

PROMOTION OF ELECTRIC VEHICLES

Relevant for: Indian Economy | Topic: Infrastructure: Roads

Ministry of Heavy Industries & Public Enterprises

Promotion of Electric Vehicles

Posted On: 10 DEC 2019 4:58PM by PIB Delhi

There are multiple causes for pollution and vehicular pollution is one of the causes. The electric vehicles have zero on-road emission. The problem of pollution can be minimized by using electric vehicles in the country. In order to promote adoption of electric vehicles, Department of Heavy Industry formulated a scheme namely FAME-India Scheme [Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India] in 2015 for the initial period of 2 years starting w.e.f. 01st April, 2015 (Phase-I). The Phase-I of the Scheme was extended from time to time and the last extension was allowed up to 31st March 2019. In this Phase of the Scheme about 2.8 lakh hybrid and electric vehicles are supported by way of demand incentive amounting to about Rs 359 crore resulting in saving of about 50 million liters of fuel and reduction of about 124 million Kg of CO₂.

In addition, following initiatives were also taken up by the Government to promote use of electric vehicles use:

Under new GST regime, GST on EVS is reduced from existing 12% rate to 5% as against the 28% GST rate with cess up to 22% for conventional vehicles.

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

The Government, vide S.O. 5333(E) dated 18th October, 2018 has also granted exemption to the battery operated transport vehicles and transport vehicles running on ethanol and methanol fuels from the requirements of permit.

The Government, vide draft GSR 430(E) dated 18th June 2019 has proposed exemption of registration fees for battery operated/electric vehicles to promote the use of eco-friendly vehicles in the country.

In the budget of 2019-20, the Finance Minister announced for providing additional income tax deduction of Rs 1.5 lakh on the interest paid on loans taken to purchase electric vehicles.

Ministry of Road Transport and Highways has allowed the age group of 16-18 years to obtain driving licence to drive E-scooters.

Ministry of Road Transport and Highways has issued an advisory dated 17th July, 2019 to all States and Union Territories to promote use of electric vehicles.

This information was given by the Minister of Heavy Industries & Public Enterprises, Prakash Javadekar, in a written reply in the Lok Sabha today.

MM/ SB

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