

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES
DEPARTMENT OF HEAVY INDUSTRY
LOK SABHA
UNSTARRED QUESTION NO. 1185
ANSWERED ON 09.02.2021

INCENTIVES FOR SETTING UP OF ELECTRIC AUTOMOTIVE INDUSTRIES

**1185. SHRI L.S. TEJASVI SURYA:
SHRI PRATHAP SIMHA:**

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES **भारी उद्योग एवं लोक उद्यम मंत्री** be pleased to state:

- (a) whether the Government proposes to provide additional sops or incentives for the setting up of electric automotive industries in the country and if so, the details of such incentives;
- (b) the details of the existing incentives or policies to assist electric car manufacturers and battery producing majors in setting up domestic production facilities in the country; and
- (c) whether the Government is providing any advances or incentives in the wake of the COVID-19 pandemic for new manufacturers and available incentives for electric car and battery manufacturers and if so, the details thereof?

ANSWER
THE MINISTER OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES
(SHRI PRAKASH JAVADEKAR)

(a) to (c): Sir, the Department of Heavy Industry is administering the Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India (FAME India) Scheme since 01st April, 2015 to promote adoption of electric/ hybrid vehicles (xEVs) in India with an aim to reduce dependence on fossil fuel. At present, Phase-II of FAME India Scheme is being implemented for a period of 3 years w.e.f. 01st April, 2019 with a total budgetary support of Rs. 10,000 crore. This phase focusses on supporting electrification of public & shared transportation and aims to support, through subsidies, approx. 7000 e-Buses, 5 lakh e-3 Wheelers, 55000 e-4 Wheeler Passenger Cars and 10 lakh e-2 Wheelers. In addition, creation of charging infrastructure is also supported to address range anxiety among users of electric vehicles.

Further, the Union Cabinet on November 11, 2020 has given its approval to introduce the Production Linked Incentive (PLI) scheme to 10 specified key Sectors including Automobile & Auto Components sector and Advance Chemistry Cell (ACC) Battery for a period of five years with a financial allocation of Rs. 1,45,980 crore to enhance India's Manufacturing Capabilities.

The automotive industry is a major economic contributor in India. The PLI scheme will make the Indian Automotive Industry more competitive and will enhance globalization of the Indian automotive sector. ACC battery manufacturing represents one of the largest economic opportunities of the twenty-first century for several global growth sectors, such as consumer electronics, electric vehicles, and renewable energy. The PLI scheme for ACC battery will incentivize large domestic and international players in establishing a competitive ACC battery set-up in the country.
