

Govt may unveil norms on new EV policy in 3-4 weeks

CHARGING UP. Focus likely to be on brownfields and OEM investment benefits

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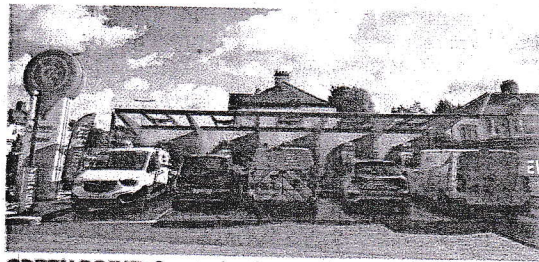
The government is likely to come out with guidelines on the new electric vehicle (EV) policy in the coming days after which it can become fully functional in the next few months.

Sources in the know told *businessline* that some of the manufacturers have requested the government to include brownfields also in the definition of investment and not only greenfields (new plants) so that they can benefit under the scheme.

MANUFACTURING HUB

The government, on March 15, had approved an e-vehicle policy to promote India as a manufacturing destination for EVs. According to the policy, companies that set up manufacturing facilities for e-vehicles will be allowed limited imports of cars at lower customs duty. Such companies will have to set up manufacturing facilities in India in three years and attain a localisation level of 50 per cent by the fifth year.

"The guidelines are expected in the next three-four weeks...some of the OEMs (original equipment manufacturers) were asking if brownfields can be counted in the policy to get the benefits, as a part in the invest-



GREEN DRIVE. Companies that set up manufacturing facilities for e-vehicles will be allowed limited imports of cars at lower customs duty

ment definition, so it will be discussed further while making the guidelines," an official privy to the matter said

without naming any company. However, the official also mentioned that theoretically it would not be possible

to give benefits on the basis of brownfields and OEMs need to set up a separate factory to get the domestic valuation addition (DVA) of 25 per cent in the first three years.

INVESTMENT CRITERIA

According to the policy notification, there is a minimum investment requirement of ₹4,150 crore (\$500 million) and for a company to set up manufacturing facilities in India, and start commercial production of EVs. There is no limit on maximum investment.

To achieve the DVA level of 25 per cent by the third year and 50 per cent by the fifth year, the government has also approved the customs duty of 15 per cent (as applicable to completely knocked down or CKD units), applicable for five years in the policy.

According to sector experts, only those companies who have completely knocked down units (CBUs) would benefit under this policy. Companies such as Mercedes-Benz, BMW Group, Audi, Hyundai Motor, Jaguar Land Rover and Volkswagen Group would benefit under the scheme. It would also benefit new entrants like VinFast which is setting up a facility in Tamil Nadu and Tesla which is still scouting for lands in the country.

China lifts restrictions, gives all-clear for Tesla cars

Press Trust of India
Beijing

In a big relief for Tesla, its vehicles passed the key test of compliance with China's data security rules as its billionaire CEO Elon Musk who air dashed to Beijing on Sunday met Premier Li Qiang to press for all clear approval for his cars which faced stiff competition from local rivals.

Musk's Tesla "passed" the security assessment by a state-owned Chinese industrial association on Monday.

The China Association of Automobile Manufacturers and

the National Computer Network Emergency Response Technical Team/Coordination Centre of China on Monday published a list of 76 models of intelligent connected vehicles that meet the country's auto data security requirements, including those from Tesla.

The list was released after security tests jointly conducted by the two organisations clearing models of local Chinese electric vehicles, including Li Auto, Lotus, Hozon New Energy Automobile, and NIO besides BYD and Tesla, state-run Xinhua news agency reported.