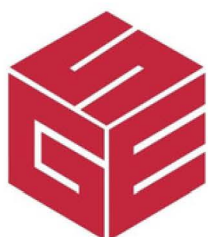


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**STERLING GTAKE
E-MOBILITY**



WHAT INDUSTRY EXPECTS FROM FAME 3

The Government approved Phase-II of FAME Scheme with an outlay of INR 10,000 Crore for a period of 3 years commencing from 1 April 2019. Out of total budgetary support, about 86 percent of fund was allocated for Demand Incentives. Later, the scheme was extended for another 2 years for up to 31 Mar 2024.

As per FAME 2 dashboard, the scheme has so far subsidised the purchase of **9,44,567 EVs** [including 8,35,941 e-2Ws; 97,413 e-3Ws and 11,213 e-4Ws] with demand incentives worth **INR 4,570 crores**, as of 5 Sep 2023.

With only 7 months till the end of FAME 2, we collected some thoughts from the industry leaders from different parts of the ecosystem on their expectations of further policy support from the central government to help the proliferation of Indian electric vehicle industry.



Seeing the turbulence in the EV industry after the steep reduction in the FAME 2 subsidy, we believe that the **industry would benefit from supply-side benefits rather than demand-side benefits**. Therefore, it is expected from FAME 3 that for vehicles designed, developed, and produced in India, Production Linked demand side benefits would provide a **fairer distribution of incentives** and can be based on the real value that the vehicle would deliver.

Dinesh Arjun - CEO and Co-founder, Raptee

While still in its formative stages, insights from authorities and industry leaders suggest an impending expansion and diversification of governmental backing for India's EV sector through FAME 3. The transition to electric public transport not only reduces emissions but also optimizes electricity usage per capita. **Anticipated support for charging and swapping infrastructure will enhance EV adoption by mitigating range concerns**. Though official endorsement is essential, the sector's sustainability relies on more than that. **True progress comes from pioneering research-driven innovation that yields high-power-density batteries**—safer, lighter, and cost-efficient. This technological leap holds the key to propelling the sector forward.



Mahesh Wagle - Co-Founder & CEO, Cybernetik



- **Parity in subsidy for charging and swapping infrastructure** - Population where the buying of the vehicle is dominated by affordability, swapping is the only true fast adopter of EVs in the 2W and 3W segment.
- Clear definition and guidelines in FAME III for exercising the subsidy to the operator
- **GST parity on EVs sold with or without the batteries**. At present the GST paid by the consumer on EV is 18% without the battery and 5% with the battery.

Dr Prabhjot Kaur - Director and Co Founder, Esmito

These contemplations are certainly very welcome. We are confident in the government's vision of creating a domestic EV supply chain and are completely aligned with it. To promote EVs and to encourage a domestic manufacturing value chain - it is imperative that we focus on the entire eco-system. This includes **all stages from raw materials to cathode materials and cell manufacturing on the one end and financing enabled via battery residual value on the other end**.



Rajat Verma - Founder and CEO, Lohum Cleantech