

# PLI Scheme for Automobile and Auto Components Industry

December 4, 2021

**In news**– The Ministry of Heavy Industries, GOI has notified the Production Linked Incentive (PLI) Scheme for Automobile and Auto Components Industry, recently.

## **About the scheme-**

- It seeks to **enhance India's Manufacturing Capabilities for Advanced Automotive Products with a budgetary outlay of Rs. 25,938 crores over a period of five years.**
- The PLI Scheme for the auto sector envisages to overcome the cost disabilities of the industry for manufacture of Advanced Automotive Technology products in India.
- The PLI Scheme for the Auto sector is open to existing Automotive companies as well as new Non-Automotive investor companies (who are currently not in automobile or auto component manufacturing business).
- It will be implemented over a period of five years starting from FY 2022-2023.
- Financial Year 2019-20 shall be treated as the Base Year for calculation of Eligible sales.

## **The Scheme has two components namely,**

1. Champion OEM Incentive Scheme.
2. Component Champion Incentive Scheme(CCIS).

## **Champion OEM Incentive Scheme-**

It is a **'sales value linked' scheme, applicable on Battery Electric Vehicles and Hydrogen Fuel Cell Vehicles** of all segments and any other Advanced Automotive Technology vehicle prescribed by MHI depending upon technical developments.

## **Component Champion Incentive Scheme(CCIS)-**

- The CCIS is aimed at identifying and incentivizing Auto component champions that can achieve global scale of operations and become 'Automotive Champions' for the auto-component manufacturing sector related to Advanced Automotive Technology.
- The CCIS is a 'sales value linked' scheme, applicable on pre approved Advanced Automotive Technology components of all vehicles, CKD/SKD kits, Vehicle aggregates of 2-Wheelers, 3-Wheelers, passenger vehicles, commercial vehicles and tractors including automobile meant for military use and any other Advanced Automotive Technology components prescribed by MHI depending upon technical developments.

**Basic Eligibility Criteria:**

1. For company or its Group company(ies) with existing presence in India or globally in the Automotive vehicle and components manufacturing business:

<b>Eligibility Criteria</b>	<b>Auto OEM</b>	<b>Auto-Component</b>
Global group* Revenue (from automotive and/or auto component manufacturing)	Minimum Rs 10,000 crore.	Minimum Rs 500 crore.
Investment	Global Investment of Company or its Group*Company(ies) in fixed assets (gross block) ofRs 3,000 crores.	Global Investment of Company or its Group*Company(ies) in fixed assets (gross block) of Rs 150 crore.

- b. For new non-automotive investor company or its Group company(ies) that may want to participate in this scheme:

<b>Eligibility Criteria</b>	<b>New Non-Automotive investor company or its Group company(ies)(who are currently not in automobile or auto component manufacturing business)</b>
Global net worth	Rs 1000crorebased on audited financial statements for year ending March 31, 2021.
Committed investment in India over five year period	As per Minimum New Domestic Investment Conditions mentioned in para – 3.2(c) below.