

● MOST FIRMS YET TO QUALIFY

PLI outlay for autos unspent in current fiscal

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THE ALLOCATION FOR the auto production linked incentive (PLI) scheme is expected to remain unspent in the current financial year and will be reflected in the Budget savings as certification of products eligible for benefits is taking time, a senior official said Wednesday.

The Budget outlay for auto sector PLI is ₹604 crore. The ministry of heavy industries, that is administering the auto sector PLI, had earlier considered releasing the incentives on quarterly sales to eligible companies but after an inter-ministerial consultation, the idea was dropped.

Under PLI, the claim of incentives have to be filed on annual sales. So the claims are to be filed after the year has closed. The industry had requested that it should be done quarterly but that would have required the change in the entire scheme that covers 14 sectors in all, and for that Cabinet approval would be required.

Till date, only two companies - Tata Motors and Mahindra & Mahindra - have received PLI eligibility certificates. Many of the selected companies are struggling with designing products that can meet the eligibility criteria. One big issue coming in the way is the stipulation that for availing the incentives, 50% local value addition is a must.

The official said some other applications are pending before the Automotive Research Association of India which is the certifying authority. He said around six more companies are close to getting the eligibil-



BEHIND TARGET

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ity certificate in January.

The companies that are in queue are Ola, TVS, Minda, Toyota and Hero.

The PLI scheme for automobile and automotive component industry was launched in 2021 with a total outlay of ₹25,938 crore. It offers financial incentives to boost domestic manufacturing of advanced automotive technology products and attracts investment in the automotive value chain.

The scheme is subdivided into champion OEM incentive scheme and component champion incentive scheme. The champion OEM incentive scheme is a 'sales value linked' scheme, applicable on battery electric vehicles and hydrogen fuel cell vehicles of all segments.