

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
LOK SABHA
STARRED QUESTION NO. 293
ANSWERED ON 21.03.2023

COST INCURRED ON MANUFACTURING OF EVs

***293. SHRI UNMESH BHAIYYASAHEB PATIL:
DR. SUJAY RADHAKRISHNA VIKHE PATIL:**

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

- (a) the average cost incurred on manufacturing of Electric Vehicle (EV) and its associated items during each of the last eight years;
- (b) the details of rise in percentage terms in the cost of production of the EV during the said period, year-wise;
- (c) the reasons for the rise in the import cost of the said products during the last three years;
- (d) whether the Government has proposed any plan to make the EV products more affordable to the public; and
- (e) if so, the details thereof?

ANSWER

**THE MINISTER OF HEAVY INDUSTRIES
(DR. MAHENDRA NATH PANDEY)**

- (a) to (e): A statement is laid on the Table of the House.

STATEMENT

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (E) OF LOK SABHA STARRED QUESTION NO. 293 FOR 21.03.2023 ASKED BY SHRI UNMESH BHAIYYASAHEB PATIL AND DR. SUJAY RADHAKRISHNA VIKHE PATIL REGARDING “COST INCURRED ON MANUFACTURING OF EVs”.

(a) to (c): Sir, Ministry of Heavy Industries (MHI) does not maintain the proprietary data of any of the Original Equipment Manufacturers (OEMs) of Electric Vehicles (EVs) and its associated items. In additions, inputs have been obtained from Society of Indian Automobile Manufacturers (SIAM) and they also do not maintain data on cost incurred on manufacturing of EVs.

(d) & (e): Yes Sir. In order to promote the use of Electric Vehicles (EV) in the country and to make it more affordable to the public, following steps have been taken:

(i) The Government has launched the Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India (FAME India) Scheme in 2015 and presently, 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 of FAME II focuses on supporting electrification of public and shared transportation through subsidies to 7,090 e-Buses, 5 lakh e-3 Wheelers, 55,000 e-4 Wheeler Passenger Cars and 10 lakh e-2 Wheelers. The details of the scheme may be seen at <http://fame2.heavyindustries.gov.in/index.aspx>.

(ii) The Government on 12th May 2021 approved Production Linked Incentive (PLI) scheme for manufacturing Advanced Chemistry Cells (ACC) in order to promote their manufacturing in the country. The budgetary outlay of the scheme is Rs.18,100 crores. The scheme envisages to establish a cumulative ACC battery manufacturing capacity of 50 GWh. The details of the scheme may be seen at <https://heavyindustries.gov.in/UserView/index?mid=2487>.

(iii) EVs are also incentivized 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 crores for a period of 5 years. The details of the scheme may be seen at <https://heavyindustries.gov.in/UserView/index?mid=2482>.

(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.
