

# 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:

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