

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES
DEPARTMENT OF HEAVY INDUSTRY
LOK SABHA
UNSTARRED QUESTION NO. 132
ANSWERED ON 02.02.2021

INCENTIVES TO AUTO SECTOR

132. SHRI MANOJ TIWARI:

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES भारी उद्योग एवं लोक उद्यम मंत्री be pleased to state:

- (a) whether the Government has given any incentives to auto sector for encouraging e-vehicle production;
- (b) if so, the details thereof;
- (c) if not, the reasons therefor; and
- (d) the details of such incentives so far, especially in Delhi/NCR?

ANSWER

THE MINISTER OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES
(SHRI PRAKASH JAVADEKAR)

(a) to (d): Sir, the Department of Heavy Industry (DHI) is administering the Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India (FAME India) Scheme since 01st April, 2015 to promote adoption of electric/ hybrid vehicles (xEVs) in India with an aim to reduce dependence on fossil fuel. At present, Phase-II of FAME India Scheme is being implemented for a period of 3 years w.e.f. 01st April, 2019 with a total budgetary support of Rs. 10,000 crore. This phase focusses on supporting electrification of public & shared transportation and aims to support, through subsidies, approx. 7000 e-Buses, 5 lakh e-3 Wheelers, 55000 e-4 Wheeler Passenger Cars and 10 lakh e-2 Wheelers. In addition, creation of charging infrastructure is also supported to address range anxiety among users of electric vehicles.

In the First Phase of the Scheme about 2.8 lakh hybrid and electric vehicles were supported by way of demand incentive amounting to about Rs 359 crore. Further, 425 electric and hybrid buses, as sanctioned under the first phase of the scheme, are deployed across various cities in the country with Government Incentive of about Rs. 280 Cr. The Department of Heavy Industry had also sanctioned about 520 Charging Stations/ Infrastructure for Rs. 43 Crore (approx.) under Phase-I of FAME-India Scheme.

Under Phase-II of FAME India Scheme, 46,338 Electric Vehicles have been supported till 27.01.2021 by way of Demand Incentive amounting to about Rs. 143 Cr. Further, 6265 electrical buses have been sanctioned to various State/ City Transport Undertakings under Phase-II of the Scheme. This involves Government incentive of around Rs. 3000 Cr.

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Department of Heavy Industry has also sanctioned 2,877 Electric Vehicles (EVs) Charging Stations amounting to Rs 500 Crore (Approx.) in 68 cities across 25 States/UTs under FAME India (Faster Adoption and Manufacturing of Hybrid & Electric Vehicles in India) scheme phase II.

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

- (i) 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%.
- (ii) Ministry of Power has allowed sale of electricity as ‘service’ for charging of electric vehicles. This would provide a huge incentive to attract investments into charging infrastructure.
- (iii) The Government, vide S.O. 5333(E) dated 18th October, 2018, has also granted exemption to the Battery Operated Transport Vehicles and Transport Vehicles running on Ethanol and Methanol fuels from the requirements of permit.
- (iv) In the budget of 2019-20, the Hon’ble Finance Minister announced provision of additional income tax deduction of Rs 1.5 lakh on the interest paid on loans taken to purchase electric vehicles.

Under FAME-India Scheme, about 23,800 electric vehicles (e-2W, e-3W & e-4W) and 400 electric buses have been supported till 27.01.2021 in the city of Delhi.
