

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
RAJYA SABHA
UNSTARRED QUESTION NO. 897
ANSWERED ON 09.02.2024

IMPACT OF SUBSIDY REDUCTION ON ELECTRIC TWO-WHEELER INDUSTRY

897. SHRI MANAS RANJAN MANGARAJ:
SHRI NIRANJAN BISHI:

Will the Minister of Heavy Industries be pleased to state:

- (a) the data on impact of the subsidy reduction on electric two-wheeler sales, percentage decrease in sales and any shifts observed in consumer behavior;
- (b) whether Government has identified any specific regions or demographic segments where the impact of subsidy reduction on electric two-wheeler sales is more pronounced, if so, the details thereof;
- (c) whether Government is aware of the challenges faced by manufacturers, particularly smaller companies, in adapting to the subsidy reduction and maintaining competitiveness and whether any steps have been taken in that direction; and
- (d) if so, the details thereof, if not, the reasons therefor?

ANSWER

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

(a) & (b): Sir, the Government has reduced the Electric Vehicle (EV) subsidy per unit to 15% of the ex-factory price from 40% for e-2Ws 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.

Further, as per the inputs received from Ministry of Road Transport and Highways, no slow-down has been observed in the sale of electric two wheelers in the country after subsidy reduction per unit to 15% of the ex-factory price from 40% for e-2Ws under FAME India Scheme Phase-II. The State and month-wise details of sales/ registered e-2Ws for the financial year 2022-23 and 2023-24 (as on 06.02.2024), is at **ANNEXURE**.

(c) & (d): Sir, under FAME-India Scheme phase-II, no incentive is given to electric vehicle manufacturers. The incentive/ concession is provided to consumers (buyers/end users) in the form of an upfront reduced purchase price of hybrid and electric vehicles to enable wider adoption, which are reimbursed to the OEM (EV manufacturers) by Government of India.

Further, following two Production Linked Incentive (PLI) Schemes are being implemented by the Ministry of Heavy Industries for manufacturers to boost manufacturing of electric vehicles in India and increasing in Export:

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- i. The Government on 12th May, 2021 approved Production Linked Incentive (PLI) scheme, 'National Programme on Advanced Chemistry Cells (ACC) Battery Storage' in order to promote 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.
- ii. Production Linked Incentive (PLI) Scheme for Automobile and Auto Component Industry was approved on 15th September, 2021 with a budgetary outlay of Rs. 25,938 crore, which provides financial incentives to boost domestic manufacturing of Advance Automotive Technologies (AAT) products (including electric vehicles and their components).

STATE AND MONTH-WISE DETAILS OF NUMBER OF SALES / REGISTERED E-2 WHEELERS for FY 2022-23

Sr. No.	State Name	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Grand Total
1	Andaman & Nicobar Island	0	0	0	0	0	0	0	6	10	0	0	1	17
2	Andhra Pradesh	2,867	1,655	1,755	1,929	1,904	2,242	2,581	2,762	2,732	2,684	2,909	3,523	29,543
3	Arunachal Pradesh	0	0	0	0	0	0	0	0	1	0	0	0	1
4	Assam	168	112	101	120	202	200	194	176	250	142	190	221	2,076
5	Bihar	475	458	716	638	849	951	1,377	1,253	987	988	911	1,302	10,905
6	Chandigarh	62	44	63	59	59	70	118	163	123	172	216	362	1,511
7	Chhattisgarh	1,397	834	1,038	1,309	1,360	1,190	2,471	2,725	1,883	1,923	1,875	2,190	20,195
8	Delhi	2,829	1,757	2,753	2,658	3,259	2,301	3,698	3,869	3,826	3,284	2,799	3,783	36,816
9	Goa	377	453	365	579	303	400	705	587	528	662	628	838	6,425
10	Gujarat	6,695	4,408	5,322	5,593	5,060	5,334	6,635	8,321	7,906	5,873	6,756	7,800	75,703
11	Haryana	1,216	1,181	968	710	915	848	1,313	1,369	885	707	702	714	11,528
12	Himachal Pradesh	97	73	104	92	59	67	79	134	99	78	66	91	1,039
13	Jammu and Kashmir	125	124	159	316	182	220	257	194	150	115	147	198	2,187
14	Jharkhand	451	431	461	589	561	498	949	953	653	655	652	797	7,650
15	Karnataka	8,818	5,946	6,801	5,686	7,476	7,615	9,707	9,850	7,751	9,976	10,280	13,078	1,02,984
16	Kerala	2,908	2,374	2,569	1,965	3,070	3,101	3,633	3,699	4,112	4,668	5,559	6,775	44,433
17	Ladakh	0	0	14	0	0	0	0	0	0	1	0	0	15
18	Madhya Pradesh	1,336	1,310	1,434	1,722	1,930	1,900	3,617	3,426	2,331	2,444	2,361	3,223	27,034
19	Maharashtra	7,375	8,913	7,880	8,445	9,723	10,733	16,000	13,718	13,075	13,805	12,072	17,077	1,38,816
20	Manipur	1	2	13	21	8	1	4	2	63	7	14	3	139
21	Meghalaya	5	0	2	3	2	1	5	3	1	4	3	1	30
22	Mizoram	0	1	2	1	6	4	3	8	11	10	9	10	65
23	Nagaland	2	1	0	0	0	0	0	0	0	0	0	0	3
24	Odisha	2,261	1,716	1,693	1,816	2,007	2,197	3,695	2,997	2,380	2,533	2,551	3,269	29,115
25	Puducherry	82	65	85	71	91	114	180	153	177	197	177	261	1,653
26	Punjab	817	492	514	603	645	590	707	1,042	635	590	609	805	8,049
27	Rajasthan	3,771	3,701	3,428	4,574	4,157	4,676	9,456	7,306	5,061	4,624	4,663	6,376	61,793
28	Tamil Nadu	5,425	3,626	3,749	4,180	5,306	5,112	5,528	7,259	4,991	5,506	6,700	8,388	65,770
29	Tripura	20	14	21	2	14	17	13	12	57	8	20	23	221
30	UT of DNH and DD	4	6	1	9	6	8	5	14	20	9	16	5	103
31	Uttar Pradesh	2,401	1,694	1,361	1,830	1,920	1,787	3,004	2,746	2,334	1,952	1,969	3,561	26,559
32	Uttarakhand	602	377	374	404	494	386	797	839	581	447	426	587	6,314
33	West Bengal	815	683	660	689	662	727	538	1,209	1,047	632	814	1,103	9,579
Grand Total		53,402	42,451	44,406	46,613	52,230	53,290	77,269	76,795	64,660	64,696	66,094	86,365	7,28,271
Note: 1- The details given are for digitized vehicle records as per centralized Vahan 4.														
2 - Data for Telangana and Lakshadweep has not been provided as they are not in centralized Vahan 4.														

STATE & MONTH-WISE DETAILS OF NUMBER OF SALES / REGISTRED E-2 WHEELERS for FY 2023-24 (as on 06.02.2024)

Sr. No.	State Name	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	As on 06 Feb. 2024	Grand Total
1	Andaman & Nicobar Island	0	0	0	0	0	0	1	3	7	2	1	14
2	Andhra Pradesh	3,528	4,398	1,026	1,370	1,575	1,399	1,759	2,000	2,373	2,134	346	21,908
3	Arunachal Pradesh	0	1	0	0	0	0	0	0	2	0	0	3
4	Assam	178	282	177	168	147	257	245	244	204	253	37	2,192
5	Bihar	970	1,539	520	614	713	902	823	1,767	1,354	1,288	174	10,664
6	Chandigarh	126	209	136	134	126	135	157	243	137	118	11	1,532
7	Chhattisgarh	1,561	2,519	1,260	1,602	2,112	2,199	2,229	3,937	1,882	2,368	252	21,921
8	Delhi	2,738	4,977	1,790	2,072	2,124	2,007	2,621	3,996	5,389	3,149	235	31,098
9	Goa	698	874	534	562	694	563	567	983	799	832	99	7,205
10	Gujarat	8,269	9,607	4,019	5,300	5,756	7,209	8,417	5,424	4,080	5,424	678	64,183
11	Haryana	802	1,054	408	152	399	321	591	565	1,019	1,259	124	6,694
12	Himachal Pradesh	96	118	59	40	64	68	53	53	102	79	16	748
13	Jammu and Kashmir	212	258	166	117	98	113	138	174	98	220	25	1,619
14	Jharkhand	682	839	390	448	456	524	505	830	635	551	86	5,946
15	Karnataka	9,730	17,398	7,850	9,787	9,833	10,712	11,299	14,542	10,322	12,454	1,374	1,15,301
16	Kerala	4,664	7,394	4,034	3,980	4,827	4,474	5,087	5,417	4,907	6,481	835	52,100
17	Ladakh	0	14	2	1	0	0	0	0	0	14	0	31
18	Madhya Pradesh	1,967	3,970	1,710	2,018	3,964	3,349	3,362	4,983	3,391	3,687	494	32,895
19	Maharashtra	12,261	20,587	8,455	9,867	12,046	12,464	15,783	19,087	14,529	16,498	2,070	1,43,647
20	Manipur	15	10	4	6	8	0	6	10	6	7	0	72
21	Meghalaya	3	7	1	20	15	11	1	6	1	26	1	92
22	Mizoram	8	14	4	6	4	6	36	35	24	28	13	178
23	Nagaland	0	0	0	1	0	1	0	1	0	0	0	3
24	Odisha	2,847	3,727	2,131	2,805	2,737	3,049	3,972	4,345	4,383	3,883	610	34,489
25	Puducherry	157	382	140	189	197	136	197	194	224	310	67	2,193
26	Punjab	376	1,180	534	445	642	676	760	1,184	951	821	55	7,624
27	Rajasthan	3,913	6,910	3,263	3,762	4,313	4,337	4,913	7,743	4,675	4,431	592	48,852
28	Tamil Nadu	6,509	10,330	4,719	5,839	6,246	5,177	6,507	7,096	5,404	7,580	1,253	66,660
29	Tripura	19	65	8	6	33	17	6	11	40	3	4	212
30	UT of DNH and DD	5	4	5	5	6	13	4	15	13	31	2	103
31	Uttar Pradesh	3,102	4,742	1,969	2,372	2,751	3,192	3,817	5,403	5,512	5,678	593	39,131
32	Uttarakhand	524	683	324	407	364	262	383	626	655	382	125	4,735
33	West Bengal	916	1,487	463	509	511	489	851	1,007	2,625	1,636	221	10,715
Grand Total		66,876	1,05,579	46,101	54,604	62,761	64,062	75,090	91,924	75,743	81,627	10,393	7,34,760

Note: 1- The details given are for digitized vehicle records as per centralized Vahan 4.

2 - Data for Telangana and Lakshadweep has not been provided as they are not in centralized Vahan 4.
