

The Government's E-Mobility Policy is a win-win for everyone. So, who is trying to scuttle it?

Something strange is happening in the E-Mobility space.

A wonderful, well-planned and almost well executed policy so far, has been suddenly put to the test – with premeditated disaster as almost a certain outcome.

How did this come to be? Is the policy short on long term sustainability? Or is someone short-circuiting it purposely.

Lets cut out the mystery and read the signs.

In 2015, GoI introduced a sagacious policy to manage the environmental impact and economic – and geopolitical - costs of fuel based mobility.

The E-mobility policy was thus intended to kick-start a speeding up of e-vehicle manufacturing to an ambitious target of 12% of 2w market share.

It envisioned - as any sensible policy must do – the difficulties in doing so: There was no existing technology base, so it created an incentivised platform of subsidies with localisation at its heart. Most parts for EVs came from imports, mainly China, and so it was crafted to make the shift happen as soon as possible.

Now, most major two wheelers producers who were heavily invested in ICE vehicles were slow to make the transition. But some start ups moved speedily into the space.

Six new entrants pushed the Indian e-2wheeler market from zero to almost 10 Lakh during the FAME policy period.

There were enough challenges in achieving this, which multiplied with two Covid impacted years and its fall out in procurement, localisation etc all leading to missed deadlines.

The Government acted reasonably and realised that targets needed to be moved ahead. Even before any policy tweaks could be put into play, a section of what can only be called, detractors, started pulling out the stitches of the policy.

It accused the government of letting the pioneering start-up companies secure subsidies while localisation levels were behind schedule. It accused the start-ups of trying to fudge data and claim subsidies. It sent anonymous letters to every department, bureaucrat and news agency insinuating connivance, fraudulence, money laundering and almost every known financial misdemeanour in the book.

Normally, such anonymous campaigns should not have rattled anyone. But strangely, the start-ups started progressively being cold-shouldered and subsidy allocation was withheld.

Clearly, this was not a campaign by some wet-behind-the-ears do-gooder. Clearly it was a cabal acting in concert with some special interest groups, because one by one the insinuations started piling up against the start-ups.

These are start-ups and new players without the deep pockets of traditional fuel based scooter companies. They will collapse without subsidies.

So an unusual situation has been created, where companies that served the Government's policy and started the e-scooter revolution in India are now being edged out of the market by an anti E-Mobility Policy group.

So, is this a one-person operation? One company? A group of companies ? A corporate lobby group? Indian? Foreign? We can only guess.

But whatever it is, this group is clearly not keen to see the E-Mobility Policy succeed.