

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 246
ANSWERED ON 05.12.2023

GROWTH OF EVs

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DR. HEENA VIJAYKUMAR GAVIT:
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DR. KRISHNA PAL SINGH YADAV:**

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

- (a) whether the Government has formulated a comprehensive strategy to achieve its goal of having 60-70% of electric two-wheelers and 70-75% of electric three-wheelers on the road by 2030;
- (b) if so, the details thereof including the strategies and incentives to facilitate this transition towards electric mobility;
- (c) whether the Government has conducted a thorough assessment of the current status of electric two-wheelers and three-wheelers in the country including an evaluation of existing infrastructure, charging networks and manufacturing capabilities identifying potential obstacles and opportunities in reaching the stated targets for electric vehicle adoption;
- (d) if so, the details thereof; and
- (e) the measures taken by the Government to reduce the country's dependence on imports particularly in the context of the growth of Electric Vehicles (EVs) in the country?

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

(a) & (b): In order to promote manufacturing and adoption of electric vehicle in India, the Government launched the Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India (FAME India) Scheme in 2015 on pan India basis with an aim to reduce dependency on fossil fuel and to address issues of vehicular emissions. 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.

Further, following steps have been taken by the Government for adoption of electric vehicles in the country:

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- i. Under Phase-II of FAME-India Scheme, incentives are provided to buyers of electric vehicles in the form of an upfront reduction in the purchase price of electric vehicles. The incentive is linked to battery capacity i.e. Rs. 10,000/KWh for e-2Ws with 15% of the cost of vehicle and Rs. 10,000/KWh for e-3W with a cap 20% of the cost of vehicle.
- 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 15th September 2021 with a budgetary outlay of Rs. 25,938 crore 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) had announced to give green license plates to battery operated vehicles and to exempt from permit requirements.
- vi. MoRTH has issued a notification advising states to waive road tax on EVs, which in turn will help reduce the initial cost of EVs.

(c) & (d): Yes Sir, the Ministry of Heavy Industries regularly conducts assessment of e-2Ws & e-3Ws including an evaluation of existing infrastructure, charging networks and manufacturing capabilities. Further, as per the information received from Ministry of Power, Public EV charging infrastructure has been identified as one of the key barrier in accelerated uptake of electric vehicles in the country. To address this barrier and ensure faster adoption of electric vehicles, Ministry of Power issued guidelines and standards for public EV charging infrastructure.

The salient features of these guidelines are as follows:

- i. To support creation of EV Charging Infrastructure and provide affordable tariff chargeable for Public EV Charging Station Operators/Owners and Electric Vehicle (EV) users.
- ii. Enabling owners of Electric Vehicles to charge their EVs at their residence/offices using their existing electricity connections.
- iii. Introducing Revenue sharing model for provision of land at promotional rates for public charging stations.
- iv. Providing electricity connection to Public Charging Station (PCS) within stipulated timelines.
- v. Prescribing single part EV tariff for public charging stations and shall not exceed Average Cost of Supply (ACoS) till 31.03.2025. The same tariff shall be applicable to Battery Charging Stations.
- vi. Specifying ceiling limits on service charges being levied by public EV charge point operators on the EV customers to recover the cost of servicing the capital investments (excluding GST) made by it in setting up the PCS. The amendment specifies a ceiling of Rs 2.50 per unit and Rs. 3.50 per unit of electricity used for slow AC charging of EVs at PCS during the solar (9 am to 4 pm) and non-solar hours (for remaining part of the day) respectively. Additionally, a ceiling limit of Rs. 10 per unit and Rs. 12 per unit of electricity used for DC Fast charging of EVs at PCS during the solar and non-solar hours respectively has also been specified.
- vii. Cost of supply by DISCOMs to a public EV charging station shall be 0.8 times ACoS during solar hours and 1.2 times ACoS during non-solar hours.

(e): Sir, the following steps have been taken by the Government to boost domestic manufacturing of Electric vehicles and to reduce the country's dependence on imports:

- i. Government has approved the Production Linked Incentive (PLI) Scheme for Automobile and Auto Components Industry in India to boost domestic manufacturing of Advanced Automotive Technology products and attract investments in the automotive manufacturing value chain with a budgetary outlay of Rs. 25,938 crores over a period of five years.
- 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.
- iii. Under FAME India Scheme Phase-II, Phased Manufacturing Programme (PMP) has been introduced with the objective of domestic manufacturing of electrical vehicles, its assemblies/ sub-assemblies and parts/sub-parts thereby increasing the domestic value addition.
