State-wise EV Policies and Incentives
**Prologue**

The advent of new breakthroughs and improvements in energy storage is transforming vehicular technology and energy solutions. Electric Vehicles (EVs) are a promising alternative to ICE (Internal Combustion Engine) vehicles. Innovations in battery technology, reduction in moving parts, and zero tailpipe emissions make EVs an economically viable and sustainable mobility solution that is finding global support from Policymakers and Industry leaders alike.

In March 2019, The Government of India (GoI) launched the National Mission on “Transformative Mobility and Energy Storage” committed to develop a complete ecosystem domestically around EVs, including manufacturing of batteries and all other components to make Electric Vehicle and Energy Storage Solutions sector competitive in the near term.

Further, India is committed to reducing emissions up to 33-35% by 2030 from the 2005 level and has set the target of 40% non-fossil-based electricity generation in the energy mix. This requires radical measures to scale up the share of renewable energy, besides the ongoing program of 175 GW RE by 2022.

According to data compiled by IESA, the electric vehicle industry consumed over 5 GWh of batteries in 2018 in India. This number is likely to be well over 36 GWh by 2025. During 2020-2027 period, the EV sector is estimated to consume about 250 GWh of batteries.

In this decade alone, there has been tremendous innovation in EV Technology which has led to a decrease in battery costs and increase in performance and range. This progress can be expected to continue at an accelerated pace. Within the next decade, there is a clear possibility of cost reduction in electric mobility through advancements such as:

a) Battery cost is expected to decrease by half.

b) Electric Vehicle performance is expected to improve by twofold.

c) Charging time is expected to decrease from 5 hours to less than 1 hour, thereby, reducing the range anxiety.

In 2013, Government of India launched the National Electric Mobility Mission Plan 2020. Under the mission plan, the Scheme for Faster Adoption and Manufacturing of (Hybrid) Electric Vehicles in India (FAME India) was launched in March, 2015 for two years as Phase-I, which was subsequently extended up to 31 March, 2019. The Government of India in its Automotive Mission Plan 2016 has laid a vision of “Safe, Comfortable and Efficient mobility” with an eye on environmental protection and affordability through Public and Personal Transport. After review of the Phase-I, Government of India came up with FAME India Phase-II (FAME II) for period of three years from 1 April 2019 with verticals such as Demand Incentives, Establishment of Network of Charging Station and Administration of Scheme.

In May’21 The Cabinet, chaired by Prime Minister Shri Narendra Modi, has approved the proposal of Department of Heavy Industry for implementation of the Production Linked Incentive (PLI) Scheme ‘National Programme on Advanced Chemistry Cell (ACC) Battery Storage’ for achieving manufacturing capacity of Fifty (50) Giga Watt Hour (GWh) of ACC and 5 GWh of “Niche” ACC with an outlay of Rs.18,100 crore.
Advance Chemistry Cells (ACCs) are the new generation advance energy storage technologies that can store electric energy either as electrochemical or as chemical energy and convert it back to electric energy as and when required. Through this Scheme, the Government of India intends to optimally incentivize potential investors, both domestic and overseas, to set-up Giga-scale ACC manufacturing facilities with emphasis on maximum value addition and quality output and achieving pre-committed capacity level within a pre-defined time-period.

To drive EV adoption, OEM & the state & central govt are working together towards an integrated policy, creating a conducive ecosystem for India’s electric mobility vision. State-specific policies related to EVs could be a shot in the arm for the battery-powered mobility movement in India. 15+ states have come up their EV policies. State policies include incentives such as subsidies on capital investment that could be fixed asset as well as land. They also include several demand side incentives such as parking zones road tax exemption and incentives in relation to tax. States have also come up with special EV zones, Establishment of venture capital and business incubation service to encourage EV start-ups.

This document aims to give a snapshot of State Policies and the incentives these states offer to promote the Electric Mobility in their respective states. Incentives by each state is divided into Supply side, demand side and others (as applicable).
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Andhra Pradesh

Supply Side Incentives

*Fixed Capital Subsidy:*  
- 25% of Fixed Capital Investment (FCI)) up to a maximum of INR 15 lakhs for Micro industries.  
- 20% of Fixed Capital Investment (FCI) up to a maximum of INR 40 lakhs for Small and INR 50 lakhs for Medium Industries.  
- 10% of Fixed Capital Investment (FCI) up to a maximum of INR 10 Crores for first two units, under Large industries, in each segment of Electric Vehicle (2 wheelers, 3 wheelers, 4 wheelers, buses), battery and charging equipment, hydrogen storage and fueling equipment manufacturing.  
- 10% of Fixed Capital Investment (FCI) up to a maximum of INR 20 Crores for first two units, under Mega category, in each segment of Electric Vehicle (2 wheelers, 3 wheelers, 4 wheelers, buses), battery and charging equipment, hydrogen storage and fueling equipment manufacturing.

*Cost of Plant & Machinery:*  
- For specific clean production measures, as certified by Andhra Pradesh Pollution Control Board (APPCB), 35% subsidy on cost of plant & machinery for Micro, Small & Medium Enterprises (MSME) upto a maximum of INR 35 lakhs and 10% subsidy on cost of plant & machinery for Large projects upto a maximum of INR 35 lakhs.  
- 25% subsidy, for Micro Small and Medium Enterprises (MSMEs) and Large projects, for sustainable green measures on total Fixed Capital Investment (FCI) of the project (excluding cost of land, land development, preliminary and pre-operative expenses and consultancy fees) with a ceiling of INR 50 crore.  
- Special incentives will be given according to their need for Mega, Mega Integrated Automobile Projects and Ultra-Mega Battery Manufacturing Plants on a case to case basis.

*Stamp Duty Exemption:* 100% of stamp duty and transfer duty paid by the industry on purchase or lease of land meant for industrial use will be reimbursed. 100% of stamp duty for lease of land/shed/buildings, mortgages and hypothecations will be reimbursed.

*Charging Infrastructure Push:*  
- Direct-Current (DC) Chargers (100V and above): Capital Subsidy of 25% of the value of the charging station equipment/machinery for first 100 stations upto a maximum subsidy of INR 10,00,000  
- Direct-Current (DC)Chargers (Below 100V): Capital Subsidy of 25% of the value of the charging station equipment/machinery for first 300 charging stations upto a maximum subsidy of INR 30,000
- Capital subsidy of 25% of Fixed Capital Investment (for eligible assets excluding cost of battery inventory) up to a maximum subsidy of INR 10 lakhs for swapping stations for the first 50 stations
- 100% net State Goods and Services Tax (SGST), accrued to the State, as reimbursement for purchase of fast chargers (DC chargers of capacity 100V and above).
- 100% net State Goods and Services Tax (SGST), accrued to the State, as reimbursement for purchase of advanced batteries for BATTERY ELECTRIC VEHICLES swapping

Utilities: Government of Andhra Pradesh will provide fixed power cost reimbursement @ Rs. 1.00 per unit for a period of five (5) years from the date of commencement of commercial production. Water Supply will be made at 50% of the price of existing industrial supply tariff for the initial three (3) years from the date of commencement of commercial production.

SGST and IGST: 100% net SGST accrued to the State will be reimbursed for a period of five (5) years for micro and small, seven (7) years for medium, ten (10) years for large industries. This reimbursement will be limited to 100% of capex or for the period Stated, whichever is earlier.

Others
- All external infrastructure such as power supply, water supply, roads will be provided at the doorstep of the industrial unit, charging & battery swapping stations at 50% of the cost of the infrastructure with an overall limit of INR 2 crores per project.
- In case of Mega Integrated Projects, Government will offer land to dependent ancillary units at the same rates as offered to respective Original Equipment Manufacturer (OEM) (wherever Government allocates land to OEM) up to a maximum of 50% of the land allocated to OEM.
- Stipend of INR 10,000 per employee per year to a maximum of first 50 employees for a single company for Micro, Small, Medium and Large firms.
- 50% of cost of participation with a maximum amount of INR 5 lakhs to be reimbursed to a maximum of 10 MSME units per year for participating in International Trade Fairs.
- A research grant of INR 500 Cr will fund the most innovative solutions in the mobility space.
Tamil Nadu

Pre-conditions for Eligibility of Incentives:

- To avail the supply side incentives, the manufactured products must conform to either national or international standards
- Charging infrastructure and its components should fulfil the guidelines issued by the Ministry of Power, Government of India
- Vehicles, companies and charging infrastructure firms need to fulfill the FAME II guidelines issued by the Ministry of Heavy Industry, Government of India

Supply Side Incentives: The condition of eligibility for availing incentives for units engaged in EV is that their component or charging infrastructure manufacture shall make investments above ₹50 crore (₹ 500 million) and create at least 50 direct jobs in the form of new projects or expansion projects. Investments made from April 1, 2018 will be considered eligible for availing incentives.

Fixed Capital Subsidy: In the case of intermediate products used in the manufacture of EV and charging infrastructure, where SGST reimbursement is not applicable, a capital subsidy of 15% will be given on eligible investments over 10 years. The capital subsidy will be payable on eligible investments made in the State till 31.12.2025. The cost of land shall not exceed 20% of the total eligible investments reckoned for the purpose of capital subsidy

Cost of Land, Plant & Machinery: EV related and charging infrastructure manufacturing industries in the State that obtain land from Governmental agencies will be provided a 15% subsidy on the cost of land and will be provided 50% subsidy if the investment is in Southern districts. This incentive is subject to the condition that the land cost is already not claimed as part of capital subsidy. This subsidy will be available on allotments made till 31.12.2022.

Stamp Duty Exemption: EV related and charging infrastructure manufacturing industries in the State that obtain land by sale or lease shall be entitled to 100% exemption on stamp duty for transactions till 31.12.2022.

Charging Infrastructure Push: One charging station will be set up at 25 km intervals on both sides of NHAI and State Highways

Employment Incentive: EV related and charging infrastructure manufacturing units will be provided an employment incentive in the form of the reimbursement of employer's contribution to the EPF for all new jobs created till 31.12.2025. This incentive shall be paid for a period of one year and shall not exceed ₹48000 per employee.

Utilities: EV related and charging infrastructure manufacturing industries in the State will be provided 100% exemption on electricity tax till 31.12.2025. Tamil Nadu Govt. is providing supply for renewable energy for EV charging with zero connection costs and 100% exemption on electricity tax till 2025.

SGST and IGST: 100% of the SGST paid on the sale of EVs manufactured, sold and registered for use in the State will be reimbursed to the manufacturing companies. The reimbursement will be given for sales by manufacturers effective 31.12.2030. The reimbursement will be given up to 100% of the eligible investment.
Special Package for EV Battery Manufacturing: The Government will provide higher capital subsidy of 20% of the eligible investment over 20 years in cases where manufacturing units are engaged in EV battery manufacturing. Such units shall also be provided land at 20% subsidy and at 50% subsidy in Southern districts. The special package will be applicable for investments made till 31.12.2025.

MSME sector: An additional capital subsidy of 20% will be offered over and above the eligibility limit for capital subsidy for MSME units engaged in e-vehicle component or charging infrastructure manufacturing.

**Demand Side Incentives**

2 wheelers: 100% road tax exemption will be provided till 30.12.2022.

3 wheelers:
- An Open Permit System will apply to approved e-Auto Permits to be issued
- Auto Rickshaw permit fees will be waived for e-autos till 30.12.2022.
- 100% Road Tax exemption for e-autos till 30.12.2022.

Private 4 wheelers
- Road tax exemption will be enhanced from 50% to 100% till 30.12.2022.

Commercial Vehicles
- Taxi permit fees will be waived for Electric Transport Vehicles till 30.12.2022.
- 100% Road Tax exemption for all Electric Transport Vehicles till 30.12.2022.

Others
- An EV Venture Capital Fund will be created by the Government to offer financial support to EV start-ups to enable them to scale up their business.
- Centres of Excellence for conducting market focused research on Battery Technologies, Battery Management, EV Motors, and Controllers

In addition to the standard incentives, the investors are eligible for a Structured Package Assistance (for Mega Project > 500 cr) where the incentives are awarded as per the Wishlist of the investors subject to the approval of the Inter-Departmental Committee chaired by senior government officials.
Karnataka

Supply Side Incentives:

Special package of incentives/concessions will be considered for Ultra Mega and Super Mega EV enterprises/ lithium-ion Battery manufacturers catering exclusively for EV & EV charging/Swapping Infrastructure Equipment Manufacturing Enterprise, by giving due weightage to investment, location of the project, direct and indirect employment to be generated and potential for further investment through vendors and ancillaries etc.

• Fixed Capital Subsidy:
  o The cabinet decided to give 15% capital subsidy to investors in the electric vehicle (EV) sector on value of fixed assets over five equal annual payments, with maximum land covered under this incentive being 50 acres. (This shall be 25% for Micro, 20% for small and INR 50 lakhs for medium enterprises)
  o Production linked subsidy of 1% on turnover, which will be provided for a period of five years starting from the first year of commercial operations for large, mega, ultra, super mega EV assembly and manufacturing units.

• 100 % Stamp Duty Exemption

• Charging Infrastructure Push:
  o DC Chargers (>100v): 25% capital subsidy on equipment/machinery for first 100 stations (up to INR 10 lakhs per station)
  o DC Chargers(<100V): 25% capital subsidy on equipment/machinery for first 300 stations (up to INR 30,000 per station)
  o 100% SGST reimbursement for fast chargers
  o 100% SGST reimbursement for battery swapping

• Utilities:
  o Fixed power cost reimbursement @ 1.00 per unit for a period of 5 years from the date of commencement of commercial production
  o Electricity will be reimbursed for 5 years
  o Water Supply will be made at 50% of the price of existing industrial supply tariff for the initial 3 years

• Special Package for EV Battery Manufacturing: State has targets to set up battery manufacturing plants up to 5 Gwh. All EV battery manufacturers will be eligible for the fixed capital subsidies as mentioned for MSMEs. Further, exemption from stamp duty and concessional registration charges will be provided.

Others

• To encourage in-plant training provided by the EV manufacturers in the state by offering a stipend up to 50% of the cost of training subject to a limit of Rs.10,000 per month per trainee. The incentive shall be available for maximum of 50 trainees per company. The benefit shall be available for 1000 candidates per annum.
Gujarat

Pre-conditions for Eligibility of Incentives:

The government says all FAME II-eligible vehicles will be eligible for availing the benefits with a subsidy cap of 40 percent on the retail price of the vehicle. This means a maximum cap of Rs 1.50 lakh for electric four-wheelers, Rs 50,000 for L5 electric three-wheelers and Rs 20,000 for electric two-wheelers. The incentive will be over and above the FAME II subsidy, which will make the cost of an electric two-wheeler (up to 2kW) cheaper by almost Rs 50,000.

Supply Side Incentives:

Fixed Capital Subsidy:

- The cabinet decided to give 15% capital subsidy to investors in the electric vehicle (EV) sector on value of fixed assets over five equal annual payments, with maximum land covered under this incentive being 50 acres.
- Production linked subsidy of 1% on turnover, which will be provided for a period of five years starting from the first year of commercial operations for large, mega, ultra, super mega EV assembly and manufacturing units,
  - Commercial public EV charging stations for two-, three- and four-wheelers will be eligible for 25 percent capital subsidy on equipment/machinery (limited up to Rs 10 lakh per station) for the first 250 commercial public EV charging stations.
  - All housing and commercial establishments will be needed to provide ‘No Objection Certificate’ (NOC) to its members who wish to install charging stations with designated parking spaces. Gujarat government will also forego electricity duty on EV charging stations during the policy period.

Demand Side Incentives

2/3/4 wheelers: Gujarat government will provide incentive of up to Rs 10,000 per kWh for electric vehicles. The maximum ex-factory price to avail incentive for electric two-wheelers will be up to Rs 1.5 lakh, up to Rs 5 lakh for electric three-wheelers and Rs 15 lakh for electric four-wheelers (personal and commercial), respectively.

Others

Various charging technologies, including battery swapping and wireless charging, are acknowledged at par with park and charge solutions.
**Maharashtra**

**Pre-conditions for Eligibility of Incentives:**

The vehicles made under the FAME II Scheme of the federal government will be eligible for incentives announced under the Maharashtra state scheme and these state incentives will be provided in addition to the FAME II incentives.

**Supply Side Incentives:**

**Charging Infrastructure Push:**

The Maharashtra government will reportedly provide incentives covering cost for 15,000 slow charging stations in the state – the maximum incentive amount capped at INR 10,000 per charging station. It will also provide incentives covering the cost to set up 500 moderate/fast charging stations – with incentive per charging station capped at INR 5,00,000

![Charging Infrastructure Incentives under the Maharashtra EV Policy, 2021](image)

**Demand Side Incentives**

Below is a list of incentives available on different vehicle segments – electric two wheelers (e-2W), electric three wheelers (e-3W) and electric four wheelers (e-4W)

<table>
<thead>
<tr>
<th>Vehicle Segment</th>
<th>Incentive Available</th>
<th>No. of Vehicles to be Incentivized</th>
<th>Maximum Incentive per Vehicle</th>
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<tbody>
<tr>
<td>e-2W (L1 and L2)</td>
<td>INR 5000/kwh</td>
<td>1,00,000</td>
<td>INR 10,000 (US$134.27)</td>
</tr>
<tr>
<td>e-3W autos (L5M)</td>
<td>INR 5000/kwh</td>
<td>15,000</td>
<td>INR 30,000 (US$402.80)</td>
</tr>
<tr>
<td>e-3W goods carrier (L5N)</td>
<td>INR 5000/kwh</td>
<td>10,000</td>
<td>INR 30,000 (US$402.80)</td>
</tr>
<tr>
<td>e-4W cars (M1)</td>
<td>INR 5000/kwh</td>
<td>10,000</td>
<td>INR 1,50,000 (US$2013.99)</td>
</tr>
<tr>
<td>e-4W goods carrier (N1)</td>
<td>INR 5000/kwh</td>
<td>10,000</td>
<td>INR 1,00,000 (US$1343.66)</td>
</tr>
<tr>
<td>e-buses*</td>
<td>10% of vehicle cost (ex-factory cost)</td>
<td>1000</td>
<td>INR 20,00,000 (US$26853.26)</td>
</tr>
</tbody>
</table>

*Incentive will be available for State Transport Units (STU) buses only.
The vehicles eligible for demand incentive under the policy will also be eligible for incentives for scrapping of old vehicles. The following table lists the incentives available under different segments.

<table>
<thead>
<tr>
<th>Vehicle Segment</th>
<th>Scrapage Incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>e-2W</td>
<td>Up to INR 7,000 (US$93.99)</td>
</tr>
<tr>
<td>e-3W</td>
<td>Up to INR 15,000 (US$201.40)</td>
</tr>
<tr>
<td>e-4W</td>
<td>Up to INR 25,000 (US$335.67)</td>
</tr>
</tbody>
</table>

**Others**

- Buyers purchasing EVs (except e-buses) before December 31, 2021 will be eligible for “early bird discount” of INR 5,000/kwh of the vehicle battery capacity, over and above the discount provided in the above table. The maximum early bird discount shall be capped at INR 100,000 (US$1,343.66).
- If the EV is sold without battery, 50 percent of the incentive amount shall be provided to the vehicle original equipment manufacturer (OEM) and the remaining incentive (up to 50 percent) shall be provided to the battery swapping energy operator. The vehicle OEMs should pass on all the incentives to the EV buyers.
- All the EVs sold in Maharashtra shall be exempt from road tax till March 31, 2025, unless the policy period is extended further. They shall also be exempt from the payment of fees for issue or renewal of registration certificate (RC). These measures will boost consumer savings.
- Additional incentives will be provided to the OEMs who offer buyback schemes for up to five-year-old vehicles, at a value not depreciated by more than 7.5 percent.
Rajasthan

Supply Side Incentives:

SGST and IGST: Any EVs purchased between April 2021 to end of March 2022 (and registered by end of Mar 2022) will be eligible for refund of SGST

Demand Side Incentives

The Gujarat policy also offers subsidies to E2W and E3W based on their battery capacity.

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<th>Rajasthan EV Policy: One Time Subsidy Offered to Electric Vehicles</th>
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<td><strong>Battery Capacity</strong></td>
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</tr>
<tr>
<td>&lt; 2 kWh</td>
</tr>
<tr>
<td>&lt; 4 kWh</td>
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<tr>
<td>&lt; 5 kWh</td>
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<tr>
<td>&gt; 5 kWh</td>
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</tbody>
</table>
Meghalaya

The Meghalaya Government seeks to provide impetus towards adoption of at least 15% EVs in 5 years in Meghalaya by providing incentives to early EV adopters.

Demand Side Incentives

Registration fees and road tax will be waived for all types of electric vehicles purchased during policy period. The table below shows Incentives which can be availed basis vehicle category:

<table>
<thead>
<tr>
<th>Sr</th>
<th>Type of Electric Vehicle</th>
<th>Nos. in 5 yrs</th>
<th>Approx capacity (in KWH)</th>
<th>Incentive per KWH in Rs</th>
<th>Incentive per vehicle in Rs</th>
<th>Total Incentive in 5 Years (in Rs Crores)</th>
<th>Maximum ex-factory price to avail incentive (Rs)</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2 wheelers</td>
<td>3500</td>
<td>2</td>
<td>10,000</td>
<td>20,000</td>
<td>7 Cr</td>
<td>1.5 Lakhs</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>3 wheelers</td>
<td>200</td>
<td>5</td>
<td>4,000</td>
<td>20,000</td>
<td>0.40 Cr</td>
<td>5 Lakhs</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>4 wheelers</td>
<td>2500</td>
<td>15</td>
<td>4,000</td>
<td>60,000</td>
<td>15.00 Cr</td>
<td>15 Lakhs</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Strong Hybrid 4 wheelers</td>
<td>30</td>
<td>1.3</td>
<td>4,000</td>
<td>5,200</td>
<td>0.02 Cr</td>
<td>15 Lakhs</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Buses</td>
<td>30</td>
<td>250</td>
<td>4,000</td>
<td>10,000,000</td>
<td>3.00 Cr</td>
<td>2 Crores</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
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<td></td>
<td></td>
<td></td>
<td>TOTAL 25.42 Crores</td>
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<td></td>
</tr>
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</table>
ODISHA

Supply Side Incentives:

Fixed Capital Subsidy:

New Micro & Small Enterprise: 25% of Capital Investment made in plant & machinery subject to an upper limit of INR 1 crore

New Micro & Small Enterprise owned by SC/ST/Differently abled/Women/Technical: 30% of Capital Investment made in plant & machinery subject to an upper limit of Rs.1.25 crore

New Micro & Small Enterprise set up in industrially backward districts including KBK districts: Additional Capital investment subsidy @ 5% investment made in plant & machinery with prescribed incentives as above.

Charging Infrastructure Push:

- Government shall provide capital subsidy of 25 % to the selected Energy Operators for the charger installation expenses. Such subsidy will be available within one year of allocation of locations. Special subsidy shall be allowed for first 500 Charging Stations.
- Government will provide grant for purchase of charging equipment up to Rs.5000/- for the first 20,000 such points.
- Government will also provide 100% SGST reimbursement to the Energy Operators for purchase of batteries to be used in swapping stations.

Demand Side Incentives

2 wheelers: 15% subsidy with a maximum cap of INR 15,000

3 wheelers: 15% subsidy with a maximum cap of INR 12,000. There shall be open permit for autos (three wheelers).

4 wheelers: 15% subsidy with a maximum cap of INR 1,00,000

Buses:

- A subsidy of 10% (maximum limit of Rs. 20 lakhs per vehicle) shall be extended to the buyers for passenger buses registered in the State.
- 100% SGST on the sale of electric buses sold and registered in the State will be reimbursed during policy period.
- 100% exemption on road tax & registration fees for the first four years will be made available.
- Interest subvention of 5% on loans for purchase of Electric Buses would be made available

Goods Carriages:

- Individual and fleet Owners shall be given purchase incentive of Rs.30,000/- to the first 5000 electric goods carriers to be registered in the State.
- Interest subvention of 5% on loans for purchase of electric goods carriers in the policy period.
• 100% SGST on the sale of electric goods carriages sold and registered in the State will be reimbursed for the policy period.
• 100% exemption on road tax & registration fees for the policy period will be made available

Others:
Capital subsidy, tax, and tariff incentives and other policy support will be provided to attract private investment in dedicated areas/ zones for manufacturing of Lithium Ion Batteries in the long run.
Uttar Pradesh

Supply Side Incentives:

Fixed Capital Subsidy:

- For Battery Recycling – Large, Anchor EBUs and Service units will be provided Capital Interest Subsidy @50% per annum for 5 years in the form of reimbursement on loan taken for procuring equipment/machinery for battery recycling subject to maximum ceiling of INR 1 crore per annum.

Cost of Land, Plant & Machinery: Mega Anchor Project and Ultra mega battery plant as defined in this policy will be reimbursed upto 25% of the cost of land at prevalent circle rate or purchase price, whichever is less. This incentive will be provided only on land purchased in the notified areas in Uttar Pradesh.

Charging Infrastructure Push:

- Capital Subsidy @25% on fixed capital investment (excluding land cost) to first 100 charging stations subject to maximum Rs 6 lakh per charging station.
- To set up Hydrogen enabled refuelling Infrastructure – 50% Capital interest subsidy on fixed capital investment (excluding land cost) will be provided for setting up hydrogen generation and fuelling plants in the form of reimbursement to first 10 units in UP, subject to maximum INR 50 lakh per unit over the period of this policy.

Patents & Quality Certification: The financial assistance will be limited to 75% of the cost, subject to a maximum of 25 lakhs for obtaining patent registration and 50% of all charges, subject to a maximum of 5 Lakhs paid for obtaining quality certification.

Demand Side Incentives

- First 1,00,000 buyers of Private EVs manufactured within the State of Uttar Pradesh over the period of this policy will be provided following exemptions 100% exemption from Vehicle registration fees
- 100% exemption on road tax for 2-wheeler EVs and 75% road tax exemption for other EVs

Others

- Anchor EBUs will be reimbursed 100% cost of technology transfer towards first 5 vendor units and 75% towards next 5 vendor units, subject to maximum INR 50 lakh towards each vendor unit in the same cluster.
- Ultra mega Battery plant will be reimbursed 50% cost of technology transfer, subject to maximum ceiling of INR 10 lakh per annum and overall ceiling of INR 50 lakh. Only 5 such projects will be considered over the period of this policy.

NOTE 1: The incentive will be provided to eligible units after they have obtained a validation certificate on the prototype from Department of Transportation or Uttar Pradesh Pollution Control Board, Government of Uttar Pradesh.
Delhi

Supply Side Incentives:

Charging Infrastructure Push:

GNCTD shall provide a capital subsidy for the cost of chargers installation expenses to the selected Energy Operators. The subsidy shall only be applicable for chargers being installed within one year of the allocation of a Concessional Location. 100% of the net SGST, accrued to the GNCTD, shall be provided as reimbursement to the Energy Operators for purchase of advanced batteries to be used at swapping stations.

Demand Side Incentives

2 wheelers:

- The demand generation incentives for two wheelers offered under the policy shall be based on battery capacity (i.e. energy content measured in kWh) used in vehicles.
- A purchase incentive of Rs. 5,000/- per kWh of battery capacity shall be provided per vehicle to the registered owner and subject to maximum incentive of Rs. 30,000/- per vehicle.
- Registered owner of electric two wheelers (i.e., vehicles eligible for the Purchase Incentive) shall also be eligible for a Scrapping Incentive for scrapping and de-registering old ICE two wheelers registered in Delhi.

3 wheelers:

- Purchase Incentive of Rs. 30,000/- per vehicle shall be provided by GNCTD to the registered owner of the e-auto.
- Interest subvention of 5% on loans and/or hire purchase scheme for the purchase of an e-auto.
- A Purchase Incentive of Rs. 30,000/- per vehicle shall be provided to the registered owner for the purchase of one E-rickshaw or one E-cart per individual. This incentive shall apply to all E-rickshaws and E-carts, including the models with lead acid batteries and swappable models, where battery is not sold with the vehicle.
- In addition, for purchase of E-rickshaws and E-carts with an advanced battery (i.e., for models certified by ARAI as an E-rickshaw or E-cart and having an advanced battery), interest subvention of 5% on loans and/or hire purchase schemes shall be provided.

Commercial Vehicles

- A Purchase Incentive of Rs. 30,000/- to the first 10,000 e-Carriers to be registered in Delhi after the issuance of this policy.
- Interest subvention of 5% on loans and/or hire purchase scheme for purchase of e-carriers.
Others

- Road Tax and registration fees shall be waived for all Battery Electric Vehicles during the period of this policy.
- If the battery is not sold with vehicle, 50% of the Purchase Incentive shall be provided to the vehicle owner & the remaining amount up to 50% would be provided to Energy Operators for defraying the cost of any deposit that may be required from the end users for use of a swappable battery.
- The GNCTD shall provide a grant of 100% for the purchase of charging equipment up to Rs. 6000/- per charging point for the first 30,000 charging points.
Telangana

Supply Side Incentives:

Government shall extend tailor-made benefits to Mega and Strategic Projects on case to case basis. Investment of more than Rs.200 crores in plant and machinery or providing employment to more than 1000 persons shall be categorized as mega project.

Fixed Capital Subsidy: Capital Investment Subsidy: 20% of investment capped at 30 Cr. for Mega Enterprises.

Utilities: 25% for 5 years capped at 5 Cr. for Mega Enterprises. Electricity Duty Exemption: 100% for 5 years capped at 0.5 Cr.

SGST and IGST: 100% net SGST reimbursement capped at 5 Cr. per year with a cumulative cap of 25 Cr. over a period of 7 years for Mega Enterprises.

Interest Subvention: 5.25% for 5 years capped at INR 5 Cr.

Transportation Subsidy: 60% with 10% reduction YoY - for 5 years; capped at INR 5 Cr.

Stamp Duty/ Transfer Duty/ Registration Fees Reimbursements: 100% on first, 50% on second transaction

Demand Side Incentives

2 wheelers:

- 100% exemption of road tax & registration fee for the first 2,00,000 Electric 2 Wheelers purchased & registered within Telangana.

3 wheelers:

- 100% exemption of road tax & registration fee for first 20,000 Electric 3 Wheelers purchased & registered within Telangana
- Retro-fitment incentive at 15% of the retro-fitment cost capped at Rs. 15,000 per vehicle for first 5,000 retrofit 3 seater auto rickshaws in Telangana
- Financing Institutions shall be encouraged to provide a hire-purchase scheme at discounted interest rates.

Private 4 wheelers:

- 100% exemption of road tax & registration fee for the first 5,000 Electric 4-Wheeler private vehicles purchased & registered within Telangana

Commercial Vehicles

- 100% exemption of road tax & registration fee for the first 5,000 Electric 4-Wheeler commercial passenger Vehicles such as Taxi, Tourist Cabs, etc. purchased & registered within Telangana
- 100% exemption of road tax & registration fee for first 10,000 Electric three-wheeler (goods), e-carriers as well as electric Light Goods carriers purchased & registered within Telangana.
- 100% exemption of road tax & registration fee for the first 500 Electric buses purchased & registered within Telangana.
Kerala

Supply Side Incentives:

- The manufacturing units’ setup for EV shall enjoy all the benefits (financial and regulatory) of manufacturing units applicable under the industrial and IT policies of the state.
- Concession in electricity tariff, property tax, and tax breaks as per IT and ESDM policy
- Priority allotment of land and speedy execution of land allotment as per the IT policy.

Demand Side Incentives

- Incentives of Rs. 30,000 or 25% of the EV whichever is lower for the 3 wheelers that are procured by the public.
- Other fiscal incentives on EVs such as state tax breaks, road tax exemptions, and free permits to fleet drivers.
- Subsidized electricity with tariff between Rs. 5-5.5 per unit for EV charging stations.
West Bengal

Demand Side Incentives remain the same as FAME2. The policy has not mentioned any supply or demand side incentives currently. Incentives and objectives mentioned in the policy are as follows:

- **EV Accelerator Cell**
  - EV accelerator cell shall facilitate ICE vehicles phasing out plan in all segments including 2Ws, 3Ws, 4Ws passenger cars and vans and buses for which the State EV Fund will be utilised. Setting up EV forum and setting up EV charging infrastructure.

- **State-level EV awareness**
  - State-level EV awareness campaigns and intensive public outreach programmes will be formulated. A dedicated EV awareness web portal and mobile app with state-level charge points registry and journey planner may be developed.

- **Charging infrastructure**
  - The state’s transition strategy will include setting up swapping stations in the form of kiosks to service two-wheelers and three-wheelers. Existing private buildings such as malls and other commercial spaces will be incentivized to set up charging and battery swapping stations.
  - DISCOM shall release supply to charging/battery swapping stations within 48 hours of application. The Charge operators will be invited to set up EV charging facilities and battery swapping stations all over the state in multiple phases through concessional locations for charging stations.
  - Tariff for EV charging can be around rupees 6 kWh per unit single part tariff so as to keep the end-user service charge from those public charging stations attractive EV owners.

- **Energy sale**
  - The new policy states that a promotional single part tariff will govern the public charging high tension (HT) and low tension (LT) points capped at ₹6/kVAh for the next two years.
  - The third-party EV charging infrastructure providers will be allowed to procure power from DISCOMs at a tariff determined by the regulator and will be allowed to provide the charging service to EVs.
Punjab (draft policy)

Supply Side Incentives:

- GST Reimbursement: 100% reimbursement of net SGST for a period of 15 years subject to maximum 200% of fixed capital investment
- Employment Subsidy: employment generation subsidy of Rs. 36,000 per male employee per year for a period of 5 years and Rs. 48,000/ per employee per year for a maximum period of 5 years in case of females and SC/ST/OBC employee (as certified by a government agency). This will be applicable without any domicile restriction
- Change of Land Use (CLU)/ External Development (EDU) Charges: 100% exemption from CLU/EDU charges for anchor units.
- Electricity Duty: 100% exemption from electricity duty for 15 years.
- Labor Flexibility: Subject to applicable guidelines on security for night shifts, anchor units will be eligible to run three shifts (24x7) operations

Charging Infrastructure:

- Capital Subsidy: First 1000 charging points shall be eligible for 25% capital subsidy on equipment/machinery (limited up to a total of Rs. 50,000 per charging point). In case the charging equipment is manufactured in Punjab, the maximum capital subsidy shall be 50% (limited up to a total of Rs.1 Lakh per charging point).
- Concessional Locations: the state shall identify appropriate locations along busy routes/highways, public parking zones, bus depots, terminals etc. that can offer easy entry and exit of vehicles wherein concessional lease rentals shall be charged for establishment of public charging stations.
- Enhanced usage rights- To make the public charging stations viable, the operators shall be allowed to operate/sub-let up a certain percentage of the allocated space from charging station for lounges/retail kiosks etc. for which separate guidelines/notifications shall be issued

Demand Side Incentives

2 wheelers:

- Private E2W: 100% waiver on Motor Vehicle Tax during policy period. Additionally for vehicles manufactured in Punjab, this waiver shall be applicable for a period of 10 years.
- Commercial E2W: 100% waiver on Permit Fee & Motor Vehicle Tax during policy period. Additionally, for vehicles manufactured in Punjab this waiver shall be applicable for a period of 10 years. Fleet & delivery companies will be encouraged to achieve 100% transition towards electric in “target cities” in a phased manner.

3 wheelers:

- E-Autos:
  - 100% waiver on Permit Fee and Motor Vehicle Tax during policy period.
  - Additionally, for vehicles manufactured in Punjab this waiver shall be applicable for the period of 10 years.
  - Only E-autos will be granted fresh permit in “target cities”.

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E-Rickshaws: 100% waiver on Permit Fee and Registration Fees during policy period. Additionally, for vehicles manufactured in Punjab this waiver shall be applicable for a period of 10 years.

Goods Carrier 3W: 100% waiver on Permit Fee & Motor Vehicle Tax during policy period. Additionally, for vehicles manufactured in Punjab this waiver shall be applicable for a period of 10 years.

Private 4 wheelers:
- 100% (50% for Hybrids) waiver on Motor Vehicle Tax during policy period. Additionally for vehicles manufactured in Punjab this waiver shall be applicable for a period of 10 years

Commercial Vehicles
- 100% (50% for Hybrids) waiver on Permit fee & Motor Vehicle Tax during policy period. Additionally, for vehicles manufactured in Punjab this waiver shall be applicable for a period of 10 years

Others
- Tolls on select state highways, as notified by Government of Punjab, shall be waived off for Electric Vehicles with Green Number plates
- Reserved slots shall be made available in all major public parking spaces across target cities and charging infrastructure installation shall also be promoted in these slots
- Designated street parking spots to be identified and to be equipped with street-pole charging facility in “target cities”
- Punjab E Mobility Centre of Excellence (CoE) - The state will enable development of a Centre of Excellence in e-mobility in partnership with an academic partner. The State shall encourage premier technical institutions in the state to partner on merit basis for setting up this centre, along with the industry. It is expected that the CoE would set world class benchmark in design, development and validation for EVs and smart mobility
Goa (draft policy)

Supply Side Incentives:

- Pioneer, mega and large units:
  - Capital subsidy of up to 20% of Fixed Capital Investment (FCI).
  - 100% net SGST reimbursement for 5 years.
  - 100% stamp duty exemption.
- Micro Units:
  - A capital subsidy of 30% of the cost of capital provided the subsidy on building/office is restricted to Rs 5 lakh.
  - 100% net SGST reimbursement for 5 years.
  - 100% stamp duty exemption.
- Small & medium units
  - A capital subsidy of 30% of the cost of capital provided the subsidy on building/office is restricted to Rs 10 lakh.
  - 100% net SGST reimbursement for 5 years.
  - 100% stamp duty exemption.
  - Price preference at the rate of 15% on the purchase made by the Government Departments is available to the registered Small-Scale Units.
- Utilities:
  - 100% electricity duty reimbursement for 5 years.
  - Support in construction of effluent treatment plant (ETP) with 50% capital subsidy

Charging Infrastructure:

- The State Government will incur all electricity infrastructure cost, up to INR 8,00,000/- associated with installation of EVSEs and charging stations.
- Tariff concessions to be released separately.

Demand Side Incentives

2 wheelers:

- A purchase incentive of INR 10,000/- per kWh of battery capacity shall be provided per vehicle to the registered owner and subject to maximum incentive of INR 30,000/- per vehicle.

3 wheelers:

- Purchase Incentive of INR 10,000/- per kWh of battery capacity per vehicle (subject to a maximum incentive of INR 30,000/- per vehicle).

Private 4 wheelers:

- A Purchase Incentive of INR 10,000/- per kWh of battery capacity shall be provided per electric four-wheeler (subject to a maximum incentive of Rs.1, 50,000/- per vehicle) to the registered owners of e-cars
Assam

The policy aims to achieve 25 percent penetration of EVs in the total number of vehicle registrations by 2026. The policy also focuses on developing an enabling charging infrastructure to support the faster adoption of EVs across the state.

Supply Side Incentives:

- In addition to the 30% Capital Investment Subsidy available under NEIDS, 2017 or any subsequent policy from Govt. of India/State Govt., units manufacturing EV or their components will be eligible for the following additional incentives:
  - @ 20% of cost of Plant & Machinery up to Rs. 15 lakh for Micro Units
  - @ 20% of cost of Plant & Machinery up to Rs. 50 lakh for Small Units
  - @ 20% of cost of Plant & Machinery up to Rs. 1 Cr. for Medium Units
  - @ 10% of cost of Plant & Machinery up to Rs. 10 Cr. for Large Units.

- In addition to the 3% Interest Subsidy on Working Capital Loan available under NEIDS, 2017 or any subsequent policy from Govt. of India/State Govt., units manufacturing EV or their components will be eligible for additional Interest Subsidy @ 2% on Working Capital Loan.

Charging Infrastructure:

- Commercial public EV charging stations for 2 wheelers, 3 wheelers, 4 wheelers will be eligible for 25% capital subsidy on equipment/machinery subject to maximum limit of Rs. 10 lakhs per station. This incentive will be provided to first 500 commercial public EV charging stations.
- The State Government shall exempt 100% electricity duty of EV charging stations during the period of this policy.

Demand Side Incentives

The Demand Incentive from the State shall be over and above any subsidies that are available from the Central Government through its promotional schemes and policies. The incentives for all types of electric vehicles shall be based on the electric vehicle battery capacity (i.e. energy content measured in KWH) as indicated below:

<table>
<thead>
<tr>
<th>Vehicle Segment</th>
<th>Battery Size in KWH (approx.)</th>
<th>State Subsidy Amount (Rs.)</th>
<th>Total State Subsidy (Rs.)</th>
<th>Maximum ex-factory price to avail incentive (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 wheeler</td>
<td>2 KWH</td>
<td>10000/- per KWH</td>
<td>20000/-</td>
<td>Rs. 1.50 lakhs</td>
</tr>
<tr>
<td>3 wheeler</td>
<td>5 KWH</td>
<td>10000/- per KWH</td>
<td>50000/-</td>
<td>Rs. 5.00 lakhs</td>
</tr>
<tr>
<td>4 wheeler</td>
<td>15 KWH</td>
<td>10000/- per KWH</td>
<td>150000/-</td>
<td>Rs. 15.00 lakhs</td>
</tr>
</tbody>
</table>

- The beneficiary will be allowed to avail similar subsidy from only one scheme of State Government. However, there will not be any bar to get any subsidy or incentive from any scheme of Government of India.
• The maximum amount of subsidy should not be more than the 40% of the exfactory price of the vehicle.
• Exemption/Reimbursement of registration charges and road tax on 2, 3 & 4 Wheeler Electric Vehicles for 5 years
• 100% Waiver on parking charges for Electric Vehicles for 5 years
• Retro-fitment incentive @ 15% up to Rs. 15,000 for 3-Seater auto rickshaws
Conclusion

The rapidly changing dynamics of the 21st century global economy have impacted several countries including India, due to which, there have been increasing calls for India to strengthen its domestic manufacturing capacities if it were to acquire a significant place in the global value chains.

To this end, the State governments have been proactively implementing policies to promote domestic industries and campaigning to envision stronger domestic industrial capacity for India.

To drive EV adoption, Original Equipment Manufacturers (OEMs) and the government, both at state and central levels, need to work collaboratively towards an integrated policy, creating a conducive ecosystem for India’s electric mobility vision.

A combination of enablers-policy measures, infrastructure development, Total cost of ownership (TCO) parity, and a market buzz-promise to fast-track the shift to electric, heralding the dawn of a new era for the automotive industry. The development of the battery industry, charging infrastructure and local supply chains are critical for EV adoption.

EV is, thus, emerging as a disruptive force, with several players experimenting with and discovering new innovative business models and use cases.

In summary, there is great promise in India’s EV story, as a host of factors such as state policy measures, infrastructure development, TCO parity, and a market buzz, come together to drive long-term growth.
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