

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 1916
ANSWERED ON 01.08.2023

INCREASING PRICE OF RAW MATERIALS/COMPONENTS OF EVs

1916. SHRI SANJAY KAKA PATIL:

Will the Minister of **HEAVY INDUSTRIES** भारी उद्योग मंत्री be pleased to state:

- (a) whether the increasing price of raw materials and other issues such as supply bottleneck of semiconductors has prompted automobile OEMs and ancillary companies to increase their prices as reported by automobile companies;
- (b) if so, the steps the Government has taken in this regard; and
- (c) the details of steps taken by the Government to aid automobile companies to increase production to achieve their target of seeing India become a global automobile manufacturing hub?

ANSWER
THE MINISTER OF STATE FOR HEAVY INDUSTRIES
(SHRI KRISHAN PAL GURJAR)

(a): Yes Sir, there was shortage of Semi-Conductor chips during COVID -19 Pandemic. As per information received from Society of Indian Automobile Manufacturers (SIAM), it is observed that the Global Semiconductor suppliers have now ramped up their manufacturing, as some of these companies had faced disruptions till recently. Commodity prices are also softening this year, as compared to previous financial year.

(b) & (c): The Government has launched these three schemes for promotion of Automobile Sector in India:-

(i) The Government has launched the Faster Adoption and Manufacturing of Electric Vehicles in India (FAME India) Scheme in 2015 and presently, Phase-II of FAME India Scheme is being implemented for a period of 5 years w.e.f. 01st April, 2019 with a total budgetary support of Rs. 10,000 crores. This phase of FAME II focuses on supporting electrification of public and shared transportation through subsidies to 7,090 e-buses, 5 lakh e-3 wheelers, 55,000 e-4 wheeler passenger cars and 10 lakh e-2 wheelers. The details of the scheme may be seen at <http://fame2.heavyindustries.gov.in/index.aspx>.

(ii) The Government on 12th May, 2021 approved Production Linked Incentive (PLI) scheme for manufacturing Advanced Chemistry Cells (ACC) in order to promote their manufacturing in the country. The budgetary outlay of the scheme is Rs.18,100 crores. The scheme envisages to establish a cumulative ACC battery manufacturing capacity of 50 GWh. The details of the scheme may be seen at <https://heavyindustries.gov.in/UserView/index?mid=2487>.

(iii): Automobile industry is also incentivized under Production Linked Incentive (PLI) Scheme for Automobile and Auto Components, which was approved on 15th September, 2021 with a budgetary outlay of Rs.25,938 crores for a period of 5 years. The details of the PLI Auto scheme may be seen at the MHI website <https://heavyindustries.gov.in/UserView/index?mid=2482>
