

GOVERNMENT OF INDIA
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

RAJYA SABHA
UNSTARRED QUESTION NO - 2033
ANSWERED ON – 05/08/2026

DEMAND-SUPPLY GAP IN ELECTRIC VEHICLES

2033. Shri Jaggesh:

Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

- (a) whether Government is aware of the sharp increase in demand for electric vehicles, resulting in supply shortages and longer delivery periods;
- (b) whether rising petrol and diesel prices have contributed to increased adoption of electric vehicles in the country;
- (c) whether Government has assessed the impact of component shortages, supply-chain disruptions, and labour constraints on electric vehicle production capacity;
- (d) whether any steps are being taken to enhance domestic manufacturing of electric vehicles, batteries, and critical components to bridge the demand-supply gap; and
- (e) if so, the details thereof?

ANSWER

THE MINISTER OF ROAD TRANSPORT AND HIGHWAYS

(SHRI NITIN JAIRAM GADKARI)

(a) to (c) As per VAHAN data, the Electric Vehicle (EV) penetration in India grew from 0.71% in Financial Year (FY) 2019-20 to 8.26% in FY 2025-26. This is due to their lower operational cost and zero tailpipe emissions as compared to Internal Combustion Engine (ICE) vehicles.

(d) and (e) Government in the Ministry of Heavy Industries administers the Production Linked Incentive (PLI) scheme, namely “National Programme on Advanced Chemistry Cell (ACC) Battery Storage,” approved in May 2021 with a total outlay of ₹18,100 crore to establish 50 GWh of domestic Advanced Chemistry Cell manufacturing capacity. This scheme aims to enhance India's manufacturing capabilities of Advanced Chemistry Cell (ACC) by setting up of Giga scale ACC manufacturing facilities in India.

Out of 50 GWh capacity, 40 GWh ACC capacity is end-use agnostic and can be utilized for any application, including EVs.

Further, Government also approved the PLI Scheme for the Automobile and Auto Component Industry in India (PLI-Auto) with a budgetary outlay of Rs.25,938 crore for enhancing India's

manufacturing capabilities for Advanced Automotive Technology (AAT) products on 23/09/2021.

The PLI Auto Scheme incentivises 19 categories of AAT vehicles and 103 AAT components, including Electric Vehicles.
