

₹26,400 cr on the cards for FAME-III

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The ministry of heavy industries is working on broad contours of the third phase of Faster Adoption and Manufacturing of Electric Vehicles or FAME-III. Based on discussions with stakeholders, the ministry is proposing to allocate ₹26,400 crore for FAME-III subsidy alone with electric two wheelers getting around ₹8,158 crore, electric buses ₹9,600 crore and electric three-wheelers ₹4,100 crore, according to sources in the know. Along with some other components like setting up an innovation fund and money for testing, the total allocation could cross ₹33,000 crore, estimates suggest.

Further discussions on the basic contours of the scheme are currently ongoing. The focus of the proposed scheme will clearly be on enhancing electric-based and environment-friendly public transportation in the country.

The scheme is also planning to support e-tractors with a fund of over ₹200 crore. Hybrid vehicles and hydrogen fuel cell vehicles might be added to the list but initially with a token allocation of ₹100 crore. Electric four-wheelers are to be allocated around ₹1,800 crore.

After FAME-I and FAME-II, the finance ministry had reportedly questioned the need for extending the subsidy scheme any further. However, the ministry of heavy industries has been pushing for it, arguing the need for electric and alternate fuel vehicles. The third phase proposed allocation is much higher than FAME-I and FAME-II at ₹895 crore and ₹10,000 crore, respectively.

For electric two-wheelers, the proposal under discussion is to continue with the subsidy for four years in a phase-down manner: It will start with ₹15,000 in the first year per KWH of battery, followed by ₹7,500 in the sec-



CHARGING UP

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► **₹1,000 crore innovation fund** for technology development and trial runs in the works

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► **Women-registered EVs across segments** likely to get additional incentives

► **Subsidy for e-2 wheelers, e-3-wheelers, and e-cars** to be given on a receding scale per Kwh Y-o-Y

PAGE
4

FINMIN NOD TO ADDITIONAL ₹1,500 CR FOR FAME-II

ond year, ₹3,000 in the third and ₹1,500 in the final year of the scheme. The expectation is that in the fifth year, the total electric two-wheeler sales would touch 10.5 million. The maximum subsidy per vehicle will also be capped at ₹15,000 in the first two years but will go down to ₹6,000 in the third year and ₹3,000 in the fourth year.

For electric four wheelers such as in cabs, the subsidy per KWH battery will be offered on a receding scale – ₹10,000 in year one, followed by ₹8,000, ₹5,000 and ₹3,500 in the subsequent years.

Turn to Page 6 ►

▶ FROM PAGE 1

₹32,000 cr on the cards for FAME-III

The maximum subsidy will also be capped per vehicle at ₹1.5 lakh in first year going down to ₹65,000 in the fourth year.

A similar receding subsidy model is also being proposed for e-three wheelers going down from ₹15,000 in first year to only ₹5,000 per KWH of battery in the fourth year, while the cap on each vehicle for subsidy goes down from ₹100,000 in the first year to ₹50,000 in the fourth.

For electric buses, models based on capex subsidy and viability gap funding (VGF) like the PM e-bus Sewa scheme are being considered. A total of 36,700 e-buses will be supported under the scheme.

The policy is also looking at providing an additional incentive of 10 per cent for all electric vehicles across all segments registered by a women.

As alleged violation of the phased manufacturing programme or PMP norms has adversely impacted the progress of Evs, especially in electric two wheelers, the government is looking at extending the standard operating procedures (SOPs) under the automobile PLI scheme for electric vehicles. Among others, the requirement for bank guarantee, integrity pledge and penal provisions, which are part of the PLI auto scheme, could be extended for FAME-III subsidy disbursements.

MHI is also discussing setting up of an Innovation Fund with a sum of ₹1,000 crore. This could be used for pilot projects for public transportation including hydrogen-powered buses. An expert advisory panel is proposed to be set up under MHI to administer the fund. While the fund could give up to 80 per cent of the project cost, with the remaining coming

from the industry.

According to MHI estimates, another Rs 3,000 crore would be required for test centre upgradation fund apart from a public outreach and administration scheme.

Bajaj Auto stock reaches new high on buyback move

Bajaj Auto Managing Director Rajiv Bajaj said in an interview with *CNBC-TV18* that the buyback was an efficient way to return capital to shareholders. The rationale was that the company had had an outstanding quarter, he said.

He indicated that the upcoming buyback could be larger than last time. "Whenever cash on books crosses ₹15,000 crore, we look to give back to investors," he added. The company reported a 22 per cent year-on-year increase in sales of two-wheelers in the domestic market in the April-December 2023 period at 1,703,704 units. Its exports, however, dipped by 17 per cent to 1,107,402 units in the same period, primarily due to geopolitical tensions and macroeconomic factors.

SC no to CBI or SIT probe against Adani group

The court said there is no valid ground raised to direct Sebi to revoke its amendments on the FPI (foreign portfolio investment) and LODR (listing obligations and disclosure requirements) regulations.

A petitioner in this case had told the court that the markets regulator must be directed to revoke amendments to the FPI Regulations, which have done away with restrictions on opaque struc-