FAQs

Sectoral

Auto Components

1. What is Automotive Mission Plan (AMP) 2016-2026?

Automotive mission plan 2016-2026 targets India to be among the top three in the world for engineering, manufacturing and export of vehicles & auto components. You can find more details about achievements, vision and targets on the following link. https://heavyindustries.gov.in/writereaddata/Content/AMP%202016-26%20Final%20Approved%20Draft.pdf

2. What is National Automotive Board (NAB)?

National Automotive Board provides a single platform for dealing with all matters relating to the automotive sector especially on matters pertaining to testing, certification, homologation, administering the automotive labs. For more information, click here

3. What is National Electric Mobility Mission Plan (NEMMP) 2020?

The National Electric Mobility Mission Plan 2020 (NEMMP 2020) is intended to provide the future roadmap, establish a common set of priorities, broad principles and framework for the adoption of the full range of electric mobility solutions. The initiative aims at enhancing national fuel security, provide affordable and environment-friendly transportation and enable the Indian Automotive Industry to achieve global manufacturing leadership. For more information, click here

4. What is NATrIPs (National Automotive Testing and R&D Infrastructure Project)?

NATrIPs is a unique joining of hands between the Government of India, a number of State Governments and Indian Automotive Industry to create a state of the art Testing, Validation and R&D infrastructure in the country. The project aims at creating core global competencies in automotive sector in India by facilitating seamless integration of Indian Automotive industry with the world, through setting up state-of-the-art, four green field automotive testing, homologation and R&D infrastructure facilities and up-gradation of two existing facilities with new technology and

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equipment Presently there are 7 testing facilities finalised. They are: a) GARC Chennai, Tamil Nadu. b) iCAT Manesar, Haryana. c) NATRAX Indore, Madhya Pradesh. d) NCVRS Rae Bareli, Uttar Pradesh. e) NIAMIT Silchar, Assam. f) VRDE Ahmednagar, Gujarat. g) ARAI Pune, Maharashtra.

5. What is the PLI scheme for Champion Auto Component manufacturers?

The PLI Scheme has a budgetary outlay of INR 25,938 crore, for incentives. The scheme offers financial incentives to boost domestic manufacturing of Advanced Automotive Technology products and attract investments in the automotive manufacturing value chain. Prime objectives of the scheme include overcoming cost disabilities, creating economies of scale, generating employment, building a robust supply chain in areas of Advanced Automotive Technology products and facilitating the Automobile Industry to move up the value chain into higher value added products. The initial list of eligible Advanced Automotive Technology components was prescribed by MHI. The list can be amended by MHI from time to time depending upon technological developments. For more details refer to https://pliauto.in/

6. What is National Automotive Board (NAB)?

In order to capitalise on India's potential to rise to global eminence in the field of automotive R&D, design innovation, technical domain expertise and proactive policy formulation, the National Automotive Board was constituted as per approval of the Cabinet in October 2012 and was registered under the Registration of Societies Act in August 2013. This organisation provides a single platform for dealing with all matters relating to the automotive sector especially on matters pertaining to testing, certification, homologation, administering the automotive labs etc. being set up under NATRIP. NAB is the operating agency for the implementation of FAME India Scheme including disbursement of funds for the various components. Accordingly, an Online Demand Incentive Delivery Mechanism (DIDM) is in place for release of demand incentives to OEMs as per details available in www.fame-india.gov.in.

7. Who is the Project Management Agency (PMA) for PLI-AUTO?

IFCI Limited (IFCI), having its Registered and Head/ Corporate Office at IFCI Tower, 61 Nehru Place, New Delhi – 110019, has been appointed as PMA for the Scheme. Email ID of the PMA is pliauto@ifciltd.com

8. Where can the applicant access the details of the Scheme and make submission of the

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online application form?

The official portal of the Scheme is https://pliauto.in/. All the relevant information such as notifications on Scheme, Guidelines, FAQs, format of Application Form and List of Advanced Automotive Technology Products is available as public information on this portal. All applications are to be submitted through this online portal. The online application form shall be accessible after due registration by the applicant on the portal.

9. Applications will be invited within 60 days of notification of this scheme. The window for receiving applications through the Notice Inviting Applications will be for a period of 60 days. What is the duration of the Application Window? Is the Application Window open?

As per paragraph 5 of the notification dated 09/11/2021 regarding (i) Application Form and (ii) List of Advanced Automotive Technology Products, the window for receiving applications through the Notice Inviting Applications will be open for a period of 60 days from the date of its publication in the official Gazette. Accordingly, the window for receiving Applications is already open with effect from 11th November, 2021 till 23:59:59 hours IST on 9th January, 2022.

10. The scheme covers group companies. If two companies are having common one or more individual promoter(s), who is/ are directly or indirectly able to control such two companies by 26% or more voting rights or appointment of more than 50% Board members, can such two companies be treated as group companies under the scheme?

Yes, as per clause 2.17 of the guidelines, such companies shall be treated as group companies under the Scheme.

11. Can the revenue/ investment/ net worth of individual promoters of the companies/ group companies be considered under Global group revenue/ Global Investment/ Global net worth, respectively, for eligibility under the Scheme?

No. Revenue/ investment/ net worth of individual promoters will not be considered under Global group revenue/ Global Investment/ Global net worth, respectively, for eligibility under the Scheme because the scheme recognises company/ group company(ies), not individual promoters.

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12. Whether expenditure related to Transfer of Technology (ToT) Agreements including the purchase of technology are covered as eligible investment under the scheme?

As per question 47 of the FAQs dated 8th October, 2021, the capital expenditure on Engineering Research & Development (ER&D) and product design & development is allowed under the scheme. It is further clarified that the Capital expenditure on ER&D and product design & development related to the eligible products shall be allowed for the purpose of Investment under the Scheme. The term " related " here refers to all stages in the entire value chain of the goods proposed to be manufactured including software integral to the functioning of the same. Such expenditure shall include expenditure on in-house and captive ER&D, directly attributable to eligible products, including all stages in the entire value chain of the goods proposed to be manufactured including software integral to the functioning of the same. Such expenditure shall include test and measuring instruments, prototypes used for testing, purchase of design tools, software cost (directly used for ER&D) & license fees, expenditure on technology & transfer of technology (ToT) Agreements including the purchase of technology, IPR, Patents and copyrights for ER&D, subject to all relevant documents for same being submitted to MHI/ PMA.

13. Whether expenditure on royalty is covered as eligible investment under the scheme?

No. The expenditure on royalty is not covered under the scheme.

14. Will the Testing Agency of MHI follow approval procedure after the applicant approval from MHI or at the time of pre-approval stage?

Approved applicant (i.e. post receipt of Approval letter under the Scheme) shall apply for registration/ approval of their products as approved eligible Advanced Automotive Technology (AAT) products with Testing Agency of MHI on an ongoing basis.

15. Is there any restriction on selection of AAT products by the approved applicants under the Scheme?

An approved applicant under Champion OEM scheme will have option to seek incentive for any number of permissible AAT Vehicle products. Similarly, an approved applicant under Component Champion scheme will have option to seek incentive for any number of permissible AAT Component products. It may, however, be noted that Total Incentive per entire Group company(ies) is capped at

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6,485crore (25% of total incentives outlay under this Scheme).

16. As per the notified application form, applicants are required to submit details of AAT products to be manufactured during the tenure of the Scheme. Will selected AAT products be part of approval letter to be issued by MHI/ PMA?

The information sought in the application form regarding AAT products is indicative only. There will not be any mention of AAT products in the approval letter to be issued by MHI/ PMA. The applicant once approved may change their selected AAT products at any time with intimation to MHI/ PMA. It may further be noted that post approval/ selection of applicant under the Scheme, the approved applicant will apply for registration of their products as eligible Advanced Automotive Technology (AAT) products to seek incentive in this scheme. Pre-approval of eligible product will be done by Testing Agency of MHI as AAT Product. Minimum 50% domestic value addition will be required. Applicant can register with Testing Agency for new AAT products on an ongoing basis.

17. What would be the minimum threshold limit for Cumulative New Domestic Investment and Determined Sales Value for existing automotive manufacturing company applying under Champion OEM Scheme

Existing automotive manufacturing company (EAMC) applying under both Champion OEM Incentive scheme and Component Champion Incentive scheme, will have to meet minimum cumulative domestic investment condition of 2,000 crore for Champion OEM Incentive scheme AND of 250 crore for Component Champion Incentive scheme i.e. 2,250 crore in aggregate, by March 31, 2027. Existing automotive manufacturing company applying under both Champion OEM Incentive scheme and Component Champion Incentive scheme will have to meet minimum threshold determined sales value of 125 crore for Champion OEM Incentive scheme AND of 25 crore for Component Champion Incentive scheme in the first year (i.e. FY2021-22).

18. What would be the minimum threshold limit for Cumulative New Domestic Investment and Determined Sales Value for new automotive investor company applying under Champion OEM Scheme and Component Champion Scheme?

New Non-Automotive Investor Company (NNIC) applying under both Champion OEM Incentive scheme and Component Champion Incentive scheme, will have to meet minimum cumulative domestic investment condition of 2,000 crore for Champion OEM Incentive scheme AND of 500 crore for Component Champion Incentive scheme i.e. 2,500 crore in aggregate, by March 31,

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2027. New Non-Automotive Investor Company applying under both Champion OEM Incentive scheme and Component Champion Incentive scheme will have to meet minimum threshold determined sales value of 125 crore for Champion OEM Incentive scheme AND of 25 crore for Component Champion Incentive scheme in the first year (i.e. FY2021-22).

19. Is the minimum new domestic investment condition applicable per product or at consolidated level for all the AAT products?

The minimum new domestic investment condition is applicable for the eligibility of the applicant during the tenure of the scheme and it will be tested as per table at Para 3.2 (c) of the scheme. Further, as per para 2.19 of the guidelines, investment has to be made for eligible products under the Scheme. Accordingly, investment made for eligible products at consolidated level shall be considered for arriving at new domestic investment.

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