FAQs

Sectoral

Automobile

1. For how long the incentives for the electric and hybrid vehicles of the FAME scheme are applicable?

The Union cabinet chaired by the Prime Minister Shri Narendra Modi has approved the proposal for implementation of scheme titled 'Faster Adoption and Manufacturing of Electric Vehicles in India Phase II (FAME India Phase II)' for promotion of Electric Mobility in the country from 2019-20 to 2021-2022. Further the scheme has been extended for a further period of 2 years i.e. upto March 31, 2024

2. How do citizen avail the demand incentive on the purchase of a xEV?

The demand incentive benefit will be passed on to the consumer upfront at the time of purchase of the xEV itself by way of paying reduced price. For more information, please visit the following link.

3. Is the FAME incentive applicable throughout the country?

Presently scheme is applicable in selected areas like as notified separately broadly covering following cities: a) Cities under ' Smart Cities ' initiatives. b) Major metro agglomerations – Delhi NCR, Greater Mumbai, Kolkata, Chennai, Bengaluru, Hyderabad, Ahmedabad. c) All State Capitals and other Urban Agglomerations/Cities with 1 Million+ population (as per 2011 census) d) Cities of the North Eastern States. However, for 2 and 3 wheeler, scheme is applicable in entire country. Please visit the link for more information.

4. Why FAME scheme is not applicable throughout the country?

Phase I of the scheme is a sort of pilot project just to see the reaction of people to the electric and hybrid vehicles. If this phase is successful, in next phase, scheme will be applicable throughout the country. For more information, please visit the following link.

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5. Will the FAME incentive be applicable on self-capitalized vehicles for own use or for employee use/lease/CTC vehicles by the OEM?

Yes, the demand incentive will be available for all types and self-capitalized vehicles as well. Please visit the link for more information.

6. Will the FAME incentive be applicable to fleet operators who wish to purchase xEVs for commercial applications (e.g. for use as a taxi)?

Yes, the demand incentive will be applicable for fleet operators for commercial applications as well. Please visit the link for more information.

7. Will the FAME incentive be applicable for billings done directly by an OEM to a customer i.e. a sale that is not routed through an authorized dealer of the OEM?

Yes, the OEM can bill the vehicle and customer may avail the demand incentive. Please visit the link for more information.

8. Is the FAME incentive available to corporate and other organizations or only to individuals?

Yes, the incentive will be available to corporate and organizations. Please visit the link for more information.

9. Is the FAME incentive applicable for multiple xEV purchases by a customer? Or is it possible to get subsidy for bulk orders on a single person ' s name or on single company ' s names?

Yes, an individual may buy multiple xEVs and avail the demand incentive applicable for each of them. Please visit the link for more information.

10. Is it necessary to sold sell old gasoline based vehicles to get subsidy under FAME India Scheme?

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No, there is no such condition in the present guidelines. For more information, please visit the following link.

11. Are Electric and Hybrid Vehicles available in the market are safe to drive?

Demand incentive under FAME India scheme is available only to vehicles that are regulated by the Central Motor Vehicle Rules (CMVR) and meet other qualifying criteria laid out in the FAME scheme. As such these vehicles meet all the safety regulations as applicable in the country. For more information, please visit the following link.

12. Since the subsidy is only on a reimbursement basis, can we claim the amount from DHI and then pass it to customers?

No, as per scheme guidelines, incentive will be on reimbursement basis only after submission of claim. This claim required to be submitted only after sale of vehicles. For more information, please visit the following link.

13. Which are the major industry associations for automobile and auto-components sector?

Some of the key concerned industry associations for automobiles and components are: Society of Indian Automobile Manufacturers (SIAM) Automotive Component Manufacturers Association (ACMA) The Automotive Research Association of India (ARAI) For more information, click here

14. Which is the apex body dealing with automotive sector related matters?

National Automotive Board is the apex body dealing with automotive sector. For more information, click here

15. Which are the concerned government divisions/services for auto and auto-parts?

The Ministry of Heavy Industries, Government of India, deals with areas related to vehicles and automotive parts. Entire Automotive industry falls under the concern of Heavy Industries Ministry.

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16. What is the PLI scheme for Champion OEM?

The PLI Scheme for the auto sector envisages to overcome the cost disabilities of the industry for manufacture of Advanced Automotive Technology products in India. The incentive structure will encourage industry to make fresh investments for indigenous global supply chain of Advanced Automotive Technology products. It is estimated that over a period of five years, the PLI Scheme for Automobile and Auto Components Industry will lead to fresh investments of over Rs 42,500 crores, incremental production of over Rs 2.3 lakh crore and will create additional employment opportunities of over 7.5 lakh jobs. Further this will increase India ' s share in global automotive trade. The Government notified the scheme in Sep ' 21. The scheme was closed on 9th Jan. MHI has processed the applications received under Champion OEM Incentive scheme and 20 applicants (along with their 12 subsidiaries) have been approved under this category of the scheme. Applications for Component Champion Incentive scheme are being processed separately. For more information: Here

17. 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

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

19. 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?

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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.

20. 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.

21. 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.

22. 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

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including the purchase of technology, IPR, Patents and copyrights for ER&D, subject to all relevant documents for same being submitted to MHI/ PMA.

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

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

24. 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.

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

26. 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.

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Applicant can register with Testing Agency for new AAT products on an ongoing basis.

27. 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).

28. 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, 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).

29. 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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