

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO.1592
ANSWERED ON 07.12.2021

ELECTRIC VEHICLE POLICY

1592. SHRI HIBI EDEN:

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

- (a) whether there exists an Electric Vehicle Policy, if so, the details thereof;
- (b) whether the Government plans to promote electric vehicles by giving tax exemptions, if so, the details including Income Tax exemptions;
- (c) whether there is any plans to promote electric vehicles manufacturing in the country, if so, the details thereof;
- (d) whether there is any plan to promote EV charging station buildings at large scale along major highways to facilitate smooth interstate travel using EV, if so, the details thereof;
- (e) whether the Government plans to promote EV charging stations by giving tax exemptions, if so, the details thereof;
- (f) whether there is any plan to promote EV battery production in the country at highly affordable rates, if so, the details thereof; and
- (g) whether battery swapping transform urban mobility and would catalyze EV adoption, if so, the Government/PSU initiatives in this regard?

ANSWER

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

(a) to (e): Yes Sir, the Ministry of Heavy Industries formulated a Scheme namely 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.

In addition, creation of charging infrastructure is also supported to address range anxiety among users of electric vehicles. The Ministry had sanctioned 520 Charging Stations/ Infrastructure under the Phase-I of FAME India Scheme. Further, under phase-II of FAME-India Scheme, Rs. 1000 Cr. is allocated for the development of charging infrastructure. This Ministry has sanctioned 2,877 Electric Vehicle Charging Stations in 68 cities across 25 States/UTs and 1576 charging stations across 9 Expressways and 16 Highways under Phase II of FAME India Scheme.

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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 released a notification on charging infrastructure standards permitting private charging at residences and offices.
- (iii) Ministry of Road Transport & Highways (MoRTH) announced that battery-operated vehicles will be given green license plates and be exempted from permit requirements.
- (iv) MoRTH issued a notification advising states to waive road tax on EVs, which in turn will help reduce the initial cost of EVs.
- (v) Ministry of Housing & Urban Affairs (MoHUA) amended the Model Building Byelaws 2016 to establish charging stations and infrastructure in private and commercial buildings.
- (vi) 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.

(f): Yes, Sir. The Government on 12th May, 2021 approved a Production Linked Incentive (PLI) Scheme for manufacturing of Advance Chemistry Cell (ACC) in the country. The total outlay of the scheme is Rs. 18,100 Crore for a period of 5 years. The scheme envisages to establish a competitive ACC battery manufacturing set up in the country (50 GWh). Additionally, 5GWh of niche ACC technologies is also covered under the Scheme. The scheme proposes a production linked subsidy based on applicable subsidy per KWh and percentage of value addition achieved on actual sales made by the manufacturers who set up production units. This scheme will facilitate reduction of import dependence of ACC battery and will reduce prices of batteries used in electric vehicles.

(g): Sir, to facilitate battery swapping as a feasible solution for commercial electric vehicles fleets, especially in the e-2W and e-3W segments, the Ministry of Road Transport and Highways (MoRTH) has allowed the sale and registration of EVs without batteries.
