

PERFORMANCE OF FAME INDIA SCHEME

Relevant for: Indian Economy | Topic: Infrastructure: Energy incl. Renewable & Non-renewable

Ministry of Heavy Industries & Public Enterprises

Performance of Fame India Scheme

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In order to promote manufacturing of hybrid and electric vehicles and to ensure sustainable growth, Department of Heavy Industry formulated a scheme namely FAME India [Faster Adoption and Manufacturing of Hybrid & Electric Vehicles in India] for the initial period of 2 years commencing from 1st April 2015 (Phase-1). The Phase-I of the Scheme was extended from time to time and the last extension was allowed till 31st March 2019. The scheme is intended to support the hybrid/electric vehicle market development and its manufacturing eco-system to achieve self-subsistence. The scheme has four focus areas i.e. Technology Development, Demand Creation, Pilot Project and Charging Infrastructure.

In this Phase of the Scheme, about 2.8 lakh hybrid and electric vehicles are supported by way of demand incentive amounting to about Rs 359 crore resulting in saving of about 59 million liters of fuel and reduction of about 147 million Kg of CO₂. Further, DHI has sanctioned 425 electric and hybrid buses to various cities in the country with the total budgetary support of (approx.) Rs. 280.00 crore. Out of 425 electric and hybrid buses, about 415 buses are plying on the road. The Department of Heavy Industry sanctioned about 500 Charging Stations/ Infrastructure for Rs. 43 Crore (approx.) in cities like Bangalore, Chandigarh, Jaipur and NCR of Delhi under Phase-I of FAME-India Scheme. In addition, specific projects under Pilot Projects, R&D/Technology Development and Public Charging Infrastructure components are sanctioned, for extending grant under the different focus areas of the scheme.

Based on outcome and experience gained during the Phase-I of FAME India Scheme and after having consultations with all stakeholders including Industry and Industry Associations, the Government notified Phase-II of FAME India Scheme on 8th March 2019, which is for a period of three years commencing from 1st April 2019 with a total budgetary support of Rs. 10,000 crore. This phase will mainly focus on supporting electrification of public & shared transportation, and aims to support through incentives about 7000 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 will be also supported to address range anxiety among users of electric vehicles.

An Inter-Ministerial Empowered Committee "Project Implementation and Sanctioning Committee (PISC)" headed by Secretary (Heavy Industry) has been set up for overall monitoring, sanctioning and implementation of the scheme. This committee have the power to sanction assistance for projects under the scheme and modify parameters for various components and sub components of the scheme including their outlay depending on emerging requirements with the overall objective of enhancing the coverage of e-mobility. This committee will also be the competent authority to decide other scheme parameters for smooth implementation of the scheme as well as to resolve issues as may come during implementation.

In addition, following initiatives were also taken up by the Government to promote electric

vehicles use in various part of the country:

(i) Under new GST regime, GST on EVS is reduced from existing 12% rate to 5% as against the 28% GST rate with Cess up to 22% for conventional vehicles.

(ii) Ministry of Power has allowed sale of electricity as 'service' for charging of electric vehicles. This would provide a huge incentive to attract investments into charging infrastructure.

(iii) The Government, vide S.O. 5333(E) dated 18th October, 2018 has also granted exemption to the Battery Operated Transport Vehicles and Transport Vehicles running on Ethanol and Methanol fuels from the requirements of permit.

(iv) The Government, vide draft GSR 430(E) dated 18th June 2019 has proposed exemption of registration fees for battery operated/electric vehicles to promote the use of eco-friendly vehicles in the country.

(v) In the budget of 2019-20, the Hon'ble Finance Minister announced for providing additional income tax deduction of Rs 1.5 lakh on the interest paid on loans taken to purchase electric vehicles.

This information was given by the Minister of Heavy Industries & Public Enterprises, Prakash Javadekar, in a written reply in the Rajya Sabha today.

MM/ SB

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