

# LAW & POLICY UPDATE

PROJECTS, ENERGY &  
INFRASTRUCTURE



## Delhi Electric Vehicles Policy 2020

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The Government of National Capital Territory of Delhi (**GNCTD**) approved the Delhi Electric Vehicle Policy 2020 (**Policy**) on August 8, 2020. The objective of the Policy is to establish Delhi as the Electric Vehicles (**EV**) capital of India and accelerate the pace of adoption across vehicle segments, especially in the mass category of two-wheelers, public/shared transport vehicles and good carriers. The Policy will remain valid for a period of 3 years. The Policy seeks to drive the rapid adoption of battery electric vehicles so that they contribute to 25% of all new vehicle registrations by 2024.

The Policy is brought about in addition to the GoI's FAME II scheme which offers incentives to manufacturers, who invest in developing electric vehicles and its components, including lithium-ion batteries and electric motors. The term FAME stands for Faster Adoption and Manufacture of (Hybrid and) Electric Vehicles and the scheme was launched by the Ministry of Heavy Industries and Public Enterprises in 2015. The scheme aims to incentivize the production and promotion of eco-friendly vehicles including electric vehicles and hybrid vehicles.

The Policy has been introduced with the aim to boost the economy, create jobs and reduce pollution levels. Currently, the electric vehicles in the capital constitute 0.29% of the total number of vehicles run in the city. The Policy aims to constitute 25% electric vehicles by 2024. The GNCTD's transport department will be the nodal department for the implementation of the Policy. A dedicated EV cell, a GNCTD EV Board and an EV fund will be constituted for the effective implementation of the Policy. The EV board will be chaired by the transport and environment minister of Delhi.

To drive a large scale of adoption of electric vehicles, the Policy incentivizes different types of vehicles. These incentives are as follows:

- **Electric cars**

A purchase incentive of INR 10,000 per kWh of battery capacity will be provided per electric four-wheeler (subject to a maximum incentive of INR 1.5 lakhs per vehicle) to the registered owner of the first 1000 e-cars to be registered in Delhi after issuance of the Policy.

- **Electric two-wheelers**

The incentive offered for two-wheelers will be based on battery capacity and will be available only to two-wheelers with advanced batteries. A purchase incentive of INR 5000 per kWh of battery capacity will be provided per vehicle to the registered owner. This incentive is subject to a maximum of INR 30,000 per vehicle. Additionally, the registered owner of the electric two-wheelers will be eligible for an incentive for scrapping and de-registering old internal combustion engine two-wheelers reregistered in Delhi.

- **Electric auto rickshaws/e-rickshaws/e-carts**

An open permit will be applicable for e-autos wherein permits will be given on first come first serve basis. Individuals with a valid light motor vehicle license and a public service vehicle badge will be eligible for e-auto permit. Additionally, a purchase incentive of INR 30,000 per vehicle will be provided to the registered owner of the electric auto, e-rickshaw and e-cart. The incentive will apply to all e-rickshaws and e-carts including the models with lead-acid batteries and swappable models, where the battery is not sold with the vehicle. Lastly, interest subvention of 5% on loans and hire purchase will be given on the purchase of an e-auto, e-rickshaw and e-cart if the loan is availed from Delhi Finance Corporation (**DFC**).

- **Electric buses**

Electric buses to constitute at least 50% of all new stage carriage buses procured for the city fleet, starting with the induction of 1000 pure electric buses by 2020.

- **Goods carriers**

Light commercial vehicles used as goods carriers will get a purchase incentive of INR 30,000 to the first 10,000 e-carriers to be registered in Delhi after issuance of the Policy. This is in addition to the interest subvention of 5% on loans availed from DFC. Additionally, the purchase of e-carriers will be eligible for an incentive for scrapping and de-registering of old goods carriers.

- **Additional provisions and policy implementation**

All road tax and registration fees will be waived for all battery electric vehicles during the term of the Policy. If the battery is not sold with the vehicle, then 50% of the purchase incentive will be provided to the vehicle owner and the remaining 50% would be provided to energy operators for defraying the cost of any deposit that may be required from end users for a swappable battery.

