

**ACMA**  
(Western Region)



**Press Reports on Automotive Industry  
2022-23**

**Automotive Component Manufacturers Association of India  
(Western Region)  
Mumbai**



(Western Region)

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# PRESS REPORTS ON AUTOMOTIVE INDUSTRY

Business Line 11<sup>th</sup> March 2023

## 'Auto industry fully geared for phase-II transition to BS6 norms'

**FAB FEBRUARY.** Monthly sales up 10% y-o-y, while April-Feb sales grew 21%: SIAM

**S Ronendra Singh**  
New Delhi

The auto industry is fully geared for transition to phase-II of BS6 emission norms for all categories of vehicles from next month. Hike in repo rates in February, which would result in higher cost of borrowings, remains a concern, and moderation of CNG fuel prices is also important for expanding the footprint of gas-based mobility which is critical for sustainable mobility, the Society of Indian Automobile Manufacturers (SIAM) said on Friday.

"Overall positive sentiments in the market continues, which is also driven by encouraging announcements in the Budget for consumers. The auto industry is fully geared for transition to phase-II of BS6 emission norms for all categories of vehicles from next month. Hike in repo rates in February, which would result in higher cost of borrowings, remains a concern and we hope that

### In fast lane

(in units)

Segment/ sub-segment	Feb 2023	Feb 2022	% change (y-o-y)
Passenger cars	1,42,201	1,33,572	6
Utility vehicles	1,38,238	1,20,122	15
Total passenger vehicles	2,91,928	2,62,984	11
Total three-wheelers	50,382	27,074	86
Scooter	3,91,054	3,56,222	10
Motorcycle	7,03,261	6,58,009	7
Total two-wheelers	11,29,661	10,50,079	7
<b>Grand total of all categories</b>	<b>14,72,078</b>	<b>13,40,147</b>	<b>10</b>

Source: SIAM

the rates would get moderated suitably," Vinod Aggarwal, President, SIAM, said while sharing the monthly sales data.

### PV SALES RISE

The automakers dispatched nearly 2.92 lakh (2,91,928 units) passenger vehicles (PVs) — the highest ever for February so far — driven by strong demand for cars and utility vehicles. Sales saw an 11 per cent growth year-on-year (y-o-y) compared with 2,62,984 units in February 2022.

While the passenger car sales grew six per cent y-o-y

to 1,42,201 units (1,33,572 units), the utility vehicles (UVs) sales grew 15 per cent y-o-y to 1,38,238.

In the two-wheeler segment, the total sales grew seven per cent to 11,29,661 units during the month.

While motorcycle sales grew seven per cent to 7,03,261 units (6,58,009 units), scooter sales grew 10 per cent to 3,91,054 units (3,56,222 units) during the month.

Total three-wheeler sales grew 86 per cent to 50,382 units in February against 27,074 units in the same month last year, the SIAM

data said. Overall, this has led to the 10 per cent growth across all vehicle categories during the month to 14,72,078 units against 13,40,147 units in February 2022.

### 11-MONTH SALES

In terms of April-February sales data, SIAM indicated that the UV sales grew more than the passenger car sales. The UV sales grew 38 per cent to 17,57,160 units (12,73,090 units) and passenger car grew 22 per cent to 15,78,963.

The total PV sales during the last 11 months grew 30 per cent to 34,61,716 units (26,66,109 units), SIAM data revealed.

Similarly, total two-wheeler sales grew 18 per cent to 1,45,71,534 during the period against 1,23,71,183 units in the corresponding period of 2021-22. This has led to the grand total growth of 21 per cent to 1,84,68,278 during April-February 2022-23 compared with 1,52,66,617 units in April-February 2021-22.

# Ola, TVS, Ather account for 60% 2-wheeler EV registrations in '23

SURAJEET DAS GUPTA  
New Delhi, 28 February

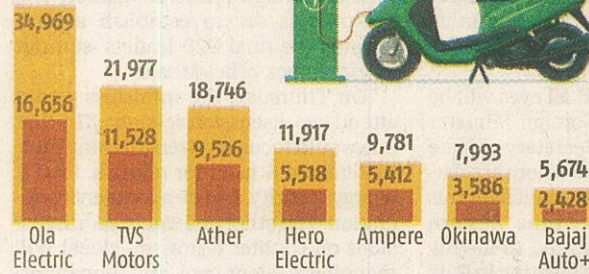
Ola Electric, TVS Motor, and Ather Energy accounted for nearly 60 per cent of the 126,349 units registered in the first two months of calendar year 2023 (CY23), according to the VAHAN portal. In February, their collective share was 61 per cent. In comparison, the firms collectively had 34 per cent share of total registrations in CY22.

This increase, other players say, is a consequence of the government suspending subsidies under the Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles (FAME) scheme to some leading players pending an audit over allegations that they violated some conditions.

In CY22, Okinawa and Hero Electric, which are under scrutiny over the subsidy issue, commanded 32 per cent share of the total 600,000 electric two-wheelers registered. However, they are now down to half that share in the first two

## MARKET SHARE

No. of registrations ■ Feb '23  
■ Total for 2023 (Jan-Feb)



+Includes Chetak Technology, a subsidiary of Bajaj Auto  
Source: VAHAN till February end



## PV sales to grow 9-10% in FY24: CRISIL

India's passenger vehicle sales are expected to grow 9-10 per cent in the 2023-24 fiscal year, about 20 per cent above pre-pandemic peak levels, as strong demand and easing chip shortages prop-up the car market, ratings agency CRISIL said on Tuesday. Higher incomes and a strong order book driven by pent-up demand, especially for sport utility vehicles, will support domestic growth even as exports remain sluggish, helping vehicle sales touch a record of 5 million units in the next fiscal year, CRISIL Ratings said.

REUTERS

months of 2023 at 16 per cent.

Registrations in February slowed compared to the previous months, partly because of the FAME-II subsidy issue and also because there were fewer days in the month. It dropped by over 4 per cent to 61,765 registrations.

Executives at the Society of Manufacturers of Electric Vehicles (SMEV) say that FAME-II subsidy of ₹1,200 crore has been pending since August, and that has impacted

the working capital of many players. This has led to the stalling of the electric two-wheeler makers' growth trajectory from 88 per cent between May and October 2022 to a contraction of 17 per cent between October 2022 and January 2023 and even further now.

"In January, we should have crossed 100,000 units, but it was around 65,000. The annual volume in FY23 was expected to be 1 million, now it won't be more than 750,000," said

Sohinder Gill, director general of SMEV and CEO of Hero Electric. Interestingly, incumbent two-wheeler companies, led clearly by TVS, collectively accounted for over 22 per cent share of registrations in January and February.

## Business Line 2<sup>nd</sup> March 2023

# 'Maruti has a backlog of 3.69 lakh units due to chip shortage'

S Ronendra Singh  
New Delhi

Maruti Suzuki India (MSIL) on Wednesday said there is still a shortage of semiconductors which is impacting the company's production cycle.

"For Maruti Suzuki, total bookings (backlog) stands at 3.69 lakh units, of which Grand Vitara has around 37,000 units, Brezza has around 61,500 and the biggest pending numbers is for Ertiga at around 94,000 units," Shashank Srivastava, Senior Executive Officer — Marketing & Sales, MSIL, said in a media briefing.

**LONG WAITING PERIOD**  
The waiting period for Ertiga is around 36 weeks, while that for Brezza and Grand Vitara is up to 25 weeks and 30 weeks, respectively, he said, adding



We have received 22,000 bookings for Jimny and 12,000 for Fronx. We plan to commence production by end-March

**SHASHANK SRIVASTAVA**  
Senior Executive Officer — Marketing & Sales, MSIL



that the company's market share in SUV has gone up to 18 per cent in February compared with around 11 per cent in the year-ago period.

MSIL has already received 22,000 bookings for Jimny and around 12,000 for Fronx. "We plan to commence production of these models by end-March," Srivastava added.

"So far, in this fiscal, we

have dispatched 15.08 lakh units, up 23 per cent y-o-y... there has been an impact on the demand for new cars, due to increase in interest rates," Srivastava said.

He said the company produced only 700 units of Ciaz last month, owing to the chip shortage, and sold 792 units compared with 1,912 units in the same month last year.

# EV Players May Challenge Move to Withhold Subsidy

Cos seeking legal opinion amid allegations of non-compliance of rules

**Nehal Chaliawala**  
@timesgroup.com

**Mumbai:** A section of electric vehicle (EV) makers whose subsidies under a ₹10,000-crore government scheme to promote clean vehicles have been withheld over allegations of non-compliance are likely to challenge the government move in courts and are seeking legal opinion on the matter, people in the know told ET. According to them at least one such company is in the final stages of filing a petition in the matter while several others are likely to follow suit in quick succession, if it is admitted.

The matter pertains to the Faster Adoption and Manufacturing of Electric and Hybrid Vehicles in India Phase-II (FAME-II) scheme, which comes with several riders such as localisation of parts used in the vehicles and adhering to certain caps on the retail price of beneficiary models. Under the scheme, manufacturers were expected to discount the prices of the vehicles by the amount of subsidy due and the government would later reimburse this amount to the companies.

However, allegations of wide-



spread manipulation by EV makers have been rife, wherein vehicles with largely imported components are said to have been passed off as locally sourced to claim subsidy. Taking note of the issue, the government has withheld the subsidies of around 13 companies to the tune of ₹1,100 crore so far. These include market leaders like Hero Electric and Okinawa Autotech, among others.

EV makers have, however, argued that the localisation timeline set down by the government was difficult to achieve due to the impact of the Covid-19 pandemic. "We are contemplating how we can go to court and request for the formation of a high-level committee to analyze the issue," said Abhishek A Ras-

togi, founder at Rastogi Chambers, who is representing one such company. "Certain parts which were imported for use in the vehicles are not available locally, and hence the government could look at "pragmatically" allowing the import of such parts, Rastogi said.

To be sure, the FAME-II scheme came with a detailed phase-wise localisation plan that gave the runway up to two years for localisation of some parts like motors.

Another lawyer who has advised companies whose subsidies have been withheld said that companies can also argue that there was no mention in the scheme of a minimum amount of value-addition to a part for it to be considered locally sourced.

## Business Line 1<sup>st</sup> March 2023

# Tata Motors launches first vehicle scrapping unit in Jaipur

**Our Bureau**  
Mumbai

Indian automaker Tata Motors on Tuesday launched its first vehicle scrapping facility in Jaipur, Rajasthan.

The registered facility Re.Wi.Re (Recycle with Respect) has a capacity of 15,000 vehicles per annum and offers eco-friendly prices for dismantling end-of-life vehicles.

The facility will be available for passenger and commercial vehicles and is developed and operated by Tata Motors' partner Ganganagar Vaahan Udyog Pvt Ltd.

Girish Wagh, Executive Director, Tata Motors said, "We are committed to every aspect of mobility to make it greener and sustainable. With globally benchmarked and optimised recycling processes, we intend to yield



**WELL-PLANNED.** The facility is digitalised for hassle-free, paperless operations and has dedicated stations for the safe dismantling of components

maximum value from the scrap for future use and minimise waste for the overall betterment."

Wagh added, "These decentralised facilities will benefit the customers, share the economic value generated, and create employment while addressing the need of

scrapping vehicles in every part of the country in an eco-friendly manner."

Further, the facility is digitalised for hassle-free, paperless operations and has dedicated stations for the safe dismantling of components such as tyres, batteries, fuel, oils, liquids and gases.

# PRESS REPORTS ON ELECTRIC VEHICLE

Business Line 14<sup>th</sup> March 2023

## Electric two-wheeler sales vroom to 2.82 lakh units in last 11 months

**S Ronendra Singh**  
New Delhi

Domestic wholesale (dispatches to dealers) of high-speed electric two-wheelers between April 2022 and February 2023 grew multifold to 2,82,297 units, compared to 91,860 units in the corresponding period the previous year. The top players in the segment include Okinawa Autotech, TVS Motor and Ather Energy.

Gurugram-based Okinawa reported 58 per cent growth in sales to 86,856 units in the 11-month period, compared to 55,071 units in the corresponding period the previous year, according to monthly data shared by the Society of Indian Automobile Manufacturers (SIAM).

According to data shared by the industry body, these

### Domestic sales in AE2 segment (More than 250 W electric scooters)

Company/ Manufacturer	Apr-Feb 2022-23	Apr-Feb 2021-22	% Change
Okinawa Autotech	86,856	55,071	58
TVS Motor	81,290	8,974	806
Ather Energy	80,658	20,634	291
Bajaj Auto	28,359	7,181	295
Hero MotoCorp	744	—	NA
Chetak Technology	4,390	—	NA
Total	2,82,297	91,860	207

Source: SIAM

high-speed vehicles come under the AE2 segment (more than 250 W electric).

"We are aiming to achieve 1.20-1.25 lakh units this fiscal year. Overall, the demand has come from Tier-II and Tier-III cities, especially Tier-II cities, though demand is also growing in the metros ... brand awareness is better now compared to the past," Jeetender Sharma,

Managing Director and Founder, Okinawa Autotech, told *businessline*.

#### DEALER NETWORK

Okinawa, with a 550-dealer network across India, has six products in the high-speed segment, including Okhi-90, IPraise+, PraisePro and Dual 100, with pricing starting at around ₹70,000 and going up to ₹1.86 lakh (ex-show-

room). Similarly, Tamil Nadu-based TVS Motor with just one brand - iQube - has sold 81,290 units during the period, 800 per cent higher than the 8,974 units sold in April-February 2021-22.

Ather Energy's domestic sales also grew 291 per cent to 80,658 units (20,634). Bajaj Auto, which has entered the scooter market with the electric Chetak, sold 28,359 units (7,181).

According to analysts, FAME-II (Faster Adoption and Manufacturing of Hybrid and Electric Vehicles) has been very effective in driving electric two-wheeler sales in the last two years, and despite a temporary blip in sales numbers due to incidents of fire, timely policy action has helped EV sales recover. According to them, Uttar Pradesh, Maharashtra and Karnataka have reported highest EV sales.

# Hail That EV!

Ride-hailing companies and cab aggregators are electrifying their fleets even as the government pushes for use of more electric vehicles (EVs) in public transport systems. Last month, Tata Motors signed the largest such deal with Uber – the cab aggregator will induct 25,000 Xpres-T electric cars into its premium ride-share offering over three years. While EV sales have been dominated by the personal use segment so far, can shared mobility platforms take volumes to the mass level? **Lijee Philip** crunches numbers.

Startups have pioneered EV induction in ecommerce and among aggregators	EV SALES IN HIGH GEAR			*to date
	4-WHEELERS	FY21	FY22	FY23*
They operate the bulk of 7,000-8,000 EVs currently on Indian roads	Personal	4,761	17,610	34,043
	Commercial/Fleet	384	973	5,598
	<b>TOTAL</b>	<b>5,145</b>	<b>18,583</b>	<b>39,641</b>
	2-WHEELERS	FY21	FY22	FY23*
	Personal	43,106	249,816	651,772
	Commercial/Fleet	1,673	2,723	962
	<b>TOTAL</b>	<b>44,779</b>	<b>252,539</b>	<b>654,734</b>

Source: Vahan



Gurgaon-based co BluSmart completes order of **3,500 electric cars**

All-electric cab co is executing delivery of **10,000 cars from Tata Motors**



Ola to deploy about **1,000 cars** as part of Bengaluru electric vehicle pilot project



Everest Fleet plans to grow from **500 EVs** to **1,000** by March-end



Lithium Urban Tech plans to double its fleet of **3,000 EVs** in 2023



Evera Cabs has **238 EVs**, to increase numbers to **2,000** by year-end



Transport solutions provider Orix Leasing will grow EV fleet from **600 to 1,000** soon



LeasePlan hopes to increase electric fleet by 20% from **400** at present

For electric ride-hailing to take off, multiple factors need to come together. Automakers need to build affordable vehicles with a long range, (there must be a) financing ecosystem and charging infrastructure has to be widespread.

**ANMOL JAGGI**, Founder, BluSmart

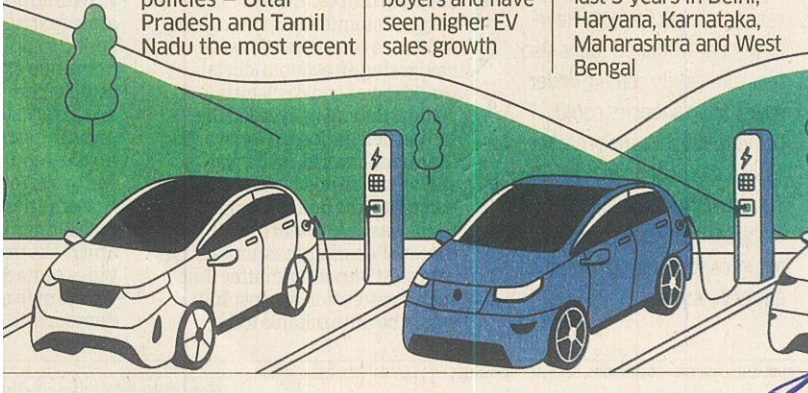
We can taper down passenger vehicles and increase supplies of Xpres-T EVs, if required and vice-versa.

**SHAILESH CHANDRA**, MD, Tata Motors PV and electric mobility

**STATE OF PLAY** 21 states have notified their EV policies – Uttar Pradesh and Tamil Nadu the most recent

15 states provide subsidies to buyers and have seen higher EV sales growth

EV registrations more than doubled over last 3 years in Delhi, Haryana, Karnataka, Maharashtra and West Bengal



# PRESS REPORTS ON TWO – THREE WHEELERS

Business Line 14<sup>th</sup> March 2023

## Two-wheeler production falls for third month in a row on poor export demand

Our Bureau  
Mumbai

Two-wheeler production in the country dipped for the third month in a row in February.

According to data from the Society of Indian Automobile Manufacturers (SIAM), production in February 2023 at 13,48,669 units was 81,859 units lesser than that of February 2022 at 14,30,428 units.

In January 2023, 14,54,476 units were produced, as opposed to 14,96,064 units in January 2022, while in December 2022 companies manufactured 12,10,590 units as opposed to 13,07,784 units.

Companies have been reducing production owing to a sustained decline in exports, as global markets are



**NO TAKERS.** There has been a 30 per cent decline in export demand for two-wheelers

impacted. "There has been a 30 per cent decline in export demand. Emerging markets depend on imports, while demand is coming down. Nigeria is an important market for us and there is a demonstration there.

"We expect normalcy by the middle of March," said

Rakesh Sharma, Executive Director, Bajaj Auto Ltd, during the company's December quarter results.

However, exports of two-wheelers witnessed a marginal increase in February at 2,35,087 units, 14,984 units more than 2,20,103 units in January. *businessline* had

SIAM's 10-year data show that two-wheeler sales in FY22 stood at 1,34,66,412 units, compared to 1,48,06,778 units in FY14

earlier reported that 10-year data from SIAM shows that two-wheeler sales in FY22 stood at 1,34,66,412 units, compared to 1,48,06,778 units in FY14.

"The entry-level segment is impacted more, while the rural demand is still muted and under severe distress. It still has to recover from the impact of coronavirus," said Manish Raj Singhania, President, Federation of Automobile Dealers' Association (FADA).

## 'Nearly Half of Domestic Scooter Sales Likely to be Electric by 2027'

Cell prices, govt sops to be key factors, says Bajaj Auto sr executive

Sharmistha.M@timesgroup.com

**New Delhi:** One out of every two scooters sold in the local market is likely to go electric in the next five years, said a top executive at Pune-based Bajaj Auto.

Rakesh Sharma, executive director, Bajaj Auto, told ET that if cell prices reduce and demand-side incentives extended by governments stay in place, 40-50% of scooter sales in the domestic market will come from electric models by 2027.

"The industry reached the tipping point after petrol crossed the ₹100 mark. Consumers have realised it is cheaper to go electric," said Sharma. "There are a couple of challenges. With demand exceeding supplies worldwide and new capacities (for batteries) yet to come on stream, costs have gone up. Then there is the question of subsidy (whether it will get extended beyond next fiscal)."

The Centre has recently indicated it is unlikely to extend subsidies under its flagship FAME II (Faster Adoption and Manufacturing of Electric Vehicle) sche-



me beyond March 2024 amid allegations of a dozen EV 2W makers wrongfully claiming subsidies without meeting localisation norms. Sharma said the potential for growth though is immense if the policy framework remains supportive.

"The adoption we are seeing in the market is taking place across demographics, geographies and socio-economic classes," he said. "The economics alone will drive growth." Bajaj Auto is looking at introducing 3-4 products on the platform to meet the requirements of different sets of customers.

"As we scale and the market develops, there will be sub segments. We will expand the Chetak portfolio - there will be a youthful variant, a standard variant, a high performance vehicle, a variant with higher range to address the needs of different customers," Sharma said.

The Economic Times  
14<sup>th</sup> March 2023



# PRESS REPORTS ON GOVERNMENT POLICY

Business Line 11<sup>th</sup> March 2023

## Govt launches revamped MSME Competitive (LEAN) scheme

**BETTER DEAL.** Scheme will cover manufacturing sector first and services next

**Press Trust of India**  
New Delhi

The MSME Competitive (Lean) scheme is being launched with several improvements to make it simple and beneficial for MSMEs and other stakeholders, said the Micro Small and Medium Enterprises Secretary BB Swain at the launch.

The government's contribution to trained and qualified new consultants has been enhanced to 90 per cent apart from other benefits," he said. Previously, the contribution was 80 per cent. The new version also does away with the requirement of setting up a SPV in every MSME cluster.

### TWO PHASES

Earlier, the implementation period for the scheme was set at 18 months. However, under the revamped scheme it has been divided into phases - basic (2 months), intermedi-



**MONETARY SUPPORT.** The government will contribute 90 per cent of implementation cost for handholding and consultancy fees

ate (6 months) and advanced (12 months). Swain said the revamped scheme is being introduced in two phases. The first phase will cover the manufacturing sector while the services sector will be covered in the second phase.

In his virtual address, Union MSME Minister Narayan Rane said LEAN has the potential to become a na-

tional movement and that it aims to provide a roadmap for global competitiveness for the MSMEs in India.

According to him, LEAN will not only attempt to improve quality, productivity and performance but also the capability to change the mindsets of manufacturers and transform them into world class manufacturers.

"To support MSMEs, the government will contribute 90 per cent of implementation cost for handholding and consultancy fees. There will be an additional contribution of 5 per cent for the MSMEs which are part of SFURTI clusters, owned by Women/SC/ST and located in North East Region," the MSME ministry stated.

# 80% of FAME scheme outlay for e2Ws disbursed so far

NITIN KUMAR

New Delhi, 5 March

The Centre's flagship electric vehicles (EV) promotion scheme — Faster Adoption and Manufacturing of (Hybrid & Electric Vehicles (FAME-II) — has so far disbursed subsidies to around 80 per cent electric two-wheelers of the set target under the scheme.

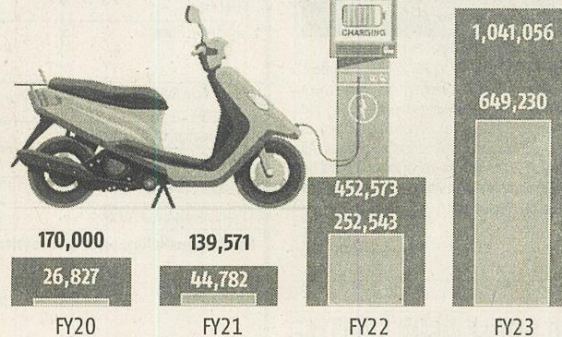
The government had set a target of supporting one million two-wheelers under the scheme by March 2024.

According to data from the ministry of heavy industries, 792,529 vehicles have been sold under the scheme till February 15, 2023. The government aims to support the remaining 200,000 vehicles within the stipulated time.

"Our electric two-wheeler sales would cross 800,000 this financial year. Given the pace of electric two-wheeler (e2W) sales in the country, we are confident that we will achieve the

## SOARING DEMAND

■ Total EVs sold ■ Total e2Ws sold



Source: Ministry of Heavy Industries, Vahan portal

remaining target," a senior government official said.

In the 11 months of FY23 — with an average sales of 59,000 units per month — 649,000 e2Ws were sold. e2Ws constituted more than 60 per cent of the overall 10,41,000 (over one million) EVs sold so far.

The government is confi-

dent of achieving the target, despite the halt on subsidies of Okinawa Scooters and Hero Electric along with a few more small players.

"Subsidies are on halt for just a few players. More than 45 players are still getting the subsidy and majority of them are E2W manufacturers," the

official said.

Subsidies worth ₹1,100 crore — meant for promoting electric vehicles in the country — have been blocked by the Centre. This comes after it was alleged that manufacturers are not adhering to localisation norms.

Of the 64 OEMs registered under FAME-II so far, at least 17 have been debarred from seeking subsidies, according to data available on the MHI website. Of the 17 barred OEMs, 6 manufacture two wheelers.

The government provides an incentive of ₹15,000 per kWh on electric two-wheelers, capped at 40 per cent of the total vehicle cost, provided they meet specified localisation criteria. The subsidy for EV makers ranges between ₹17,000 and ₹66,000 per electric two-wheeler. Since the launch of FAME-II in April 2019, around 975,000 e2Ws were sold till March 4, 2023. Of this, around 65 per cent vehicles were sold in the current financial year.

The Economic Times 13<sup>th</sup> March 2023

# EV Cos Meet Officials to Explain FAME-II Mispricing Allegations

**END OF THE LINE?** Govt may pull the plug on EV subsidy scheme even as industry seeks an extension

Pranav Balakrishnan & Lijee Phillip

**Bengaluru | Mumbai:** Following recent allegations by a whistleblower that EV makers Ola Electric, Ather Energy, TVS Motors and Hero MotoCorp are mispricing their electric vehicles to avail of the FAME-II subsidy, these companies met government officials over the past few weeks, sources aware of the matter said.

These EV makers had responded to an emailed communication sent by the testing agency Automotive Research Association of India (ARAI) seeking clarification if these firms billed their chargers and the add-on software upgrade separately to avail sops under the government's Faster

## A Closer Look

• ARAI sought clarification if firms billed chargers and software separately

• Cos have come under scanner after they were accused of artificially keeping prices low earlier

• Govt looking at the prospect of not extending the FAME-II subsidy even as the industry demands an extension

• Some companies have been asked for further clarification and proof

Adoption and Manufacturing of Electric and Hybrid Vehicles (FAME) II scheme.

ET reported on February 9 that these companies have come under government scanner after they were accused of artificially keeping prices low to avail of the FAME-II scheme.

By billing the software and the charger separately, EV manufacturers price vehicles under the stipulated mark to avail of the subsidies, as alleged by the whistleblower. The development also comes as the government is relooking at the prospect of not extending the FAME-II subsidy even as the industry demands an ex-

tension. ET reported on March 7 that the ₹10,000 crore

FAME-II subsidy scheme is unlikely to be extended after the end of the next financial year.

"We are unlikely to extend the scheme beyond FY24," a senior government official said, adding that key FAME II goals will be achieved by then. The industry is also expecting subsidies for electric two-wheelers to run out even before that. The first of the meetings regarding mispricing took place on February 13 chaired by the joint secretary of the Ministry of Heavy Industry, Hanif Qureshi. ARAI

officials were also present at the meeting. The MHI did not respond to queries sent by ET as of press time. While no suspension or penalties have yet been enforced, these companies have been asked for further clarification and evidence on the said issue.

"Why are chargers and performance software being invoiced separately if these are optional items," asked one of the officials in one of the meetings. The software being questioned here is the performance upgrade software, which once installed in an electric scooter, makes it a better variant.

Companies make the same hardware and different variants and the pricing depends on the performance software installed inside the vehicle. For example, Ather has a base variant called 450 plus and a higher variant called 450x. The company ships 450 plus as default to all dealers. Depending on the demand from customers, the dealer purchases additional software packs to upgrade it to 450x.

The add-on software is marketed as a "virtual accessory" to improve the user experience and the EV makers claim that it is not a necessary or integral part of the vehicle.

## THE ALLEGATIONS



By billing the software and the charger separately,

EV manufacturers price vehicles under stipulated mark to avail of the subsidies