

A Comparison of EV Policies across Indian States

an excerpt from

Greening India's Automotive Sector

EV Policies, Categories and Subnational Trends

March 2023



Image: iStock

Overview of the table

India's electric vehicle (EV) segment relies heavily on the multiple policies that support it. At the national level, the 'Faster Adoption and Manufacturing of Electric Vehicles' (FAME) – II policy incentivises electric two-wheelers (e-2W), electric three-wheelers (e-3W) including e-rickshaws, commercial electric four-wheelers (e-4W) and electric buses (e-bus) across all Indian states. At the state level, 21 Indian states have notified EV policies, 15 of which provide incentives to EV buyers. These individual state EV policies incentivise the adoption of electric vehicles through multiple

consumer-facing instruments such as purchase subsidies, road tax and registration charge exemptions, state goods and services tax (SGST) reimbursements, scrapping incentives and so on.

Signification variation across states, in the instruments they use and the incentive amounts they provide, make these policies difficult to compare. The state EV policy comparison tries to solve for this by providing a snapshot view of all state EV policies, across the country.

Consumer subsidy	Vehicle category	Particulars	Kerala	Delhi	Odisha	Meghalaya	Gujarat	Assam	Maharashtra	Goa	Haryana	Rajasthan	Chhattisgarh	Ladakh	Chandigarh	Uttar Pradesh	Tamil Nadu
			Mar-19	Aug-20	Feb-21	Apr-21	Jun-21	Jul-21	Sep-21	Dec-21	Jul-22	Aug-22	Aug-22	Aug-22	Sep-22	Oct-22	Feb-23
Purchase subsidy	E-2W	Incentive (INR/ kWh)		5,000	15%	10,000	10,000	10,000	5,000	2,000 - 10,000 ¹¹		2,000 - 10,000 ¹⁸	10%	10%	3,000 - 5,000 ²⁷	15% ³⁶	10,000 ⁴³
		Value cap (INR)		30,000	5,000				10,000	30,000			1,50,000	15,000	15,000 - 30,000 ²⁸	5,000	30,000
		Vehicle cap (units)				3,500			1,00,000	3,000		1,00,000			10,000	2,00,000	6,000
	E-3W	Incentive (INR/ kWh)	25%	30,000 ¹	15%	4,000	10,000	10,000	5,000	2,000 - 10,000 ¹²		2,000 - 10,000 ¹⁹	10%	10%	3,000 - 5,000 ²⁹	15% ³⁷	10,000 ^{44,47}
		Value cap (INR)	30,000		12,000				30,000	60,000			1,50,000	30,000 - 50,000 ²³	10,000 - 30,000 ³⁰	12,000	40,000
		Vehicle cap (units)				200			15,000	50		50,000 ²⁰			2,000 ³¹	50,000	15,000
	E-4W	Incentive (INR/ kWh)		10,000	15%	4,000	10,000	10,000	5,000	2,000 - 10,000 ¹³	15% ¹⁵	30,000 - 50,000	10%	10%	5,000 - 10,000 ³²	15% ³⁸	10,000 ^{45,48}
		Value cap (INR)		1,50,000	1,00,000				1,50,000	3,00,000			1,50,000	2,50,000 - 3,00,000 ²⁴	1,50,000 - 2,00,000 ³³	1,00,000	1,50,000
		Vehicle cap (units)		1,000		2,530 ⁶			10,000	300	2,600 ¹⁶	4,000 ²¹			3,000 ³⁴	25,000	3,000
	Bus	Incentive (INR/ kWh)			10%	4,000			10%			1,00,000 - 5,00,000	10%	25%		15% ³⁹	20,000 ⁴⁶
		Value cap (INR)			20,00,000				20,00,000		200		1,50,000	50,00,000		20,00,000	10,00,000
		Vehicle cap (units)				30			1,000			500				400	300
Other subsidies	E-2W	3% interest subvention	Scrapping incentive of INR 5,000					Early bird discount of INR 5,000/ kWh ⁸ and scrapping incentive of INR 7,000		Scrapping incentive of INR 10,000 ¹⁴ and manufacturing incentive of INR 5,000						Retrofit incentive - INR 10,000/ kWh ⁴⁹	
	E-3W		5% interest subvention ² and scrapping incentive of INR 7,500				15% retrofitment incentive ⁷	Early bird discount of INR 5,000/ kWh ⁹ and scrapping incentive of INR 15,000		Scrapping incentive of INR 10,000 and manufacturing incentive of INR 10,000					10% Early bird incentive for E-Goods carriers ⁴⁰	Retrofit incentive - INR 10,000/ kWh ⁵⁰	
	E-4W							Early bird discount of INR 5,000/ kWh ¹⁰ and scrapping incentive of INR 25,000		Scrapping incentive of INR 10,000 and manufacturing incentive of INR 15,000		Hybrid EVs to get 50% of BEV's subsidy	20% Early bird incentive ²⁵	Early bird incentive of INR 3,500/ kWh and retrofit/ scrapping incentive ³⁵			
	E-Bus			5% interest subvention							15% retrofit incentive ²²		50% Early bird incentive ⁴⁶				
Road tax				100%	100% ³	100%		100%	100%							100% ⁴¹	100% ⁵¹
Registration charges				100%	100% ⁴	100%		100%	100%		INR 200 - 500 ¹⁷		100%			100% ⁴²	100% ⁵²
SGST					100% ⁵							100%	Buses - 100%				
Policy document			Link	Link	Link	Link	Link	Link	Link	Link	Link	Link	Link	Link	Link	Link	Link
States with policies but without consumer incentives			Andhra Pradesh, Karnataka, Madhya Pradesh, Telangana, Tamil Nadu, Uttarakhand & West Bengal														

Source: CEEW-CEF compilation based on multiple state EV policy documents

Purchase incentives are of two kinds - 1) INR / kWh or 2) % of cost. All incentives are provided in INR/kWh form, unless specifically mentioned otherwise.

Approximate battery size for e-2W is 2 kWh, e-3W is 5 kWh and e-4W is 15 kWh.

Models assumed for conversion of % of cost incentives into INR/kWh format are - Ather 450X (e-2W), Yatri Super (e-3W) and Tata Xpres T EV XM+ (e-4W). All chosen models are incentivised under FAME II.

Road tax, registration charges and SGST mentioned are all reimbursements, unless specifically mentioned otherwise.

Delhi EV policy

- 1 - Purchase incentive to be provided per vehicle to e-autos, e-rickshaws and e-carts
- 2 - Interest subvention only on loans taken from Delhi Finance Corporation

Odisha EV policy

3, 4, 5 - Only for e-buses

Meghalaya EV policy

6 - 2,500 e-4Ws and 30 strong hybrid 4Ws

Assam EV policy

7 - Up to INR 15,000 for 3 seater e-autos

Maharashtra EV policy

8, 9, 10 - Early bird incentive up to INR 1,00,000

Goa EV policy

11, 12, 13 - INR 10,000 in FY22, INR 8,000 in FY23, INR 6,000 in FY24, INR 4,000 in FY25 and INR 2,000 in FY26

14 - Scrapping incentive of INR 5,000 provided by OEM and Gov. of Goa, each

Haryana EV policy

15, 16 - 1,000 e-4Ws of price up to INR 6,00,000; 1,000 e-4Ws of price up to INR 10,00,000; 200 hybrid 4Ws of price up to INR 3,00,000; 200 units of hybrid 4W of price up to 5,00,000 and 200 units of hydrogen based vehicles

17 - Registration charges of INR 200 for 30,000 e-2Ws, 15,000 e-3Ws; and INR 500 for 10,000 e-4Ws, 2,500 hybrid 4Ws and 1,000 e-buses

Rajasthan EV policy

18 - Fixed battery INR 5,000 - 10,000 and swappable battery INR 2,000 - 5,000

19 - Fixed battery INR 10,000 - 20,000 and swappable battery INR 4,000 - 10,000

20 - 25,000 E-Rickshaws, e-carts and 25,000 e-auto and carrier category

21 - 1,000 personal e-4Ws, 1,000 commercial e-4Ws, and 2,000 maxi cabs

22 - 3,000 E-3Ws up to INR 10,000, 2,000 e-4Ws up to INR 15,000, 200 e-buses up to INR 2,50,000

Ladakh EV policy

23 - E-rickshaw & e-cart up to INR 30,000 and e-3W up to INR 50,000

24 - Car up to INR 2,50,000 and LCV/ state carriages, maxi cabs up to INR 3,00,000

25 - 28 E-2Ws up to INR 30,000, 10 e-rickshaw & e-cart up to INR 60,000, 10 e-3W up to 1,00,000, 33 cars up to INR 5,00,000, 9 LCV/ state carriages, maxi cabs up to INR 6,00,000 (for one year only)

26 - 11 E-buses to get up to INR 1,00,00,000 (for one year only)

Chandigarh EV policy

27, 28 - Fixed battery INR 5,000 up to INR 30,000 and swappable battery INR 3,000 up to INR 15,000

29, 30 - E-Cart and e-auto fixed battery INR 5,000 up to INR 30,000 and swappable battery INR 3,000 up to INR 15,000

31 - 1,000 E-Carts and 1,000 e-autos

32 - Personal e-4Ws fixed battery INR 5,000 up to INR 1,50,000 and commercial e-4Ws fixed battery INR 10,000 up to INR 2,00,000

33 - 2,000 personal e-4Ws and 1,000 commercial e-4Ws

34 - Maximum early bird incentive INR 50,000

35 - Scrapping incentive of INR 5,000 for e-2Ws, INR 7,000 for personal and commercial e-4Ws; retrofit incentive of 15% for all others up to INR 10,000 for e-carts and INR 15,000 for e-autos

Uttar Pradesh EV policy

36, 37, 38, 39 - Early bird incentive provided at dealerships for a period of 1 year from date of policy notification

40 - 1,000 E-Goods carriers upto INR 1,00,000

41, 42 - Exemption provided to all EVs purchased and registered in UP for first 3 years of policy, then to only those manufactured, purchased and registered in UP for year 4 and 5 of policy term

Tamil Nadu EV policy

43, 44, 45, 46 - EVs manufactured, sold and registered in Tamil Nadu

47 - E-autos and light good carriers

48 - Cabs and goods vehicles

49 - 30,000 e-2Ws upto INR 15,000/ vehicle

50 - 15,000 e-3Ws (e-autos and electric light goods carriers) upto INR 20,000

51, 52 - E-2Ws, e-rickshaws, electric transport vehicles, electric light goods carriers, e-4W (personal) and e-buses till 31st December 2025.

About the study

Greening India's Automotive Sector: EV Policies, Categories, and Subnational Trends examines India's growing EV market through a policy, category and subnational lens. Our study uses these lenses to examine India's growing electric vehicle market. Beyond the success of this sector, that already recorded more sales in H1 FY23 than it had in the year before that, India's EV story, led by its e-2W space, is one that is very closely associated with the policies that support it.

To further understand the impact of national and state EV policies, we answer three very important questions -

1. Are states with policies experiencing superior EV volume growth? - We see that states that provide incentives to e-2Ws have seen their markets grow -14X since FY18.
2. Are states with higher incentives experiencing superior EV volume growth? - States that provided incentives up to INR 10,000/ kWh, saw their markets grow by an average of 21X.
3. What are some gaps in EV policies? With a year to go for the expiration of FAME II, a greater boost must be given to the e-3W sector, which still sees most of its sales go unsubsidised by this policy.

To access the full report, *Greening India's Automotive Sector: EV Policies, Categories, and Subnational Trends*, please scan the following QR code or visit <https://www.ceew.in/cef/solutions-factory/publications/greening-indias-automotive-sector>



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Suggested citation:

Nair, Meghna and Apoorv Minocha. 2023. *Greening India's Automotive Sector: EV Policies, Categories and Subnational Trends*. New Delhi: Council on Energy, Environment and Water.

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