

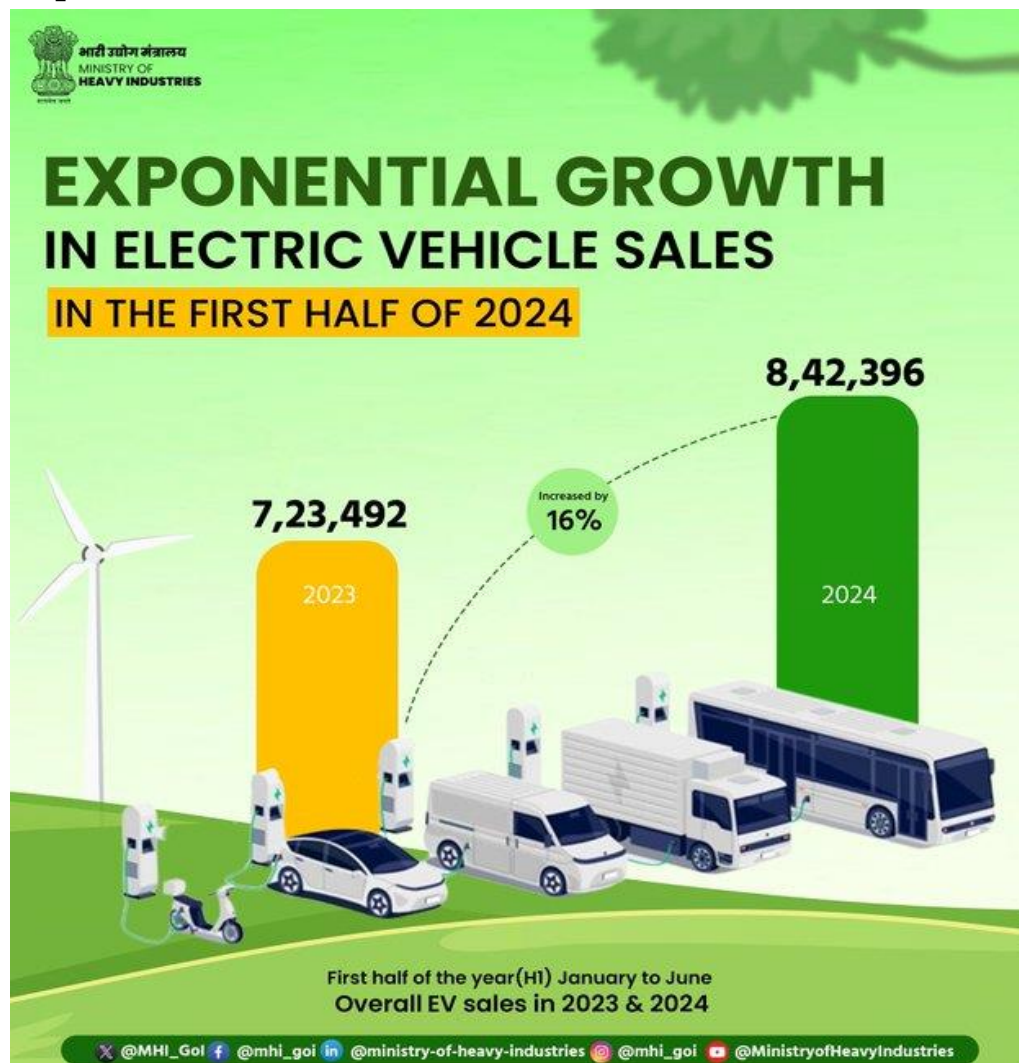


Electrifying India's Roads: The Rise of EVs *(Ministry of Heavy Industries)*

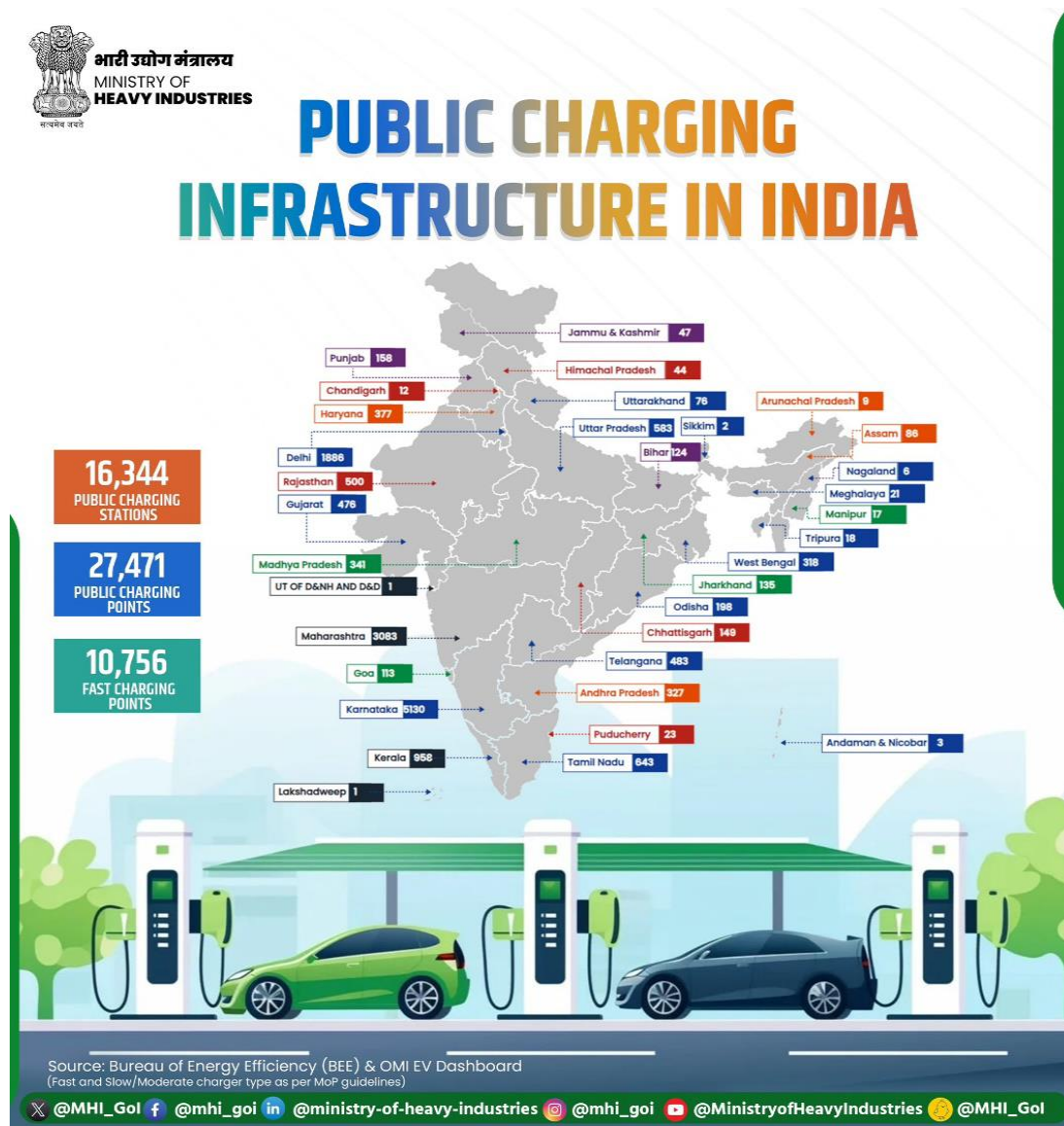
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India needs electric vehicles (EVs) to address several pressing issues, including environmental pollution, energy security, and economic sustainability. The widespread adoption of EVs can significantly reduce air pollution, a major public health concern in many Indian cities. By shifting from fossil fuels to electric power, India can decrease its dependency on oil imports, enhancing national energy security and reducing the vulnerability to global oil price fluctuations. Embracing electric vehicles is a critical step towards India's cleaner, healthier, and more sustainable future.

Exponential Growth of EV Sales in the First Half of 2024



As of July 08, 2024, India saw a 16% rise in EV registrations in the first half of 2024, with 8,42,396 EVs registered compared to 7,23,492 during the same period in 2023 (a total of 15,29,947 EVs registered in 2023). This upward trajectory not only underscores the nation's commitment towards sustainable transportation but also reflects the growing consumer confidence and market readiness for greener alternatives on Indian roads. As of June 06, 2024, India has 16,344 public charging stations, including 27,471 public charging points, and 10,756 fast charging points, boosting EV adoption.¹



Initiatives Taken to Promote Adoption and Strengthen EVs in India

E-Vehicle policy: The Government of India approved a scheme in March 2024 to promote India as a manufacturing destination so that e-vehicles with the latest technology can be manufactured within the country. The policy is designed to attract investments in the e-vehicle space by reputed global EV manufacturers. This will provide Indian consumers with access to the latest technology, boost the Make in India initiative, and strengthen the EV ecosystem by promoting healthy competition among EV players, leading to high volume production, economies of scale, lower production costs, reduced

¹https://x.com/MHI_GoI/status/1798659213759287305/photo/1

imports of crude oil, a lower trade deficit, reduced air pollution, particularly in cities, and a positive impact on health and the environment. The policy also puts forward conditions such as a minimum investment requirement of Rs. 4,150 crore with no cap on maximum investment, a three-year timeline for setting up manufacturing facilities in India and starting commercial production of EVs, and achieving 50% domestic value addition within a maximum of five years. Companies setting up manufacturing facilities for EVs will be allowed limited imports of cars at lower customs duties

Faster Adoption and Manufacturing of Hybrid and Electric Vehicles in India (FAME India): The Government had notified Phase II of the FAME India Scheme initially for five years, effective from April 1, 2019, with an outlay of Rs. 10,000 crore, which was further enhanced to Rs. 11,500 crore. This phase mainly focuses on supporting the electrification of public and shared transportation, and aims to support 7090 e-Buses, 5 lakh e-3 wheelers, 55000 e-4 wheeler passenger cars and 10 lakh e-2 wheelers through demand incentives. In addition, the creation of charging infrastructure is also supported under the scheme. As of February 07, 2024, 13,63,266 electric vehicles amounting to Rs. 5854 Cr. (approx.) have been sold by electric vehicle manufacturers under phase II of the FAME India Scheme.

Production Linked Incentive (PLI) Scheme for Automobile and Auto Component Industry: The Government approved the PLI Scheme for Automotive Sector on September 15, 2021, with a budgetary outlay of Rs. 25,938 crores for five years (FY2022-23 to FY2026-27). The scheme provides incentives of up to 18% for electric vehicles.

Production Linked Incentive (PLI) scheme, 'National Programme on Advanced Chemistry Cells (ACC) Battery Storage': The Government approved the PLI Scheme for manufacturing of ACC in the country on May 12, 2021, with a budgetary outlay of Rs. 18,100 crores. The scheme envisages establishing 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.

Electric Mobility Promotion Scheme 2024: The Government of India has notified the Electric Mobility Promotion Scheme 2024 (EMPS 2024) with an outlay of Rs.500 crore for four months, effective from April 1, 2024, till July 31, 2024. The scheme is introduced for faster adoption of electric two-wheelers (e-2W) and electric three-wheelers (including registered e-rickshaws & e-carts and L5) to provide further impetus to the green mobility and development of the electric vehicle (EV) manufacturing eco-system in the country. With a greater emphasis on providing affordable and environment-friendly public transportation options for the masses, the scheme will mainly apply to e-2W and e-3Ws registered for commercial purposes. Additionally, privately or corporate-owned registered e-2W will also be eligible under the scheme. The benefits of incentives will be extended only to vehicles fitted with advanced batteries.²

Scheme to Promote Manufacturing of Electric Passenger Cars in India: In a

²<https://heavyindustries.gov.in/ministry-heavy-industries-electric-mobility-promotion-scheme-2024>

significant move aimed at revolutionizing the electric vehicle (EV) landscape in India, the Government of India approved the Scheme to Promote Manufacturing of Electric Passenger Cars in India (SPMEPCI) on March 15, 2024. The SPMEPCI represents a monumental step towards achieving Prime Minister Narendra Modi's vision of a cleaner, greener, and more self-reliant India. By leveraging the potential of electric vehicles, the scheme promises not only to mitigate air pollution, reduce the trade deficit, and lessen dependence on imported crude oil but also heralds a new era of innovation, employment generation, and economic prosperity.³

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

GST on electric vehicles and chargers/charging stations has been reduced to 5%. Ministry of Road Transport & Highways (MoRTH) announced that battery-operated vehicles will be given green license plates and be exempted from permit requirements. MoRTH issued a notification advising states to waive road tax on EVs, which will, in turn, help reduce the initial cost of EVs.⁴

The drive for electric vehicles (EVs) in India is not just a trend but a crucial strategy for addressing the nation's environmental, economic, and energy challenges. The exponential growth in EV sales, supported by robust government initiatives and policies, underscores India's commitment to sustainable and clean transportation. With significant incentives, infrastructure development, and manufacturing support, India is poised to lead the global EV revolution.

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³<https://heavyindustries.gov.in/scheme-promote-manufacturing-electric-passenger-cars-india-0>

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