

DA TAX UPDATE INDIRECT TAX

An E-Tax update from
Darda Advisors LLP

PLI Scheme - Automotive and Auto Components
Industry for Advanced Automotive Products



Production Linked Incentive Scheme for Automotive and Auto Components Industry for Advanced Automotive Products

Overview

The automotive industry is a major economic contributor in India. The sector is responsible for ~ 35% of India's manufacturing GDP and has been a key growth driver for the economy. Today, many component makers are Tier 1 suppliers to global auto OEMs and several India-manufactured motor vehicles make their way to international markets. This demonstrates that the Indian automotive sector has been an adopter of global technological changes and other global standards.

The Production Linked Incentive Scheme for Automobile and Auto components (PLI Scheme) proposes financial incentives to boost domestic manufacturing of Advanced Automotive Technology products and attract investments in the automotive manufacturing value chain. Its prime objectives include generate employment, overcoming cost disabilities, creating economies of scale and building a robust supply chain in areas of Advanced Automotive Technology products.

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Overview

The PLI Scheme was approved by Union Cabined on 15 September 2021 and has been finally notified vide notification S.O. No. 3946(E) along with guidelines vide notification S.O. 3947(E) dated 23 September 2021 with a budgetary outlay of Rs. 25,938 crore. The Scheme will be implemented through a Project Management Agency (PMA) and will report to JS, MHI (Ministry of Heavy Industries) through the appropriate channel and will be under the overall control of AS&FA, MHI and will put up their all findings/observations/recommendations to the Administrative Mechanism created under FAME-II scheme in MHI.

The 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.

Incentive proposed under this scheme to electric vehicle manufacturers will be independent of the incentives given under FAME II scheme where incentives are provided to

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Overview

customers who buy the vehicles and not to the manufacturers. Incentives can be claimed under this scheme for Battery Electric vehicles having Advanced Chemistry Cell (ACC) batteries for which incentives have been claimed under the PLI scheme for ACC.

We have covered in detail for PLI scheme on following key aspects:

1. Who can apply
2. Eligibility Criteria
3. Eligible Products
4. Incentive rates
5. Eligibility criteria for incentives
6. Other aspects
7. Relevant Notification and Guidelines link
8. How DA can assist you

Production Linked Incentive Scheme for Automotive and Auto Components Industry for Advanced Automotive Products

1. Who can apply

The scheme consists of two components incentivizing incremental sales of automobile and auto components related to Advanced Automotive Technology as.

- Champion OEM (Original Equipment Manufacturer) Incentive Scheme, and
- Component Champion Incentive Scheme.

An applicant for the purpose of the Scheme should be a company or its Group Company(ies) incorporated under The Companies Act in India, engaged in:

- Automotive as OEM of a vehicle, *including tractor and automobile meant for military use and/or vehicle aggregates*, and/or
- Auto component manufacturing sector or
- New Non-Automotive Investor (New Non-Automotive Investor company or its Group company(ies) will be defined as those who have no revenue from manufacturing of Automobile or auto components as on 31 March 2021).

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1. Who can apply

meeting the eligibility criteria specified under the scheme.

Vehicle aggregate is a sub-assembly / combination of different components for a defined vehicle model that are combined to provide a specific functionality to the vehicle. Aggregates of a vehicle typically include body shell / chassis, engine, transmission, suspension, steering systems, wheel assemblies, brake systems, seats etc.

2. Eligibility Criteria

The applicant company or its Group company(ies) will need to meet the following common criteria to qualify and receive benefits under the Scheme:

A. Existing Players

For company or its Group company(ies) with **existing presence in India or globally** in the Automotive vehicle and components manufacturing business:

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2. Eligibility Criteria

Eligibility Criteria	Automotive OEM	Auto Components
Global group* Revenue (from automotive and/or auto component manufacturing)	Minimum ₹ 10,000 crore.	Minimum ₹ 500 crore.
Investment	Global Investment of Company or its Group* Company(ies) in fixed assets (gross block) of ₹ 3,000 crore.	Global Investment of Company or its Group* Company(ies) in fixed assets (gross block) of ₹150 crore.

Group Company(ies) shall mean two or more enterprises which, directly or indirectly, are in a position to:

- Exercise twenty-six percent or more of voting rights in the other enterprise; Or
- Appoint more than fifty percent of members of Board of Directors in the other enterprise. (As defined in the FDI Policy Circular of 2020)

Note:

1. Above eligibility criteria to be met based on audited financial statements for year ending 31 March 2021.

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2. Eligibility Criteria

- An applicant company or its Group company(ies) must satisfy the entire eligibility criteria to be eligible under the scheme

B. New Players:

For new non-automotive investor company or its Group company(ies) that may want to participate in this scheme:

Eligibility Criteria	New Non-Automotive investor company or its Group company(ies) (who are currently not in automobile or auto component manufacturing business)
Global net worth	₹ 1000 crore based on audited financial statements for year ending March 31, 2021.
Committed investment in India over five year Period	As per Minimum New Domestic Investment Conditions

Note :

- Non-Automotive company or its Group company(ies) can qualify for this scheme provided they present a clear business plan to invest in India and generate revenues from Advanced Automotive Technology vehicles or Advanced Automotive Technology components manufacturing.

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2. Eligibility Criteria

Note :

2. The applicant new Non-Automotive Investor company or its Group company(ies) **will be eligible to claim incentive subject to** meeting cumulative minimum new domestic investment to be achieved for a particular year. The applicant will also have to meet the % Year on Year growth criteria from the minimum threshold fixed from the first year.
3. New Non-Automotive Investor company or its Group company(ies) will be defined as those who have no revenue from manufacturing of Automobile or auto-components as on 31 March 2021.
4. An applicant new Non-Automotive Investor company or its Group company(ies) must satisfy the entire eligibility criteria

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2. Eligibility Criteria

C. Common eligibility criteria - Minimum New Domestic Investment

Existing Players:

Cumulative new domestic investment to be achieved	Champion OEM (Except 2W & 3W)	Champion OEM 2W & 3W	Component Champion
Upto or before 31 March 2023	300	150	40
Upto or before 31 March 2024	800	400	100
Upto or before 31 March 2025	1400	700	175
Upto or before 31 March 2026	1750	875	220
Upto or before 31 March 2027	2000	1000	250

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2. Eligibility Criteria

C. Common eligibility criteria - Minimum New Domestic Investment

New Players

Cumulative new domestic investment to be achieved	New Non-Automotive investor(OEM) company or its Group company (ies)	New Non-Automotive Investor (Component) company or its Group company(ies)
Upto or before 31 March 2023	300	80
Upto or before 31 March 2024	800	200
Upto or before 31 March 2025	1400	350
Upto or before 31 March 2026	1750	440
Upto or before 31 March 2027	2000	500

Note :

1. New investments should be made from the **same legal entity** as the one applying for the incentive.
2. **Cumulative new domestic investment made starting 1st April 2021** shall be considered under this condition.

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2. Eligibility Criteria

Note :

3. The approved Company is required to meet the cumulative investment condition for each year.

4. In the event, any approved company meets the investment condition few years before the end of the scheme; it will be eligible for incentives throughout the tenure of the scheme subject to meeting other conditions of the scheme.

5. In case the approved company fails to meet the cumulative domestic investment condition in any given year, it will not receive any incentive for that year even if the threshold for Determined sales value is achieved. However, it will still be eligible to receive the benefits under the scheme in the following years if it meets the cumulative domestic investment condition defined for that year.

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2. Eligibility Criteria

“Investment” of the PLI scheme shall mean:

- Expenditure incurred on Plant, Machinery, Equipment and Associated Utilities: This shall include expenditure on plant, machinery, equipment and associated utilities as well as tools, dies, moulds, jigs, fixtures (including parts, accessories, components and spares thereof) of the same, used in the design, manufacturing, assembly, testing, packaging or processing of any of the eligible products under the scheme. It shall also include expenditure on packaging, freight/transport, insurance, and erection and commissioning of the plant, machinery, equipment, and associated utilities. *Associated utilities* would include captive power and effluent treatment plants, essential equipment's required in operations area such as clean rooms, air curtains, temperature and air quality control systems, compressed air, water and power supply, and control systems. Associated utilities would also include IT and ITES infrastructure related to manufacturing including servers, softwares, and ERP solutions. All non-creditable taxes and duties would also be included in such expenditure.

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2. Eligibility Criteria

“Investment” of the PLI scheme shall mean:

- Expenditure incurred on Land and Building: The expenditure incurred on land will not be considered for meeting the threshold criteria of Cumulative Minimum Domestic Investment. However, buildings of the main plant and utilities will be considered as part of the investment provided it does not exceed 10% of Minimum Cumulative Domestic Investment defined for a segment

Preference will be given to eligible company or its Group company(ies) committing to front load their investment during the scheme period. Proposed investment commitment will be evaluated by calculating the Net Present Value (NPV) of the investment using the bank rate as the discounting factor.

3. Eligible Products

The Champion OEM Incentive scheme is a ‘sales value linked’ scheme, which is applicable on pre-approved Advanced Automotive Technology Vehicles as Battery Electric Vehicles and Hydrogen Fuel Cell Vehicles of all segments – 2 wheelers, 3 wheelers, passenger vehicles, commercial vehicles, Tractors, Automobile meant for Military use and any other Advanced

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3. Eligible Products

Automotive Technology vehicle as prescribed by MHI depending upon technical developments.

Also, on pre-approved Advanced Automotive Technology Components of all vehicles, CKD/SKD kits, Vehicle aggregates of 2- Wheelers, 3-Wheelers, passenger vehicles, commercial vehicles and tractors including automobile meant for military use. The list can be amended by MHI from time to time depending upon technological developments.

The following are prescribed by MHI as Advance Automotive Technology Vehicles:

- **Battery Electric vehicles** –All vehicle segments which meet the performance criteria of FAME-II scheme or as notified from time to time by MHI. (Relevant detail of FAME II can be accessed at <https://dhi.nic.in/UserView/index?mid=1378>)
- **Hydrogen Fuel Cell Vehicle** – All vehicle segments
- Incentives are applicable on pre-approved Advanced Automotive Technology components of all vehicles,

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3. Eligible Products

CKD/SKD kits, Vehicle aggregates of 2-Wheelers, 3-Wheelers, passenger vehicles, commercial vehicles and tractors including automobile meant for military use and any other Advanced Automotive Technology component prescribed by MHI depending upon technical developments.

The list of Advance Automotive Technology Components will be notified separately by MHI in due course of time.

The approved applicants will apply for registration of their products as eligible Advanced Automotive Technology vehicles to seek incentive in this scheme. Pre-approval of eligible product will be done by Testing Agency of MHI as Advanced Automotive Technology Product as prescribed by MHI from time to time.

4. Incentive rates

The approved applicants will be entitled to receive incentives (% benefit) on determined sales value subject to meeting other conditions of the scheme. Incentive under the scheme will be applicable, starting from the Financial Year 2022-23 which will be disbursed in the following Financial Year i.e. 2023-24 and so on for a total of five (05) consecutive Financial Years.

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4. Incentive rates

Incentive Slabs for Champion OEM and New Non-Automotive (OEM) Investor

Determined Sales Value (in ₹ Crore)	Incentives (Percentage of Determined Sales Value)
≤2000	13%
>2000 to 3000	14%
>3000 to 4000	15%
>4000	16%
Cumulative Determined Sales Value of ₹10,000 Crores over 5 years	Additional 2%

Note: - Only those Battery Electric Vehicles will be eligible for incentives which meet the performance criteria of FAME-II scheme or as notified from time to time by MHI.

Incentive slab for Component Champion and New Non-Automotive (Component) Investor

Determined Sales Value (in ₹ Crore)	Incentives (Percentage of Determined Sales Value)
≤250	8%*
>250 to 500	9%*
>500 to 750	10%*
>750	11%*
Cumulative Determined Sales Value of ₹1,250 Crore over 5 years.	Additional 2%
Battery Electric vehicles & Hydrogen fuel cell vehicles components	Additional 5%

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4. Incentive rates

*Multiplied by a factor of 0.9 in the fifth year for eligible sales *relating to Internal Combustion Engine (ICE) vehicle components.*

Note: - On an annual basis, the approved component Champions will have to separately report break up of sales value of components specific to Battery-EV and Hydrogen fuel Cell vehicle produced in India as defined in the guidelines

5. Eligibility criteria for incentives

- **Base Year** will be Financial Year 2019-20 for calculation of eligible sales value (not applicable for New Non-Automotive investors).
- Pre-approved eligible product with **minimum 50% domestic value addition** will be eligible for incentive under this scheme.
- **Phased Manufacturing Programme** similar to FAME-II Scheme will be followed. Methodology of determination of domestic value addition will be same as in FAME scheme. Testing Agency of MHI will certify domestic value addition in the eligible product.

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5. Eligibility criteria for incentives

- **Threshold Determined Sales Value for the first year** is Rs.125 crore for Automotive OEM and Rs. 25 crore for Auto Components in respect of all companies viz. existing Automotive and New Non-Automotive Investor companies under this Automotive OEM and Auto component of the scheme to claim incentive.
- **Year on Year (YoY) growth of minimum 10%** in determined sales value of first year
- **Eligible Sales Value and determined sales value** is defined separately for Automotive OEM and Auto Components
- The scheme is designed to incentivize Advanced Automotive Technology products only viz eligible Advanced Automotive product on standalone basis at component level or in integration with the vehicle having appropriate value apportionment on the vehicle side. Therefore, an approved legal entity as Automotive OEM company or New Non-Automotive Investor company can avail incentives under both components of the scheme subject to the condition that **any eligible product shall be incentivized only once under the scheme**

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5. Eligibility criteria for incentives

- **Total Incentive** per entire Group company(ies) is capped at ₹ 6,485crore (25% of total incentives outlay under this Scheme). The cap on incentive payable to the approved company or Group of company(ies) as stated above would be incorporated as part of the agreement.
- To retain flexibility in the implementation of the scheme, the scheme proposes fungibility of funds within and across the components of the scheme.

6. Other aspects

- The applicant companies are required to submit an application along with financial & supporting documents through an online portal maintained by the PMA. In case the portal is not available, applications may be submitted in physical form to the PMA.
- A non-refundable application fee would be payable for each application.

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6. Other aspects

- The scheme will be data driven to ensure transparency, automaticity and prompt disbursement of incentives. The data will be captured in seamless manner and will make use of respective HS codes.
- There will be provision in the Online Portal for making online application by the applicants for approval of their Advanced Automotive Technology product by the Testing Agency of MHI as per the list of Advanced Automotive Technology product prescribed by MHI from time to time.
- Testing Agency will take final decision on the application for Approval of Advanced Automotive Technology product within 90 days.
- To avoid any duplication and formation of multiple committees, the Administrative Mechanism created under FAME-II scheme in MHI will be used for granting approvals under PLI Scheme for Automobile and Auto components.

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6. Other aspects

- All the applications will be finalized within 60 days from the date of submission of applications or receipt of clarification sought, if any.
- Claim for disbursement of incentive shall be filed by the approved applicant within 6 (six) months from the end of the financial year to which the claim pertains.
- The scheme will also have a provision for cost audit by external auditor (cost or chartered accountant) appointed by MHI.
- If a selected applicant is found to be ineligible at any stage, or if it has not complied with notifications, orders, guidelines etc. of the Scheme, the envisaged incentive claim of such selected applicant shall be forfeited or recovered with interest, if already paid.

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7. Relevant Notification and Guidelines link

Press release - Government has approved Production Linked Incentive (PLI) Scheme for Auto Industry and Drone Industry

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1755062>

Press release - Government Notifies PLI Scheme for Automobile & Auto components

<https://pib.gov.in/PressReleasePage.aspx?PRID=1757651>

Press release - Government has approved Production Linked Incentive (PLI) Scheme for Auto Industry and Drone Industry

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7. Relevant Notification and Guidelines link

Notification for PLI Scheme

<https://dhi.nic.in/writereaddata/UploadFile/PLI%20Auto%20Scheme.pdf>

Guidelines for PLI Scheme

<https://dhi.nic.in/writereaddata/UploadFile/PLI%20Auto%20Guidelines.pdf>

Notification of list of AAT Products and Application form format

<https://dhi.nic.in/writereaddata/UploadFile/ApplicationFormandListofAATProducts.pdf>

How DA can assist you

Identify the applicability of above fiscal incentives



Preparing list of applicable fiscal incentives including key criteria



Conduct feasibility study to identify the list of eligible product categories and pre-application discussions



Assistance in filing an application along with detailed documentation and maintain ongoing communication and coordination with government officials



Assistance in tracking process of approval and obtain final approval from relevant department



Post Approval assistance in disbursement of incentives



Support in relevant Direct & Indirect Tax structuring with respect to the proposed project

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List of Advanced Automotive Technology Vehicles eligible for PLI Scheme for Automobile and Auto Components

Sl. No.	Name of Advanced Automotive Technology Vehicles	Definition(As defined in Central Motor Vehicle Rules (CMVR), 1989, as amended from time to time)
1	Battery Electric Two Wheeler	L1
		L2
	Battery Electric Three Wheeler	L5M
		L5N
	Battery Electric Quadricycle	L7M
		L7N
	Battery Electric Four Wheeler (e-4W)	M1
		M2
		N1
		N2
N3		

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Sl. No.	Name of Advanced Automotive Technology Vehicles	Definition(As defined in Central Motor Vehicle Rules (CMVR), 1989, as amended from time to time)
	Battery Electric Four Wheeler (e-Buses)	M3
	Battery Electric Agricultural Tractor	A7
2	Hydrogen Fuel Cell Four Wheeler (4W)	M1
		M2
		N1
		N2
		N3
	Hydrogen Fuel Cell Four Wheeler (Buses)	M3

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List of Advanced Automotive Technology Components eligible for PLI Scheme for Automobile and Auto Components

Sl. No.	Applicat ion	Name of Advanced Automotive Technology Products (AATP) for PLI Automobile and Auto Components	Definition	Categor y
1	Hydrogen Fuel Cell Vehicle systems	Fuel cell	Hydrogen Fuel cell for automobiles	Hydrogen Fuel Cell Vehicle
		Fuel cell stack	Stack of Hydrogen Fuel cells for Automobiles	
		Hydrogen recirculation blower	It ensures optimum recirculation of hydrogen within the fuel cell in Automobiles	
		Hydrogen Injection System	It feeds optimized quantity of hydrogen for the stack in a fuel cell system in automobiles.	
		Hydrogen Pressure Sensors	Automotive component used to measure pressure in hydrogen fuel cell vehicles.	

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Sl. No.	Application	Name of Advanced Automotive Technology Products	Definition	Category
1	Hydrogen Fuel Cell Vehicle systems	Hydrogen Temperature Sensors	Automotive component used to measure temperature in hydrogen fuel cell Vehicles	Hydrogen Fuel Cell Vehicle
		Safety valves (above 350 bars)	Automotive component used in hydrogen fuel cell vehicles.	
		Fuel Cell System Controller	Central control unit for operation of Fuel Cell System	
		Fuel Cell Cooling System	Mechanism for waste heat transfer in a fuel cell system and to maintain optimum working temperature	

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Sl. No.	Applicat ion	Name of Advanced Automotive Technology Products	Definition	Category
1	Hydrogen Fuel Cell Vehicle systems	Type-3 Carbon Fibre Cylinders for Hydrogen Fuel Cell (as approved by authorized Government agency under Gas Cylinder Rules, 2016 as amended from time to Time)	Light weight cylinders for storing high pressure Hydrogen (350 bars and above) in automobiles	Hydrogen Fuel Cell Vehicle

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List of Advanced Automotive Technology Components eligible for PLI Scheme for Automobile and Auto Components

Sl. No.	Application	Name of Advanced Automotive Technology Products	Definition	Category
1	Hydrogen Fuel Cell Vehicle systems	Type-4 Carbon Fibre Cylinders for Hydrogen Fuel Cell Vehicle (as approved by authorized Government agency under Gas Cylinder Rules, 2016 as amended from time to Time)	Light weight cylinders for storing high pressure Hydrogen (350 bars and above) in automobiles	Hydrogen Fuel Cell Vehicle

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Sl. No.	Applicat ion	Name of Advanced Automotive Technology Products	Definition	Category
1	Hydrogen Fuel Cell Vehicle systems	Fuel lines for Hydrogen Fuel Cell Vehicle	Completely gas-tight lines/pipes/fittings for hydrogen circulation in fuel cell system for 350 bars and above	Hydrogen Fuel Cell Vehicle
		High Pressure Pipes for Hydrogen Fuel Cell Vehicle	Completely gas-tight lines/pipes/fittings for hydrogen circulation in fuel cell system for 350 bars and above.	
		High Pressure Fittings for Hydrogen Fuel Cell Vehicle	Completely gas-tight lines/pipes/fittings for hydrogen circulation in fuel cell system for 350 bars and above	

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Sl. No.	Application	Name of Advanced Automotive Technology Products	Definition	Category
1	Hydrogen Fuel Cell Vehicle systems	Receptacle for Hydrogen Fuel Cell Vehicle	Specific inlet designed for filling hydrogen in vehicles (350 bars and above) as per AIS 157/ ISO 17260 standard.	Hydrogen Fuel Cell Vehicle
		DC-DC convertor for Hydrogen Fuel Cell Vehicle	Used for Hydrogen Fuel Cell vehicles	
		High Voltage connectors for Hydrogen Fuel Cell Vehicle	Used for Hydrogen Fuel Cell vehicles	

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Sl. No.	Applicat ion	Name of Advanced Automotive Technology Products	Definition	Category
1	Hydrogen Fuel Cell Vehicle systems	High Voltage harness for Hydrogen Fuel Cell Vehicle	Used for Hydrogen Fuel Cell vehicles	Hydrogen Fuel Cell Vehicle
		Power Distribution unit for Hydrogen Fuel Cell Vehicle	Used for distribution of high voltage connections in Hydrogen Fuel Cell Vehicles	
		Electric compressor (Air & refrigerant) for Hydrogen Fuel Cell Vehicle	Used for air conditioning application in Hydrogen Fuel Cell vehicles.	

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List of Advanced Automotive Technology Components eligible for PLI Scheme for Automobile and Auto Components

Sl. No.	Applicat ion	Name of Advanced Automotive Technology Products	Definition	Category
2	xEVs – Tractio n	Traction motor	Electric motors used for traction application in automobiles.	xEV
		Wheel rim integrated with Hub Motor	Electric motors integrated with wheel used for traction application in automobiles.	
		Traction motor controllers (including inverter assembly with convertor)	Electronic control unit to drive traction motor in automobiles	
		Vehicle Control Unit (VCU) -(Processor minimum 32 bit)	Electronic sub assembly used to control xEV operations	

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Sl. No.	Applicat ion	Name of Advanced Automotive Technology Products	Definition	Category
3	xEVs - Energy Storage	Battery Management System (Processor minimum 32 bit)	Electronic sub assembly used to control and optimize battery performance in automobiles.	xEV
		Super capacitors	High performance capacitors used for Energy storage in automobiles	
4	xEVs - Transm ission	Trans-axle for Electrified Vehicle	It is a sub assembly of power train of xEV vehicles without traction motor.	xEV
		E-axle	It is a sub assembly of power train of Battery Electric vehicles	

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Sl. No.	Applicat ion	Name of Advanced Automotive Technology Products	Definition	Category
4	xEVs - Transm ission	E-differential Assembly	It is a form of differential which provides the required torque for each driving wheel and allows different wheel speeds	xEV
5	xEVs - Power Manage ment	High Voltage Harness	Used for xEV Vehicles	xEV
		High Voltage connectors	Used for xEV Vehicles	
		Charging inlet Connectors	Connector fitted on vehicles for charging xEV Vehicles	
		Power Distribution Unit	Used for distribution of high voltage connections in xEV Vehicles.	
		DC-DC convertors	Used for xEV Vehicles	

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Sl. No.	Applicat ion	Name of Advanced Automotive Technology Products	Definition	Category
5	xEVs - Power Management	On-board chargers/ Portable Charger	Vehicle mounted charger used for charging xEVs and supplied along with each xEV Vehicle	xEV
6	xEVs – Material	Rare earth magnets for motors	Rare earth magnets used for motors.	xEV
7	xEVs – Braking	Electric Vacuum Pump Unit.	Electric driven vacuum pump used for braking applications in xEVs.	xEV
8	xEVs – HVAC	Electric compressor (Air & refrigerant)	Used for air conditioning application in xEV Vehicles	xEV
9	Advanc e Driver Assist System (ADAS)	Forward Collision Warning (FCW) Systems	System capable of warning the driver with potential collision with another forward vehicle in the forward path of the subject vehicle.	Safety

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Sl. No.	Application	Name of Advanced Automotive Technology Products	Definition	Category
9	Advanced Driver Assist System (ADAS)	Advanced Emergency Braking Systems (AEBS)	"Advanced Emergency Braking System (AEBS)" means a system which can automatically detect a potential forward collision and activate the vehicle braking system to decelerate the vehicle with the purpose of avoiding or mitigating a collision.	Safety
		Lane Departure Warning Systems (LDWS)	Lane departure warning system (LDWS) is a mechanism designed to warn the driver when the vehicle begins to move out of its lane	

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Sl. No.	Application	Name of Advanced Automotive Technology Products	Definition	Category
9	Advanced Driver Assist System (ADAS)	Automated lane keeping system (ALKS)	"Automated Lane Keeping System (ALKS)" is a system which is activated by the driver and which keeps the vehicle within its lane by controlling the lateral and longitudinal movements of the vehicle for extended periods without the need for further driver input	Safety
		RADAR for automobiles	Radar (Radio Detection and Ranging) is a detection system that uses radio waves to determine the distance (range), angle, or velocity of objects;	

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9	Advanced Driver Assist System (ADAS)	Light Detection and ranging (LIDAR) For automobiles	LIDAR is a method for determining ranges (variable distance) by targeting an object with a laser and measuring the time for the reflected light to return to the receiver;	Safety
		Cameras for ADAS (360 deg.)	Camera used to capture 360 deg view in automobiles.	
		Blind spot detection System	It is a system that detects other vehicles / objects located to the driver's side and rear (blind spots).	
		Collision avoidance system	It is a safety system designed to prevent a collision or decrease its severity in automobiles	

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Sl. No.	Application	Name of Advanced Automotive Technology Products	Definition	Category
9	Advanced Driver Assist System (ADAS)	Driver behaviour monitoring system	System that monitors driver's behaviour and warns or alerts them when they are distracted or drowsy.	Safety
		Night vision Systems	System that uses thermographic camera to increase driver's perception and seeing distance in darkness	
10	V2X (Connectivity)	Telematics (Processor minimum 32 bit)	Communication Technology for automobiles to facilitate data flow using wireless networks on 4G and above with IT enabled systems	Connected Vehicle

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List of Advanced Automotive Technology Components eligible for PLI Scheme for Automobile and Auto Components

Sl. No.	Applicat ion	Name of Advanced Automotive Technology Products	Definition	Category
10	V2X (Conne ctivity)	Dedicated Short Range Communicati on Device	Wireless technology used to facilitate communication of a vehicle with other vehicles and infrastructure	Connecte d Vehicle
		Connectivity modules 5G	Modules used in automobile compatible with Fifth Generation mobile communication	
		Central Gateway Device	Central communication node working on 4G and above network used in automobile to manage data flow through various types of communication buses. It helps to protect IT systems of automobile from Cyber Threats.	

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Sl. No.	Application	Name of Advanced Automotive Technology Products	Definition	Category
10	V2X (Connectivity)	Touch Screen Display Unit	Touch Screen display unit having size seven inch and above and used for display and control purpose in automobile	Connected Vehicle
11	Vehicle Exhaust After Treatment Devices for BS6 vehicles and beyond.	Diesel Particulate Filter (DPF) for BS VI and beyond compliant Diesel Engines	Used to trap soot particles from the Diesel engine exhaust and preventing them from reaching the environment	Environment/ Emission
		Gasoline Particulate Filter (GPF) Trap for BS VI and beyond compliant gasoline engines.	Used to control particulate emission from Gasoline engines.	

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Sl. No.	Application	Name of Advanced Automotive Technology Products	Definition	Category
11	Vehicle Exhaust After Treatment Devices for BS6 vehicles and beyond.	Selective Catalytic Reduction (SCR) Device for DeNOX, BS VI and beyond compliant in Diesel Engine	SCR is an exhaust after treatment device to reduce Nox	Environment/ Emission
		Urea Dosing and supply Module for BS VI and beyond compliant in Diesel Engine	Automotive system that spreads aqueous urea solution into the exhaust stream leading to NOx reduction.	
		.Lean Nox Trap (LNT) for BS VI and beyond compliant in Diesel Engine	Automotive system that is used to reduce oxides of Nitrogen from a lean burn used in Diesel Engine by means of adsorption	

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Sl. No.	Application	Name of Advanced Automotive Technology Products	Definition	Category
12	Gasoline Direct Injection (GDI)	Fuel Pump for Gasoline Direct Injection (GDI) with operating range of 200 bar and above	Used to pressurize the fuel that comes in from the fuel tank before sending it to the fuel rail.	Environment/ Emission
		Injector for Gasoline Direct Injection (GDI) assembled in fuel rail with operating range of 200 bar and above	Used to inject fuel very rapidly and at high pressure for optimum mixture formation directly in the combustion chamber GDI engine	
		Electronic Control Unit (ECU) for Gasoline Direct Injection (GDI) (Processor minimum 32 bit)	Auto electronic sub assembly used to optimize engine performance in GDI engine	

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List of Advanced Automotive Technology Components eligible for PLI Scheme for Automobile and Auto Components

Sl. No.	Application	Name of Advanced Automotive Technology Products	Definition	Category
13	Airbag System	Inflator for Airbags in automobiles	A device that activates upon receiving signal from collision sensors in the vehicle and inflates the airbag	Safety
		Airbag Electronic Control Unit (ECU) in automobiles	Central control unit for activation of Air bag system in a vehicle	
		Sensor for airbag in automobiles	Sensors used in airbag system of a vehicle.	
14	On-board Vehicle diagnostic system	On-board Vehicle diagnostic system for BS VI and above	On Board Diagnostics (OBD) is a computer system inside a vehicle that tracks and regulates vehicle performance and helps in fault diagnosis in BS VI and above compliant vehicles	Environment/ Emission

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Sl. No.	Application	Name of Advanced Automotive Technology Products	Definition	Category
15	ECUs (Electronic Control Unit) for safety	Electronic Stability Program(ESP) (Processor minimum 32 bit)	Used for traction control and stability in automobiles	Safety
		Steering Control (Processor minimum 32 bit)	Used for Steering control in Automobiles	
		Park Assistance (Processor minimum 32 bit)	Used for automatic parking assistance in automobiles.	
		Hill Assist ECU (Processor minimum 32 bit)	Used to assist the vehicle movement on hills and steep gradients.	

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List of Advanced Automotive Technology Components eligible for PLI Scheme for Automobile and Auto Components

Sl. No.	Application	Name of Advanced Automotive Technology Products	Definition	Category
15	ECUs (Electronic Control Unit) for safety	Electronic Brakeforce Distribution (EBD) System (Processor minimum 32 bit)	Used for optimization of braking force in automobiles	Safety
16	ECUs (Electronic Control Unit) for Powertrain	Engine Management System (EMS) (Processor minimum 32 bit)	Auto electronic sub assembly used to optimize engine performance.	Environment/ Emission
17	ECUs (Electronic Control Unit) for comfort system	Body control module (Processor minimum 32 bit)	Auto electronic sub assembly used to control body and chassis functions	Convenience

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List of Advanced Automotive Technology Components eligible for PLI Scheme for Automobile and Auto Components

Sl. No.	Application	Name of Advanced Automotive Technology Products	Definition	Category
17	ECUs (Electronic Control Unit) for comfort system	Keyless solutions (Processor minimum 32 bit)	Auto electronic sub assembly used for access control	Convenience
		Infotainment ECU	Auto electronic sub assembly used for Infotainment System	
		Immobilizer ECU	Auto electronic sub assembly used for immobilizing vehicle	
18	Transmission	Continuously Variable Transmission (CVT)	Continuously Variable Transmission (CVT) used in automobiles	Convenience
		Dual Clutch Transmission (DCT)	Dual Clutch Transmission (DCT) used in automobiles	

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Sl. No.	Application	Name of Advanced Automotive Technology Products	Definition	Category
18	Transmission	Automatic Transmission (AT)	Automatic Transmission (AT) used in automobiles	Convenience
		Electric differential Lock	Used for traction application in automobiles	
19	Alternate fuel systems - CNG	CNG Type 3 storage cylinders (minimum 200 bar), (as approved by authorized Government agency under Gas Cylinder Rules, 2016 as amended from time to time)	Light weight cylinders for storing high pressure CNG (200 bars and above)in automobiles.	

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List of Advanced Automotive Technology Components eligible for PLI Scheme for Automobile and Auto Components

Sl. No.	Application	Name of Advanced Automotive Technology Products	Definition	Category
19	Alternate fuel systems - CNG	Pressure Regulator for CNG	Used to depressurizes and adjusts pressure supplied by CNG fuel tank in automobile.	Emission/ Environment
		ECU for CNG (Processor minimum 32 bit)	Master control unit for to optimize performance of CNG fuelled engine.	
20	Alternate fuel systems – LNG	LNG Cryogenic Cylinders (as approved by authorized Government agency under Gas Cylinder Rules, 2018 as amended from time to time)	Light weight Cryogenic cylinders for storing LNG in automobiles	Emission/ Environment

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List of Advanced Automotive Technology Components eligible for PLI Scheme for Automobile and Auto Components

Sl. No.	Application	Name of Advanced Automotive Technology Products	Definition	Category
20	Alternate fuel systems – LNG	Pressure Regulator for LNG	Used to depressurizes and adjusts pressure supplied by LNG fuel tank in automobile	Emission/ Environment
		ECU for LNG (Processor minimum 32 bit)	Master control unit for to optimize performance of LNG fuelled engine.	
21	Alternate fuel systems - Bio Fuel	BS6 compliant Flex Fuel Engine capable of running upto Ethanol 85 (E85) fuel	The BS6 flex fuel engines capable of running upto Ethanol 85 (E85) in automobiles.	Emission/ Environment
		Heated Fuel Rail for Flex Fuel Engine.	Used to supply heated fuel from fuel supply system to the fuel injectors in Flex Fuel Engine	

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Sl. No.	Application	Name of Advanced Automotive Technology Products	Definition	Category
21	Alternate fuel systems - Bio Fuel	Heating Element for Flex Fuel Engine	Used to emit heat to the fuel in the fuel rail and designed to operate at high surface temperatures in contact with flex fuel (upto E85) in Flex Fuel Engine	Emission/ Environment
		Heating Control Unit for Flex Fuel Engine	It controls the heating of the fuel and monitors to ensure guaranteed start of the engine at low temperatures. It is a cold start feature in Flex Fuel Engine	
		ECU for Flex Fuel Engine (Processor minimum 32 bit).	Auto electronic sub assembly used to optimize Flex Fuel Engine performance	

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List of Advanced Automotive Technology Components eligible for PLI Scheme for Automobile and Auto Components

Sl. No.	Application	Name of Advanced Automotive Technology Products	Definition	Category
22	Sensors	Crash Detection Sensor	Used for crash impact detection in automobiles	Others
		Angle Encoder	Used for precise angle measurement in automotive systems like -Traction Motor ; Steering control etc	
		Torque Sensor	Used for precise torque measurement in automotive systems like -Traction Motor ; Steering control etc	
		Image Sensor	Used in ADAS application in automobiles	
		Lambda / oxygen Sensor for BS VI and above	Used for measurement of oxygen level in automobiles	

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List of Advanced Automotive Technology Components eligible for PLI Scheme for Automobile and Auto Components

Sl. No.	Application	Name of Advanced Automotive Technology Products	Definition	Category
22	Sensors	NOx Sensor for BS VI and above	Used for measurement of NOx level in automobiles	Others
		PM Sensor for BS VI and above	Used for measurement of PM level in automobiles	
		Ethanol sensor	Sensors used in flex fuel vehicles	
		Image Sensor	Used in ADAS application in automobiles	
23	Advanced glazing solutions	Dark green UV Cut Glass (DGG) upto 3.2 mm	Side Safety glass of automobile with advanced features of Infra Red Cut (Tir) of minimum 71% and Ultra Violet Cut (Tuv) of minimum 81%	

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List of Advanced Automotive Technology Components eligible for PLI Scheme for Automobile and Auto Components

Sl. No.	Application	Name of Advanced Automotive Technology Products	Definition	Category
23	Advanced glazing solutions	IR Cut Windshield (PVB+ Glass)	Wind Screen Safety glass of automobile with advanced features of Infra Red Cut (Tir) minimum 77% and Ultra Violet Cut (Tuv) of >99%	Emission/ Environment
24	Common Rail Direct Injection (CRDI)	Pump for CRDI with operating 1800 bar and above	Used to deliver fuel into the connected rail above 1800 bar.	Emission/ Environment
		Electronic Control Unit (ECU) for Common Rail Direct Injection (CRDI) system (Processor minimum 32 bit)	Auto electronic sub assembly used to optimize CRDI engine performance	

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www.dardaadvisors.com



da@dardaadvisors.com

Our Locations

Hyderabad

6-3-1086, 5th Floor, Vista Grand Towers, Raj Bhavan Road, Somajiguda, Hyderabad - 500082, TS

Chennai

13, T.K. Mudali Street, Choolai, Chennai - 600112, Tamil Nadu

Delhi-NCR

N 93, Ground floor, Mayfield garden, Sector 51, Gurgaon, Haryana - 122018

Bhilwara

Moti Chambers, 62&63, Sancheti Colony, Pur Road. Bhilwara - 311001, Rajasthan

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