

PLI Scheme for Automobile & Auto Components

Driving Investments, Employment, and Growth

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Union Cabinet approved PLI Scheme for Automobile & Auto Components on 15.09.2021 with budgetary outlay of 25,938 crore. PLI-Auto Scheme envisages to overcome the cost disabilities to the industry for manufacturing and boost domestic manufacturing of Advanced Automotive Technology (AAT) products in India. The incentive structure is to encourage industry to make fresh investments for indigenous manufacturing of AAT products and create additional jobs. PLI scheme for the auto sector is being implemented as per the approved guidelines.

The PLI Auto scheme has been responsive to the dynamic needs of the industry. MHI had notified the categories of 19 AAT vehicles & 103 AAT components that shall be covered under the scheme on 09.11.2021 after elaborate stakeholder's consultations.

Further, to promote the Make in India campaign and boost domestic manufacturing of advanced automotive products, scheme applicants must achieve a DVA of 50% to be eligible for incentives. This criterion aims to reduce imports and simultaneous creation of domestic as well as global supply chain. PLI-Auto Scheme guidelines and SOPs are also framed with wide stakeholder consultations. To standardized the process of calculating Domestic Value Addition, testing agencies collectively has come up with a Standard Operating Procedure (SOP) which specify the process to be followed. This SOP is to provide a greater level of assurance to all the stakeholders. So far, 6 OEMs have got DVA certificate for 66 Approved Variants and 7 component manufacturers has got DVA certificate for 22 Approved Variants. As on date, 6 applicants under the OEM category have received DVA certification for 66 variants, while 7 Applicants under the Component Champion category have received DVA certification for 22 variants.

Strong impact in terms of investments, employment, sales and also increasing disbursements:

Investments: As of Dec 2024, companies under the scheme have committed over ₹25,000 crore in capital investment, including setting up new production facilities and upgrading technology. For instance, Tata Motors and Mahindra & Mahindra have committed to massive investments in EV production capacity.

Employment: The scheme also has created thousands of direct and indirect jobs in manufacturing, supply chain management, and R&D. Notably, new EV production plants have led to localized employment in manufacturing hubs.

Sales: Sales growth in sectors like electric vehicles (EVs) and critical components have seen significant improvements. For example, the introduction of new models in the EV sector has led to rise in sales.

Disbursement: FY 2023-24 was the first performance year of the scheme for which disbursement happened in FY 2024-25. Aggregate incentive of Rs. 322 crores have been disbursed under the scheme as of now.

Parameter	Actual Reported up to Dec-2024 (Cumulative)
Investment (₹ crore)	25,219
Incremental Sales (Base Year FY2019-20) (₹ crore)	15,230

Employment (nos.)	38,186
Incentive Disbursement (₹ crore)	322

The PLI-Auto scheme is playing a transformative role in enhancing India's automotive manufacturing ecosystem, reducing dependence on imports, and integrating the domestic industry into the global supply chain.

TPJ/NJ

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