



## FAME India Phase-II Scheme

**For Prelims:** [Parliamentary Committee](#), [FAME India Scheme Phase-II](#), [Electric Mobility](#), [National Electric Mobility Mission Plan](#), [Vehicle Scrappage Policy](#).

**For Mains:** Government policies, EVs: Advantages, Challenges

**Source:** DTE

### Why in News?

The [Parliamentary Standing Committee on Industry](#) has recently put forth crucial recommendations regarding the extension and enhancement of the [Faster Adoption and Manufacturing of \(Hybrid & Electric Vehicles in India \(FAME India\) Scheme Phase-II](#).

- The committee suggests extending the FAME India Phase-II Scheme's deadline by at least three more years to facilitate the **transition momentum to electric mobility**.
- The current deadline is March 31, 2024, with a budget allocation of Rs 10,000 crore.

### What are the Committee Recommendations for Improvement?

- **Restoration of Subsidy on Electric Two-Wheelers:**
  - The committee suggests **restoring the subsidy on electric two-wheelers**, which was reduced in June 2023.
    - Government reduced the FAME-II subsidy for electric two-wheelers after June 1, 2023.
      - The initial 40% incentive on ex-factory price was cut to 15%. Reduction in subsidies negatively impacted electric two-wheeler sales. Budget constraints cited as a reason for subsidy reallocation.
  - It also recommends projecting enhanced budget allocations, if required, to maintain the momentum and pace of electric vehicle penetration.
- **Inclusion of Private Electric Four-Wheelers:**
  - The ministry should increase the number of electric vehicles supported in the four-wheelers category and include **private electric four-wheelers** in the FAME-II Scheme, with a cap based on the cost and battery capacity of the vehicle.
- **Supportive Government Frameworks:**
  - The committee emphasizes the need for supportive, transparent, and consistent government frameworks at national, state, and local levels to make India a global EV hub.
    - It also recommends focusing on establishing dedicated manufacturing **hubs and industrial parks for batteries, cells, and EV auto components**.
- **Funding for BHEL and Charging Stations:**
  - More funds should be allocated to **Bharat Heavy Electricals Limited (BHEL)** to facilitate popularizing EV mobility.
    - BHEL provided Engineering, Procurement, and Construction (EPC) solutions for EV charging stations. These include solar-based charging stations and [battery energy](#)

### storage systems.

- Additionally, public sector undertakings and government institutions should participate in installing charging stations on their premises.

#### ▪ **Incentivizing Charging Station Installation:**

- FAME-II should incentivise individual investors in charging stations. **Women's self-help groups and cooperative societies** should be assisted in opening and operating charging stations, with assured returns provided by the government from its funds.

## What is the FAME India Scheme?

#### ▪ **Background:**

- **FAME India** is a part of the [National Electric Mobility Mission Plan](#).
- The scheme's main objective is to encourage the adoption of electric and hybrid vehicles by **offering upfront incentives on purchase**.
- The scheme covers [Hybrid and electric](#) technologies like **Mild Hybrid, Strong Hybrid, Plug-in Hybrid and battery Electric Vehicles**.

#### ▪ **Phase I:**

- Started in 2015 and was completed on 31<sup>st</sup> March 2019, with an outlay of Rs 895 crore.
- The 1<sup>st</sup> phase of FAME The scheme had four focus areas namely, technology development, demand creation, pilot project, and charging infrastructure.

#### ◦ **Achievements:**

- In the **1<sup>st</sup> phase of the scheme, about 2.78 lakh xEVs** were supported with total demand incentives. In addition, 465 buses were sanctioned to various cities/states under this scheme.

#### ▪ **FAME India Phase-II:**

- The **Ministry of Heavy Industries** is implementing the scheme for five years, starting April 1, 2019, with a total budget of Rs. 10,000 crore.
- This phase mainly focuses on supporting the **electrification of public & shared transportation** and aims to support through demand incentive **eBuses, e-3 Wheelers, e-4 Wheeler Passenger Cars and e-2 Wheelers**.

- In addition, the creation of charging infrastructure is also supported under the Scheme.

#### ◦ **Achievements:**

Category	Number of Vehicles			Amount (in Rs. Crores)		
	Revised Targets	Achievement	%	Revised Targets	Achievement	%
e-2W	9,68,000	6,89,016	71%	3,500	3,160	90%
e-3W	1,26,000	80,341	64%	700	456	65%
e-4W	11,000	8,115	74%	250	189	76%
e-Buses	7,090	2,838 – supplied 6,862 – committed	97%	4,307	1,181 – paid 3,151 – committed	73%
<b>Total</b>	<b>11,12,090</b>	<b>7,80,310</b>	<b>70%</b>	<b>8,757</b>	<b>4,986</b>	<b>57%</b>

## What are the Other Government Initiatives to Promote EV Adoption?

- [National Electric Mobility Mission Plan \(NEMMP\)](#).
- [National Mission on Transformative Mobility and Battery Storage](#).
- [Production Linked Incentive \(PLI\) scheme](#).
- [Vehicle Scrappage Policy](#).
- [Go Electric campaign](#).
- [EV30@30 campaign](#).

## UPSC Civil Services Examination, Previous Year Questions (PYQs)

### **Mains**

**Q.** How is efficient and affordable urban mass transport key to the rapid economic development in India? (2019)

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