

FAME- II scheme

June 16, 2021

In news- The **Department of Heavy Industries** through a resolution **increased subsidies for electric two-wheelers by 50 percent** under the FAME II scheme. It capped **incentives for electric two-wheelers at 40 percent** (₹15,000 per KWh) of the cost of vehicles, up from 20 percent earlier.

Other FAME 2 recent amendments include-

- The state-owned **Energy Efficiency Services (EESL)** will launch an aggregate demand for 300,000 electric three-wheelers across a variety of user segments.
- The Ministry will now **target cities with over 4 million population**, i.e. Ahmedabad, Bangalore, Chennai, Delhi, Hyderabad, Mumbai, etc... with EESL aiming for aggregation of demand for the remaining e-buses on OPEX basis.

About FAME – II-

- Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India (FAME-India) Scheme is launched under **National Mission on Electric Mobility in 2011/ National Electric Mobility Mission Plan 2020**, unveiled in 2013.
- The scheme aims to **encourage progressive induction of reliable, affordable and efficient electric and hybrid vehicles (xEV)**.
- The **First Phase** of the scheme was initially approved for a period of 2 years, commencing from **1st April, 2015**.
- The Scheme has been extended from time to time, with the last extension allowed for a period up to 31st March 2019 .
- It is **implemented and monitored by the National Automotive Board** under D/o Heavy Industries.
- It is **one of the DBT schemes** categorized under in-kind mode.
- Government approved **Phase-II of FAME Scheme** with an

outlay of Rs. 10,000 Crore for a period of 3 years **commencing from 1st April 2019.**

- This phase **aims to** generate demand by way of supporting 7000 Electric Buses (e-bus), 5 lakh Electric Three Wheelers (e-3W), 55000 Electric Four Wheeler Passenger Cars (including Strong Hybrid) (e-4W) and 10 lakh Electric Two Wheelers (e-2W).
- In addition, creation of **Charging Infrastructure is also supported** under the Scheme.
- Vehicles fitted with only advanced chemistry batteries, meeting with minimum Technical Criteria and registered as "Motor Vehicle" as per CMVR shall be eligible for incentive under the scheme.
- Scheme will be applicable mainly to vehicles used for public transport or those registered for commercial purposes in e-3W, e-4W and e-bus segments.

However, **privately owned registered electric two wheelers (e-2Ws)** are also covered under the scheme as a mass segment.