

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

**LOK SABHA**  
**STARRED QUESTION NO. 298**  
**TO BE ANSWERED ON 28.07.2014**

**Subsidy on Hybrid/Electric Vehicles**

\*298. SHRI MOHITE PATIL VIJAYSINH SHANKARRAO;  
SHRI DHANANJAY MAHADIK:

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

- (a) whether the National Electric Mobility Mission Plan envisages introduction and manufacture of electric vehicles, including hybrid vehicles and if so, the details thereof;
- (b) whether the Government proposes to subsidise the hybrid and electric vehicles and if so, the details thereof along with subsidy proposed for the purpose and its impact on the exchequer;
- (c) the time by which the said subsidy scheme is likely to be made operational; and
- (d) the steps taken by the Government to popularise electric and hybrid vehicles in the country?

**ANSWER**

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

(a) to (d) : A Statement is laid on the Table of the House.

## STATEMENT

### Statement referred to in reply to parts (a) to (d) of Lok Sabha Starred Question Number 298 for answer on 28.07.2014 asked by Shri Mohite Patil Vijaysinh Shankarrao and Shri Dhananjay Mahadik regarding Subsidy on Hybrid/Electric Vehicles.

(a): Yes, Madam. A Scheme under the National Electric Mobility Mission 2020 has been proposed. The scheme is to be approved by Expenditure Finance Committee (EFC) and Cabinet.

The purpose of the scheme is to encourage faster adoption (market creation & related activities), domestic technology development (Research & Development) and manufacturing of full range of cleaner electric vehicle technologies that include mild hybrid, full hybrid vehicles (HEVs), Plug in Hybrids (PHEVs) and Pure Electric Vehicles (BEVs) (collectively termed as xEVs) thereby leading to creation of a strong, globally competitive, viable & self-sustaining electric vehicle industry and its eco system in India. The Mission plan is for 6-7 million units of new vehicles sales of xEVs, along with resultant fuel savings of 2.2 - 2.5 million tonnes that can be achieved by 2020.

(b): The Government will examine the proposed scheme through EFC and Cabinet regarding demand incentive scheme for faster adoption of Electric Vehicles in the scheme. An inclusive approach has been proposed in the scheme and all vehicle segments come under the purview of the incentive scheme, along with the complete range of electric and hybrid vehicles (Mild, Strong, Plug-in, BEV variants are covered). Prioritization of vehicle segments is based on two broad objectives of maximizing potential for fuel savings and potential for mass adoption. If the scheme is approved by the EFC and Cabinet, the support will be provided for the next 6 years for various vehicle segments, during which period the industry is expected to gain in strength both in manufacturing capacity and technology ability, and become self-sustaining by the end of the scheme period (2020).

The estimated expenditure is about ₹ 12470cr. for implementing demand incentive scheme from 2014-2020 subject to approval by EFC and Cabinet. The subsidies proposed on various xEV are as follows-

	2014		2015		2016		2017		2018		Total number	Total amount
	Vehicles	Rs. Cr.	Vehicles	Rs. Cr.	Vehicles	Rs. Cr.	Vehicles	Rs. Cr.	Vehicles	Rs. Cr.	Vehicles	Rs. Cr.
2 Wheeler	224,389	92	568,107	282	1,138,853	525	1,466,467	710	2,123,879	983	5,521,695	2,592
3 Wheeler	0	0	13,864	5	19,496	8	20,961	10	24,713	6	79,034	29
4 Wheeler	8,841	80	161,756	659	280,304	1,155	414,730	1,557	713,947	1,715	1,579,578	5,166
LCVs.	0	0	42,998	91	80,320	199	140,658	329	196,606	228	460,582	847
Buses	1,000	404	1,000	404	3,000	876	3,000	876	3,000	876	11,000	3,436
<b>Total</b>	<b>234,230</b>	<b>576</b>	<b>787,725</b>	<b>1,441</b>	<b>1,521,973</b>	<b>2,238</b>	<b>2,045,816</b>	<b>3,482</b>	<b>3,062,145</b>	<b>3,808</b>	<b>7,651,889</b>	<b>12,070</b>

(c): The Mission program will be implemented during 2014-2020 after getting Cabinet approval.

(d): The Government is developing specific Pilot Demonstration Projects through intensive discussions with state government bodies, the vehicle manufacturers, and other stakeholders like fleet operators, industry associations etc. to develop relevant demos that will offer visibility to the new (electrified) vehicle platforms, and offer the commuting public the opportunity to experience first-hand performance and advantages of electrified transport.

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