure limit their adoption, especially for long-haul routes.
iii. **Charging Infrastructure:** Insufficient charging infrastructure, particularly for heavy-duty electric trucks, is a significant barrier to adoption.
iv. **Technology and Performance**: Some fleet operators may be hesitant to adopt electric trucks due to concerns about technology reliability and vehicle performance produced by new startups entering into the market.
v. **Payload Capacity:** Battery weight needs to be compensated with additional payload.
vi. **Regulatory Uncertainty:** Uncertainty regarding regulations, incentives, and subsidies for electric trucks deter fleet operators from making significant investments in electrification.
vii. **Resale Value:** Concerns about the resale value of electric trucks due to rapidly evolving technology and battery degradation.

(d): As per the information received from Society of Indian Automobile Manufacturers (SIAM), following are the details related to **electric commercial vehicles** sales in various countries:

Electric commercial vehicles

Numbers in thousands

Region#	**2019**	**2020**	**2021**	**2022**	**2023**
China	93.2	73.5	61.2	78.8	68.2
Europe	2.9	4.1	5.7	8.7	18.8
USA	1.2	1.2	1.0	2.4	2.2
Others	0.6	4.7	1.2	5.7	5.0
	2019-20	**2020-21**	**2021-22**	**2022-23**	**2023-24**
India*	0.5	0.4	2.2	3.1	8.7

 # IEA Data; * *Financial Year Data analysed from Vahan*

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