



The Ministry of Road Transport and Highways

GoI allows sales of Electric Vehicles without batteries

August 14, 2020

Relevant to Mahindra Electric

Background

- For the promotion of electrical two-wheelers and three-wheeler vehicles, there were recommendations brought to the notice of the Ministry to delink the cost of the battery (which accounts for 30-40 percent of the total cost) from the vehicle cost
- “The Government is striving to create an ecosystem to accelerate the uptake of electric mobility in the country. It is time to come together to work Jointly to achieve the broader national agenda to reduce vehicular pollution and oil import bill. This will not only protect the environment and reduce the oil import bill but also provide opportunities to sunrise industry,” the ministry issued in a statement

Benefits

- The two key benefits of the new change are likely to be in the POV of the consumers who will now be shelling out a lot less money (upfront) as they look to switch to greener transportation
- the second benefit is for the niche market of battery swapping solutions, which can grow from here to expand into a much bigger industry
- However, the efficiency of a (majority) battery swapping EV infrastructure is not known too well at the moment

Key Issues

- The EV industry has met the announcement with a lot of confusion, as EV manufacturers believe that the MoRTH failed to consult with the industry before introducing such a big change
- The manufacturers fear losing out on the subsidy, as they’ve pointed out that MoRTH didn’t consult with the Department of Heavy Industries – which implements the FAME Scheme for the adoption of EVs – and has thus left the matter of FAME Subsidies unclear with the implementation of the new provisions, as the FAME subsidy (currently) is based on the capacity of the battery in an EV

- Industry heavyweights would like to represent these confusions in front of the Ministry as they seek clarity on these critical matters

References:

1. <https://www.saurenergy.com/ev-storage/government-allows-sale-and-registration-of-evs-without-batteries>
2. <https://economictimes.indiatimes.com/industry/auto/auto-news/government-allows-sale-of-electric-vehicles-without-batteries-leaves-manufacturers-puzzled/articleshow/77509605.cms?from=mdr>
3. <https://currentaffairs.gktoday.in/goi-allows-sales-of-electric-vehicles-without-batteries-082020332644.html>