

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
RAJYA SABHA
UNSTARRED QUESTION NO. 2836
ANSWERED ON 24.03.2023

SUBSIDY TO EV

**2836. DR. AMEE YAJNIK:
SMT. JEBI MATHER HISHAM:**

Will the Minister of Heavy Industries be pleased to state:

- (a) whether Government has blocked all subsidies to Electronic Vehicle two-wheeler manufacturers, if so, the details thereof and the reasons therefor; and
- (b) whether Government is aware of the delay in completion of Faster Adoption and Manufacturing of Hybrid and Electronic Vehicles in India scheme (FAME-II), if so, what concrete strategy has Government devised to expedite the process and complete the set target in timely manner?

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

(a): Sir, the Ministry of Heavy Industries has received complaints regarding misappropriation of subsidies under the Government's FAME India Phase II scheme by some electric vehicles manufacturers. The complaints are mainly related to the violation of Phased Manufacturing Programme (PMP) guidelines under FAME India Scheme Phase-II. All the complaint cases have been referred to the testing agencies for re-verification. After examination of reports in respect of two OEMs, the models of these two OEMs have been suspended from the FAME scheme. Further, the processing of their pending claims has been stopped till they submit sufficient evidence to show their compliance to PMP timelines.

(b): Sir, the Ministry of Heavy Industries formulated a Scheme namely Faster Adoption and Manufacturing of Electric Vehicles in India Phase II (FAME India Phase II) for a period of five years commencing from 1st April, 2019 with a total budgetary support of Rs. 10,000 crore. This phase mainly focuses on supporting electrification of public & shared transportation, and aims to support through demand incentive 7090 eBuses, 5 lakh e-3 Wheelers, 55000 e-4 Wheeler Passenger Cars and 10 lakh e-2 Wheelers. In addition, creation of charging infrastructure is also supported under the Scheme.

The details of targeted vehicles to be supported vs actual vehicle sales under FAME India Scheme Phase-II, category-wise as on 15.02.2023 are as under:

Category	Vehicles to be supported (in No's)	Actual Vehicles supported (in No's)
e-2W	10,00,000	7,92,529
e-3W	5,00,000	81,172
e-4W	55,000	6,831
e-Buses	7,090	2,435
TOTAL	15,62,090	8,82,967

To increase the sale of EVs under FAME India Scheme Phase-II, the Ministry of Heavy Industries has taken following initiatives/ steps:

- i. From 11th June, 2021 the demand incentive under Phase II of FAME India Scheme has been increased to Rs. 15,000/KWh from Rs. 10,000/KWh with an increase in cap from 20% to 40% of the cost of vehicle.
- ii. Further, on 25th June, 2021 Phase II of FAME India scheme was extended for a period of 2 years upto 31st March 2024.
- iii. For Electric 3 Wheelers, aggregation will be the key method to bring the upfront cost at an affordable level and at par with ICE-3 Wheelers. Energy Efficiency Services Limited (EESL) will aggregate demand for 3 lakh Electric 3 Wheelers for multiple user segments.
- iv. For Electric Buses, 9 cities with over 4 million population (Mumbai, Delhi, Bangalore, Hyderabad, Ahmedabad, Chennai, Kolkata, Surat and Pune) will be targeted. EESL will aggregate the demand in these 9 cities for remaining Electric Buses under the scheme on OPEX basis.

The Ministry has sanctioned 2,877 electric vehicle charging stations in 68 cities across 25 States/UTs. Further, 1576 charging stations across 9 Expressways and 16 Highways under phase-II of FAME India Scheme has also been sanctioned.
