

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 3473
ANSWERED ON 17.12.2024

INCENTIVES UNDER FAME-II SCHEME

3473. SHRI VISHNU DAYAL RAM:

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

- (a) the details of incentives currently available to Electric Vehicle (EV) manufacturers and consumers under the FAME-II scheme;
- (b) whether the Government has evaluated the effectiveness of these incentives in promoting EV adoption, especially in rural areas; and
- (c) if so, the findings of such assessments?

ANSWER

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

(a): The FAME-II scheme was implemented for a period of five years, from 1st April, 2019 to 31st March, 2024. Under this scheme, no incentive was given to electric vehicle (EV) manufacturers. Instead, incentives/concessions were provided to consumers (buyers/end users) in the form of an upfront reduction in the purchase price of hybrid and electric vehicles, which facilitated wider adoption. These incentives were reimbursed to the original equipment manufacturers (OEMs, i.e., EV manufacturers) by the Government of India.

(b) & (c): The Government has implemented various measures to encourage electric vehicle (EV) adoption, including demand and supply-side incentives/subsidies, tax rebates, and the development of EV charging infrastructure. As a result of these initiatives, the number of electric vehicles registered in India in FY 2023-24 has increased by 9.68 times compared to FY 2019-20. However, no such evaluation has been conducted for rural areas.

Furthermore, to sustain the gains of the FAME-II scheme, the Ministry of Heavy Industries (MHI) notified the PM Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-DRIVE) scheme on 29th September, 2024. This is a two-year scheme with an outlay of ₹10,900 crore. In addition to supporting e-2W, e-3W, e-buses, and EV public charging infrastructure, the scheme also supports e-Trucks, e-Ambulances, and upgradation of vehicle testing agencies.
