https://www.manufacturingtodayindia.com/smec-incentivizes-ev-infrastructure-development-excludes-overseas-royalty-payments/

SMEC incentivizes EV infrastructure development, excludes overseas royalty payments

Beneficiaries must invest US$ 500 million in setting up electric car manufacturing facilities.

by **Staff Writer** | May 22, 2024 SHARE

Investments in physical infrastructure such as plants, machinery, charging stations, and assets developed or acquired by companies will qualify for incentives under the Scheme for Manufacturing of Electric Cars (SMEC). However, royalty payments made to overseas parent companies will not be considered eligible investments under this scheme.

SMEC aims to encourage investments in establishing electric vehicle (EV) manufacturing capacity by reducing import duties on a select number of cars. The scheme offers concessional import duties for companies that qualify. Under the new EV policy announced in March 2024, beneficiaries must invest US$ 500 million in setting up electric car manufacturing facilities and meet a minimum domestic value addition commitment of up to 50 per cent.

A range of global and local companies attended consultations on India's latest electric car manufacturing policy, which focuses on high-end vehicles. These discussions are taking place ahead of the Ministry of Heavy Industries finalising the guidelines.

Tesla was represented by The Asia Group (TAG) India at an earlier meeting, while representatives from Vietnam's VinFAST, which is establishing an EV plant in Tamil Nadu, participated via video link. Other participants included Indian car makers like Tata Motors and Maruti Suzuki.