

GOVERNMENT OF INDIA  
MINISTRY OF HEAVY INDUSTRIES  
LOK SABHA  
UNSTARRED QUESTION NO. 658  
ANSWERED ON 06.02.2024

**DECLINE IN SALE OF AUTOMOBILES**

**658. SHRI SANJAY SADASHIVRAO MANDLIK:  
SHRI SHRIRANG APPA BARNE:  
SHRI DHAIRYASHEEL SAMBHAJIRAO MANE:  
SHRI SUDHEER GUPTA:  
SHRI PRATAPRAO JADHAV:**

Will the Minister of **HEAVY INDUSTRIES** भारी उद्योग मंत्री be pleased to state:

- (a) whether as per data released by the Federation of Automobile Dealers Association the sale of Electric Vehicle has registered a growth of 49.25 percent during the last year and if so, the details thereof;
- (b) whether RBI has increased/proposes to increase the interest rates on vehicle loans during the present year and if so, the details thereof;
- (c) whether increase in the interest rates on vehicle loan will discourage the buyers leading to decline in sale of automobiles in the country;
- (d) if so, the details thereof and the corrective measures taken/being taken by the Government to attract consumers;
- (e) whether the Government has ascertained the other factors responsible for reduction in demand of new vehicles in the country and if so, the details thereof; and
- (f) whether silent demand for the vehicles is decreasing gradually, if so, the details thereof and the reasons therefor?

**ANSWER  
THE MINISTER OF STATE FOR HEAVY INDUSTRIES  
(SHRI KRISHAN PAL GURJAR)**

**(a):** Yes Sir, as per the information received from Federation of Automobile Dealers Association (FADA), the sale of Electric Vehicles has registered a growth of 49.25 percent during the last calendar year i.e. 2023.

The category-wise details of EV sales are as under:

<b>CATEGORY</b>	<b>Calendar Year 2022</b>	<b>Calendar Year 2023</b>	<b>% Growth</b>
2 Wheelers	6,31,464	8,59,376	36.09%
3 Wheelers	3,52,710	5,82,793	65.23%
Commercial Vehicles	2,649	5,673	114.16%
Passenger Vehicles	38,240	82,105	114.71%
<b>Total</b>	<b>10,25,063</b>	<b>15,29,947</b>	<b>49.25%</b>

Source: FADA Research

**Contd.....2/-**

**(b) to (d):** Sir, interest rate increase/ decrease on Vehicle loans are linked to Reserve Bank of India (RBI's) increase /decrease in REPO rates. The repo rate has remained at 6.50 % since its last revision on 08<sup>th</sup> February, 2023.

Sir, in order to promote adoption and strengthen the electric vehicles (EVs) in the country, following three schemes have been formulated by the Ministry of Heavy Industries:

- i. Faster Adoption and Manufacturing of Hybrid and Electric Vehicles in India (FAME India): The Government notified Phase-II of FAME India Scheme initially for a period of 5 years w.e.f. 01<sup>st</sup> April, 2019 with an outlay of Rs. 10,000 Crore which further enhanced to Rs. 11,500 Crore.
- ii. Production Linked Incentive (PLI) Scheme for Automobile and Auto Component Industry: The Government on 15<sup>th</sup> September, 2021 approved the PLI Scheme for Automotive Sector with a budgetary outlay of Rs. 25,938 crores. The scheme provides incentives up to 18% for electric vehicles.
- iii. Production Linked Incentive (PLI) scheme, 'National Programme on Advanced Chemistry Cells (ACC) Battery Storage': The Government on 12<sup>th</sup> May, 2021 approved PLI Scheme for manufacturing of ACC in the country with a budgetary outlay of Rs. 18,100 crore. The scheme envisages to establish 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.

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

- i. GST on electric vehicles 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 a notification advising states to waive road tax on EVs, which in turn will help reduce the initial cost of EVs.

**(e):** Yes, Sir. The Government has ascertained the following other factors responsible for reduction in demand of electric vehicles in the country:

- i. High upfront cost of electric vehicle as compared to corresponding Internal Combustion (IC) engine vehicle.
- ii. Customer anxiety about range of electric vehicle.
- iii. Limited models available in India compared to ICE vehicles especially in Electric car segment.

**(f):** No, sir. There is no slowdown has been observed in the sale of electric vehicles in the country. As per the e-vahan portal (Ministry of Road Transport and Highways), the details regarding registered electric vehicles, calendar year-wise, are as under:

Calendar Year	2020	2021	2022	2023
Total Registered Electric vehicles	1,24,689	3,31,679	10,25,187	15,31,444