

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 2436
ANSWERED ON 10.12.2024

SUBSIDY FOR EVs

†2436. **SHRI SUKHJINDER SINGH RANDHAWA:**

Will the Minister of HEAVY INDUSTRIESभारी उद्योग मंत्रीbe pleased to state:

- (a) whether the Government is likely to provide subsidy to the State Governments for e-vehicles including private cars;
- (b) if so, the details thereof;
- (c) the various steps being taken/proposed to be taken to promote e-vehicles in Punjab;
- (d) whether the Government has formulated any policy for scrapping old vehicles;
- (e) if so, the details thereof and if not, the reasons therefor;
- (f) whether the Government is contemplating to convert old vehicles into e-vehicles; and
- (g) if so, the details thereof and if not, the reasons therefor?

ANSWER
THE MINISTER OF STATE FOR HEAVY INDUSTRIES
(SHRI BHUPATHIRAJU SRINIVASA VARMA)

(a) to (c): No Sir. Direct subsidy for e-vehicles is not provided to State Governments. However, consumers of EVs are incentivised through various schemes. MHI has formulated the following schemes to promote electric vehicles (EVs) on pan India basis including the State of Punjab: -

- i. **Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India (FAME India) Scheme Phase-II:** The Government implemented this scheme for a period of five years from 1st April, 2019 with a total budgetary support of ₹11,500 crore. The scheme incentivised e-2Ws, e-3Ws, e-4Ws, e-buses and EV public charging stations.
- ii. **Production Linked Incentive (PLI) Scheme for Automobile and Auto Component Industry in India (PLI-Auto):** The Government approved this scheme on 23rd September, 2021 for Automobile and Auto Component Industry in India for enhancing India's manufacturing capabilities for Advanced Automotive Technology (AAT) products with a budgetary outlay of ₹25,938 Crore. The scheme proposes financial incentives to boost domestic manufacturing of AAT products with minimum 50% Domestic Value Addition (DVA) and attract investments in the automotive manufacturing value chain.

- iii. **PLI Scheme for Advanced Chemistry Cell (ACC):** The Government on 12th May, 2021 approved PLI Scheme for manufacturing of ACC in the country with a budgetary outlay of ₹18,100 crore. The scheme aims to establish a competitive domestic manufacturing ecosystem for 50 GWh of ACC batteries.
- iv. **PM Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-DRIVE) Scheme:** This scheme with an outlay of ₹10,900 crore was notified on 29th September, 2024. It is a two-year scheme which aims to support electric vehicles including e-2W, e-3W, e-Trucks, e-buses, e-Ambulances, EV public charging stations and upgradation of testing agencies.
- v. **PM e-Bus Sewa-Payment Security Mechanism (PSM) Scheme:** This Scheme notified on 28th October, 2024, has an outlay of ₹3,435.33 crore and aims to support deployment of more than 38,000 electric buses. The objective of scheme is to provide payment security to e-bus operators in case of default by Public Transport Authorities (PTAs).
- vi. **Scheme for Promotion of Manufacturing of Electric Passenger Cars in India (SPMEPCI)** was notified on 15th March, 2024 to promote the manufacturing of electric cars in India. This requires applicants to invest a minimum of ₹4150 crore and to achieve a minimum DVA of 25% at the end of the third year and DVA of 50% at the end of the fifth year.

Measures taken by other Ministries include the following initiatives:

- i. Ministry of Power has issued guidelines and standards for EV Charging Infrastructure titled, "Guidelines for Installation and Operation of Electric Vehicle Charging Infrastructure-2024" on 17th September 2024. These revised guidelines outline standards and protocols to create a connected & interoperable EV charging infrastructure network in the country. These guidelines also facilitate electricity connections for EV charging stations
- ii. Ministry of Finance has reduced GST on EVs from 12% to 5%.
- iii. Ministry of Road Transport & Highways (MoRTH) announced that the battery-operated vehicles will be given green plates and be exempted from permit requirements. MoRTH issued a notification advising states to waive road tax on EVs, which in turn will help reduce the initial cost of the EVs.
- iv. Ministry of Housing and Urban Affairs has amended the Model Building Bye-Laws, mandating the inclusion of charging stations in private and commercial buildings.

(d) & (e): The Ministry of Road Transport and Highways has formulated the Vehicle Scrapping Policy that includes a system of incentives/disincentives for creation of an ecosystem to phase out older, unfit polluting vehicles across the country.

(f) & (g): No such proposal is under consideration in the Ministry of Heavy Industries. However, the Government of India has launched various schemes to support Demand side and Supply side of the electric vehicles.
