

Deadline nearing, 41% of FAME II target met so far

Only 647,383 vehicles supported as against 1.5 million targeted

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With only 10 months left before the deadline for the Centre's flagship electric vehicles (EV) promotion scheme — Faster Adoption and Manufacturing of (Hybrid & Electric Vehicles (FAME-II) — ends, the government has sponsored only 41 per cent of the target of more than 1.5 million EVs since the launch of the scheme in March 2019.

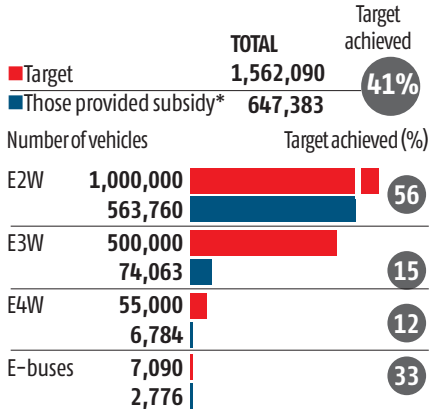
As the government plans no further extension of the scheme beyond FY24, the task is to achieve the unfinished target of subsidising 914,707 EVs.

The Ministry of Heavy Industries (MHI) data, sourced by *Business Standard*, shows the electric four-wheeler (E4W) segment saw the minimum subsidy allocation.

The government has so far fallen short of the target of incentivising 55,000 E4Ws by around 88 per cent. Similarly, the electric three-wheeler (E3W) segment is short by 85 per cent.

However, the electric two-wheeler (E2W) segment saw the maximum incentivisation and achieved 56 per cent of the one-million target, followed by electric buses, where 33 per cent of the targeted buses were deployed.

FAME II SCHEME PROGRESS REPORT

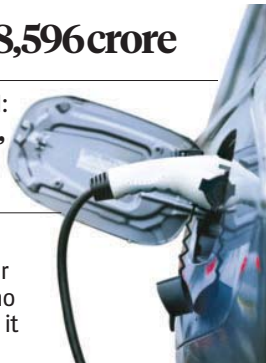


Note: *Include claims under process; data as of April 30
E2W: Electric two-wheelers; E3W: Electric three-wheelers; E4W: Electric four-wheelers
Source: Ministry of Heavy Industries

Total fund allocation: **₹8,596 crore**

Amount utilised: **₹4,295 crore**, roughly 50% of the total

Scheme launched in Mar 2019; gov't has no plans to extend it beyond FY24



FAME II...

Though the MHI is confident of achieving the target in E2Ws and e-buses by the end of this financial year, meeting them in the E4W and E3W categories is unlikely.

“We will achieve the target in the E2W and e-bus categories because we have huge demand there. For, the E4W and E3W categories the target seems unachievable because only commercial vehicles get FAME support in these segments,” a ministry official said, adding, “as a result, we have started diverting funds from the E3W category to E2Ws and e-buses”.

In the past four years, the ministry has utilised 50 per cent of the allocation of ₹8,596 crore for sponsoring the target of the 1.5 million vehicles.

In the E4W and E3W categories, fund utilisation was around 28 per cent and 16 per cent of their respective targets of ₹551 crore and ₹2,500 crore.

In the e-bus category, though only 33 per cent of the ₹3,545 crore was utilised to sponsor 2,776 buses, the remaining fund is committed to supporting the already approved 4,434 buses.

However, in the E2W category, the government has utilised more than 100 per cent of the allocated ₹2,000 crore for supporting 563,760 vehicles. Around ₹549 crore more was spent. Spending above the allo-

cation came on the back of a policy change by the MHI in June 2021. When the sales of EVs in the country declined by 25 per cent in 2020, due to Covid-induced slowdown, as against 166,820 recorded in 2019, the government, in an effort to accelerate demand for E2Ws, increased the demand incentive to ₹15,000/kWh from ₹10,000/kWh with the cap increased to 40 per cent from 20 per cent of the cost of the EV. Overall auto industry sales saw a decline of 21 per cent in the respective period.

After the decision, the highest outlay for an E2W increased to ₹60,000 from ₹30,000. With the cost of E2Ws becoming more affordable after the policy change, their sales registered a new high of 156,194 in 2021, up 436 per cent from 2020.

However, the incentive of FAME being marked only for commercial vehicles in the E4W and E3W categories and their high cost resulted in slow pickup of demand in the segments.

Though the MHI has received applications for 980,000 E2Ws, the incentives for 416,240 vehicles were halted due to the manufacturers' supposed non-compliance with the FAME guidelines.

“The incentives for the players found violating the phased manufacturing programme (PMP) guidelines and those who have failed to submit all the requisite documents under the norms have been removed from the number of

claims,” said a ministry official, adding, “earlier our dashboard data showed applications for claims received but now it will show claim disbursement”.

Byju's...

BlackRock reportedly pegged the value of its 2,279 shares in the company at \$4,043,471, estimating Byju's fair value at \$8.4 billion as of March 31, 2023.

It joined Byju's capitalisation table at a \$12-billion valuation in 2020. In April 2022, BlackRock was valuing its shares of Byju's at nearly \$4,660 per unit, valuing the company at about \$22 billion. However, BlackRock reportedly marked down the value of its shares in Byju's to \$2,400 per share at the end of December 2022.

Markdown in valuation is not the only challenge for Byju's. The company's US entity Byju's Alpha was recently sued in Delaware by an agent of lenders to whom the company owes \$1.2 billion, after months of negotiations between creditors and the education technology firm. The lawsuit was filed by Glas Trust Company and investor Timothy R Pohl against Byju's Alpha, Tangible Play, and Riju Ravindran. The two companies being sued are units of Think and Learn Private, edtech firm founded by Byju Raveendran.

Lenders have accused the company's entity, which has no employees, of hiding \$500 million as part of a battle between creditors and the edtech firm.

