

FAME-II subsidy cut likely to disrupt EV sector growth: SMEV

Our Bureau
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The Society of Manufacturers of Electric Vehicles (SMEV) on Tuesday petitioned the National Green Tribunal expressing concerns that the Ministry of Heavy Industries latest decision to cut down FAME-II subsidies is likely to disrupt India's growth in the EV sector.

The registered association representing Indian manufacturers of EVs,

through a letter, requested for NGT's support to impose a green tax on fuel-based two-wheelers so as to incentivise the adoption of green vehicles and contribute to the national objective of environmental preservation and pollution reduction.

Many OEMs are unable to cope with the financial stress caused by actions of the MHI as subsidies amounting to over ₹1,200 crore have been held up and further demands of retrospective payback of subsidies given in 2019 has

been made, he said. "In fact, it is a matter of time until they shut shop due to lack of working capital, loss of investor and bank support, delay in production timelines and a rapidly vanishing distribution network," Ajay Sharma, Secretary General, SMEV, said.

"To help ease the sector's current ordeals, SMEV has proposed the implementation of an additional tax on polluting fuel-based two-wheelers as a counterbalance to the disruption caused," he added.