

Eight more cos to get incentives under auto PLI

Three vehicle makers, five auto part makers to get benefits from FY27

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Three additional vehicle makers and five more auto component makers will begin availing financial incentives under the production-linked incentive (PLI) scheme for the automobile sector from 2026-27 (FY27) onwards, Hanif Qureshi, additional secretary at the Ministry of Heavy Industries (MHI), said on Wednesday. This will take the total number of companies receiving incentives under the scheme from the current 10 to 18 by the end of FY27.

The auto PLI scheme was approved by the Union Cabinet on September 15, 2021, with a total outlay of ₹25,938 crore over five years. Under the scheme, 115 companies applied, of which 82, including vehicle makers and auto component makers, were approved.

During a media briefing here, Qureshi said the government will invoke the bank guarantees of 10 companies, of the 82 approved, which failed to make any investment over the last two financial years. He did not name the companies but said all 10 were auto component makers. "Every company has to give a bank guarantee to participate in this scheme. As the scheme says, if you have done zero investment in two consecutive years, then your bank guarantee can be invoked. There are about 10 companies that have invested zero rupees. So, we will be invoking their bank guarantees," he explained.

The MHI disbursed just ₹2.63 crore under the scheme in FY24, and ₹325.37 crore in FY25. In FY26, the ministry has disbursed about ₹2,000 crore so far, out of the ₹2,091.26 crore sanctioned for the entire financial year. Qureshi said disbursements were low in the initial years as approved companies were still setting up manufacturing capacities and establishing domestic value addition (DVA) of over 50 per cent, a key requirement to qualify for incentives under the scheme.

He added that in the next financial year, sanctioned incentives are expected to rise multi-fold as more companies begin



Gearing up Vying for PLI in FY27

Vehicle makers

- Eicher Motors
- Pinnacle Mobility Solutions
- Hero MotoCorp

Auto component firms

- Dana TM4 India
- Uno Minda
- Varroc Engineering
- Napino Auto and Electronics
- Cummins Technologies India

Source: MHI

selling DVA-compliant vehicles, and start availing benefits under the scheme.

In FY26, five vehicle makers—Mahindra & Mahindra (M&M), Tata Motors, Bajaj Auto, TVS Motor, and Ola Electric—and four auto component makers have received or will receive financial incentives under the scheme, Qureshi said. The four auto component makers are Delphi-TVS Technologies, Sona BLW Precision Forgings, Bosch Automotive Electronics India, and Tata Auto-comp Systems.

Toyota Kirloskar Auto Parts, which availed incentives in FY25, is not taking any incentives in FY26 but will resume availing them from FY27, Qureshi added.

From FY27 onwards, Eicher Motors, Pinnacle Mobility Solutions, and Hero MotoCorp as well as five auto component makers are expected to begin availing incentives, he said. The five auto component makers likely to receive incentives are Dana TM4 India, Uno Minda, Varroc Engineering, Napino Auto, and Electronics and Cummins Technologies India.

Under the scheme, Qureshi said, incentives have been provided for a total of 1.042 million electric two-wheelers, 238,385 electric three-wheelers, 79,540 electric four-wheelers, and 1,391 electric buses till now.