

## HOUSE PANEL RECOMMENDATIONS

# Extend FAME by 3 yrs, make EVs a must for deliveries

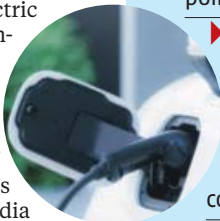
**NITIN KUMAR**

New Delhi, 20 December

The Parliamentary Standing Committee on Industry on Wednesday recommended a slew of measures to boost the adoption of electric vehicles in the country and recommended the extension of the Faster Adoption and Manufacturing of Electric Vehicles (FAME-II) India Scheme by three years.

In its report on the Promotion of Electric Vehicles, the committee emphasised including private four-wheelers and quadricycles in the scheme, alongside mandating EVs in public transport, logistics, and delivery sectors.

“In order to facilitate the transition momentum to electric mobility, broaden the scope and extend the FAME-II Scheme for at least 3 more years. In order to decarbonise the transport sector, efforts should be made to set a deadline for making the transport sector in the country manda-



## KEY PROPOSALS

- ▶ Make EVs a must in mass transportation and logistics sector in polluted cities
- ▶ Enhance support for electric four wheelers and include private vehicles with cost/battery limits
- ▶ Explore further GST cuts on battery and EVs to increase affordability
- ▶ Extend income tax deduction for buying EVs until 2025

torily electric,” the 324th report pertaining to the Ministry of Heavy Industries (MHI) said.

The committee raised concerns about the MHI’s electric two-wheeler subsidy cuts in June, urging its restoration. Additionally, addressing high ownership costs as a significant hurdle, the committee

suggested a reduction in goods and services tax to mitigate this expense.

“Government should explore the possibility of shrinking further the GST on Lithium-ion batteries,” it said, adding “There is a need to address the issue of GST for manufacturers as well to reduce the high cost.”

The committee also recommended the MHI conduct a study regarding the feasibility of battery standardisation and formulate a stable battery swapping policy. The move is aimed at increasing customer confidence and attracting foreign direct investment in the sector. To maximise the environmental decarbonisation benefits of EVs, the establishment of solar-powered EV charging stations is essential, the committee said.

Noting the challenges associated with financing the EVs, it suggested bringing it under the Priority Sector Lending (PSL) category until the 30 per cent penetration target fixed for 2030 is achieved, to accelerate India’s commitment towards net-zero emissions.