

FAME India Scheme Phase II Gets A Boost with Enhanced Outlay Of INR 11,500 Crore



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The outlay has been augmented from INR 10,000 crore to a robust INR 11,500 crore.

FAME-II SUBSIDIES



The Ministry of Heavy Industries announces an increase in the scheme outlay of the Faster Adoption and Manufacturing of Hybrid and Electric Vehicles (FAME) India Scheme Phase II. The FAME India Scheme, launched to accelerate the adoption of electric vehicles (EVs) and reduce the nation's carbon footprint, has been a crucial driver in incentivising both manufacturers and consumers.

The revised outlay is strategically distributed across various categories, emphasizing the diverse aspects of the electric vehicle ecosystem. The subsidies for Demand Incentive, categorised by electric two-wheelers (e-2W), electric three-wheelers (e-3W), and electric four-wheelers (e-4W), witness a considerable increase, reaching a total of INR 7,048 crore. This move is poised to encourage the adoption of electric vehicles in these segments, making them more accessible and attractive to consumers.

Breaking down the details, the revised outlay for e-2Ws stands at INR 5,311 crore, e-3Ws at INR 987 crore, and e-4Ws at INR 750 crore. The government's focus on these key categories showcases a comprehensive approach to promoting clean mobility solutions for personal and commercial purposes.

Additionally, a substantial allocation of INR 3,209 crore has been earmarked for electric buses (e-Buses), recognizing their pivotal role in transforming public transportation. Electric Vehicle Power Conditioning Systems (EV PCS) also receive due attention with an allocation of INR 839 crore. These grants for the creation of capital assets, totalling INR 4,048 crore, emphasize the importance of infrastructure development to support the growing electric vehicle ecosystem.

Furthermore, the scheme includes a provision for other categories (C) with an allocation of INR 404 crore, reflecting a holistic approach to fostering innovation and diversity within the electric mobility landscape.

While the augmentation of the scheme outlay by INR 1,500 crore to INR 11,500 crore is a notable development, it is crucial to highlight that the FAME India Scheme Phase II operates on a fund and term-limited basis. Subsidies for demand incentives will be applicable to e-2Ws, e-3Ws, and e-4Ws sold until March 31, 2024, or until the funds are exhausted, whichever occurs earlier.