

FAME 3.0: Govt considers fresh subsidy plan for EVs

May Include LCVs, Funds For Homegrown Solutions' R&D

Sidhartha@timesgroup.com

New Delhi: A revamped subsidy scheme of 'faster adoption and manufacturing of electric vehicles' or FAME 3.0 may be in the works and could include light commercial vehicles as well as funding for research on developing homegrown solutions for the sector.

The government is, however, only saying that the proposal from industry bodies is being looked at. "We have received proposals from agencies such as Siam and Ficci. We are in the process of analysing them. The question is whether another round of FAME is needed when PLI (production-linked incentives) has already been announced," heavy industries secretary Kamran Rizvi told TOI. He, however, refused to comment on any specific areas that may be part of FAME 3.0.

While the ministry seeks to strike a balance between the two incentive schemes, the senior civil servant said

PERFORMANCE CARD

Disbursement Under FAME			
Amount (₹cr)	Targets	Achievements*	Target achieved (%)
e-Buses	3,545	1181 (paid)... 3151 (committed)	89
e-2 Wheelers	2,000	2,549	127
e-3 Wheelers	2,500	408	16
e-4 Wheelers	551	156	28
Total	8,596	4,294	50

“We have received proposals from industry bodies such as Siam and Ficci. We are analysing them. The question is whether another round of FAME is needed when PLI (production-linked incentives) has already been announced. A decision will be taken in the next few months



—HEAVY INDUSTRIES SECRETARY KAMRAN RIZVI TOLD TOI

that a fresh tender for 20 gigawatts of advanced chemistry cells is expected to be issued next month, following consultations with industry players scheduled next week. In the first round, Reliance and Ola were among successful bidders. Data available with the ministry showed that

electric two-wheelers currently account for less than 5% of the sales, although some cities, especially some cities in the South, had seen their share rise to almost a quarter of new registrations.

The electric vehicle companies, especially two-wheeler players, have been de-

manding a fresh round of incentives, arguing that a complete withdrawal will impact sales. Globally, several governments are encouraging buyers to shift to cleaner fuel, with electric vehicles being the prime focus.

With the budget for electric two-wheelers almost exhausted, the heavy industries ministry has reduced the subsidy outgo per bike to ensure that the benefit, although smaller, is available to a larger pool of buyers, Rizvi said, adding that it was done in consultation with the industry. He said that based on the current level of subsidy, two-wheelers covered by FAME will be near the 10-lakh mark by February. The incentive has been lowered from around Rs 50,000 per electric scooter to a little over Rs 21,000 now, which some industry players have said is more manageable. "One of the players who met me said that we have moved from providing steroids to giving tonic now," Rizvi said.