

In a first, M&M receives PLI eligibility certificate

This opens doors for M&M to get subsidy; TaMo files plea for flagship Tiago EV

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The Mumbai-headquartered Mahindra & Mahindra (M&M) becomes first firm to receive the eligibility certificate under the ₹25,938 crore production-linked incentive scheme for automobiles (auto PLI), thereby opening the door to receiving subsidies.

The automotive (auto) industry argued that eligible firms under the scheme missed the opportunity to claim incentives from the budgeted ₹604 crore for 2022-2023 due to delay in the release of standard operating procedures (SOPs). However, ministry officials said that original equipment manufacturers (OEMs) did not fulfil the criteria laid down under the previous guidelines of the scheme, which were similar to the Faster Adoption and Manufacturing of Electric (and Hybrid) Vehicles in India (FAME-II) guidelines.

The certification for M&M comes at a time when the auto industry is contesting the government over its delay in releasing the SOPs for the scheme.

The Automotive Research Association of India, a testing agency under the Ministry of Heavy Industries, awarded the eligibility certificate to M&M on Wednesday. "With this, the automotive journey of manufacturing excellence on India soil has started," said a senior ministry official.

The awarded certificate is for M&M's three-wheeler category vehicle. "We are delighted and grateful to receive the first eligibility certificate under the auto PLI

AUTO PLI IN NUMBERS

₹25,938 cr total outlay for auto PLI

₹604 cr earmarked for FY23 remained unutilised

₹3,150 cr earmarked for FY24

95 companies approved under the scheme

50% minimum domestic value addition mandatory



scheme. It is testament to our commitment towards domestic value addition for advanced automotive technology and our continued pursuit towards Make in India," tweeted Suman Mishra, chief executive officer, Mahindra Last Mile Mobility.

All the selected 85 OEMs will have to take the eligibility certificate from testing agencies under the ministry before claiming incentives under the scheme.

The testing agency has also received

an application from Tata Motors for an eligibility certificate for its flagship Tiago Electric, another government official told.

The scheme came into existence in September 2021. From April 1, 2022, incentives were to be given to OEMs on the determined sales value of advanced automotive technology (AAT) products (vehicles and components) made in India only if they met the minimum 50 per cent domestic value addition (DVA) criterion. However, the government came up with a set of SOPs only in April 2023.

"We didn't receive any complete application from auto manufacturers," said a senior ministry official. "The new SOP norms were brought only after we found cases of rampant violation in adherence to the DVA rules under FAME II."

The Society of Indian Automobile Manufacturers, an industry lobby group, reached out to the ministry last month seeking the release of incentive funds pending from April 2022. The government, however, according to officials, will release subsidies only from the date automakers get their vehicles certified.

While the auto industry fears missing out on the last year's subsidy, government officials working on the scheme say that nothing is missed as the incentives are based on incremental sales, and if firms are not able to utilise the fund in a year, it is carried forward to the next and can be utilised in that year.

The PLI scheme for the auto sector was launched by the Indian government to boost domestic manufacturing and attract investment in the auto industry.