

SMEV seeks extension of subsidies for electric vehicles under FAME-II in Budget

Society of Manufacturers of Electric Vehicles on Tuesday sought extension of subsidies for EVs under the FAME II scheme and also include light to heavy commercial vehicles in it to promote electric mobility.

In its pre-Budget recommendations, the industry body also called for a uniform 5 per cent GST on spare parts for electric vehicles.

"The validity of FAME II is set to expire on March 31, 2024. We believe FAME's validity needs to be extended since we have yet to meet the penetration the subsidy was supposed to catalyse," Society of Manufacturers of Electric Vehicles (SMEV) said in a statement.

The new FAME II scheme should be linked to e-mobility conversion rather than being time-based, it added.

The EV industry body said market trends suggest that e-mobility, particularly electric two-wheelers (E2W) has the potential to continue growing once it reaches 20 per cent of the total two-wheeler market.