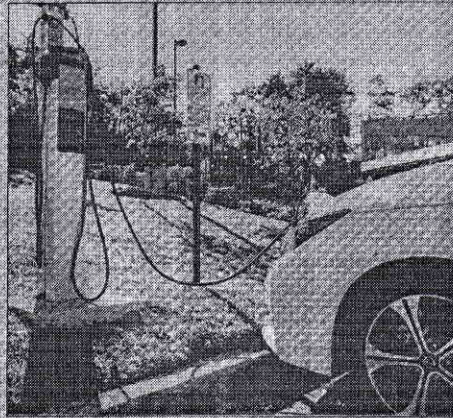


Pay subsidies before including sales in your tally, EV body tells govt



■ Through FAME-II, the government had set a target of selling one million electric two-wheelers in three years starting April 2019

■ While 960,000 E2Ws have been sold under the scheme since April 2019, the subsidy on 450,000 has not been reimbursed

SWARAJ BAGGONKAR
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THE SOCIETY OF Manufacturers of Electric Vehicles (SMEV), the apex lobby body of EV makers, has asked the government to refrain from including the sales volume of those EVs in its tally on which it has not paid subsidies.

“Auditors consulting with SMEV have contended that the figures stated by the ministry of heavy industries on achievement of FAME II mandated targets, have — most incongruously and patently disingenuously — included sales of those EVs that were not funded under the scheme,” the body said.

SMEV sent a petition to the Parliamentary Standing Committees on Industry, Energy and Estimates on Thursday.

“At least until the unpaid subsidies are released, these EV sales should not accrue to the ministry’s target figures,” SMEV further said while again urging the government to release subsidies worth ₹1,400 crore that have been held back.

Through the FAME-II (Faster Adoption and Manufacturing of Electric and Hybrid Vehicles) scheme, the government had set a target of selling one million electric two-wheelers in three years starting April 2019.

As per the website of the min-

istry of heavy industries (MHI), nearly 940,000 electric two-wheelers have been sold under the scheme.

SMEV claims that while 960,000 electric two-wheelers (E2Ws) have been sold under the scheme since April 2019, the subsidy on 450,000 has not been reimbursed by the government.

“So, why is the MHI accounting for EV sales of E2Ws whose subsidies it has not released?”

“Probably because, if it did not, it would show up as a 50% deficit in target achievement; not the rosy picture the department has been trying to paint — or more precisely, the dire situation it is trying to cover up,” SMEV said.

In April 2022, the ministry started progressively blocking subsidies to 12 E2W makers following allegations of non-compliance with the phased manufacturing programme that mandates a certain percentage of localisation for parts used in the EVs.

The E2W makers (OEMs) say the MHI did not inform them that subsidies would be held back for more than 12 months as they claim to have continued to sell the vehicles after providing the subsidies on them to the end consumer.

“This bloated the books of OEMs and in effect, the OEMs have become financiers for the government’s prized FAME II subsidy scheme,” SMEV said.