

ELECTRIC VEHICLES: THE NEW AGE TRANSPORT IN INDIA



The Government of India had launched the Faster Adoption and Manufacturing of (Hybrid and) Electric Vehicles (FAME India) Scheme in 2015 under the National Electric Mobility Mission Plan 2020 to promote hybrid and electric vehicles (e-vehicles) which will help in controlling pollution and reducing fuel consumption in the country. The thrust of the Government through this Scheme is to allow the eco-friendly vehicles to become the first choice of the purchasers. In order to facilitate and encourage purchase of e-vehicles, the Government has planned to incentivize the buyers by providing them monetary support. Under this mechanism, the manufacturer will sell the vehicle at a reduced price to the buyer and the reduced amount will be reimbursed by the Government.

In order to implement the Scheme, the pilot projects have been launched in Delhi and will gradually spread across other parts of the country. The fully electric, battery operated and zero emission vehicles will be manufactured and used as a clean and green mode of public transportation.

According to the Ministry of Heavy Industries and Public Enterprises, these Projects will roll out a number of electric buses, three-wheelers, cabs, etc for multi-modal electric public transportation in selected cities like Delhi, Ahmedabad, Bengaluru, Jaipur, Mumbai, Lucknow, Hyderabad, Indore, Kolkata, Jammu and Guwahati, etc.

Various states including Andhra Pradesh (AP), Jammu and Kashmir, etc have recently invited tenders for e-vehicles. The Ministry may give these cities subsidies for e-vehicles and charging stations for facilitating their easy and smooth operations.

As part of a joint venture between Delhi-based Energy Efficiency Services Limited (EESL) and New and Renewable Energy Development Corporation of Andhra Pradesh Limited (NREDCAP), it has been reported that EESL will be giving 10,000 cars to the State of AP in a phased manner, out of which initial 500 vehicles will be used by AP municipal corporations, collectorates, and temples like Tirumala Tirupati Devasthanam. For this purpose, EESL had floated tenders of 10000 electric vehicles and in the end, Tata Motors and Mahindra & Mahindra emerged as two successful bidders. They are set to deliver the first set of 500 electric vehicles to EESL. Furthermore, EESL may invite fresh tenders for the next set of electric vehicles by the end of April 2018.

In order to encourage domestic manufacturing, the Government has reportedly proposed to impose heavy duties on equipment imports and to increase the mandatory local content in electric vehicles from the current minimum requirement of 35%- to a minimum of 50% in the first year, 60% in the second year and 70% in the third year. The scheme proposes some fiscal incentives such as tax holidays, power availability, duty exemptions, etc and non-fiscal incentives such as waiver of road tax and registration charges for e-vehicles. But this proposal would require approval of the Union Cabinet.

The Government is making efforts to boost electric mobility, achieve national fuel security and reduce pollution. However, some experts believe that the provision of funds is insufficient to incentivize the use of electric vehicles and that there are several factors including higher cost of vehicles, power failure, lack of charging infrastructure and dearth of facilities for eco-friendly disposal of batteries, that may inhibit consumers from buying electric vehicles in India.