

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 974
ANSWERED ON 13.12.2022

COMPONENT CHAMPION INCENTIVE SCHEME

974. SHRI G.M. SIDDESHWAR:
SHRIMATI POONAM MAHAJAN:

Will the Minister of HEAVY INDUSTRIES भारी उद्योग मंत्री be pleased to state:

- (a) whether the Government has initiated a new Component Champion Incentive Scheme in the country;
- (b) if so, the details thereof and the extent to which it will be beneficial;
- (c) whether it is a 'sales value linked' scheme, applicable on pre-approved Advanced Automotive Technology components of all vehicles;
- (d) if so, the details thereof; and
- (e) the incentive currently being provided under this scheme to Battery Electric Vehicles and Hydrogen Fuel Cells component?

ANSWER

THE MINISTER OF STATE FOR HEAVY INDUSTRIES
(SHRI KRISHAN PAL GURJAR)

(a): Yes Sir, the Government has approved the Production Linked Incentive (PLI) Scheme for Automobile and Auto Component Industry in India for enhancing India's Manufacturing Capabilities for Advanced Automotive Technology (AAT) products with a budgetary outlay of ₹25,938 Crore for five years.

This scheme has two components:

- i) Champion OEM Incentive Scheme
- ii) Component Champion Incentive Scheme

(b): PLI Scheme for Automobile and Auto Component Industry proposes financial incentives to boost domestic manufacturing of Advanced Automotive Technology (AAT) products and attracts investments in the automotive manufacturing value chain. Its prime objectives include overcoming cost disabilities, creating economies of scale and building a robust supply chain in areas of AAT products. It will also generate employment. The list of AAT products has been notified by MHI vide S.O 4632 (E) dated 9th November 2021. The list of AAT products is available on the official website of MHI.

(c) & (d): The Component Champion Incentive Scheme is a 'sales value linked' scheme, applicable on Advanced Automotive Technology components of vehicles, Completely Knocked Down (CKD)/ Semi Knocked Down (SKD) kits, Vehicle aggregates of 2-Wheelers, 3-Wheelers, passenger vehicles, commercial vehicles and tractors, etc. Minimum 50% domestic value addition will be required to become eligible for incentive under this scheme.

(e): Incentives of 13% to 18% is applicable on Battery Electric vehicles and Hydrogen Fuel Cell vehicles and their AAT components.
