

● KUMARASWAMY SAYS EMPS TO BE IN FORCE TILL NEW POLICY

FAME III still in works, EV scheme to be extended

Gadkari, however, says EVs can stand on its own without subsidies

FE BUREAU
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TWO UNION MINISTERS on Monday presented contrasting pictures about the electric vehicle sector while speaking at an industry seminar. While heavy industries minister HD Kumaraswamy, under whose ministry EVs fall, said that the industry need not panic as a new subsidy scheme, FAME III, will be announced soon, road transport and highways minister Nitin Gadkari said that with falling lithium-ion battery prices, electric vehicles can now maintain cost without subsidies.

Kumaraswamy said that the Electric Mobility Promotion Scheme (EMPS), that provides incentives to electric two-wheelers and three-wheelers, will be extended till FAME III is finalised.

"It will be extended for another one or two months," he said when asked if EMPS, which is coming to an end this month, would be extended. The EMPS was launched in April and was extended till September 30.

It was announced in March this

HD KUMARASWAMY,
HEAVY INDUSTRIES MINISTER

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NITIN GADKARI, ROAD TRANSPORT & HIGHWAYS MINISTER

IF THE FINANCE MINISTER AND THE HEAVY INDUSTRIES MINISTER WANT TO GIVE SUBSIDIES, THEN I WILL NOT OPPOSE



year, to be applicable from April 1 to July 31, with an outlay of ₹500 crore. Later it was extended till September 30, with a total outlay of ₹778 crore.

Under the scheme, a subsidy of up to ₹10,000 per electric two-wheeler (e2W) and ₹25,000 per electric three-wheeler (e3W) and up to ₹50,000 on heavy e3Ws (autos and commercial units) are provided by the government.

On the third phase of the Faster Adoption and Manufacturing of (Hybrid and) Electric Vehicle (FAME) scheme, he said whatever the lacuna seen in FAME II are sought to be corrected and it is being worked out internally.

Addressing the event, the minister said the government will continue to provide necessary support to ensure that India remains a

global leader in manufacturing and innovation. "Together we can build a future that not only strengthens our economy but also strengthens India's place as a global leader in mobility components and advanced technology," he added.

On his part, Gadkari, while maintaining that the EV industry does not need subsidy anymore, said it is for the finance and heavy industries ministries to decide if incentives need to be given to electric vehicles. He said that within two years, the cost of EVs will be the same with their petrol and diesel counterparts. "First of all, I am not against any subsidies. I don't have any problem," Gadkari said when asked if more incentives were needed to accelerate electric mobility as adoption in India has not been as expected.

Elaborating his views, he said at

one point the price of the lithium ion battery was \$150 per kilowatt hour. Now it is around \$108-110 per kilowatt hour. "I am confident it will come down to \$100," he said. "My assessment was that without subsidy, you can maintain that cost of EVs because the cost of production is less," Gadkari added.

On the issue of extending incentives to EVs, Gadkari said that if the finance minister and the heavy industries minister still want to give subsidies, it will be beneficial for the automotive industry. "I don't have any problem. I will not oppose that," he said.

The minister also expressed confidence that India can become the number one automotive manufacturing hub in the world, saying that the future of this industry is very bright.