

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES
DEPARTMENT OF HEAVY INDUSTRY
LOK SABHA
UNSTARRED QUESTION NO. 4507
ANSWERED ON 23.03.2021

SUBSIDY FOR ELECTRIC VEHICLES

4507. SHRIMATI KESHARI DEVI PATEL:

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 promote electric vehicles in view of the limited reserves of Oil and Natural Gas in the country;
- (b) the details of the subsidy being provided to every buyer on the purchase of an electric vehicle;
- (c) the details of the changes being made to increase the power of the battery of the electric vehicles;
- (d) whether the battery of these vehicles gets discharged very fast due to huge traffic jam in all district headquarters of Uttar Pradesh including National Capital Region of Delhi and if so, the details thereof;
- (e) whether the Government proposes to make a separate lane for electric vehicles and if so, the details thereof; and
- (f) whether the Government also proposes to increase the subsidy on procurement of electric vehicles and if so, the details thereof?

ANSWER

THE MINISTER OF STATE FOR HEAVY INDUSTRIES & PUBLIC ENTERPRISES
(SHRI ARJUN RAM MEGHWAL)

(a) & (b): Yes, Sir. Department of Heavy Industry (DHI) has formulated a scheme namely Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India (FAME India) Scheme in 2015 to promote adoption and manufacturing of electric/hybrid vehicles (xEVs) in India. Phase-II of FAME India Scheme is being implemented w.e.f. 01st April, 2019 for a period of 3 years with a total budgetary support of Rs. 10,000 crores. This phase focusses on supporting electrification of public & shared transportation and aims to support, through subsidies, 7090 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.

Under the scheme, incentives are being provided to purchasers of electric vehicles in the form of an upfront reduction in the purchase price of Electric Vehicles used for public transport or those registered for commercial purposes for e-2W, e-3W and e-4W. Further, privately owned registered e-2W is also covered under the scheme. To motivate the manufacturers to shift towards long range vehicles, the demand incentive provided to the purchasers of these electric vehicles is linked to the battery capacity. An incentive of Rs. 10,000/KWH is given subject to capping at 20% of the cost of these vehicles.

Contd....2/-

Further, following initiatives have also been taken up by the Government of India for promotion of electric 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.
- (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 electric vehicle charging stations in private and commercial buildings

(c) to (f): Sir, no such proposal/ study is under consideration in Department of Heavy Industry.
