

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
RAJYA SABHA
UNSTARRED QUESTION NO. 3279
ANSWERED ON 20.03.2026

INDIGENISATION OF MANUFACTURING UNDER FAME II

3279. DR. FAUZIA KHAN:

Will the Minister of **Heavy Industries** be pleased to state:

- (a) the progress made in the Phased Manufacturing Programme (PMP) under FAME II for indigenisation of EV sub-assemblies and components;
- (b) the gaps identified in localisation targets for cell-module-pack integrators;
- (c) whether the FAME II scheme's operational guidelines include penalties and incentive clawback provisions for beneficiaries failing to meet incremental domestic localisation targets; and
- (d) if so, the steps taken to strengthen enforcement and audit mechanism?

ANSWER
THE MINISTER OF STATE FOR HEAVY INDUSTRIES
(SHRI BHUPATHIRAJU SRINIVASA VARMA)

(a): Under FAME-II, the Phased Manufacturing Programme (PMP) was introduced with the objective to promote domestic manufacturing of electric vehicles and their assemblies/subassemblies. Only those EVs which were complying with PMP requirements were eligible for incentives under the scheme.

(b): PMP under FAME-II required that Traction battery pack to be assembled domestically, for which battery cells and associated thermal and battery management system may be imported. PMP for traction battery pack in PM E-DRIVE has been further enhanced wherein *inter alia* import of battery modules is no longer permitted.

(c): Yes, as per the guidelines under FAME-II, if Ministry of Heavy Industries (MHI) is satisfied that eligibility under the scheme and/or disbursement of incentives have been obtained by misrepresentation of facts or falsification of information or concealment or suppression of any material information having an adverse impact on the eligibility/incentive claim, MHI will ask the approved applicant to refund the incentives, along with applicable interest.

(d): The FAME-II scheme ended on 31st March, 2024. However, to strengthen enforcement and audit mechanisms, the Government has put in place certain measures such as submission of integrity pact undertakings, Deed of Indemnity cum Undertaking along with undertaking of local manufacturing by OEMs, under the PM E-DRIVE Scheme, being implemented from 1st April, 2024. Further, OEMs are required to get their models/variants revalidated at least on an annual basis.
