**PRESS RELEASE**

**OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA**

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## CAG's Performance Audit Report on the Scheme for Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India

The Performance Audit Report No. 10 of 2026 of the Comptroller and Auditor General of India on the Scheme for Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India (FAME India) was placed in the Parliament today.

The Scheme (FAME-I) was launched by the Ministry of Heavy Industries with an outlay of ₹795 crore for a period of two years, commencing from April 2015. The scheme was subsequently extended up to March 2019 with an enhancement in outlay from ₹795 crore to ₹895 crore. Phase II of the scheme (FAME-II) was launched with an outlay of ₹10,000 crore which was subsequently enhanced to ₹11,500 crore for the period from April 2019 to March 2024. The scheme was implemented through five components, viz. Demand Incentive; Charging Infrastructure; Technology Platform (R&D); Pilot Projects; and Information, Education and Communication.

The main audit findings are as under:

### Demand Incentives

Under Phase-I of FAME India Scheme, the Ministry developed the Demand Incentive Delivery Mechanism (DIDM) Portal without having a Detailed Project Report (DPR)/deliverables and timelines. The DIDM did not have any mechanism for end-to-end processing and disbursement of demand incentive claims. Further, the Portal did not have complete data on demand incentive claimed/sanctioned/disbursed for the period November 2017 to March 2019.

For Phase-II of the Scheme, the work for development of the new DIDM Portal was assigned to the same vendor (of Phase I), without considering the deficiencies in Phase I portal. In the absence of any prescribed timelines for processing of claims, Audit could not assess the delay or effectiveness of the incentive delivery mechanism. The Portal was not integrated with Vahan/Sarathi portal for most of the period of the Scheme.

In respect of e-buses, Audit observed that during Phase-I, 425 e-buses were deployed as allocated in 10 cities. During Phase-II, 5,195 e-buses were deployed against the target of 6,862 e-buses. The Ministry, however, did not develop a central server, as envisaged, for monitoring the performance of e-buses.

### Testing and Certification

Testing agencies played a significant role in implementation of FAME India Scheme. They were to test and certify the electric vehicles for eligibility under the Scheme along with compliance to localisation guidelines, and also to determine the amount of eligible demand incentive. Audit observed that the Ministry of Heavy Industries did not prescribe timelines for testing and issuance of Eligibility Assessment Reports (EARs) by the testing agencies. Further, the testing agencies also did not follow a strict timeline for testing and issue of EARs under the Scheme. Audit also observed that demand incentive amounting to ₹6.78 crore was approved for 952 ineligible electric vehicles (other than e-buses) in violation of the Scheme guidelines/ notifications.

**Charging Infrastructure**

There was absence of a formal roadmap for setting up of adequate public charging infrastructure which was a key barrier to the large scale adoption of Electric Vehicles (EVs).

During Phase I, 497 out of a total of 539 charging stations were commissioned. However, in Phase II, 148 out of a total of 2,877 (5 *per cent)* charging stations approved under 'Cities' project were commissioned while remaining charging stations of the 'Cities' project and all 1,576 charging stations approved under 'Highways and Expressways' were cancelled due to no/negligible progress. Negligible progress in Phase II was attributed to non-viability of projects and reluctance on the part of implementing agencies due to high cost of upstream infrastructure. Also, the Ministry awarded 8,412 charging stations to three Oil Marketing Companies (OMCs). However, the OMCs did not commission any charging station as of March 2024.

**Technology Development (R&D)**

Technology Development component was one of the key elements of the FAME India Scheme aimed at making EVs market self-sustaining. Audit observed that the Ministry undertook 16 projects during Phase-I, out of which only nine projects could be completed. The Ministry did not sign Memoranda of Understanding with the Implementing Agencies of four projects which resulted in lack of clarity regarding their roles and responsibilities, and inadequate oversight and monitoring, leading to premature closure of three of those projects.

**Information, Education & Communication**

Information, Education, and Communication (IEC) was a critical component of the Scheme, given that low consumer awareness about electric vehicles (EVs) was identified as a significant barrier to large and faster adoption of electric mobility. Audit observed that the Ministry did not devise a suitable IEC programme and conducted IEC activities on ad-hoc basis. Further, out of the aggregate amount of ₹48 crore allocated for IEC activities during Phase-I and Phase-II of the Scheme, the Ministry could utilise an amount of ₹7.52 crore for such activities.

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