

GOVERNMENT OF INDIA  
MINISTRY OF HEAVY INDUSTRIES  
LOK SABHA  
UNSTARRED QUESTION NO. 1939  
ANSWERED ON 01.08.2023

**PENALTIES FOR WRONGLY CLAIMED SUBSIDIES UNDER FAME INDIA  
SCHEME**

**1939. SHRI GAUTAM GAMBHIR:**

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

- (a) whether the Government is considering a plan or strategy to incorporate penalties for wrongly claimed subsidies under the Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India (FAME India) Scheme; and
- (b) if so, the details thereof?

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

**(a) & (b):** 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).

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