

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 2539
ANSWERED ON 14.12.2021

REDUCING THE COST OF ELECTRIC VEHICLES

2539. SHRI SUNIL KUMAR SINGH:

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

- (a) whether it is a fact that due to high cost of electric vehicles, there is very less demand of such vehicles in the country;
- (b) if so, the details thereof and the correctional steps taken by the Government to reduce the cost of the vehicle;
- (c) whether it is also a fact that there are only 2 per cent electric vehicles that are presently used in the Union Ministries; and
- (d) if so, the details thereof and the action taken by the Government to increase the number of electric vehicles in the Ministries?

ANSWER

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

(a) to (b): The cost of electric vehicle is relatively higher as compared to corresponding IC engine vehicle cost, the following steps have been taken by the Government to bring down the cost of electric/Hybrid vehicles on par with those internal combustion engines.

- i. The demand incentive for electric two wheelers 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 from 11th June, 2021, thus enabling cost of Electric two wheelers at par with that of ICE two wheeler vehicles.
- 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.
- iii. Electric vehicles are covered under Production Linked Incentive (PLI) scheme for automobile and auto components, which was approved on 15.09.2021 with a budgetary outlay of Rs. 25,938 Cr. for a period of five years.
- iv. 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%.
- v. Ministry of Road Transport & Highways (MoRTH) announced that battery-operated vehicles will be given green license plates and be exempted from permit requirements.
- vi. MoRTH issued a notification advising states to waive road tax on EVs, which in turn will help reduce the initial cost of EVs.

(c): No such data is available in the Ministry of Heavy Industries.

(d): The Ministry of Finance has written to all Ministries/Departments of the Government of India to replace the petrol and diesel cars hired by them in their Secretariats and attached offices by electric cars for mobility in Delhi.
