

# YEAR-END REVIEW 2023: MINISTRY OF HEAVY INDUSTRIES

Relevant for: null | Topic: Important Schemes & Programmes of the Government

The key initiatives/achievements/events of Ministry of Heavy Industries (MHI) during the year are as under:

The Government is committed to provide clean and green public transport and is implementing the Phase-II of the Faster Adoption and Manufacturing Electric Vehicles (FAME-II) scheme with the aim to reduce dependence on fossil fuel and to address the issue of vehicular emissions. The Scheme had an outlay of Rs. 10,000 crores over a Five years' period from 01/04/2019. The proposal for enhancement of outlay of "Faster Adoption and Manufacturing of Electric Vehicles in India Phase II" from Rs. 10,000 crores to Rs. 11,500 crores has been examined by Department of Expenditure (DoE) and approved considering the objectives of the Scheme. This phase mainly focuses on supporting electrification of public & shared transportation, and aims to support through demand incentive e-vehicles including e-buses. In addition, creation of charging infrastructure is also supported under the Scheme.

## **Demand incentives for e-2W, e-3W & e-4W by MHI:**

Under Phase II of FAME India Scheme, subsidy amounting to Rs. 5,228 crore has been given to electric vehicle manufacturers on sale of 11,53,079 numbers of electric vehicles as on 01.12.2023.

## **Demand incentives for e-buses by MHI:**

Under FAME – II as on date, various STU's/CTU's/ Municipal corporations have placed Supply Orders for 3390 e-buses against quantities sanctioned by MHI. Out of those, 3037 e-buses have been deployed till now. Further, another 3,472 e-buses case is being dealt through Convergence Energy Services Ltd. (CESL) under the aggregation model of NITI Aayog. Out of these 3,472 e-buses, 454 electric buses have been deployed. Thus, under FAME-II scheme, a total of  $3390+3472=6862$  e-buses will be eventually deployed in the various States.

## **Electric Vehicle Charging Stations:**

A total of 148 EV Public Charging Stations (PCS) have been commissioned. On 28.3.2023 MHI announced sanction of Rs.800 crores under FAME II to the PSU Oil Marketing Companies (OMC) - Indian Oil (IOCL), Bharat Petroleum (BPCL), and Hindustan Petroleum (HPCL) - for setting up 7432 public fast charging stations across the country.

## **Production-Linked Incentive (PLI) Scheme for Automobile and Auto Components**

With the aim to enhance India's manufacturing capabilities and exports in the automobile and the automobile components sector, government approved a 'Production-Linked Incentive (PLI) Scheme' for this sector with a total outlay of Rs. 25,938 crores over a period of 5 years. The PLI Scheme proposes financial incentives to boost domestic manufacturing of 'Advanced Automotive Technology' (AAT) products and attract investments in the automotive manufacturing value chain. Its prime objectives include overcoming cost disabilities, creating economies of scale and building a robust supply chain in areas of Advanced Automotive Technology products. It will also generate employment. This scheme will facilitate the

Automobile Industry to move up the value chain into higher value-added products. 18 companies under 'Champion OEM' category and 67 companies under 'Component Champion' category, approved under the Scheme, are implementing the PLI Auto Programme. Total estimated investment to be made by the implementing firms is to the tune of Rs. 67,690 crores. Standard Operating Procedure (SOP) for certification of Domestic Value Addition (DVA) has also been prepared and shared with approved PLI applicants on 27.4.2023. Total investment of Rs. 11,958 crores have been reported till Q2 of FY 2023-24. Tata Motors and M&M have been issued Advanced Automotive Technology (AAT) and Domestic Value Addition (DVA) certificates.

### **PLI Scheme for Advance Chemistry Cell (ACC), Battery Storage in India**

To enhance India's manufacturing capabilities and exports for the manufacture of Advance Chemistry Cell (ACC) in India, Government approved a 'Production Linked Incentive (PLI) Scheme' for setting up manufacturing facilities for Advance Chemistry Cell (ACC), Battery Storage in India, with an outlay of Rs. 18,100 crores for 7 years. The Scheme aims to enhance India's Manufacturing Capabilities and Enhancing Exports-for manufacture of Advance Chemistry Cell (ACC) in India and envisages incentivizing large domestic and international players in establishing a competitive ACC battery set-up in the country. Three of the approved firms under the Scheme have signed the Programme Agreement to implement the PLI ACC Programme for setting up manufacturing facilities of 30 GWh ACC capacity. Total estimated investment to be made by the implementing firms is approx. Rs. 14,810 crore for 30 GWh capacity. The scheme would give an impetus to the ACC manufacturing ecosystem in the country to meet the growing demand. Re-bidding for balance 20 GWh is under process.

Issue of GST Concession Certificate to orthopedically disabled persons is one of the important services provided by MHI under its Citizen's Charter. As a step towards Digital India, an online portal for issuing Aadhar Authenticated GST concession certificate was launched by MHI in November 2020. The development of online portal has improved the quality of service rendered by this Ministry. This IT enabled initiative has helped streamlining the process and facilitated issue of 2985 GST Concession Certificates in 11 months' period from January 2023 to November 2023 (highest ever in the last five-year period). A total of 5513 GST Concession Certificates were issued in current and last year through this portal.

### **Scheme on Enhancement of Competitiveness in the Indian Capital Goods Sector- Phase-II**

On 25.01.2022, MHI has notified the 'Scheme on Enhancement of Competitiveness in the Indian Capital Goods Sector- Phase-II' for providing assistance to Common Technology Development and Services Infrastructure.

The scheme has a financial outlay of Rs. 1207 crores with budgetary support of Rs.975 crore and Industry Contribution of Rs.232 crore. There are six components under the Scheme for Enhancement of Capital Goods Sector Phase II, namely:

A total of 32 projects with total project cost of Rs. 1363.78 crores (due to higher contribution by Project Implementing Organizations) have been sanctioned so far under the Phase-II of the Scheme for Enhancement of Competitiveness in the Indian Capital Goods Sector and Rs.232.17 crores have already been released for the approved projects so far under the Phase-II of the Scheme.

The implementation of the Scheme for Enhancement of Competitiveness in the Indian Capital Goods Sector Phase-II would lead to increase in investments in manufacturing sector, indigenization of technologies and creation / augmentation of common service infrastructure / Testing facilities.

Hindustan Aeronautics Limited (HAL) for long-term maintenance, repair, and operations support for Line Replaceable Units (LRUs) for Light Combat Aircraft 'Tejas'.

Munitions India Limited (MIL) for co-production and supply of ammunitions including smart ammunitions on 15th February 2023 during AERO show event at Bengaluru.

-2nd Position in top 5 Ministries/Departments for Space Freed – 21.13 Lakh Sq.Feet.

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