

FAME-II scam: SFIO conducts searches at 3 EV manufacturers

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The Serious Fraud Investigation Office (SFIO) conducted search operations at three companies engaged in the manufacturing of electric vehicles, namely Hero Electric Vehicles Private Ltd, Benling India Energy and Technology Pvt Ltd and Okinawa Autotech International Pvt Ltd.

Hero Electric, Benling, and Okinawa face scrutiny as search operations uncover evidence of deceptive practices

These cases arise from fraudulent availing of subsidies amounting to ₹297 crore cumulatively by all the three companies under the Faster Adoption and Manufacturing of Electric Vehicles (FAME) II scheme of the Ministry of Heavy Industries (MHI), Government of India.

FALSE CLAIMS

During the search operations, evidences like digital data, books and other ma-

terial have been recovered.

The FAME II scheme was launched in the year 2019 to promote electric and hybrid vehicles in India.

For a vehicle to be eligible for subsidy, FAME-II scheme and Phased Manufacturing Programme (PMP) guidelines stipulate manufacturing some key components in India.

To claim these subsidies, the three companies had deceptively shown compliance with the applicable guidelines to the MHI, which was subsequently found to be incorrect and false.

Upon investigations by SFIO, it is revealed that several restricted parts under the PMP guidelines were either directly or indirectly imported from China thereby flouting the PMP guidelines under FAME-II.