

# Govt Extends Tenure of PLI Scheme for The Auto Industry With Partial Amendments

*The Ministry of Heavy Industry issued a Gazette Notification about the extension of the PLI Scheme tenure and also introduced partial amendments. The amendments aim to provide more clarity, flexibility, support, and competitiveness to the manufacturers.*

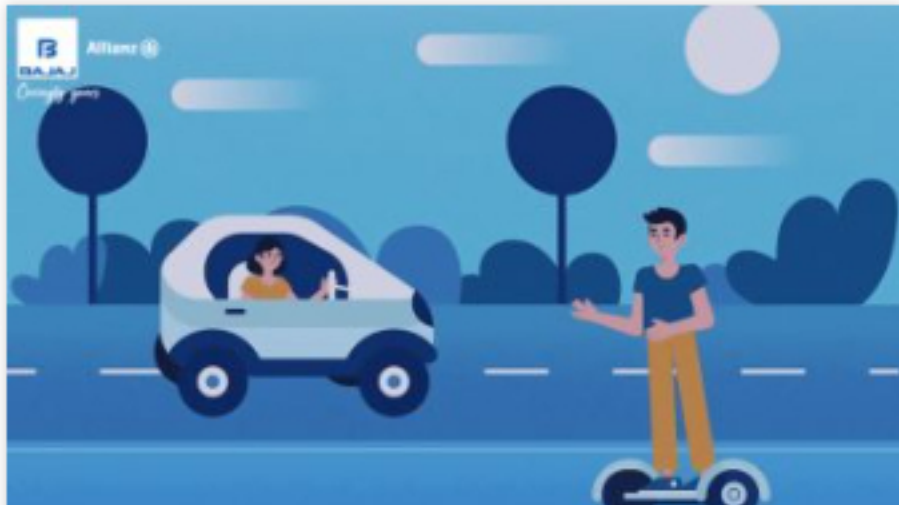


Auto

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provide more clarity, flexibility, support, and competitiveness to the manufacturers.

As per the new amendments, if the company fails to meet the DSV (Determined Sales Value) over the first year's threshold, it will not receive any incentive for that year but will still get benefits in the next year if it meets the threshold calculated on 10% year-on-year growth over the first year's threshold. With this new provision, the Indian government aims to ensure a level playing field for approved automobile companies and safeguard those that prefer front-load investments.

The government of India mandated motor insurance policies for all vehicle types, including cars, bikes, jeeps, trucks, scooters, and all other types of vehicles. Car and **bike insurance** offers protection against unforeseeable events and helps vehicle owners deal with the financial needs arising out of vehicle damage. Motor insurance policies can ensure car and bike owners get third-party insurance, for complete protection.\*

The incentives under the amended PLI scheme will be applicable for five consecutive years starting from FY 23-24. In the extended periods, the automobile industry will manufacture more vehicles due to the high demand of consumers. Following the increased investments in the sector, car and bike insurance purchases will also rise in the market, resulting in overall growth of the insurance sector.

The companies that provide **motor insurance** for cars and bikes will need to provide insurance for the increased number of vehicles. Insurance companies will need to be part of this developing supply chain and ensure customers are safer with the insurance of their car, bike, or any other three-wheeler, in place. The amended PLI scheme will benefit manufacturers until March 31, 2028.

\*Standard T&C Apply

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