FAQs

Sectoral

Electric Mobility

1. What is the Faster Adoption and Manufacturing of hybrid and Electric vehicles (FAME) scheme?

The FAME scheme was introduced in April 2012 to be implemented over a period of 6 years till 2020 to support hybrid/electric vehicles market development and its manufacturing. Under this scheme, demand incentives will be availed by buyers (end users/consumers) upfront at the point of purchase and the same shall be reimbursed by the manufacturers from Department of Heavy Industries, on a monthly basis. The Union government recently announced its decision to extend the second phase of the Faster Adoption and Manufacturing of Hybrid and Electric Vehicles (FAME) scheme by two years to March 31, 2024

2. How do citizen avail the demand incentive on the purchase of a xEV?

The demand incentive benefit will be passed on to the consumer upfront at the time of purchase of the xEV itself by way of paying reduced price. For more information, please visit the following link.

3. Is the FAME incentive applicable along with any other incentives that may be available in my home state for electric vehicles?

The FAME incentive will be available over and above any State level EV incentives being offered by any State/Local bodies. However for JNNRUM (AMRIT) funded buses, there is a specific incentive amount declared in the Scheme Guidelines. Please visit the link for more information.

4. It is said that Electric Vehicles (EV) are also called as Emission Elsewhere Vehicle (EEV). Is it true that EVs are just transferring emission from city area to the place where power is being generated?

The fact is that a typical conventional hatchback has 130-140 gm/km of CO2 emission comparing to an electric vehicle for 100 gm/km when charged by grid and when solar charged, there is ~0 gm/km

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CO2 emission from an electric vehicle. Please visit the link for more information.

5. Which electric vehicles categories are not covered under this FAME scheme?

The following categories are not covered under the FAME scheme: a) E-Rikshaw b) Electric Bicycles. c) Vehicles used for carrying person/goods used within closed premises like factory, airport etc. d) Electric Chair-cars. All those vehicles, which are not directly reducing fossil fuel, are not covered under FAME India Scheme. For more information, please visit the following link.

6. What is the Production Linked Incentive scheme for Advanced Chemistry Cells?

Advance Chemistry Cells (ACCs) are the new generation advance energy storage technologies that can store electric energy either as electrochemical or as chemical energy and convert it back to electric energy as and when required. Integrated battery value can be broadly divided (at the sales end) into the battery pack and the ACCs. While several companies in India have already started investing in battery packs assembly, the capacities of these facilities are too small when compared to global averages. Investments in manufacturing and overall value addition for ACCs are still negligible in India. Hence almost entire domestic demand of ACCs is still being met through imports. Through this Scheme, the Government of India intends to optimally incentivize potential investors, both domestic and overseas, to set- up Giga-scale ACC manufacturing facilities with emphasis on maximum value addition and quality output and achieving pre committed capacity level within a pre-defined time-period. The budgetary outlay for this scheme is INR 18,100 cr and it envisages setting up of a cumulative ACC manufacturing capacity of fifty (50) GWh for ACCs and an additional cumulative capacity of (5) GWh for Niche ACC Technologies. The bidding for this scheme closed on 14 January 2022 and received overwhelming response. For further details,, please refer to our report on the PLI ACC scheme here: https://www.investindia.gov.in/team-india-blogs/inside-indias-production-linked-incentive-schemes-advance-chemistry-cell-acc

7. What are the benefits from the government for purchase of EVs?

Central as well as State governments have been promoting adoption of EVs by providing fiscal as well as non-fiscal incentives. Some of the incentives being provided on purchase of EVs are: FAME India Scheme Phase II (mentioned above) Goods & Services Tax (GST) on EVs has been reduced from 12% to 5%, Income tax deduction can be claimed on the interest paid on loans taken for purchase of EVs Various demand side incentives being offered by 15+ state governments such as exemption from registration fees, special parking zones, upfront incentives on purchase and much more.

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