

GOVERNMENT OF INDIA  
MINISTRY OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES  
DEPARTMENT OF HEAVY INDUSTRY  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 167**  
ANSWERED ON 02.02.2021

**STRATEGIC PUSH FOR ELECTRIC VEHICLES SECTOR**

**167. SHRI ADALA PRABHAKARA REDDY:**

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

- (a) the steps taken by the Government to accelerate the demand for electric vehicles among the consumers in the country during the last two years;
- (b) the main reasons as to why the consumers are not shifting to 4 wheeler electric vehicles in the country; and
- (c) the details of the States which have rolled out an electric vehicle policy till date?

**ANSWER**

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

**(a):** Sir, the Department of Heavy Industry (DHI) formulated a scheme namely Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India (FAME India Scheme) Scheme in March 2015 to accelerate the demand for electric vehicles among the consumers in the country. Phase-I of the Scheme was extended upto 31<sup>st</sup> March 2019. At present, Phase-II of FAME India Scheme is being implemented for a period of 3 years w.e.f. 01<sup>st</sup> April, 2019 with a total budgetary support of Rs. 10,000 crore. This phase focuses 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.

Further, following steps have also been taken up by the Government of India to promote the uses of electric vehicles among the consumers in the country: -

- (i) GST on electric vehicles has been reduced from 12% rate to 5%; GST rate 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.

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(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.

(v) In order to promote electric vehicles, the Government has notified for retro-fitment of hybrid electric system or electric kit to vehicles and has specified the type approval procedure of electric hybrid vehicles.

(vi) The Ministry of Road Transport & Highways has notified certain specifications for the grant of licence to age group of 16-18 years to drive gearless E scooters/ Bikes upto 4.0 KW.

(vii) Ministry of Housing and Urban Affairs has made amendment in the Urban and Regional Development Plans Formulation and Implementation (URDPFI) guidelines to provide for electric vehicle charging stations in private and commercial buildings.

**(b):** The upfront cost of four wheeler electric vehicles is higher than the Internal Combustion Engine (ICE) vehicle. However, the operational cost of four wheeler electric vehicles is lower than the ICE vehicles. Therefore, the overall life time cost of the four wheeler electric vehicles is lower than the ICE vehicles. Further, four wheeler electric vehicles are being supported by the way of demand incentives under FAME India Phase II to reduce the cost difference between the electric vehicles and ICE vehicles.

**(c):** Following States have rolled out Electric vehicle policy to promote the use of electric vehicles: -

1. Delhi, 2. Tamil Nadu, 3. Uttarakhand, 4. Kerala, 5. Maharashtra, 6. Andhra Pradesh, 7. Uttar Pradesh, 8. Telangana, 9. Karnataka; and 10. Madhya Pradesh

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