

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
RAJYA SABHA
UNSTARRED QUESTION NO. 431
ANSWERED ON 09.12.2022

STRATEGY FOR PRODUCTION OF ELECTRIC VEHICLES

431 SHRI JAWHAR SIRCAR:

Will the Minister of HEAVY INDUSTRIES be pleased to state:

- (a) India's strategy to compete against China's total dominance in electric vehicles production, given China's stranglehold on rare earths and its production of two-thirds of global anodes and three-fourths of cathodes;
- (b) whether the country can give priority to rare earths and essential minerals and collaborate with South Korea and Japan for anodes and cathodes;
- (c) the manner in which India plans to compete in battery cells production where China has a 70 per cent share; and
- (d) the overall strategy and production plan of electric vehicles in the country?

ANSWER
THE MINISTER OF STATE FOR HEAVY INDUSTRIES
(SHRI KRISHAN PAL GURJAR)

(a) to (d): To promote the use of electric vehicles in the country and to make their manufacturing cost effective, following three schemes have been formulated by the Ministry of Heavy Industries:

1. Faster Adoption and Manufacturing of Hybrid and Electric Vehicles in India (FAME India): The Government notified Phase-II of FAME India Scheme initially for a period of three years commencing from 1st April, 2019 with a total budgetary support of Rs. 10,000 crore. The Scheme was extended for a further period of 2 years up to 31st March, 2024. Under FAME-India Scheme phase-II, incentives are provided to buyers of electric vehicles in the form of an upfront reduction in the purchase price of electric vehicles. The incentive is linked to battery capacity i.e. Rs. 10,000/KWh for e-3W and e-4W with a cap 20% of the cost of vehicle. Further, the incentive/subsidies for e-2W has been increased to Rs. 15,000/KWh from Rs. 10,000/KWh with an increase in cap from 20% to 40% of the cost of vehicle w.e.f. 11th June, 2021.

2. Production Linked Incentive (PLI) Scheme for Automotive Sector: The Government on 15th Sep., 2021 approved the PLI Scheme for Automotive Sector with a budgetary outlay of Rs. 25,938 crores. Electric vehicles are covered under this PLI scheme.

3. PLI Scheme for Advanced Chemistry Cell (ACC): The Government on 12th May, 2021 approved PLI Scheme for manufacturing of ACC in the country with a budgetary outlay of Rs. 18,100 crore. The scheme envisages to establish a competitive ACC battery manufacturing set up in the country for 50 GWh. Additionally, 5GWh of niche ACC technologies is also covered under the Scheme.
