

FAQS ON INDIAN LAWS RELATED TO ELECTRIC VEHICLES



The Indian Government is looking to develop and deploy more electric vehicles (“EVs”) on road by 2030 as a cost effective and viable solution to the problem of poor air quality and huge oil import bills. NITI Aayog - India’s policy think tank, forecasts India’s EV sales penetration to reach 30% for private cars, 70% for commercial cars, 40% for buses and 80% for two and three-wheelers by 2030. Some of the common queries on laws applicable to EVs in India are answered below.

1. What are the Indian laws related to EVs in India?

Currently, India does not have a dedicated law on EVs. In India, the law related to registration of motor vehicles, that is, the Motor Vehicles Act, 1988 and the Central Motor Vehicles Rules, 1989 framed thereunder, provide for registration of EVs. Further, the Indian Government has published the ‘Model building bye-laws for EV charging infrastructure, 2016’ (“EV Bye-Laws”) which sets the guidelines to set up charging stations for EVs across the country. Indian states have also adopted state level policies to provide incentives to boost EVs.

2. Are there any special concessions for EVs under the Motor Vehicles Act, 1988?

The Indian Government has permitted sale and registration of EVs without a pre-fitted battery. Such EVs will require a road-worthiness approval from test agencies under the Central Motor Vehicle Rules, 1989. By delinking the cost of the battery (which accounts for 30-40% of the total cost) from the vehicle cost, EVs can now also be sold in the market without the battery. This will assist electrical 2-wheelers and 3-wheelers achieve cost parity with internal combustion engines.

3. Who can set-up a public charging infrastructure as per the EV Bye-Laws?

No license is required to be obtained by a person for setting up of public charging station if the public charging station meets the technical and performance standards laid down by the Ministry of Power (“MoP”) and the Central Electricity Authority (“CEA”) further detailed in FAQ no. 4 below. Any person seeking to setup a public charging station may apply for connectivity to a power distribution company licensee. In this case, the power distribution company licensee is required to provide the connectivity to EV charging stations on priority. Alternatively, charging stations/ chains of charging stations may also purchase electricity directly from a power generation company at a lower tariff, without approaching a power distribution company.

4. What are the minimum technical and performance standards required to be satisfied so that the EV public charging station can be set up without a license?

Currently, the minimum infrastructure requirements for EV public charging stations to be set up without a license are as follows:

- (i) The station should have an exclusive transformer with all related substation equipment including safety appliance.
- (ii) The station must use 33/11 KV line/cables with associated equipment, as may be needed for line termination/metering, etc.
- (iii) The station must have appropriate civil works.
- (iv) The station must have adequate space for charging and entry/exit of vehicles.





- (v) Public charging stations must have one or more electric kiosk/boards with installation of at least one charging point and one charging gun of the CCS, the CHAdeMO, the Type-2 AC and the Bharat DC-001 variety, which are fast or semi-fast chargers. The charging station must also have three charging points and three charging guns of the Bharat AC-001 variety, which is a slow charger.
- (vi) The station must have a tie up with at least one online Network Service Provider to enable advance remote/online booking of charging slots by EV owners. Such online information to EV owners should also include information regarding location, types and numbers of chargers installed.
- (vii) The station is required to share charging station data with appropriate power distribution company and to maintain appropriate protocols as prescribed by such power distribution company for this purpose.

5. Is there a certification standard for EV batteries prescribed by the Indian Government?

In India, the Bureau of Indian Standards (“BIS”) pursuant to the Bureau of Indian Standards Act, 2016 has prescribed mandatory product standards for specified products such as electronics, cement, batteries, etc. BIS establishes and publishes specified standards in relation to products and certifies products meeting such standards with a certificate. This certification is voluntary unless directed by law or through an order of the government. The need for mandatory certification for EV batteries will largely depend upon the specification and the nature of chemicals and components used in the batteries.

Where certification is mandatory, the product manufacturer will have to ensure that the products comply with all the requirements and norms under the relevant standard to ensure that the product receives the certification. Even where the certification is voluntary, the product manufacturer can apply for certification after complying with the requisite standards.

6. Which are the major policies of the Indian government to boost the EV market in India?

- 6.1 The National Electric Mobility Mission Plan, 2020 announced in 2012 lays down the roadmap for faster adoption of EVs and promotes domestic manufacturing of EVs. In 2015, the Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India' ("FAME") scheme was launched and proposed to be implemented in two phases which are discussed below:
- 6.2 **FAME phase I** - FAME phase I was launched on 13 March 2015 and INR 8.95 billion was budgeted towards subsidies to generate demand, build infrastructure and technology platforms. Thirty OEMs and one hundred thirty-seven models of all categories of vehicles registered under this phase to avail benefits such as subsidies.



- 6.3 **FAME phase II** –FAME phase II was launched on 01 April 2019 and INR 100 billion has been budgeted towards four key areas i.e., technology development, demand creation, pilot projects and charging infrastructure. FAME phase II gives prominence to domestic manufacturing of EVs,



batteries and other components, with special emphasis on incentives to reduce battery cost, which was missing in FAME phase I. The budgetary outlay of INR 100 billion is proposed to be utilised within a period of 3 (three) years from 01 April 2019 and about 86% of the budgeted amount has been earmarked for providing demand incentives and 10% has been set aside for incentives towards creation of charging infrastructure.

7. What State level policies have been implemented to boost adoption of EVs?

Several States have adopted individual policies providing fiscal and non-fiscal incentives for localized manufacturing and demand generation. Though the policies vary from state to state, they all share a common aim to develop a robust charging network and an integrated EV ecosystem. As of May 2021, 14 (fourteen) states have either approved and adopted or have drafted EV specific policies to boost EV adoption in their states, a summary of which is given in the table below:

S. No.	State	Key initiatives
1.	Karnataka	<p>(a) Aims to achieve 100% e-mobility in auto-rickshaws, cab aggregators, corporate fleets, and school buses/vans by 2030.</p> <p>(b) Introduction of 1,000 (one thousand) EV buses for local public transport.</p> <p>(c) Provides incentives such as interest-free loans on the net state goods and service tax for EV manufacturing enterprises.</p>

		<p>(d) Focuses on a venture capital fund for e-mobility start-ups, and the creation of a secondary market for batteries.</p> <p>(e) Aims to set up over 100 (one hundred) EV charging stations in Bengaluru.</p>
2.	Maharashtra	<p>(a) Aims to increase the number of registered EVs to 500,000 (five hundred thousand).</p> <p>(b) Exempts EVs from road tax and registration fees over five-year policy period.</p> <p>(c) Enables fuel stations to set up charging points through governing regulations.</p> <p>(d) Aims to provide support for EV public charging infrastructure by planning authorities and electricity supply agencies.</p> <p>(e) Provides incentives for micro, small and medium enterprises and large manufacturing units engaged in the sector.</p>
3.	Andhra Pradesh	<p>(a) Aims to have one million EVs on the road by 2024.</p> <p>(b) Aims to provide complete reimbursement of road tax and registration fees on sale of EVs until 2024.</p> <p>(c) Aims to replace public transport buses in four cities to e-buses by 2024 and across the state by 2030.</p> <p>(d) Aims to establish 100,000 (one hundred thousand) slow and fast charging stations by 2024.</p>
4.	Uttarakhand	<p>(a) Aims for 100% electrification of public transport, including electric buses, shared mobility including e-bikes, e-taxis, and goods transport using electric 2-, 3-, and 4-wheelers, and other mini goods transport vehicles in five priority cities by 2030.</p> <p>(b) Provides fiscal incentive on the EV production front which includes employee provident fund reimbursement.</p> <p>(c) Provides for a manufacturing-focused policy that incentivizes the manufacturing of lithium-ion batteries with high mileage.</p>
5.	Kerala	<p>(a) Aims to put 1,000,000 (one million) EV units on the road by 2022 and 6,000 (six thousand) e-buses in public transport by 2025.</p> <p>(b) Provides incentives, such as state tax breaks, road-tax exemptions.</p> <p>(c) Prioritizes EV component manufacturing.</p> <p>(d) Creates e-mobility demonstration hubs in a few potential areas</p>

		such as tourist villages, technology hubs, and major cities' central business districts.
6.	Tamil Nadu	<p>(a) Aims to electrify 5% of buses each year till 2030, and substantially convert shared mobility fleets, institutional vehicles, and e-commerce delivery and logistics vehicles to EVs by 2030.</p> <p>(b) Aims to convert all auto rickshaws in six major cities to electric vehicles within a span of 10 (ten) years.</p> <p>(c) Establishes a venture capital and business incubation service to encourage EV start-ups.</p> <p>(d) Aims to provide EV-related and charging infrastructure manufacturing units 100% exemption on electricity tax through 2025.</p>
7.	Madhya Pradesh	<p>(a) Aims for rapid EV adoption and contribution to 25% of all new public transport vehicle registrations by 2026.</p> <p>(b) Some cities will stop registering new conventional combustion engine vehicles.</p> <p>(c) Aims to ensure a safe, reliable, and affordable charging infrastructure, and promote renewable energy usage in the charging infrastructure.</p>
8.	New Delhi	<p>(a) Seeks that EVs should account for 25% of the total new vehicle registrations in the city by 2024.</p> <p>(b) Aims to have at least 50% e-buses for all new stage carriage buses procured for the city fleet, starting with 1,000 (one thousand) e-buses by 2020.</p>
9.	Telangana	<p>(a) Aims to have EV sales targets for 2025 to achieve 80% 2 and 3wheelers (motorcycles, scooters, auto-rickshaws), 70% commercial cars (ride-hailing companies such as Ola and Uber), 40% buses, 30% private cars, 15% electrification of all vehicles.</p> <p>(b) Aims to attract investments worth USD 3.0 billion and support for charging infrastructure deployment.</p>
10.	Bihar	<p>(a) Prioritizes electrification of rickshaws and plans to convert all paddle rickshaws to e-rickshaws by 2022.</p> <p>(b) Provides subsidies of INR 12,000 (twelve thousand) to the end-user, and an additional special incentive of INR 10,000 (ten thousand) will be provided for lithium-ion battery e-rickshaw.</p> <p>(c) Aims to set up fast-charging stations at intervals of 50 km on state and national highways and charging stations at commercial</p>

		and residential locations.
11.	Gujarat	<p>(a) Aims to have 100,000 (one hundred thousand) EVs on the road by 2022, which includes 80,000 (eighty thousand) 2-wheelers or scooters, 14,000 (fourteen thousand) 3-wheelers, 4,500 (four thousand five hundred) cars, and 1,500 (fifteen hundred) buses.</p> <p>(b) Aims to provide one hundred percent exemption from registration fee and 50% exemption from motor vehicle tax.</p> <p>(c) Aims to provide 100% exemption from electricity duty for EV charging stations.</p> <p>(d) Provides additional state-level subsidy to supplement the FAME phase II.</p>
12.	Punjab	<p>(a) Aims to have 25% of annual vehicle registrations as EVs in the last year of the five-year policy period.</p> <p>(b) Aims to increase the share of electric 2-wheelers to reach 25% of new sales over the policy period.</p> <p>(c) Aims to replace 25% of the bus fleet of the transport department with e-buses (presently about 90% of bus fleet runs on diesel).</p> <p>(d) Aims to increase the share of e-taxis to reach 25% of new sales over the policy duration period (presently almost 80% of registered taxis are diesel based).</p> <p>(e) Private EVs will be given 100% waiver on motor vehicle tax for a period of five years, while commercial vehicles will be exempted from registration as well as permit fee for the same period.</p>
13.	Himachal Pradesh	<p>(a) Aims for a 100% transition to EVs by 2030.</p> <p>(b) Promotes the creation of a dedicated charging infrastructure, develop a model for private players, and include a provision for charging spots in commercial buildings.</p>
14.	Meghalaya	<p>(a) Aims for a 15% transition to EVs by 2025.</p> <p>(b) Aims to provide purchase incentives on the basis of battery capacity provided for different EVs like electric 4-wheelers, strong hybrid 4-wheelers, electric 3-wheelers electric 2-wheelers, and electric public transport buses, for the vehicles first registered after issuance of the policy.</p>

8. What are India's plans for localizing the EV supply chain?

The Indian government has approved the 'National Mission on Transformative Mobility and Energy Storage' ("**Mission**") which emphasizes on setting up a few large-scale, export-competitive, integrated batteries and cell-manufacturing giga factories i.e., huge battery manufacturing centers where lithium-ion batteries - the building blocks of EV batteries - are crafted. Recently, NITI Aayog proposed incentives worth INR 300 billion for setting up at least four giga factories by 2030. This includes initial capital assistance and infrastructure incentives worth INR 9 billion in 2021, which can be escalated annually.

9. What are the policies regarding handling of waste associated with lithium ion batteries?

The Indian government has published the draft Battery Waste Management Rules, 2020 which provides a blueprint of a cohesive set of rules tailor made for recycling and safe disposal of EV batteries. Under the said rules, the manufacturers and dealers of batteries will need to ensure that used batteries are sent only to the registered recyclers and that the environment is not harmed during their transportation. Therefore, the rules put the onus of collection of batteries and their safe transport to the recyclers, on the manufacturers and dealers.



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