

GOVERNMENT OF INDIA  
MINISTRY OF HEAVY INDUSTRIES  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 2410**  
ANSWERED ON 06.08.2024

**PLI SCHEMES FOR AUTOMOBILE AND AUTO COMPONENTS**

**2410. SHRI RAJU BISTA:**

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

- (a) the details of the PLI Schemes for Automobile and Auto components, including statistics on the number of applicants and approved applicants particularly in West Bengal;
- (b) the details of the distribution and utilisation of the budget for the PLI Scheme, along with the measures in place for monitoring the progress and outcomes of the Scheme during the specified 5-year period;
- (c) actions taken to bolster the involvement and advantages of Small and Medium-sized Enterprises (SMEs) in the automobile and auto components sector through the PLI Scheme; and
- (d) whether there have been any training initiatives, specifically designed for Small and Medium-sized Enterprises (SMEs), aimed at assisting them in incorporating Industry 4.0 technologies into their operations?

**ANSWER**

**THE MINISTER OF STATE FOR HEAVY INDUSTRIES  
(SHRI BHUPATHIRAJU SRINIVASA VARMA)**

**(a):** Government approved the Production Linked Incentive (PLI) Scheme for Automobile and Auto Components Industry in India (PLI-AUTO) for enhancing India's manufacturing capabilities for advanced automotive products with a budgetary outlay of Rs.25,938 crore. PLI-Auto proposes financial incentives to boost domestic manufacturing of Advanced Automotive Technology (AAT) products and attract 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.

The PLI-Auto Scheme notification was issued on 23<sup>rd</sup> September, 2021. Application Window for the scheme was open till 9<sup>th</sup> January, 2022. There are 82 approved applicants under the Scheme comprising 18 Original Equipment Manufacturers (OEMs) and 64 Component Companies, at present. There is no approved applicant from the state of West Bengal.

**(b) to (d):** **(i)** Applicants are in the process of making investment and achieving Domestic Value Addition (DVA) of minimum 50%. The tenure of the scheme was extended for one year vide Gazette Notifications No. SO 5486 (E) and SO 5487 (E) dated 29.12.2023. Therefore, FY 2024-25 is the first incentive disbursement year for the scheme. No claims have been received under this scheme.

For effective monitoring of the progress and outcomes of the scheme, this Ministry has taken the following measures:

1. Appointment of Industrial Finance Corporation of India Ltd. (IFCI Ltd.) as the Project Management Agency (PMA) for implementation of the scheme including, among others, appraisal of applications, verification of incentive claims and compilation of data regarding progress & performance of the scheme.
2. Launch of online portal of the scheme: <https://pliauto.in/> with the facility of filing online application under the scheme.
3. Quarterly Review Report (QRR) Module implemented under scheme Portal.
4. Application for certification of Advanced Automotive Technology (AAT) Product Module implemented under scheme Portal.
5. Uploading of PLI Auto scheme data regularly on PRAYAS Portal.
6. Organising stakeholder consultations, regular review meetings and workshops for monitoring the progress of scheme and supporting and hand-holding the applicants.

**(ii)** The eligible applicants for this scheme are Champion OEMs, Component Champions and New non-automotive investors with prescribed Global Group Revenue, Gross Block and Global net worth. The PLI Auto scheme is promoting investment in the automobile sector. This is leading to overall increased manufacturing activity downstream with establishment of supply chain where Small and Medium-sized Enterprises (SMEs) may participate and benefit for the ecosystem. The details of the eligibility criteria of this scheme is at **ANNEXURE**.

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**REFERRED IN LOK SABHA UNSTARRED QUESTION NUMBER 2410 PART (b) to (d) FOR 06.08.2024 ASKED BY SHRI RAJU BISTA REGARDING “PLI SCHEMES FOR AUTOMOBILE AND AUTO COMPONENTS”**

**ANNEXURE**

**Eligibility:** The applicant company or its Group company(ies) will need to meet the following common criteria to qualify and receive benefits under the scheme:

**Basic Eligibility Criteria:**

(a) 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 ₹ 10,000 crore.	Minimum ₹ 500 crore.
Investment	Global Investment of Company or its Group* Company(ies) in fixed assets (gross block) of ₹ 3,000 crore.	Global Investment of Company or its Group* Company(ies) in fixed assets (gross block) of ₹150 crore.

*\*Group Company(ies) shall mean two or more enterprises which, directly or indirectly, are in a position to:*

*Exercise twenty-six percent or more of voting rights in the other enterprise;*

**Or**

*Appoint more than fifty percent of members of Board of Directors in the other enterprise. (As defined in the FDI Policy Circular of 2020)*

**Note:** i. Above Eligibility criteria to be met based on audited financial statements for year ending March 31, 2021.

ii. An applicant company or its Group company(ies) must satisfy the entire eligibility criteria to be eligible under the scheme.

(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	₹ 1000 crore based 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.

**Note :**

i. Non-Automotive company or its Group company(ies) can qualify for this scheme provided they present a clear business plan to invest in India and generate revenues from Advanced Automotive Technology vehicles or Advanced Automotive Technology components manufacturing.

- ii. The applicant new Non-Automotive Investor company or its Group company(ies) will be eligible to claim incentive subject to meeting cumulative minimum new domestic investment to be achieved for a particular year. The applicant will also have to meet the % Year on Year growth criteria from the minimum threshold fixed from the first year.
- iii. New Non-Automotive Investor company or its Group company(ies) will be defined as those who have no revenue from manufacturing of Automobile or auto- components as on 31<sup>st</sup> March, 2021.
- iv. An applicant new Non-Automotive Investor company or its Group company(ies) must satisfy the entire eligibility criteria.

**(c) Minimum New Domestic Investment Conditions:**

Cumulative New Domestic Investment Condition of Performance (₹ Crore)

Cumulative new domestic investment to be achieved	Champion OEM (Except 2W & 3W)	Champion OEM 2W & 3W	Component Champion	New Non-Automotive investor(OEM) company or its Group company(ies)	New Non-Automotive investor (Component) company or its Group company(ies)
Upto or before March 31, 2023	300	150	40	300	80
Upto or before March 31, 2024	800	400	100	800	200
Upto or before March 31, 2025	1400	700	175	1400	350
Upto or before March 31, 2026	1750	875	220	1750	440
Upto or before March 31, 2027	2000	1000	250	2000	500

**Note :**

- i. New investments should be made from the same legal entity as the one applying for the incentive.
- ii. Cumulative new domestic investment made starting 1<sup>st</sup> April, 2021 shall be considered under this condition.
- iii. The approved Company is required to meet the cumulative investment condition for each year.
- iv. In the event, any approved company meets the investment condition few years before the end of the scheme; it will be eligible for incentives throughout the tenure of the scheme subject to meeting other conditions of the scheme.
- v. In case the approved company fails to meet the cumulative domestic investment condition in any given year, it will not receive any incentive for that year even if the threshold for determined sales value is achieved. However, it will still be eligible to receive the benefits under the scheme in the following years if it meets the cumulative domestic investment condition defined for that year.

(d) Preference will be given to eligible company or its Group company(ies) committing to front load their investment during the scheme period. Proposed investment commitment will be evaluated by calculating the Net Present Value (NPV) of the investment using the bank rate as the discounting factor.

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