

Centre takes measures for comprehensive and continued development of the industry

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The Government, as a policy maker, attempts to keep and improve momentum of the economy through a package of measures for comprehensive and continued development of the industry. Recently the following measures have been announced to support Auto Sector:

- i. Government has approved the Production Linked Incentive (PLI) Scheme for Automobile and Auto Components Industry in India to boost domestic manufacturing of Advanced Automotive Technology products and attract investments in the automotive manufacturing value chain with a budgetary outlay of Rs. 25,938 crores over a period of five years.
- ii. The Government on 12th May, 2021 approved a Production Linked Incentive (PLI) scheme for manufacturing of Advanced Chemistry Cell (ACC) in the country in order to bring down prices of battery in the country. Drop in battery price will result in cost reduction of electric vehicles and increase in their sales.
- iii. Announcement of a voluntary vehicle scrapping policy, to phase out old & unfit vehicles.
- iv. The wholesale, and retail trade and repair of vehicles was brought under the ambit of the MSME Development Act.
- v. In Budget 2021-22, a scheme has been announced to support augmentation of public transport bus services with a total outlay of Rs. 18,000 crore.

The following steps have been taken by Government to encourage ethanol, flex engine, CNG, LPG, green hydrogen and electric vehicles:

- i. Incentives under PLI Scheme for Automobiles and Auto Components for flex fuel engine and components.
- ii. Incentives under PLI Scheme for Automobiles and Auto Components for CNG and LPG parts and components.
- iii. Incentives under PLI Scheme for Automobiles and Auto Components for Hydrogen Fuel Cell Vehicles and their components.

Further, following steps have been taken by the Government for adoption of electric vehicles in the country:

- i. Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India (FAME India) Scheme in 2015 to promote adoption of electric/ hybrid vehicles (xEVs) in the country.
- ii. The Government on 12th May, 2021 approved a Production Linked Incentive (PLI) scheme for manufacturing of Advanced Chemistry Cell (ACC) in the country in order to bring down prices of battery in the country. Drop in battery price will result in cost reduction of electric vehicles.

- iii. Electric Vehicles are covered under Production Linked Incentive (PLI) scheme for Automobile and Auto Components, which was approved on 15th September, 2021 with a budgetary outlay of Rs. 25,938 crore for a period of five years.
- iv. GST on electric vehicles has been reduced from 12% to 5%; GST on chargers/ charging stations for electric vehicles has been reduced from 18% to 5%.
- v. Ministry of Road Transport & Highways (MoRTH) announced that battery-operated vehicles will be given green license plates and be exempted from permit requirements.
- vi. MoRTH issued a notification advising states to waive road tax on EVs, which in turn will help reduce the initial cost of EVs.

This information was given by the Minister of State for Heavy Industries Shri Krishan Pal Gurjar in a written reply in the Lok Sabha today.

DJN/TFK

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