

GOVERNMENT OF INDIA  
MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES  
DEPARTMENT OF HEAVY INDUSTRY

**RAJYA SABHA**  
**STARRED QUESTION NO. 173**  
**TO BE ANSWERED ON. 02.08.2018**

**Initiatives for adoption of alternate mobility technologies**

\*173. SHRIMATI KANIMOZHI:

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) whether Government has offered any incentives to bridge the viability gap for electric vehicles for the purpose of containing urban pollution and if so, the details thereof;
- (b) whether the targets of more environment friendly alternatives notably electric cars are likely to be met by 2030 and if so, the details thereof; and
- (c) the details of other initiatives taken for adoption of alternate mobility technologies in the country?

**ANSWER**

MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES  
(SHRI ANANT G. GEETE)

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

**STATEMENT**

**Statement referred to in reply to parts (a) to (c) of Rajya Sabha Starred Question No. 173 for 02.08.2018 asked by Smt. Kanimozhi regarding “Initiatives for adoption of alternate mobility technologies”**

(a) to (c): To offset the higher prices of Hybrid and Electric Vehicle, the Department of Heavy Industry, under its scheme Faster Adoption and Manufacturing of (Hybrid &) Electric vehicle in India (FAME INDIA) offers demand incentives for upfront reduction of price of Hybrid and Electric vehicles for the buyer. The scheme envisages support for electric mobility across several urban centres. The details of the demand incentives available for the purchase of such vehicles is provided at **Annexure 13** of the Gazette Notification of this scheme, which is available on the website of Department of Heavy Industry ([www.dhi.nic.in](http://www.dhi.nic.in)).

2. Though there are no notified official targets fixed for electric cars by the Government of India, under the FAME Scheme, so far 218625 Hybrid and Electric Vehicles, including two wheelers, three wheelers and four wheelers have been supported through demand incentives. In addition, 507 buses have been sanctioned under the Pilot Projects component of the scheme across the country.

3. Details of some of the major initiatives for adoption of alternate mobility technology in the country are placed at **Annexure ‘A’**.

**Some of the major initiatives for adoption of alternate mobility technologies in the country**

**[a] Taxation Measures**

1. Under new GST regime, Electric Vehicles are kept in the lower bracket of 12% GST rate (with no Cess) as against the 28% GST rate with Cess up to 22% for conventional vehicles. Further, full exemption from Basic Custom Duty (BCD) has also been provided on the following specified parts of electric vehicles :
  - a. Battery pack
  - b. Battery charger
  - c. AC or DC motor
  - d. AC or DC motor controller
2. The rate of tax for Fuel Cell Vehicle has been reduced to 12 percent from the higher rate of 28 per cent.
3. In a bid to boost prospects of electric vehicles, the tax rate on lithium ion batteries has been lowered to 18 per cent from 28 per cent.

**[b] R&D Efforts**

4. Department of Science & Technology informed that four (4) research groups (ISRO, CSIR, ARCI & IIT Bombay ) are researching Lithium ion Battery technology. They will be encouraged to collaborate for lower cost lithium ion battery and alternative batteries.
5. ISRO has developed the required technology related to Li ion cells for ISRO's Space Programme. They have issued Request For Qualification (RFQ) for Li-ion Technology Transfer to Indian industries for use in electric vehicles.
6. Under Technology Platform (TPeM) focus area of the FAME Scheme, six (06) projects relating to (i) Designing of High Power DC Chargers for Electric Vehicles; (ii) Designing of a bidirectional Electric Vehicle Supply Equipment for charging station; (iii) Ascertain/develop Driving Cycle for electric/hybrid vehicles in Indian conditions; (iv) Design & develop Non-Permanent Magnet Motor Drives for e2W and e-3W based on actual Drive Cycles in Indian conditions; (v) Development of Switched Reluctance Motor for EVs, & (vi) Development of Synchronous Motor for EVs, were approved & sanctioned under this Scheme of the Government.
7. MNRE has informed that they are supporting broad based research & development programme for development of new and renewable energy technologies including Hydrogen and Fuel Cells.

**[c] Non-fiscal Measures**

8. Ministry of Power has recently allowed sale of electricity as 'service' for charging of electric vehicles. This would provide a huge incentive to attract investments into charging infrastructure.

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9. Ministry of Road Transport & Highways has recently published a draft notification for electric vehicles to have green number plate which would be aimed to provide incentives to electric vehicle users such as waiver of toll, parking fees, permits, traffic rationing etc.

**[d] Demand Aggregation Efforts**

10. Energy Efficiency Services Limited (EESL), a Joint Venture of PSUs under Ministry of Power, has informed that they have completed procurement process of 10,000 Electric Cars and has issued Letter of Awards (LoAs) to M/s Tata Motors (5050 nos.) and M/s Mahindra & Mahindra Ltd. (4950 nos.). It has further been informed that these cars will be provided to Government entities on lease / outright purchase basis.

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