GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
RAJYA SABHA
UNSTARRED QUESTION NO. 1521
ANSWERED ON 31.07.2026

ELECTRIC VEHICLE MANUFACTURING AND GLOBAL TRENDS

1521. SHRI RAVI CHANDRA VADDIRAJU:

Will the Minister of Heavy Industries be pleased to state:

(a) whether Government has taken steps to expand Electric Vehicle (EV) manufacturing capacity in the country;

(b) the measures adopted to align with global EV adoption trends; and

(c) whether incentives are being provided to the industry for green technology adoption?

ANSWER
THE MINISTER OF STATE FOR HEAVY INDUSTRIES
(SHRI BHUPATHIRAJU SRINIVASA VARMA)

(a) to (c): To expand the production capacity of electric vehicles (EVs) & their components and to align it with global trends, following steps have been taken by the Government:-

i. Faster Adoption & Manufacturing of Electric Vehicles in India (FAME India) Scheme Phase-II was implemented from 01.04.2019 to 31.03.2024 with a total budgetary support of ₹11,500 crore. The scheme provided demand incentive for e-2Ws, e-3Ws, e-4Ws and grant for e-buses and setting up of EV public charging stations (EV PCS).

ii. **Production Linked Incentive (PLI) Scheme for Automobile and Auto Component Industry in India is** notified on 23.09.2021, for enhancing India's manufacturing capabilities for Advanced Automotive Technology (AAT) products (including EVs & their components) with a budgetary outlay of ₹25,938 crore.

iii. **PLI Scheme for National Programme on Advanced Chemistry Cell (ACC) Battery Storage has been** notified on 09.06.2021 for manufacturing of ACC in the country with a budgetary outlay of ₹18,100 crore. The scheme aims to establish a competitive domestic manufacturing ecosystem for 50 GWh of ACC batteries.

iv. Union Cabinet approved the Scheme to Promote Manufacturing of Sintered Rare Earth Permanent Magnet (REPM) with a financial outlay of Rs. 7,280 crore on 26.11.2025, to establish 6,000 metric tonnes per annum (MTPA) of integrated REPM manufacturing capacity in the country. The said scheme was notified on 15.12.2025.

v. PM Electric Drive Revolution in Innovative Vehicle Enhancement (PM EDRIVE) Scheme has been notified on 29.09.2024 with an outlay of ₹10,900 crore. This scheme incentivizes electric vehicles (EVs) including e-2W, e-3W, e-Trucks, e-buses and e-Ambulances. Further, grant for EV PCS and upgradation of testing agencies is also available under this scheme.

vi. PM e-Bus Sewa-Payment Security Mechanism (PSM) Scheme has been notified on 28.10.2024, has an outlay of ₹3,435.33 crore and aims to support deployment of more than 38,000 electric buses. The objective of this scheme is to provide payment security to e-bus operators in case of default by Public Transport Authorities (PTAs).

vii. Scheme for Promotion of Manufacturing of Electric Passenger Cars in India (SPMEPCI) was notified on 15.03.2024 to promote the manufacturing of electric cars in India. This scheme requires applicants to invest a minimum of ₹4,150 crore and to achieve a minimum DVA of 25% at the end of the third year and DVA of 50% at the end of the fifth year.

Further, following initiatives have also been taken up by Government to increase the use of EV:–

i. GST on EVs 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 advisory to states to waive road tax on EVs, which in turn will help reduce the initial cost of EVs.

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