

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 2473
ANSWERED ON 03.08.2021

INCENTIVES SCHEMES FOR ELECTRIC VEHICLES

2473. **SHRIMATI SAJDA AHMED:**

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

- (a) whether the Government has announced incentives schemes for electric vehicle manufactures;
- (b) if so, the details thereof;
- (c) the steps taken by the Government to bring down the cost of electric vehicle production and slash the cost of vehicles for the public; and
- (d) the awareness initiatives taken by the Government for the uses of electric vehicle?

ANSWER

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

(a) to (c): Sir, the Ministry of Heavy Industries formulated a Scheme Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India (FAME India) Scheme in 2015 to promote adoption of electric/ hybrid vehicles (xEVs) in the country. At present, Phase-II of FAME India Scheme is being implemented for a period of 5 years w.e.f. 01st April, 2019 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.

Under the scheme, incentives are provided to purchasers of electric vehicles in the form of an upfront reduction in the purchase price of Electric Vehicles. Subsidy/ Incentive is not being provided to electric vehicle manufacturers/ Original Equipment Manufacturers (OEMs) for manufacturing of electric vehicles in the country.

Further, following steps have been taken by the Government of India to address the challenges faced in adoption of electric mobility in the country: -

- (i) From 11th June, 2021 the demand incentive under Phase II of FAME India Scheme has been increased to Rs. 15,000/KWh from Rs. 10,000/KWh with an increase in cap from 20% to 40% of the cost of vehicle, thus enabling cost of Electric two wheelers at par with that of ICE two wheeler vehicles.

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(ii) The Government on 12th May, 2021 approved the Production Linked Incentive (PLI) Scheme for manufacturing of Advance Chemistry Cell (ACC) in the country in order to bring down prices of battery in the country. The drop in battery prices will result in cost reduction of Electric Vehicles.

(iii) 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%.

(iv) Ministry of Road Transport & Highways (MoRTH) announced that battery-operated vehicles will be given green license plates and be exempted from permit requirements.

(v) Ministry of Road Transport & Highways (MoRTH) issued a notification advising states to waive road tax on EVs, which in turn will help reduce the initial cost of EVs.

(d): Sir, as part of Phase-II of FAME-India Scheme, there is a IEC (Information, Education & Communication) activities component. Various IEC program are conducted for creating consumer awareness and promotion of the scheme, on a need basis, through education and training, publicity, organization of business meets/seminars/conferences/symposia etc. by Ministry of Heavy Industries, Industry Association and testing agencies like Automotive Research Association of India (ARAI), International Centre for Automotive Technology (ICAT) *etc.*
