

# Scheme for Faster Adoption and Manufacturing of Electric and Hybrid Vehicles in India Phase II. (FAME India Phase II)

6<sup>th</sup> MARCH 2019



सत्यमेव जयते

Government of India

Ministry of Heavy Industries & Public Enterprises

Department of Heavy Industry

# Salient Features of FAME Phase-II

- Budget Allocation: **Rs. 10,000 Crore**
- Duration: **3 years i.e. from 2019-20 to 2021-22**
- Components of scheme:
  - i. Demand Incentives
  - ii. Establishment of network of Charging Stations
  - iii. Administration of Scheme including Publicity, IEC ( Information, Education & Communication) activities

# Demand Incentive

- Categories of vehicles eligible for availing demand incentives.
  - Buses (only Electric Buses)
  - Four Wheelers (Electric, Plug in Hybrid and Strong Hybrid)
  - Three-wheeler (Electric) (E3W) including Registered E-Rickshaws
  - Two Wheelers (Electric) (E2W)
- 3W, 4W and Bus segments, incentives will be applicable mainly to vehicles used for public transport or registered for commercial purposes.
- Privately owned registered E2Ws will be supported through the scheme
- Demand Incentives rationalized with reference to power of the battery @ Rs. 10,000/kwh for all vehicles except buses (@Rs. 20,000/kwh).
- Vehicle fitted with only advanced battery like Lithium Ion Battery and other new technology batteries will be eligible for incentive under the scheme.

## *Contd./-*

- Proposed incentives are subjected to reviewed annually or earlier by the PISC due to expected reduction in battery costs and offtake of vehicles
- Incentives to vehicles is restricted with ex-factory price less than a particular threshold value.
- Cap on incentives for bus will be 40% of cost of vehicle and for all other categories it will be 20% of cost.
- To avail incentive under FAME India Scheme **localization content** level should be at initial level of ( Definition is under Decision )
  - 40% for Buses and 4Ws and
  - 50% for 2Ws and 3Ws

*Contd./-*

- The number of vehicles to be supported in each vehicle segment, and proposed initial incentives and other details is given at below.

Sr. No.	Vehicle Segment	##Maximum Number of vehicles to be supported	Approximate Size of battery in KWH	Total Approximate Incentive	Maximum Ex-factory price to avail incentive.	Total Fund support from DHI.
1	Registered e-2 Wheelers	10,00,000	2 to 4 KWH	Rs. 20000/- (20K to 40K)	Rs. 1.5 Lakhs	Rs.2000 Cr
2	Registered e-3 Wheelers (including eRikshaws)	5,00,000	5 to 10 KWH	Rs. 50000/- (50K to 100K)	Rs. 5 Lakhs	Rs.2500 Cr
3	e- 4 Wheelers Passenger Cars	35,000	15 to 25 KWH	Rs. 150000/- (1.5L to 2.5L)	Rs. 15 Lakhs	Rs.525 Cr
4	4W Strong Hybrid Car	20,000	0.5 to 2 KWH	Rs. 13000 (5K to 20 K)	Rs. 15 Lakhs	Rs. 26 Cr
5	e-Bus	7,090	175 to 300 KWH	Rs. 50 Lakhs/- (35 to 60 L)	Rs. 2 Crores	Rs.3545 Cr
<b>Total Demand Incentive</b>						<b>Rs.8596 Cr</b>

## [II] Establishment of network of Charging Station

- 2500 charging stations to be established so that there will be availability of at least one charging station in a grid of 3 km x 3 km.
- About 100 charging stations to be established on both sides of about 1500 km of major highways at an interval of approximately 25 km each.
- 200 charging stations to be installed on express highways connecting twin cities
- One slow charger per e-bus and one fast charger for every 10 electric buses to be funded under the scheme.
- Charging infrastructures will be established as per Ministry of Power Notification vide No. 12/2/2018-EV dated 14<sup>th</sup> Dec 2018 and as amended from time to time.

*Contd./-*

- Estimated year wise cost estimate, component-wise, for the scheme's duration is tabulated below -

Sr. No	Component	Year 1	Year 2	Year 3	Total Fund requirement in crores	Percentage Allocation of Fund
Rupees In Crore						
1	Demand Incentives	822	4587	3187	<b>8596</b>	85.96
2	Charging Infrastructure	300	400	300	<b>1000</b>	10
3	Administrative Expenditure including Publicity, ICE activities	12	13	13	<b>38</b>	0.38
<b>Total for FAME-II</b>		1134	5000	3500	<b>9634</b>	96.34
4	Committed expenditure of Phase -I	366	0	0	<b>366</b>	3.66
<b>Total</b>		<b>1500</b>	<b>5000</b>	<b>3500</b>	<b>10000</b>	100

*Contd./-*

- To retain flexibility in the implementation of the scheme, fungibility is proposed in the component and sub-component wise caps proposed in the scheme.
- An Inter-Ministerial empowered committee 'Project Implementation and Sanctioning Committee' (PISC) headed by Secretary Heavy Industry will be constituted for overall monitoring, sanctioning and implementation of the scheme as well as to remove any obstacle as may come during implementation stage.



# Phased Manufacturing Programme (PMP)

- In order to promote Make in India of key EV components, DHI notified PMP.

S.No.	Item Description		Current BCD w.e.f. 30/01/2019	Phased Manufacturing proposal	
				Proposed BCD	Proposed Date of PMP
1	CBU	Bus (HS 8702) & Trucks (HS 8704)	25%	50%	April 2020 onwards
2.	SKD	PV(HS 8703) & 3W (HS 8703/8704)	15%	30%	
		2W (HS 8711)		25%	
		Bus (HS 8702)		25%	
3.	CKD	Truck (HS 8704)	10%	25%	
		Bus (HS 8702)		15%	
		PV (HS 8703) 2W (HS 8711) 3W (HS 8703/8704) & Truck (HS 8704)		15%	

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S.No.	Item Description	Current BCD w.e.f. 30/01/2019	Phased Manufacturing proposed	
			Proposed BCD	Proposed Date of PMP
4.	Lithium ion cells (HS 85076000) for use in the manufacture of Lithium ion accumulator for EVs ( )	5%	10%	April 2021 onwards
5.	Battery packs (HS 8507) for use in the manufacture of EVs	5%	15%	
6.	Parts for use in the manufacture of EVs like <ul style="list-style-type: none"> <li>• AC or DC Charger</li> <li>• AC or DC Motor</li> <li>• AC or DC Motor Controller</li> <li>• Power Control Unit (Inverter, AC/DC Converter, Condenser)</li> <li>• Energy Monitor</li> <li>• Contactor</li> <li>• Brake System for recovering</li> <li>• Electric Compressor</li> </ul>	0%	15%	April 2021 onwards

# Support required from OEM

- Introduction of New quality Electric and Hybrid vehicle Models
- Participation of OEMs in the scheme
- Support in finalization of some of the scheme parameters like
  - Technology Definition
  - Localization contents
  - Technical Eligibility Criteria of all categories of vehicles
  - Operational Guidelines for Buses

**THANK  
YOU**

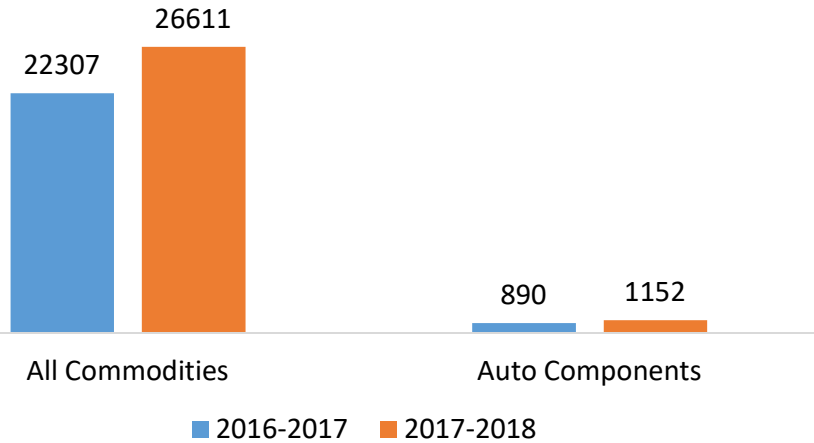
## **An Update on**

➤ **US- GSP Benefits**

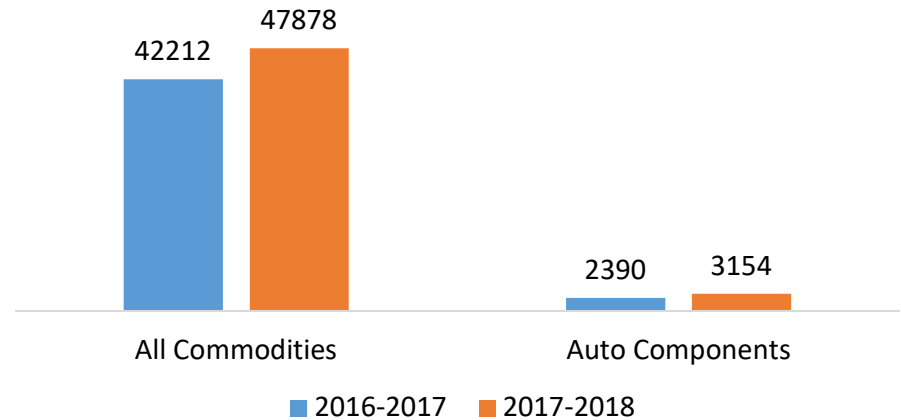
➤ **National Mission on Transformative Mobility and Battery Storage**

# An update on US GSP benefit

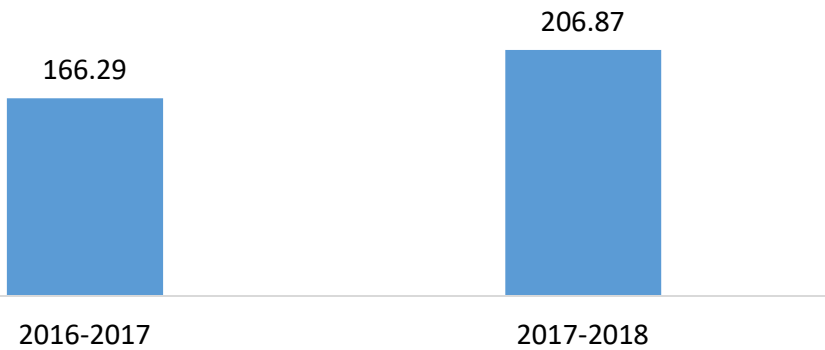
### India Imports from USA ( USD Million)



### India Exports to USA ( USD Million)



### Indian Auto Components Exports: Under GSP Scheme ( Figures in USD Million)



- USA is the single largest market for the Indian auto components Industry which contribute 24% in total auto components export
- Share of Auto components in overall export to USA is 7%
- GSP benefits for India were under scanner since 2015
- GSP benefits for 31 Tariff lines would be impacted after recent announcement from USTR.
- In FY 2018, India exported USD 206 million worth of auto components which contribute 7% in total auto components exports to USA
- Withdrawal of US GSP benefit notification may come in next 60 days

## **Withdrawal of GSP Benefits: Illustrative list of auto components**

- Tubes, pipes and hoses
- Gaskets, washers
- Safety automotive Glass
- Iron & Steel Articles
- Locks
- Engines of cylinder capacity exceeding 250 cc: ( Diesel and Semi-Diesel Engines)
- Mechanical Seals
- Injection pumps for diesel engines
- Bearings
- Electric Motors
- DC Motors
- Starter Motors
- Seat Belts
- Wiring sets
- Automotive Lamps
- Filters
- Oil filters

### **Applicable MFN rate on 31 tariff lines**

- 20 tariff lines - 2% to 3%
- 4 Tariff lines – 3% to 4%
- 7 Tariff lines – 5 % to 6%

# **Update on National Mission on Transformative mobility and Battery Storage**

**Custodian: Niti Aayog**



# National Mission Transformative Mobility and Battery Storage

➤ Under the Chairmanship of Prime Minister, Cabinet approved the mission

➤ **Objectives:**

- ❖ Setting up of a National Mission on Transformative Mobility and Battery Storage, to drive clean, connected, shared, sustainable and holistic mobility initiatives;
- ❖ Phased Manufacturing Programme (PMP) valid for 5 years till 2024 to support setting up of a few large-scale, export-competitive integrated batteries and cell-manufacturing Giga plants in India.
- ❖ Creation of a PMP valid for 5 years till 2024 to localize production across the entire Electric Vehicles value chain.
- ❖ Both PMP schemes will be finalised by the National Mission on Transformative Mobility and Battery Storage.

# National Mission Transformative Mobility and Storage

## Roadmap:

- ❖ A phased roadmap to implement battery manufacturing at Giga-scale will be considered with initial focus on large-scale module and pack assembly plants by 2019-20, followed by integrated cell manufacturing by 2021-22.
- ❖ Details of the PMP for Batteries shall be formulated by the Mission. The Mission will ensure holistic and comprehensive growth of the battery manufacturing industry in India.
- ❖ The Mission will prepare the necessary roadmap that will enable India to leverage upon its size and scale to produce innovative, competitive multi-modal mobility solutions that can be deployed globally in diverse contexts.
- ❖ The Mission will define the roadmap for transformative mobility in “New India” by introducing a sustainable mobility ecosystem and fostering Make-in-India to boost domestic manufacturing and employment generation in the country.

## Composition:

- ❖ The multi-disciplinary “National Mission on Transformative Mobility and Battery Storage” with an Inter-Ministerial Steering Committee will be chaired by CEO NITI Aayog.
- ❖ The Steering Committee will be comprised of Secretaries from Ministry of Road Transport and Highways, Ministry of Power, Ministry of New and Renewable Energy, Department of Science and Technology, Department of Heavy Industry, Department for Promotion of Industry and Internal Trade, and Director General, Bureau of Industrial Standards.