



# Mapping India's Energy Subsidies 2021

## Time for renewed support to clean energy

2021 Annex Update



## Introduction

This supplementary annex is an accompaniment to [Mapping India's Energy Subsidies 2021](#). It provides detailed background information for all subsidies that have significantly changed since our 2020 review, [Mapping India's Energy Subsidies, 2020](#), with the following subsections:

- New summary tables on policies linked to:
  - EV.7: Concessional GST on EV buses
  - TD.16: Energy Conservation Schemes
  - OG.7: Other subsidy payable including for North Eastern Region
  - OG.42: Phulpur Dhamra Haldia Pipeline Project
  - OG.43: National Seismic Programme
  - OG.44: R&D under autonomous bodies

For a full overview of subsidy data, readers can also refer to the separate accompanying [data spreadsheets](#) that form part of the 2021 update or visit the interactive platform with key trends.



## New Subsidy Summary Tables

Subsidy category	Government revenue foregone → Tax breaks and special taxes → Exemptions from special taxes						
Stimulated activity	Consumption						
Subsidy name	EV.7 Concessional GST on electric buses						
Jurisdiction	Central government						
Legislation/endorsing organization	The Goods and Services Tax Act, 2017						
Policy objective(s) of subsidy	The objective is to reduce the cost of electric buses in the market.						
End recipient(s) of subsidy	Consumers						
Time period	Revised periodically						
Background	<p>In order to increase the uptake of electric vehicles (EVs) in the market, they were subject to a lower excise duty (12.5% compared to 24% on fossil fuel vehicles) to reduce the cost of EVs in the market.</p> <p>After the introduction of the Goods and Service Tax (GST) in July 2017, the excise duty was subsumed under the GST. EVs continue to have lower GST rates, at 12%, compared to 28% on fossil fuel vehicles.</p>						
Amount of subsidy conferred	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
(in INR crore, real 2020)	0.6	0.5	0.7	1.0	8.3	16.4	127.9
(in USD million, real 2020)	0.1	0.1	0.1	0.1	1.2	2.3	18.1
Information sources	<p>Central Board of Indirect Taxes and Customs GST rates</p> <p><a href="https://cbec-gst.gov.in/gst-goods-services-rates.html">https://cbec-gst.gov.in/gst-goods-services-rates.html</a></p>						



Subsidy category	Direct and indirect transfer of funds and liabilities → Direct spending (target spending through budget)						
Stimulated activity	Consumption → Consumer						
Subsidy name	TD. 16 Energy Conservation Schemes						
Jurisdiction	Central government						
Legislation/endorsing organization	Energy Conservation Act (EC Act) 2001						
Policy objective(s) of subsidy	Under this scheme, the government promotes a range of measures to improve efficiency and conserve energy.						
End recipient(s) of subsidy	Consumers						
Time period	2001 to present						
Background	Through the Bureau of Energy Efficiency (BEE), the Ministry of Power has initiated a number of energy-efficiency and conservation initiatives in the areas of household lighting, commercial buildings, standards and labelling of appliances, and demand-side management in agriculture/municipalities.						
Amount of subsidy conferred	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
(in INR crore, real 2020)	22	41	65	27	40	28	96
(in USD million, real 2020)	3	6	9	4	6	4	14
Information sources	<a href="https://powermin.gov.in/en/content/energy-efficiency">https://powermin.gov.in/en/content/energy-efficiency</a>						



Subsidy category	Direct or indirect transfer of funds and liabilities → Direct spending → Earmarks						
Stimulated activity	Consumption → Consumers						
Subsidy name	OG. 7 Other subsidy payable including for the northeastern region						
Jurisdiction	Central government						
Legislation/ endorsing organization	Ministry of Petroleum and Natural Gas (MoPNG)						
Policy objective(s) of subsidy	Additional support is provided to the northeastern region through fuel prices to promote industrial development.						
End recipient(s) of subsidy	Consumers						
Time period	2006 to present						
Background	Since 2006 the government has been providing support to the northeastern region by regulating the price of domestic natural gas and other fuels. The disbursement of the support has been administered through several mechanisms over time.						
Amount of subsidy conferred	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
(in INR crore, real 2020)	not available	not available	1,570	3,556	282	525	643
(in USD million, real 2020)	not available	not available	222	502	40	74	91
Information sources	<a href="https://mopng.gov.in/files/natural-gas/policies-and-guidelines/Scheme_of_APM_gas_Subsidy_NE_Region.pdf">https://mopng.gov.in/files/natural-gas/policies-and-guidelines/Scheme_of_APM_gas_Subsidy_NE_Region.pdf</a>						



Subsidy category	Direct or indirect transfer of funds and liabilities → Direct spending → Earmarks						
Stimulated activity	Production → Storage and transport						
Subsidy name	OG.42 Phulpur Dhamra Haldia Pipeline Project						
Jurisdiction	Central government						
Legislation/ endorsing organization	MoPNG						
Policy objective(s) of subsidy	Direct support toward building a natural gas pipeline.						
End recipient(s) of subsidy	Production						
Time period	2016 to present						
Background	Through this project a 2,539 km natural gas pipeline will connect the states of Uttar Pradesh, Bihar, Jharkhand, Odisha, and West Bengal to the National Gas Grid. Phase 1 of this project has been commissioned and the other phases are in various stages of completion.						
Amount of subsidy conferred	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
(in INR crore, real 2020)	not applicable	not applicable	0	504	400	1,270	1,552
(in USD million, real 2020)	not applicable	not applicable	0	71	56	179	219
Information sources	<a href="http://environmentclearance.nic.in/writereaddata/Online/TOR/11_Jan_2017_125110330F858KUXWProjectSummaryJHBDPLPhaseII.pdf">http://environmentclearance.nic.in/writereaddata/Online/TOR/11_Jan_2017_125110330F858KUXWProjectSummaryJHBDPLPhaseII.pdf</a>  <a href="http://164.100.47.193/lssccommittee/Petroleum%20&amp;%20Natural%20Gas/pr_files/PRESS%20RELEASE%20ON%20DFG.pdf">http://164.100.47.193/lssccommittee/Petroleum%20&amp;%20Natural%20Gas/pr_files/PRESS%20RELEASE%20ON%20DFG.pdf</a>						



Subsidy category	Direct or indirect transfer of funds and liabilities → Direct spending → Earmarks						
Stimulated activity	Production → Research						
Subsidy name	OG.43 National Seismic Programme (NSP)						
Jurisdiction	Central government						
Legislation/ endorsing organization	MoPNG						
Policy objective(s) of subsidy	This program aims to appraise all sedimentary basins across India, especially where there is no or poor data availability. This will help increase the understanding of the hydrocarbon potential of India.						
End recipient(s) of subsidy	Production						
Time period	2016 to present						
Background	Launched in 2016, the NSP is an initiative to improve the understanding of the hydrocarbon potential of India. This will help with domestic exploration, especially in the Mahanadi basin.						
Amount of subsidy conferred	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
(in INR crore, real 2020)	not applicable	not applicable	not applicable	0	10	1,368	530
(in USD million, real 2020)	not applicable	not applicable	not applicable	0	1	193	75
Information sources	<a href="https://pib.gov.in/Pressreleaseshare.aspx?PRID=1674405">https://pib.gov.in/Pressreleaseshare.aspx?PRID=1674405</a> <a href="https://www.ongcindia.com/wps/wcm/connect/en/media/press-release/minister-launches-national-seismic-pogram-at-mahanadi-basin">https://www.ongcindia.com/wps/wcm/connect/en/media/press-release/minister-launches-national-seismic-pogram-at-mahanadi-basin</a>						



Subsidy category	Direct or indirect transfer of funds and liabilities → Direct spending → Earmarks						
Stimulated activity	Production → Research						
Subsidy name	OG.44 R&D under autonomous bodies						
Jurisdiction	Central government						
Legislation/ endorsing organization	MoPNG						
Policy objective(s) of subsidy	To support various research and development activities undertaken by autonomous bodies.						
End recipient(s) of subsidy	Production						
Time period	Ongoing						
Background	Petroleum Regulatory Board, Indian Institute of Petroleum Energy, Society for Petroleum Laboratories, Rajiv Gandhi Institute of Petroleum And Technology (RGIPT), Assam, and Centre of Excellence for Energy, Bangalore are some of the autonomous bodies under the MoPNG that undertake research to support the oil and gas sector.						
Amount of subsidy conferred	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
(in INR crore, real 2020)	not available	not available	not available	not available	not available	not available	not available
(in USD million, real 2020)	not available	not available	not available	not available	not available	not available	not available
Information sources	<a href="https://mopng.gov.in/en/documents/annual-reports">https://mopng.gov.in/en/documents/annual-reports</a>						



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