

● FAIL-SAFE MECHANISM TO PLUG LOOPHOLES

After FAME-II violations, auto PLI norms to be strengthened

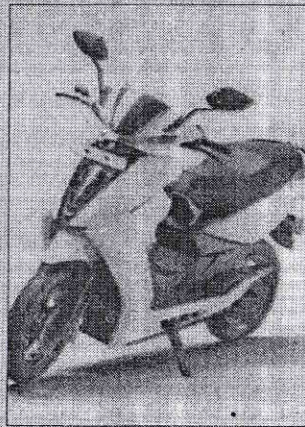
ROHIT VAID
New Delhi, July 18

THE GOVERNMENT WILL come out with standard operating procedures (SoPs) for the implementation of the auto production-linked incentive scheme to ensure that the kind of malpractices that came to light in the implementation of FAME-II subsidy scheme do not get repeated.

In the FAME-II scheme, several electric two-wheeler manufacturers allegedly availed government subsidy while using imported components, which was against the norm.

The government has now asked the companies concerned to refund the subsidy amount.

GOVT TO COME UP WITH SOPs



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Union minister for heavy industries Mahendra Nath Pandey told FE that the SoPs will ensure that all processes are streamlined and followed uniformly.

“With the SoPs in place,

any errors or discrepancies will be quickly identified and rectified. It will ultimately lead to better governance and accountability,” Pandey said.

Going ahead, the ministry will also make it mandatory

for manufacturers to report changes in supply chain. It will also incorporate a detection mechanism to check routing of imports through traders amongst others. The mechanism will utilise methods such as ‘desk appraisals, field visits and periodic surveillance’.

In addition, the four testing agencies under the ministry will regularly check the localised components requirements for availing the benefits of the scheme.

With regard to the malpractices, which have come to light in the FAME-II scheme, officials said that the government has sought legal advice on the nature of action which needs to be taken against the companies concerned.