

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 4420
ANSWERED ON 28.03.2023

ELECTRIC AND HYBRID VEHICLES PRODUCTION

4420. SHRI GNANATHIRAVIAM S.:

Will the Minister of **HEAVY INDUSTRIES** भारी उद्योग मंत्री be pleased to state:

- (a) whether the Government plans to promote electric and hybrid vehicles production in the country;
- (b) if so, the details thereof; and
- (c) the concrete steps taken by the Government for early implementation of the National Mission for Hybrid and Electric Vehicles (NMHEV) in order to encourage manufacturing and selling of alternative fuel based vehicles?

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

(a) to (c): 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. As far as e-Buses, electric three wheelers (e-3W) and electric four wheelers (e-4W) are concerned, the scheme provides subsidy to those vehicles which are used in public transportation or for commercial use. For electric two wheelers (e-2W), privately owned vehicles are also provided with subsidy.

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> .

- 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> .

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- 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.
