

## **Electric two-wheeler adoption falls short by 25% over min annual target: SMEV**

The electric two-wheeler adoption witnessed an annual shortfall of more than 25% over the minimum target set by Niti Aayog and various research organizations for the last fiscal, as per the report on the performance of the EV market released by the Society of Manufacturers of Electric Vehicles (SMEV). However, sales of these vehicles have more than doubled to about 8,46,976 units in 2022-23 fiscal against the past fiscal year. Overall, the electric two-wheeler segment sold 7,26,976 high-speed units in FY 2023.

The report noted that electric two-wheeler adoption fell after the Indian festive season. However, this did not happen due to lessening of consumer demand but due to the withholding of more than the ₹1200 crore subsidy already passed on by the majority of OEMs to the customers on the pretext of delay in the localization.

The SMEV report further stated that another sum of ₹400 crore got stuck of the OEMs operating in the premium end due to the allegation of under invoicing to bypass the FAME norms. This led to a chaos in their business operations due to shortage of working capital, thus affecting the sales of EV two wheeler units.

FY23 saw only 5% EV adoption in FY23 while the short term goal of 30% and the EV mission of 80% adoption by 2030 "looks more like a mirage", said Sohinder Gill, DG SMEV. "All is not lost and what perhaps can put the industry back on track is an extension of the PMP eligibility criteria by two years and strictly enforcing it from April 23." The SMEV report also suggested that the government should introduce a direct subsidy mechanism that allows incentives to be directly paid to the customer, avoiding any discrepancy in the process. This, it says, is crucial because the current method lacks transparency, which may lead to OEMs manipulating sales to claim the subsidy fraudulently

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