

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 836
ANSWERED ON 25.07.2023

SUBSIDY FOR ELECTRIC VEHICLES

836. SHRI RAMALINGAM S.:

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

- (a) whether the Government has reduced the Electric Vehicle (EV) subsidy per unit to 15% of the ex-factory price from 40% and if so, the reasons for reducing such subsidy per unit;
- (b) whether the Government has conducted any prior consultation with other stakeholders in arriving at the decision of reducing the subsidy per unit to 15% and if so, the details thereof;
- (c) whether the Government has taken any steps to reduce the rise in per unit cost for consumer which may lead to a major decline in EV adoption thereby impacting the entire industry and if so, the details thereof;
- (d) whether the Government has taken any steps to reduce the significant drop in retail sales figure for electric two wheeler sector in the country; and
- (e) the details on retail sales of electric two wheelers during the last six months, State-wise?

ANSWER

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

(a) & (b): Yes, Sir. The government has reduced the Electric Vehicle (EV) subsidy per unit to 15% of the ex-factory price from 40% under FAME India Scheme Phase-II keeping in mind the increasing penetration of the EV market. This has been implemented after stakeholder's consultation meetings with OEMs of e-2W on 16.05.2023 and the approval of the Project Implementation and Sanctioning Committee (PISC) for FAME India Scheme Phase-II.

(c) & (d): Sir, following steps have been taken by the Government of India to reduce the cost of electric/ Hybrid vehicles and wider adoption of EVs: -

- i. **Faster Adoption and Manufacturing of Hybrid and Electric Vehicles in India (FAME India):** The Government notified Phase-II of FAME India Scheme initially for a period of five years commencing from 1st April, 2019 with a total budgetary support of Rs. 10,000 crore. Under FAME-India Scheme phase-II, incentives are provided to buyers of electric vehicles in the form of an upfront reduction in the purchase price of electric vehicles.
- ii. **Production Linked Incentive (PLI) Scheme for Automotive Sector:** The Government on 15th Sep., 2021 approved the PLI Scheme for Automotive Sector with a budgetary outlay of Rs. 25,938 crores to support domestic manufacturing of vehicles. Electric vehicles are covered under this PLI scheme.

- 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 Rs. 18,100 crore. The scheme envisages to establish a competitive ACC battery manufacturing set up in the country for 50 GWh. Additionally, 5GWh of niche ACC technologies is also covered under the Scheme.
- iv. GST on EVs has been reduced from 12% to 5%; GST on chargers/ charging stations for EVs has been reduced from 18% to 5%.
- v. Ministry of Road Transport & Highways (MoRTH) announced that the 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 the EVs.

(e): Sir, as per the e-vahan portal (Ministry of Road Transport and Highways), the detailed list of registered electric two wheelers during the last six months, State-wise is at **ANNEXURE**.

**State Wise data of Electric Two-Wheeler Registered during the last six months,
as per Vahan4 in the year 2023 till date**

Sr. No.	State Name	Jan	Feb.	Mar.	Apr.	May.	Jun.	Jul(till 21.07.2023)	Grand Total
1	Andaman & Nicobar Island	0	0	1	0	0	0	0	1
2	Andhra Pradesh	2,684	2,908	3,518	3,527	4,374	1,004	920	18,935
3	Arunachal Pradesh	0	0	0	0	1	0	0	1
4	Assam	142	190	221	178	282	177	116	1,306
5	Bihar	987	911	1,302	971	1,537	520	411	6,639
6	Chandigarh	172	216	362	126	209	135	76	1,296
7	Chhattisgarh	1,923	1,874	2,189	1,560	2,515	1,252	986	12,299
8	Delhi	3,285	2,800	3,782	2,738	4,977	1,789	1,278	20,649
9	Goa	662	628	837	698	874	534	388	4,621
10	Gujarat	5,873	6,759	7,791	8,268	9,624	4,019	3,813	46,147
11	Haryana	706	702	714	802	1,053	408	95	4,480
12	Himachal Pradesh	78	65	91	96	118	59	27	534
13	Jammu and Kashmir	115	147	198	212	258	166	69	1,165
14	Jharkhand	655	652	797	682	839	390	256	4,271
15	Karnataka	9,969	10,268	13,067	9,714	17,329	7,786	5,822	73,955
16	Kerala	4,668	5,559	6,773	4,661	7,387	4,026	2,467	35,541
17	Ladakh	1	0	0	0	14	2	1	18
18	Madhya Pradesh	2,443	2,358	3,214	1,958	3,949	1,695	1,294	16,911
19	Maharashtra	13,802	12,071	17,078	12,260	20,587	8,454	6,593	90,845
20	Manipur	7	14	3	15	10	4	6	59
21	Meghalaya	4	2	1	3	7	1	19	37
22	Mizoram	10	9	10	8	14	4	6	61
23	Nagaland	0	0	0	0	0	0	1	1
24	Odisha	2,533	2,551	3,269	2,847	3,727	2,131	1,685	18,743
25	Puducherry	197	177	261	157	382	140	113	1,427
26	Punjab	590	609	805	376	1,181	534	281	4,376
27	Rajasthan	4,624	4,661	6,376	3,912	6,910	3,260	2,462	32,205
28	Tamil Nadu	5,506	6,701	8,388	6,509	10,330	4,719	3,772	45,925
29	Tripura	8	20	23	19	65	8	5	148
30	UT of DNH and DD	9	16	5	5	4	5	3	47
31	Uttar Pradesh	1,952	1,968	3,561	3,091	4,712	1,946	1,429	18,659
32	Uttarakhand	447	426	587	524	682	324	257	3,247
33	West Bengal	632	814	1,103	918	1,508	462	340	5,777
Grand Total		64,684	66,076	86,327	66,835	1,05,459	45,954	34,991	4,70,326
