

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 2748
ANSWERED ON 14.12.2021

EXTENSION OF PHASE-II OF FAME SCHEME

2748. SHRI ACHYUTANANDA SAMANTA:

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

- (a) whether the Government has extended the Phase-II of the Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles (FAME) Scheme by two years till March 31, 2024, if so, the reasons therefor;
- (b) whether any of the targets set under the initial FAME Phase-II have been altered, if so, the details thereof; and
- (c) the details of the steps being taken by the Government to increase supply of raw materials for battery manufacturing and other components, thereby reducing dependency on imports and helping electric engines to attain price parity with internal combustion engines?

ANSWER

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

- (a): Yes sir, the Government vide its notification has extended the scheme for a period of two years from 31st March, 2022 to 31st March, 2024, in view of Covid-19 Pandemic and based on inputs from stakeholders.
- (b): No, Sir, the 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 focusses on supporting electrification of public & shared transportation and aims to support, through subsidies, 7090 e-Buses, 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 to address range anxiety among users of electric vehicles.
- (c): Sir, following steps have been taken by the Government to reduce dependency on imports and helping electric engines to attain price parity with internal combustion engines: -
- i. The demand incentive for electric two wheelers 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 from 11th June, 2021, thus enabling cost of Electric two wheelers at par with that of ICE two wheeler vehicles.
 - ii. The Government on 12th May, 2021 approved a Production Linked Incentive (PLI) scheme for manufacturing of Advanced Chemistry Cell (ACC) in the country in order to bring down prices of battery in the country. Drop in battery price will result in cost reduction of electric vehicles.
 - iii. Government has also approved Production Linked Incentive(PLI) scheme on 15th September, 2021 to encourage manufacturing of Advanced Automotive Technology (AAT) Products for Auto sector in India.

- iv. GST on electric vehicles has been reduced from 12% to 5%; GST on chargers/ charging stations for electric vehicles has been reduced from 18% to 5%.
- v. Ministry of Road Transport & Highways (MoRTH) announced that battery-operated vehicles will be given green license plates and be exempted from permit requirements.
- vi. MoRTH issued a notification advising states to waive road tax on EVs, which in turn will help reduce the initial cost of EVs.
