

**GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:3882

ANSWERED ON:09.08.2016

Joint Venture Agreement between Tesla and Indian Automobile Companies

Adsul Shri Anandrao ;Chavan Shri Ashok Shankarrao;Gaikwad Dr. Sunil Baliram;Gavit Dr. Heena Vijaykumar;Gupta Shri Sudheer;Jayavardhan Dr. Jayakumar;Kirtikar Shri Gajanan Chandrakant;Mahadik Shri Dhananjay Bhimrao;Mahato Shri Bidyut Baran;Patil Shri Shivaji Adhalrao;Patil Shri Vijaysinh Mohite;Radhakrishnan Shri T.;Raut Shri Vinayak Bhaurao;Sawaikar Shri Advocate Narendra Keshav;Shinde Dr. Shrikant Eknath;Shrirang Shri Chandu Barne

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) whether the Government proposes to encourage alternate pollution free transport in the country and is considering to provide incentives to bio-fuel, CNG, ethanol and electric vehicles and if so, the details thereof;
- (b) whether any joint venture agreement has been signed between Tesla, the US based electric car manufacturing company and Indian automobile companies with a view to introducing pollution-free public transport in the country, especially with regard to commercial and public motor vehicles and if so, the details and present status thereof
- (c) whether the Government has asked the US based company to make India its Asia manufacturing hub and offered land near major Indian ports to facilitate exports to South and South East Asian countries;
- (d) if so, the details thereof and the response received thereon; and
- (e) the manner and extent to which the country is likely to be benefitted by cooperation with Tesla, the US firm?

Answer

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI BABUL SUPRIYO)

(a): To encourage alternate pollution free transport in the country, Department of Heavy Industry has formulated FAME – India Scheme [Faster Adoption and Manufacturing of (Hybrid & Electric) Vehicles in India]

: 2 :

Electric Vehicles in India] having thrust on hybrid and electric vehicles to become the first choice for the purchasers so that these vehicles can replace the conventional vehicles and thus reduce fossil fuel consumption in the country from the automobile sector. The Government is offering incentive in the form of upfront reduction of price to the consumer who buys electric/hybrid vehicles under this scheme, which is specified in the Gazette Notification S.O. 830 (E) dated 13th March, 2015 available in the website of Department of Heavy Industry [<http://dhi.nic.in>].

The Ministry of Road Transport and Highways (MoRTH) has also issued following notifications to encourage alternate pollution free transport in the country, which are available in the website of MoRTH [<http://morth.nic.in>]:-

- (i) GSR 682(E) dated 12/07/2016 regarding mass emission standard for flex-fuel (E 85) or (E 100) and ethanol (ED 95) vehicles.
- (ii) G.S.R. 412(E) dated 11/04/2016 regarding Biodiesel.
- (iii) G.S.R. 629(E) dated 24/06/2016 regarding retro-fitment of Hybrid Electric Vehicles.

(b): Automobile Industry was delicensed in July 1991 with the announcement of the New Industrial Policy. The passenger car was however delicensed in 1993. The norms for foreign investment and import of technology have also been progressively liberalized over the years for vehicles manufacturer including passenger cars in order to make this sector globally competitive.

Therefore the Department of Heavy Industry, Government of India is, at present, not aware of any such joint venture agreement between Tesla, the US based electric car manufacturing company and Indian automobile companies.

(c): No Madam, the Government has not made any such offer formally.

(d) & (e): Does not arise in view of (c) above.
