

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 435
ANSWERED ON 02.12.2025

EV IMPORT POLICY AND LACK OF INDUSTRY PARTICIPATION

435. SHRI MANICKAM TAGORE B:
SHRI VIJAYAKUMAR ALIAS VIJAY VASANTH:
SHRI SURESH KUMAR SHETKAR:

Will the Minister of HEAVY INDUSTRIES be pleased to state:

- (a) the reasons due to which the Scheme to Promote Manufacturing of Electric Passenger Cars (SPMEPC) failed to attract any applicants before the October 21 deadline;
- (b) the steps taken by the Government to engage auto manufacturers for participation in the SPMEPC scheme and details of the feedback received from the industry;
- (c) whether the proposed duty concessions (15%) for EV imports in exchange for local manufacturing investment of Rs. 4,150 crore are sufficient to attract manufacturers, and if not, whether any adjustments are being considered;
- (d) whether the Government has assessed the impact of the ongoing India-EU trade negotiations on auto-makers' interest in this scheme and the manner in which it affects the policy's implementation timeline; and
- (e) whether there are plans to reopen the application window and if so, the details of revised timeline and conditions for participation?

ANSWER
THE MINISTER OF STATE FOR HEAVY INDUSTRIES
(SHRI BHUPATHIRAJU SRINIVASA VARMA)

(a): In the recent Stakeholders' meeting with automobile OEMs, the following reasons have been cited by the OEMs for non-submission of application before the October 21 deadline:

- i. The decision to participate in the scheme is contingent upon finalization of the ongoing India–EU FTA negotiations.
- ii. Restrictions on rare earth magnets may affect the achievement of DVA targets.
- iii. Threshold investment requirements and timelines may pose a challenge.

(b): MHI has undertaken extensive stakeholder outreach to encourage participation in this scheme including consultations during scheme formulation, circulation of notice inviting applications to relevant embassies (of the countries where headquarters of global automobile OEMs are located), engagement of Invest India, Ministry of External Affairs, Department of Commerce, and State/UT Governments for promotion and creating awareness about the scheme through various platforms and investment facilitation channels. A stakeholder consultation was also held recently with the OEMs to discuss the way forward and address industry queries. The feedback received from the industry is as given in reply to part (a).

(c): No such proposal is presently under consideration.

(d): No such assessment has been made by the Government. However, during recent Stakeholder consultations, OEMs have conveyed that they may take decision regarding participation in the Scheme post finalization of the India-EU FTA.

(e): No such proposal is presently under consideration.
