

115 companies file applications under PLI scheme for auto sector

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NEW DELHI: As many as 115 companies have filed applications to seek benefits under the production linked incentive (PLI) scheme for automobile and auto component sector, the heavy industries ministry said on Monday.

The scheme was notified on September 23, 2021. The scheme was open for receiving applications till January 9, 2022.

Incentives are applicable under the scheme for determined sales of advanced automotive technology products (vehicles and components) manufactured in India from April 2022 onwards for a period of five consecutive years.

"A total of 115 companies have filed their application under the PLI scheme," the ministry said in a statement.

The scheme for the sector was approved with a budgetary outlay of Rs 25,938 crore. It aims at boosting domestic manufacturing of these products.

It further said 83 applications have been received under the component champion incentive scheme.

It 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.

The PLI scheme has two components -- Champion OEM Incentive Scheme and Component Champion Incentive Scheme.

The Champion OEM (original equipment manufacturer) Scheme is a 'sales value linked' scheme, applicable on battery electric vehicles and hydrogen fuel cell vehicles of all segments.

Under the champion OEM (except 2W and 3W) section, 13 applications have been filed, and seven under two- and three-wheelers.

Nine have received under new non-automotive investor (OEM) company and three under new non-automotive investor (component) firm.

Commenting on the development, Automotive Component Manufacturers Association of India (ACMA) Director General Vinnie Mehta said it was an encouraging response from companies in the Indian automobile and auto component industry to the PLI scheme.

"With a strong underlying factor being advanced technologies, this will force the Indian companies to focus more on R&D and innovation and they will have to think differently. This will change the Indian industry which has so far been a 'build to print' to innovation-led ones," Mehta said.