

ALLEGED MISAPPROPRIATION TO AVAIL BENEFITS UNDER FAME SCHEME

Fresh Probe Begins into EV Subsidy Misuse

Ola, Ather, TVS and Vida under scanner for mispricing vehicles; EV cos may have falsely claimed ₹300 cr subsidy

Twesh.Mishra@timesgroup.com

New Delhi: The government has initiated a fresh probe into alleged subsidy misappropriation by key EV makers. Four major EV players - Ola, Ather, TVS, and Vida are under the scanner now for mispricing their EVs to make them eligible for the FAME (Faster Adoption & Manufacturing of Electric Vehicles) scheme, senior government officials told ET.

The ministry of heavy industries, acting on a whistleblower complaint, has begun an enquiry into allegations of companies falsely claiming subsidy to the tune of ₹300 crore by selling the integral parts such as charger separately.

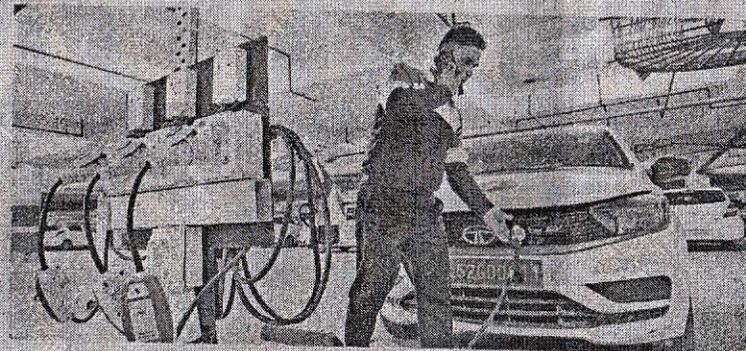
Ather, TVS, and Vida did not respond to queries from ET while

Ola denied receiving any communication from the government about the investigation.

Under the FAME programme, subsidies cannot be claimed for electric two-wheelers that have an ex-factory price above Rs 1.50 lakh per unit. It is alleged that these EV makers billed chargers and proprietary software separately to customers in order to price their vehicles below the ex-factory eligibility threshold required for FAME subsidy.

The move comes close on the heels of the government withholding subsidy worth around Rs 1100 crore due to 12 EV two-wheeler makers after an enquiry into allegations against EV makers for failure to meet localisation commitments under the FAME scheme.

The centre offers financial support



for 10 lakh electric two-wheelers from the ₹10,000 crore FAME scheme.

EV makers can offer a discount of up to 40% on the cost of locally manufactured vehicles and claim it as a subsidy from the government. This allows firms to make EVs affordable and boost sales. Ac-

cording to the gazette notification for this round of the scheme, Rs 2000 crore has been earmarked by the centre as financial support for electric two-wheeler makers.

EV makers claim that sometimes customers purchase multiple EVs but 'don't need a separate charger

for each unit. They maintain that some of the software sold as an add-on is to enhance the user experience and was not an essential component of the EV.

The ministry has mandated the Automotive Research Association of India (ARAI) to conduct the probe.

Industry association Society of Manufacturers Of Electric Vehicles (SMEV) said there was a need to draw a line between genuine cases and malafide ones.

"Lately we have seen the phrase 'misappropriation of funds' being tagged on to dozens of Original Equipment Manufacturers

(OEMs). There is a need to separate the genuine cases and the mala fide ones before putting the misappropriation label that 'irreparably destroys the very foundation of an organisation,' it said in a statement.