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**Department of Industries**

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**NOTIFICATION**

6<sup>th</sup> October, 2022

**Jharkhand Electric Vehicle Policy  
2022**

**Memo No. 06/U.Ni./Vividh(Electric Vehicle)-20/2021.....1089.....**

**1. INTRODUCTION**

Historically, advancements in the Internal Combustion Engine (ICE) technology have driven growth in the automobile sector, but lately, a host of factors including global warming, climate consciousness and improvements in battery storage capacity etc. have ushered in a shift towards electric Vehicles (EV). The Intergovernmental Panel on Climate Change (IPCC) in its latest report<sup>1</sup> has already warned that climate change is **already ‘irreversible’ for centuries to millennia**, ahead. Thus, to ensure sustainability, it is imperative that the future of transportation is electric with zero emissions and carbon footprint.

India is actively exploring cost-effective and viable solutions for sustainable development as well as reducing its excessive dependence on oil imports. The Indian EV market is still at a nascent stage,

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<sup>1</sup>Sixth Assessment Report (ipcc.ch)

comprising less than 1% of the total vehicle sales. However, the EV market has the potential to grow significantly in the coming years, as sales are expected to witness high double-digit growth rates annually till 2030. EVs have emerged as a promising and singular alternative that could help mitigate the adverse environmental impact caused by conventional vehicles.

To further drive the growth of EV sector in the country, the Government of India is increasingly pushing to develop appropriate monetary and fiscal responses to promote drive EV adoption in the country. A differential GST regime for EVs has been implemented by the Government of India as it is expected to help electric mobility gain momentum, under it, pure EVs have been kept in the 5% tax slab of the GST.

Jharkhand, in the pursuit of giving fillip to the shift from fossil fuel based medium of transportation to the electric medium with zero emissions and carbon footprint, trying to create a conducive eco-system by formulating attractive policy framework. The policy will try to capture the expectation of players from supply side as well as providing avenues for faster adoption of EV by demand side.

### 1.1. Government Initiatives in transitioning to Electric Vehicles:

In Feb'19, the Government of India (GoI) approved the 'Faster Adoption and Manufacturing of Electric Vehicles Phase II' (FAME-II) scheme with a financial outlay of Rs 10,000 crore to generate electric vehicle demand in the country. In June 2021, the GoI notified the Production Linked Incentive (PLI) scheme for 'the National Programme on Advanced Chemistry Cell (ACC) Battery Storage' (NPACC) for enhancing India's battery manufacturing capabilities by achieving a manufacturing capacity of 50 GWh. The NITI Aayog in April 2022 released the first draft of the 'Battery Swapping Policy' in an effort to catalyze the large-scale adoption of Electric Vehicles by promoting the adoption of Battery swapping technology implemented via 'Battery as a Service (BaaS)' business models.

### 1.2. Electric Vehicles in India

| Year                                          | 2015  | 2016 | 2017  | 2018  | 2019  | 2020  |
|-----------------------------------------------|-------|------|-------|-------|-------|-------|
| No. of Vehicles ('000)                        | 2     | 18   | 57    | 97    | 147   | 168   |
| Percentage share of EV in total vehicle sales | 0.01% | 0.1% | 0.29% | 0.45% | 0.65% | 0.77% |

## 2. EXISTING AUTOMOTIVE ECOSYSTEM IN JHARKHAND:

Jharkhand is home to automobile industry with one of the India's leading automobile industry began manufacturing of commercial vehicle in early 1950s at Jamshedpur. More than 800 auto ancillary industries including auto components units have been set up subsequently at Jamshedpur and Adityapur to cater the needs of automobiles companies. Jamshedpur-Adityapur cluster is having unique advantages like availability of uninterrupted power and water from JUSCO in addition to other alternative sources of power from JBVNL, long history of industrial peace and ready access to Kolkata and Haldia ports for ease of imports and exports.

All types of auto grade steels are being produced at Jamshedpur since 1980s. All necessary infrastructures exist near Jamshedpur - Adityapur for auto ancillaries.

### 3. VISION, OBJECTIVE AND STRATEGY

The Jharkhand Electric Vehicle Policy 2022 aims at creating favorable atmosphere for setting-up of Electric Vehicle manufacturing units in the state through creation of infrastructure facilities, skilled manpower, encouragement of capital investment and technology up-gradation, development of marketing network, development promotion, grants and concessions.

#### 3.1. Vision

To ensure balanced economic development of the state by favoring Electric Vehicle manufacturing sector and to provide maximum benefits to all stakeholders by establishing Jharkhand as an EV hub in India.

#### 3.2. Objectives

The main objectives of this policy are:

- a) To make Jharkhand as most preferred destination for electric vehicle manufacturing units in Eastern India
- b) Faster adoption of EVs in state with a vision of achieving carbon neutral transport system.
- c) To identify and address the key existing infrastructure gaps affecting the growth of Electric Vehicle industry in the State.
- d) To create a conducive environment for phase wise shift from Internal Combustion Engines (ICE) to Electric Vehicles (EVs) **by 2030.**
- e) Establishment of projects for the manufacturing of advanced chemistry cell (ACC) batteries in **Jharkhand by 2027.**
- f) To establish center of excellence for EV in partnership with Industry and Academia **by 2027.**
- g) Target of **10% share** of Electric Vehicle in overall new vehicle registration in the State by **2027 (All vehicles: 10%, 2 wheelers: 10%, 3 wheelers: 20%, 4 wheelers: 10%)**
- h) Setting up of at least one public charging station in a **3 km x 3 km grid or minimum of 50 charging stations per million population**, whichever is higher
- i) Setting up of public charging station on highways at **25 km distance** (on both sides of all **National highways and major State Highways**).
- j) Target for conversion of 15 years old Government owned/leased vehicles with Electric Vehicle

#### 3.3. Strategy

- a) Development of infrastructure facilities
- b) Creation of a favorable atmosphere for setting up of electric vehicle manufacturing units
- c) Capital investment promotion
- d) Promotion of technology up-gradation
- e) Financial grants-in-aid and concessions
- f) Market development and export promotion
- g) Industrial facilitation and single window clearances

#### **4. VALIDITY OF THE POLICY**

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This policy will remain operational till five years from the date of notification of the Gazette.

#### **5. SCOPE AND ELIGIBILITY OF THE POLICY**

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##### **5.1. Eligible Sector:**

This policy covers following electric vehicle manufacturing units to be established in the state of Jharkhand:

- a. EV Automobiles\*
  - A. Buses (only Electric Vehicle technology)
  - B. Four Wheelers {Electric (EV), Plug in Hybrid (PHEV) and Strong Hybrid (SHEV)}
  - C. Three-wheeler (Electric) including Registered E-Rickshaws
  - D. Two Wheelers (Electric)

\* Vehicles as categorized in eligibility list of Scheme for Faster Adoption and Manufacturing of Electric Vehicles in India Phase II (FAME India Phase II) shall be covered under this policy.

- b. Tier-I, Tier-II and Tier-III Electric Auto-components manufacturing units of above four automotive.
- c. EV Ancillary units
- d. EV Battery manufacturers<sup>2</sup>
- e. Infrastructure for EV i.e. Charging Stations, battery swapping stations and others

##### **5.2. Eligible Organizations:**

The following manufacturing organizations of eligible sectors given in sub-section 7.1 shall be eligible for benefit under this policy:

- a) Proprietorship firm
- b) Registered partnership firm
- c) Private Limited Company
- d) Limited liability registered partnership firm
- e) Public Limited Company
- f) Government Company
- g) State/Central Public Sector Undertaking
- h) Joint Venture

#### **6. POLICY IMPLEMENTATION**

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- i. Department of Industries, Government of Jharkhand shall be the nodal agency responsible for implementation of this policy in the State.
- ii. Incentives under this policy shall be processed as per the provisions of Jharkhand Industrial Investment Promotion Policy, 2021.

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<sup>2</sup> Batteries listed as being eligible under FAME India Phase II (having fulfilled all the eligibility and testing conditions as specified under the scheme) and shall also include swappable models, where battery is not sold with the vehicle will be eligible for the incentives.

- iii. Units applying for incentive under this policy shall apply on the Single Window Clearance (SWC) portal of the Department of Industries, Government of Jharkhand.
- iv. Department of Industries shall extend hand-holding support to the Investors setting up EV manufacturing units in land allotment from Jharkhand Industrial Area Development Authority (JIADA), land registration for private land and land use conversion and other applicable clearances/ licenses/ NOCs.

## 7. FISCAL INCENTIVES

The Fiscal Incentives being offered under this policy would be in addition to the demand incentives available in the FAME India Phase-II scheme of Government of India.

### 7.1. Fiscal Incentives

All incentives shall be applicable to parties intending to set up or upgrade their facilities for manufacturing of **eligible sector as set forth in section 5.1 above**:

| S.No         | Incentives                                             | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |              |               |                            |       |            |          |       |          |        |           |           |          |
|--------------|--------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------------|----------------------------|-------|------------|----------|-------|----------|--------|-----------|-----------|----------|
| 1            | <b>Comprehensive Project Investment Subsidy (CPIS)</b> | <p>a) MSME units shall be entitled to get CPIS for investments made in fixed capital investment. Subsidy under CPIS for MSME shall be admissible at the <b>rate of 30% of investments made in fixed capital investment</b>.</p> <p>b) Non MSME Units shall also be entitled to get Comprehensive Project Investment Subsidy (CPIS) for investment made in:</p> <ul style="list-style-type: none"> <li>• Plant and Machinery</li> <li>• Pollution Control Equipment</li> <li>• Environment friendly alternative power generation equipment</li> <li>• Employee Welfare (EPF, ESI, Health Insurance Scheme)</li> </ul> <p>c) The qualifying amount of investment for subsidy for non MSME units under CPIS will be calculated giving weightage of 50% to investment made in Plant and Machinery, 20% each to investment in pollution control equipment and environment friendly alternative power generation equipment and 10% to investment in employee welfare (EPF, ESI, Health Insurance)</p> <table border="1"> <thead> <tr> <th>Type of Unit</th><th>Maximum Limit</th><th>Maximum Admissible Subsidy</th></tr> </thead> <tbody> <tr> <td>Micro</td><td rowspan="4">30% of FCI</td><td>Rs. 2 Cr</td></tr> <tr> <td>Small</td><td>Rs. 7 Cr</td></tr> <tr> <td>Medium</td><td>Rs. 15 Cr</td></tr> <tr> <td>Non-MSMEs</td><td>Rs. 30Cr</td></tr> </tbody> </table> <p>d) Applicable CPIS will be disbursed to MSME units in two installments with 50% in first year and balance 50% in third year while for Non-MSME units, CPIS will be disbursed in three installments with 50% in first year, 25% in third year and balance 25% in fifth year.</p> <p>e) SC/ST/Women/Differently abled Entrepreneurs will avail</p> | Type of Unit | Maximum Limit | Maximum Admissible Subsidy | Micro | 30% of FCI | Rs. 2 Cr | Small | Rs. 7 Cr | Medium | Rs. 15 Cr | Non-MSMEs | Rs. 30Cr |
| Type of Unit | Maximum Limit                                          | Maximum Admissible Subsidy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |              |               |                            |       |            |          |       |          |        |           |           |          |
| Micro        | 30% of FCI                                             | Rs. 2 Cr                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |              |               |                            |       |            |          |       |          |        |           |           |          |
| Small        |                                                        | Rs. 7 Cr                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |              |               |                            |       |            |          |       |          |        |           |           |          |
| Medium       |                                                        | Rs. 15 Cr                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |              |               |                            |       |            |          |       |          |        |           |           |          |
| Non-MSMEs    |                                                        | Rs. 30Cr                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |              |               |                            |       |            |          |       |          |        |           |           |          |