

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 3607
ANSWERED ON 10.08.2021

ELECTRIC VEHICLES

3607. SHRI ANIL FIROJIYA:

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

- (a) whether India is likely to be a manufacturing hub for electric vehicles in the coming five years;
- (b) if so, the details thereof;
- (c) the details of the major challenges in the field of electric vehicles in the country; and
- (d) the details of scope and opportunities for change in business for Indian industries in this field?

ANSWER

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

(a) & (b): Sir, the Ministry of Heavy Industries is administering phase-II of Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India (FAME India) Scheme in 2015 to promote adoption of electric/ hybrid vehicles (xEVs) in India 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. In addition, creation of charging infrastructure is also supported under the Scheme.

(c) & (d): The upfront cost of electric vehicles is higher than the Internal Combustion Engine (ICE) vehicle. However, the operational cost of electric vehicles is lower than the ICE vehicles. Further, electric vehicles are being supported by the way of demand incentives under FAME India Scheme phase II to reduce the cost difference between the electric vehicles and ICE vehicles.

Further, following initiatives have also been taken up by the Government of India for promotion of electric vehicles in the country –

- i. Recently, the demand incentive under FAME-II scheme is increased to Rs. 15,000/KWh from Rs. 10,000/KWh with an increase in cap from 20% to 40% of cost of vehicle, thus enabling cost of electric two wheelers at par with ICE two wheeler vehicle.
- ii. The Government on 12th May, 2021 approved a Production Linked Incentive (PLI) scheme for manufacturing of Advanced Chemistry Cell (ACC) in the country in order to bring down prices of battery in the country. Drop in battery price will result in cost reduction of electric vehicles.

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- 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. MoRTH issued a notification advising states to waive road tax on EVs, which in turn will help reduce the initial cost of Evs.
