

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 841
ANSWERED ON 25.07.2023

FAME-II SUBSIDIES

841. SHRI DAYANIDHI MARAN:

Will the Minister of **HEAVY INDUSTRIES** भारी उद्योग मंत्री be pleased to state:

- (a) whether it is a fact that the Society of Manufacturers of Electric Vehicles (SMEV) has approached the Niti Aayog alleging that Faster Adoption and Manufacturing of Hybrid & Electric Vehicles in India (FAME India)-II policy/scheme is being sabotaged and if so, the details thereof and the action taken thereon;
- (b) the reasons behind the Government's decision to withhold the FAME-II subsidies for the past 18 months;
- (c) whether the withholding of subsidies has impacted the national e-mobility charter and the overall adoption of electric vehicles in the country and if so, the details thereof;
- (d) the action taken by the Government to address the alleged misappropriation of funds by auto manufacturers under the FAMA-II subsidy;
- (e) whether the Government is ensuring transparency and accountability in the process and if so, the details thereof; and
- (f) whether the Government proposes to address the concerns raised by SMEV regarding the impact of subsidy withholding on sales, EV adoption and the survival of OEMs and startups?

ANSWER
THE MINISTER OF STATE FOR HEAVY INDUSTRIES
(SHRI KRISHAN PAL GURJAR)

(a) to (f): Sir, the Ministry of Heavy Industries (MHI) had received complaints against 17 OEMs under the FAME India Scheme Phase-II the past 18 months mainly concerning two aspects viz. PMP compliance & Breach of Ex-factory price. Further, incentive payments were stopped in case of those complaints wherever detailed investigations were required.

The following steps were undertaken by MHI for investigation of complaints against the alleged Original Equipment Manufacturers (OEMs):

- i. Disbursement of the demand incentives were put on hold
- ii. Matter referred to Testing agencies of MHI for detailed investigation

After the examination of reports from testing agencies for the alleged OEMs, it was found that six OEMs were fully PMP Compliant while other seven OEMs have found to be violating PMP norms.

Further, four OEMs have agreed to refund the excess amount for the Breach of Ex-factory price to the customers/ purchasers of electric vehicles (EVs).
