

EV policy: Cos require ₹2.5k cr sales in 2nd yr

Rules Will Be Notified Within Few Weeks, Car Makers Will Have To Apply In 120 Days

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New Delhi: As govt readies to notify the rules for the new EV policy in next few weeks, allowing lower duty imports by the likes of Tesla, it is all set to stipulate a minimum turnover of Rs 2,500 crore in the second year for companies applying for benefits under the scheme.

It is also expected to allow them to set up assembly lines within the current factory set-up. However, past investments will not be considered and companies will also not be allowed to consider land and building costs as part of the mandated Rs 4,150 crore (a little less than \$500 million) investments that need to be made to avail of highly subsidised import duty of 15% against the over 110% effective tariff currently.

The final guidelines, which have been prepared following extensive consultation with the industry, will be notified as soon as they are cleared by heavy industries minister H D Kumaraswamy, sources told TOI. "The ministry is hoping to notify them in the next one or two weeks and after that the window for applications will be opened,"

said a source.

The application window will be kept open for 120 days, allowing companies to import up to 8,000 annually units of high-end EVs (import price of \$35,000 or more)

the fifth year from the date of manufacturing.

If the deadline is followed, approval letters could be issued by July-Aug and imports can start in a few months.

During their discussions

WON'T CONSIDER PAST INVESTMENTS

➤ Cos need to show Rs 5,000 crore turnover in the fourth and 7,500 crore in fifth year from date of manufacturing under EV policy

➤ They may be allowed to set up assembly lines within current factory set-up

➤ Past investments will not

be considered

➤ Companies will also not be allowed to consider land and building costs as part of mandated Rs 4,150 crore investments required to avail benefit of subsidised import duty of 15% against over 110% effective tariff at present



at concessional duty in return for investing in a manufacturing facility that has to be operational within three years, with at least 25% domestic value addition. Companies opting for this route will be required to achieve 50% domestic value addition within five years of ministry of heavy industry issuing an approval letter.

In addition to other norms, the regulations will provide for minimum turnover of Rs 2,500 crore in the second year, Rs 5,000 crore in the fourth and 7,500 crore in

with govt, auto majors, such as Hyundai and Volkswagen group, have indicated their interest but whether they finally go ahead with the proposed investments or rely on imports will only be known in the coming months.

The govt has, however, not heard from Tesla, which was seen to be the main focus of the policy that was announced last March, days before general elections were announced and weeks before Elon Musk was to come to India, a plan which was later shelved.