

75% land subsidy to Ashok Leyland for e-vehicle plant

Firm To Invest ₹186Cr To Set Up Lucknow Unit

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Lucknow: Ashok Leyland has become the second company to be awarded subsidy under the state's newly launched Uttar Pradesh Foreign Direct Investment Policy-2023.

The company will be investing Rs 186 crore to set up a manufacturing unit for electric commercial vehicles at the site of Scooters India Ltd in Lucknow's Sarojininagar Industrial Area.

In November, days after the policy was promulgated, Fuji Silvertch Concrete Pvt Ltd, a special purpose vehicle for manufacturing precast concrete products using wet cast technology and sulphur concrete technology, became the first company to get subsidy under the policy.

Infrastructure and industrial development commissioner Manoj Kumar Singh, in a communication to the company, said the proposal for grant under the FDI policy has been accepted and a front-end land subsidy of 75% for 70-acre land has been approved by the empowered committee.

An MoU was signed between the UP government and Ashok Leyland on September 15, 2023 for setting up the plant.

Due to the current pro-electric vehicle policy of the government and with the intent that the project can work as an anchor industry, the evaluation committee recommended the project to the empowered committee.

The latter "noted that Ashok Leyland is in the Fortune India 500 companies list of 2022. An MoU with the government for investment of Rs 1 crore per acre rate of land was signed after which the policy was published for companies with FDI and Fortune India 500 on November 20, 2023".

It was therefore decided to app-

rove the subsidy of 75% under the policy. The company will have to meet certain conditions to remain eligible for the subsidy. These include proof of completion of at least Rs 100 crore investment by end of the eligible period of 4 years or before start of commercial production, whichever is earlier. In addition to this, if the company fails to complete the investment within the stipulated eligible investment period or it fails to start commercial production in the time provided under the policies and rules, the authority can recover the subsidy amount with an interest rate of 12% from date of allotment of land.

The project will be a greenfield plant for manufacturing commercial electric vehicles with an installed capacity of 2,500 vehicles per annum and a centre of excellence. It will manufacture electric buses, bus chassis assembly and bus body building. It will also assemble electric light commercial vehicles and other buses and trucks that are powered by diesel, hydrogen, CNG, LNG etc.