

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
RAJYA SABHA
UNSTARRED QUESTION NO. 102
ANSWERED ON 02.02.2024

SALE OF ELECTRIC VEHICLES

102. SMT. DARSHANA SINGH:

Will the Minister of Heavy Industries be pleased to state:

(a) whether, as per the data released by the Federation of Automobile Dealers Association the sale of Electric Vehicle has registered a growth of 49.25 percent during the last year and if so, the details thereof;

(b) whether Reserve Bank of India(RBI) has increased/proposes to increase the interest rates on vehicle loans during the present year and if so, the details thereof; and

(c) the corrective measures taken/being taken by Government to attract consumers?

ANSWER

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

(a): Yes Sir, as per the information received from Federation of Automobile Dealers Association (FADA), the sale of Electric Vehicles has registered a growth of 49.25 percent during the last calendar year i.e. 2023. The category-wise details of EV sales are as under:

CATEGORY	Calendar Year 2022	Calendar Year 2023	% Growth
2 Wheelers	6,31,464	8,59,376	36.09%
3 Wheelers	3,52,710	5,82,793	65.23%
Commercial Vehicles	2,649	5,673	114.16%
Passenger Vehicles	38,240	82,105	114.71%
Total	10,25,063	15,29,947	49.25%

Source: FADA Research

(b): Sir, interest rate increase/decrease on Vehicle loans are linked to Reserve Bank of India (RBI's) increase/decrease in REPO rates. The repo rate has remained at 6.50% since its last revision on 08th February, 2023.

(c): Sir, in order to promote adoption and strengthen the electric vehicles (EVs) in the country, following three schemes have been formulated by the Ministry of Heavy Industries:

- 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 5 years w.e.f. 01st April, 2019 with an outlay of Rs. 10,000 Crore which further enhanced to Rs. 11,500 Crore.
- ii. **Production Linked Incentive (PLI) Scheme for Automobile and Auto Component Industry:** The Government on 15th September, 2021 approved the PLI Scheme for Automotive Sector with a budgetary outlay of Rs. 25,938 crores. The scheme provides incentives up to 18% for electric vehicles.

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- iii. **Production Linked Incentive (PLI) scheme, ‘National Programme on Advanced Chemistry Cells (ACC) Battery Storage’:** 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.

Further, following initiatives have also been taken up by the Government of India to increase the use of electric vehicles in the country: –

- i. GST on electric vehicles and chargers/ charging stations for electric vehicles has been reduced to 5%.
- ii. Ministry of Road Transport & Highways (MoRTH) announced that battery-operated vehicles will be given green license plates and be exempted from permit requirements.
- iii. MoRTH issued a notification advising states to waive road tax on EVs, which in turn will help reduce the initial cost of EVs.
