

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 3623
ANSWERED ON 17.12.2024

ELECTRIC CAR

3623. SHRI ADITYA YADAV:

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

(a) whether it has been brought to the notice of the Government that many car buyers who are positive about buying an electric car due to the lower cost of ownership over the lifespan of the vehicle, step back and choose to buy a petrol or diesel model instead as the Internal Combustion Engine (ICE) vehicles come with substantially cheaper sticker prices than their electric counterparts; and

(b) if so, the details of the preventive steps that are proposed to be taken by the Government keeping in mind that factors like lack of EV charging infrastructure, range anxiety, considerably longer charging time impacting overall journey duration etc. are adding woe to worry for the EV buyers or potential electric car buyers?

ANSWER

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

(a) & (b): The challenges faced in the widespread adoption of Electric Vehicles (EVs) have mainly been the high upfront cost of electric vehicle as compared to corresponding Internal Combustion Engine (ICE) and customer anxiety about range of electric vehicles. The cost of the battery is a significant factor in the overall cost of an EV.

Further, the Ministry of Heavy Industries has taken following steps to address the various challenges faced in adoption of EVs including cost of electric vehicles, EV Charging Infrastructure and range anxiety:

- 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 notified 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. **Production Linked Incentive (PLI) Scheme for Advanced Chemistry Cell (ACC) Battery Storage:** 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 for a period of two years. The Electric Mobility Promotion Scheme (EMPS) 2024 implemented for the period of 06 months, from 1st April 2024 to 30th September, 2024, is subsumed in PM E-DRIVE Scheme. The scheme aims to support electric vehicles including e-2W, e-3W, e-Trucks, e-buses, e-Ambulances, EV public charging stations and upgradation of vehicle 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 ₹4,150 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.
