

# Centre extends PLI for autos by another year till FY28

**ADDED SOP.** Meets industry demand to disburse incentives quarterly instead of yearly

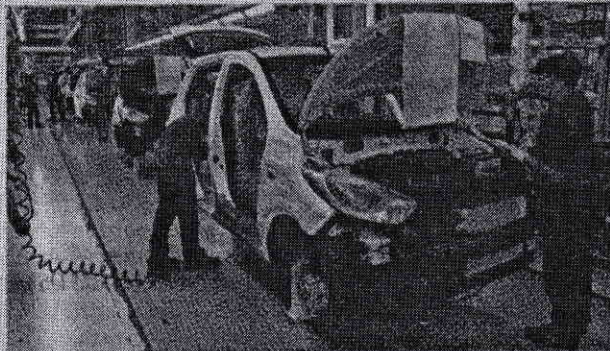
**S Ronendra Singh**  
New Delhi

To meet industry demand, the government on Tuesday decided to extend the deadline of the production linked incentive (PLI) scheme for automobile and auto component, by another year to 2027-28.

Post extension, the five-year scheme, originally in place from 2022-23 to 2026-27, will be active until 2027-28.

Speaking at the 'Review of PLI-Auto Scheme' here, Mahendra Nath Pandey, Minister of Heavy Industries said that apart from extending the deadline, the government has also decided to agree with the industry stakeholders to disburse the incentives on a quarterly basis, instead of annual plan, as per the scheme earlier.

"There have been some requests from the industry including extension of deadline of the scheme by one year,



**GOING LOCAL.** The scheme seeks to reduce imports and facilitate localisation of AAT products REUTERS

quarterly disbursement of the incentives to the qualified companies, and thirdly, to add two more agencies for testing of the vehicles and components - the Global Automotive Research Centre (GARC) in Chennai and National Automotive Test Tracks (NATRAX) in Madhya Pradesh," Pandey said.

As of now the tests are conducted only at Automotive Research Association of India (ARAI), Pune and International Centre for Automotive

Technology (iCAT), Manesar (Haryana).

"The addition of two more centres would help the government as well as the industry, to get the required tests done at a faster pace, so that the PLI scheme can be utilised in a quicker manner," he said.

#### **WHO GETS THE PLI?**

Under the Automotive PLI scheme, incentives are applicable for determined sales of Advanced Automotive Tech-

nology (AAT) products (vehicles and components) manufactured in India from April 1, 2022 onwards for a period of five consecutive years.

Pandey mentioned that the PLI-Auto scheme incentivises only those eligible AAT products for which a minimum of 50 per cent Domestic Value Addition (DVA) is achieved and has been certified by Testing Agencies (TAs) of MHI. This shall reduce imports, facilitate deep localisation for AAT products and enable creation of domestic as well as global supply chains.

Around 95 companies have been so far admitted under the scheme.

The investment, as reported by the applicants (till June 30, 2023), is ₹10,755 crore out of the total outlay of ₹67,690 crore in the next five years. To facilitate ease-of-doing business in the scheme, MHI published Standard Operating Procedure (SOP) for DVA certification on April 27, 2023.