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We are fully confident of achieving this year's asset monetisation target and surpassing it: Amitabh Kant

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Niti Aayog CEO Amitabh Kant is confident of meeting the target of raising Rs 88,000 crore from asset monetisation this fiscal year. In an interview to TOI's Surojit Gupta and Sidhartha, Kant details the strategy for transition to electric mobility and the need for government departments to push capital spending. Excerpts:

One of the key themes of the budget is electric mobility. What are the next steps on this?

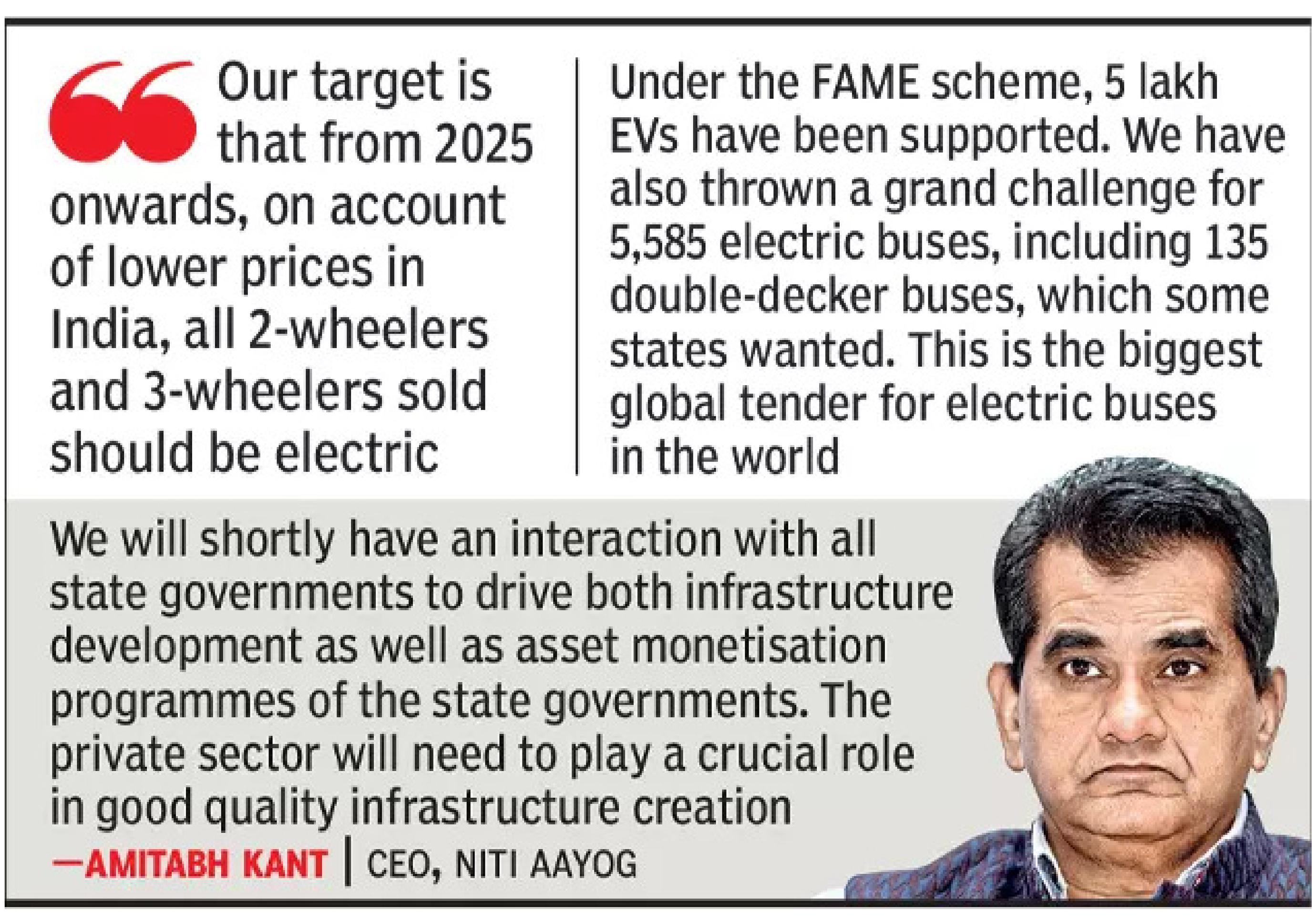
An all comprehensive support system, which encompasses different thrust areas of the EV ecosystem–manufacturing, demand creation, regulatory framework, specifications and standards, charging infrastructure, research and development, all have been taken care of under the National Mission for Transformative Mobility, which is housed in NITI Aayog.

We have witnessed an overwhelming response to the National Programme on Advanced Cell Chemistry Battery Storage for achieving manufacturing capacity of 50 GigaWatts. We received responses from 10 bidders for 130 GW - this far surpasses our expectations. Secondly, the Production Linked Incentive (PLI) scheme for automobiles and automobile components industry is directed towards EVs and will bring in fresh investments of over INR 43,000 Crores. This PLI has also received an overwhelming response. We will facilitate the transition of industries towards EVs and new technologies.

Over 27 states have moved forward in formulating the state EV policies and 18 states have notified these policies. In order to create a support system, nine IITs have come up with centres and programmes on clean and sustainable mobility solutions. The FAME scheme was completely restructured to reduce upfront cost of two wheelers, three wheelers and electric buses.

We have now made two-wheelers and three-wheelers cheaper than combustion enginevehicles. Under the FAME scheme, 5 lakh EVs have been supported so far. We have also thrown a grand challenge for 5,585 electric buses including 135 double-decker buses, which some states wanted. This is the biggest global tender for electric buses in the world. 2,877chargers in 68 cities across 25 states/UTs and a further approval for 1,576 EV charging stations across 16 highways and 9 expressways has been made under the FAME scheme.

In addition to this, Oil companies are putting 2,200 integrated fast charging stations in their retail outlets. We are determined to have a network of charging stations across all major cities and highways. We have also developed 12 charging standards. We will come up with battery swapping standards and they will be finalised within the next 60 days. NITI Aayog will publish the National Battery Swapping Policy within the next three months. We are determined to give an impetus to clean mobility in India



What are the key elements of this battery swapping policy?

Battery Swapping allows you to swap a discharged battery with a charged on, to continue your onward journey. This also allows for the battery and the vehicle to be sold separately. In fact, this can reduce the cost of the vehicle by 40%, as one of our startups, Bounce, has done. Thus, the battery becomes a separate entity by itself which can be constantly charged and put on the vehicle.

These batteries will be interoperable and will have fast charging. The overall goal is to bring down the cost of the vehicle, while also bringing down any time delays on account of battery charging.

What is the investment that we are looking at from battery swapping?

In India, it is our young start-ups which have disrupted the EV ecosystem already, thereby forcing the established players to also go on the EV route. If these players do not do so, they would be unable to retain their market share. It is not the investment in battery swapping which is important, but the total investment in the EV ecosystem which is crucial.

This EV ecosystem entails investments towards manufacturing, battery storage and charging. The shift from combustion engine vehicles to EVs is inevitable as the price of battery falls. Battery Swapping will be a catalyst and facilitator, providing the much needed thrust for further adoption.

By when do you think EV's will be about 10-15% of the vehicles in India?

Our objective should be to get a minimum of 30% of the market electrified by 2030. Our target is that from 2025 onwards, on account of the lower prices in India, all two wheelers and three wheelers sold should be electric.

How significant is the announcement in the budget to improve logistics? How will it operate?

Logistics is the backbone for realising the Atmanirbhar Bharat initiative of the Government of India. Today, it is necessary to interconnect all the players in the logistics chain and the Unified Logistics Interface Platform (ULIP) aims to deliver that. In ULIP, 24 logistics systems of 6 ministries and departments have been mapped and integrated through 78 Application Programming Interfaces (API's) covering 1,454 fields. NICDC's Logistics Data Bank (LDB) project has been leveraged to develop ULIP.

It is in line with PM Gati Shakti, which aims at breaking individual silos, promoting integration among all ministries and creating one single window. It will therefore cut across Railways, Roads, Airways, Ports and Waterways. ULIP will be a game changer for logistics in India and it will make India globally cost competitive.

The ULIP programme will be utilised by the government, private sector, service providers and industry bodies. It will be an open and secure delivery platform and there will be interoperability, scalability, security and accountability for data exchange. A private sector enterprise will then be able to clearly find out which transit mode they should choose which is the fastest and cheapest. It also provides the timeframe for sending their goods.

Every player in the value chain will compete with one another to bring down the costs. This will be one of the path breaking initiatives to bring down the cost of logistics in India. There will be unified documentation and all data will be available on a real time basis. This will be like the UPI for logistics.

PLI has been expanded to include solar cells and module manufacturing. How will this help?

When the PLI was announced by the PM, the objective was to bring manufacturing incentives centre stage to drive India's growth and create jobs. We have stuck to 14 sectors and we have a total outlay of INR 1.97 lakh crore. We envisage that it should lead to $520 billion worth of total production enhancement in India. The scheme is for a defined period of 5 years from the point of investment.

All the schemes that have launched received a very positive response from the private sector. These are all sunrise areas of growth for India. When we were drafting the PLI scheme, the PM's direction was that we should look at high growth areas and therefore we picked areas where India companies can become global champions. These are areas where the demand will grow in India and the world. We have also picked up some job creating sectors like textiles and food processing.

The budget focuses on a massive capital spending ramp up. How do you see the implementation?

India can have sustained growth over a long period of time and can grow at high rates only on the back of good quality infrastructure, and this requires capital expenditure.

It is a very progressive policy pursued by the FM in the budget. She has actually thrown a challenge to all of us in the civil service to ensure that we are able to structure projects quickly, we are able to get land, we are able to get all the approvals and we are able to get environmental clearances, to be able to get projects off on the ground quickly. This means that we need to roll out projects, and we need to roll out projects fast.

All departments will have to play a key role and agencies like NHAI will play a major role. The states which have been given INR1 Lakh Crore will also have to play a very critical role. We will shortly have an interaction with all the state governments and infrastructure departments to drive both infrastructure development as well as asset monetisation programmes of the state governments.

The private sector will need to play a crucial role in good quality infrastructure creation.

Do you think a tax cut would have helped consumption?

I am a believer that there has to be predictability and consistency of policies over a long period of time. The government, last year, reduced the corporate tax sharply and the focus has been on capital expenditure by the government. This focus is there so that when the government spends, it will crowd in private sector investment and that will drive growth. If we keep tinkering with the direct tax policy on a yearly basis through the budget, it will not be a good thing for the country. We do not need to tinker with our policies. We also need revenues over a long period of time to ensure the country grows and expands. I am a believer that the corporates should start spending and accelerating the pace of expenditure in India. Once that happens, and growth takes place on a sustained basis, then further reforms in direct taxes may be considered.

What has been the progress on asset monetisation after last year's announcement?

Asset Monetisation is being undertaken as a "whole of government" initiative in diverse sectors of the economy. The indicative value of the central sector core assets proposed for monetisation is INR 6 Lakh Crore for financial years 2022 to 2025. This includes assets from sectors such as Railways, Roads, Highways, Power Generation, Coal, Mining, Transmission, Warehouses and Hospitality, besides others.

This year's target till March 31 is INR 88,000 Crore for various ministries. I can assure you that we are fully confident of achieving this target and surpassing it. Every ministry has worked very sincerely and roads, power, coal, mining, city gas distribution have done well. We are very confident that we will fully achieve our target. In the coming years, you will soon see a lot of action to bring in efficiency through new models such as InViTs, REITS and TOT proposals. We need to sustain this on a regular basis as the Operation and Maintenance by the private sector will bring in greater efficiency and enhance overall productivity.