

Tenure of Production Linked Incentive (PLI) Scheme for Automobile and Auto Components extended by One Year with partial amendments

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The Ministry of Heavy Industries has issued a Gazette Notification to announce the extension of the tenure of the Production Linked Incentive (PLI) Scheme for Automobile and Auto Components by one year. This decision has been made after receiving the approval of the Empowered Group of Secretaries (EGoS).

In pursuance of the approval of EGoS, the Ministry of Heavy Industries has made partial amendments in the Production Linked Incentive (PLI) Scheme for the Automobile and Auto Component Industry and Guidelines of the Scheme. These amendments, effective from the date of publication in the Official Gazette, aim to provide clarity and flexibility to the scheme.

Under the amended scheme, the incentive will be applicable for a total of five consecutive financial years, starting from the financial year 2023-24. The disbursement of the incentive will take place in the following financial year 2024-25. The scheme also specifies that an approved applicant will be eligible for benefits for five consecutive financial years, but not beyond the financial year ending on March 31, 2028.

Furthermore, the amendments state that if an approved company fails to meet the threshold for an increase in Determined Sales Value over the first year's threshold, it will not receive any incentive for that year. However, it will still be eligible for benefits in the next year if it meets the threshold calculated on the basis of a 10% year-on-year growth over the first year's threshold. This provision aims to ensure a level playing field for all approved companies and safeguard those who preferred to front-load their investments.

The amendment also includes changes to the table indicating the incentive outlay, with the total indicative incentive amounting to Rs. 25,938 crore.

These amendments to the PLI Scheme for the Automobile and Auto Component Industry and Guidelines of the Scheme are expected to provide greater clarity and support to the sector, promoting growth and competitiveness.

BY/TFK

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