

EMPS 2024: Only 3.6% vehicle sales target met

NITIN KUMAR

New Delhi, 7 July

The ₹500-crore Electric Mobility Promotion Scheme (EMPS) 2024, introduced by the Centre to provide incentives to the electric mobility industry, will conclude on July 31 with barely 3.6 per cent of the targeted vehicle sales achieved so far.

This is in stark contrast to the earlier flagship Faster Adoption and Manufacturing of Electric Vehicles (FAME) scheme, which exceeded its sales targets.

According to data from the Ministry of Heavy Industry (MHI), only 13,499 of the 372,215 targeted vehicles have been sold under the EMPS scheme.

The electric two-wheelers (e2Ws) category saw the highest sales, with 12,457 units sold out of a target of 333,387, achieving 3.7 per cent of the target.

In contrast, e-rickshaws & e-carts had the least sales, with only 34 units sold of a target of 13,590, a mere 0.3 per cent.

For electric three-wheelers (e3Ws) (L5 category), 1,008 units were sold against a target of 25,238, which is 4 per cent, the MHI data reveals.

Industry executives attributed the scheme's poor uptake to reduced incentives and stringent compliance rules.

Under EMPS, incentives for e2Ws were slashed from ₹66,000 to ₹10,000, and for e3Ws from ₹111,505 to ₹25,000.

Additionally, the scheme imposed stringent domestic



EV segment	Maximum EVs to be supported	Total EVs sold	Target achieved (in %)
e-3 wheeler L5	25,238	1,008	4.0
Two-wheeler	333,387	12,457	3.7
e-Rickshaws & e-cart	13,590	34	0.3
Total	372,215	13,499	3.6

Source: MHI

value addition rules following scams under the FAME scheme.

The decrease in participation in the scheme has led to low sales numbers for the EV industry, which had been experiencing sustained growth since the launch of FAME in 2015.

The EV industry reached its peak in March 2023, the final month of FAME (second phase), with sales surpassing 200,000 vehicles.

However, since then, monthly sales have not even reached the 125,000 mark.

“Boosting sales has become challenging due to reduced incentives. The lack of uptake for EMPS can be attributed to its low incentives and stringent compliance requirements,” an industry executive said.

They expressed concerns about achieving the targeted sales within the remaining timeframe of the scheme, citing reduced time availability. However, government officials acknowledge the stability in sales and are optimistic about increasing these figures.

A government official said, “The deadline has not passed yet. Despite lower sales, registrations are going on. With monthly sales consistently exceeding 100,000 since the conclusion of FAME, it’s a positive indication that the industry is gaining independence.”

A query sent to the MHI regarding reasons for the dismal sales remained unanswered until going to press.

More on www.business-standard.com