

## **Frequently Asked Questions (FAQs)**

### **(For PLI Scheme for Automobile and Auto Component Industry)**

Dated: 8<sup>th</sup> October, 2021

#### **1. Who is an applicant under the scheme?**

**Ans:** An applicant under the scheme is a

- i. Company incorporated/ registered in India under the Companies Act, 2013, engaged in automotive and/or auto component manufacturing sector or
- ii. New Non-Automotive Investor company (who are currently not in automobile or auto component manufacturing business) incorporated/ registered in India under the Companies Act, 2013

meeting the eligibility criteria specified under the scheme and making an application for seeking approval under the Scheme.

#### **2. What are the circumstances under which an applicant may be ineligible for the scheme?**

**Ans:** The applicants whose accounts are declared as Non-Performing Asset (NPA) as per RBI guidelines or defaulter or wilful defaulter as per RBI/CIBIL or SEBI debarred list or reported as fraud by any bank, financial institution or non-banking financial company etc. would be considered as ineligible. Further, there should not be any insolvency proceedings admitted against the Applicant in the National Company Law Tribunal (NCLT) etc.

#### **3. Can an applicant have multiple manufacturing facilities?**

**Ans:** An applicant can have multiple manufacturing facilities/ locations in India.

#### **4. Are Greenfield projects and Brownfield projects both allowed under the scheme?**

**Ans:** Yes, Greenfield projects and Brownfield projects both are allowed under the scheme.

#### **5. Whether a Proprietorship, Partnership and Limited Liability Partnership (LLP) could avail PLI benefits?**

**Ans:** No, Proprietorship, Partnership and LLPs are not allowed under the scheme. Any company incorporated in India and as defined in the Companies Act

2013, proposing to manufacture one or more eligible product(s) under the scheme, can be an applicant.

**6. As per the scheme, the applicant should be a Company incorporated/ registered in India under the provision of the Companies Act. Does it mean that companies registered under Companies Act 1956 (old act) are not eligible for this PLI scheme?**

**Ans:** Any company incorporated in India and as defined in the Companies Act 2013, proposing to manufacture one or more eligible product(s) under the scheme, can be an applicant. The Section 2(20) of the Companies Act, 2013, defines the term 'Company' as "Company means a company incorporated under this Act or under any previous company law." Hence, the companies incorporated under the Companies Act, 1956, are also eligible to file an application under PLI scheme.

**7. Can a 100% foreign-owned company be eligible under PLI Scheme?**

**Ans:** Yes, but it has to be registered in India to apply under the scheme.

**8. Do the Value-Added Resellers and Trading companies which are not in manufacturing business qualify under the scheme?**

**Ans:** Yes, any Company registered in India under the Companies Act can apply under the scheme subject to meeting the eligibility criteria and establishing a manufacturing facility for production of the eligible products under the scheme.

**9. Can two or more companies of the Group apply through a single common Application?**

**Ans:** Any number of companies of the Group is permitted to apply under this scheme as an individual applicant by submitting separate applications. However, they can use the global group revenue, gross block and net worth of the Group in their separate applications respectively.

**10. How many components are there in this scheme?**

**Ans.** There are two components in the scheme-

- i. Champion OEM incentive scheme
- ii. Component Champion incentive scheme

**11. Can a company submit Multiple Applications as Applicant under different Categories?**

**Ans:** An applicant eligible for applying under Champion OEM can also apply for Component Champion segment. However, an auto component manufacturer as applicant eligible for applying under Component Champion segment cannot apply under Champion OEM.

**12. Can an applicant approved under both Champion OEM and Component Champion segment claim incentive for the same component under both segments?**

**Ans:** 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**. Any double claim of incentive for the same product under component level and vehicle level can lead to disqualification of the legal entity involved on this ground alone in addition to any other legal action as applicable under the law.

**13. What is the budgetary outlay of the scheme?**

**Ans:** The total budgetary outlay for the scheme is ₹25,938 crore.

**14. In case the outlay of incentive exceeds, will the budgetary outlay be enhanced?**

**Ans.** This is a fund limited scheme. In case the calculated incentive pay-out exceeds the budgetary outlay, the scheme could be exhausted earlier than 5 (Five) years period and incentive pay-out will be reduced on pro-rata basis as per the formulation developed across all PLIs.

**15. Is there any segregation in the budgetary outlay based on vehicle power technology or fuel used like BEV, Hybrid, Hydrogen Fuel Cell, IEC Vehicle, Flex-Fuel vehicle etc.?**

**Ans.** There is only one allocation in the scheme. There is no segregation on the basis of vehicle power technology in the scheme. Incentive is applicable based on Determined Sales Value of the eligible products.

**16. Is there any segregation in the budgetary outlay based on vehicle segments like 2W, 3W, 4W, CV, Tractors and Vehicles used for military purpose etc.?**

**Ans.** No. There is only one allocation in the scheme.

**17. Is there any segregation in the budgetary outlay for vehicles and Auto components in the scheme?**

**Ans.** No. There is only one allocation in the scheme.

**18. Are eligible Advanced Automotive Technology components used in major Construction plants & equipments (like road making equipments, Earth moving equipments, Material lifting & handling equipments, etc.), Mining Machineries, Special Purpose Vehicles, Mobile Cranes, Dumpers, Excavators, Loaders and Un-loaders incentivized under this scheme?**

**Ans.** Yes, eligible Advanced Automotive Technology components meant for Auto Sector and having usage in Construction plants & equipments Mining Machineries, Special Purpose Vehicles, Mobile Cranes, Dumpers, Excavators, Loaders and Un-loaders are also incentivized under this scheme subject to the condition that any AAT component will be incentivised only once in this scheme.

**19. Is there any year wise limit on incentive pay-out in this scheme?**

**Ans.** There is no year wise limit in this scheme. Entire scheme is based on the concept of front loading of investments and tapering off of incentive towards end of the scheme.

**20. The year wise incentive outlay as mentioned in the scheme is fixed?**

**Ans:** The yearly incentive pay-outs are **indicative** and can be changed depending upon the sales /market scenario, within the overall Financial Outlay (May please refer scheme clause No. 4.1 – Total Incentive table).

**21. What is Threshold Determined Sales Value for any approved company year wise under this PLI scheme?**

**Ans:** The year wise Threshold Determined Sales Value under the scheme is as follows:

(In ₹ crores)		
Scheme Year	Threshold Determined Sales Value for Champion OEM Incentive Scheme	Threshold Determined Sales Value for Component Champion Incentive Scheme
Year 1	125.00	25.00
Year 2	137.50	27.50
Year 3	151.25	30.25
Year 4	166.38	33.28
Year 5	183.01	36.60

**22. What is the period for making an application under the Scheme?**

**Ans:** The window for receiving applications through online portal of the scheme shall be 60 days starting from the date of Notice Inviting Applications.

**23. When will the Notice Inviting Applications be available?**

**Ans:** In accordance with Para 2.4 of the scheme guidelines, the notice inviting applications will be within 60 days of the notification of the scheme.

**24. What is the tenure of the scheme?**

**Ans:** The incentive under the scheme shall be starting from the FY 2022-23 which will be distributed in the following FY 2023-24 and so on for a total 05 consecutive Financial Years.

**25. What is the base year for calculation of eligible sale value?**

**Ans:** Financial Year 2019-20 shall be treated as base year for calculating eligible sale value (not applicable for approved new non-automotive investor company).

**26. What is the application fee for making an application under the scheme?**

**Ans:** There will be a non-refundable application fee payable at the time of filing the application form. The details of the bank account for remittance of the application fee and related terms & conditions shall be provided in the application form. The application fee would be accepted electronically only. The applicable fee is as follows:

Sl. No.	Application under	Application Fee payable
1.	Champion OEM Incentive Scheme	₹ 1,00,000/-
2.	Component Champion Incentive Scheme	₹ 25,000/-

**27. What is the eligibility criteria for existing companies under automotive vehicle and component manufacturing?**

**Ans:** The eligibility criteria for a company already into automotive vehicle and component manufacturing in India or globally is as follows:

Eligibility Criteria	Auto OEM	Auto Component
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.

Above Eligibility criteria to be met based on audited financial statements for year ending March 31, 2021. The global group revenue and investment are to be given on self-certification basis by the applicant and its group company(ies).

**28. What is the eligibility criteria for new non-automotive investor company or its Group company(ies) that may want to participate in this scheme?**

**Ans:** The eligibility criteria for new non-automotive investor company or its Group company(ies) is as follows:

<b>Eligibility Criteria</b>	<b>New non-automotive investor company or its Group company(ies)</b>
Global Net Worth	₹ 1,000 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 mentioned in para – 4.1(c) of the scheme guidelines.

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. The business plan should state the projected Investment and Revenue in India, indicative list of proposed products to be manufactured, number of manufacturing facilities (along with location in India), employment generation, projected Domestic Value Addition and other related details. Further, the global net worth is to be given on self-certification basis by the applicant Non-Automotive company or its Group company(ies).

**29. What are the Eligible products under PLI Scheme?**

**Ans:** Support under the Scheme shall be provided to companies engaged in manufacturing of Advanced Automotive Technology products in India. The list of Eligible products are as under:

- i. The list of Advance Automotive Technology Vehicles – The following vehicles are prescribed by Ministry of Heavy Industries (MHI) as Advance Automotive Technology Vehicles. The list can be amended by MHI from time to time depending upon technological developments.

<b>SI No.</b>	<b>Description</b>
1	Battery Electric vehicles –All vehicle segments which meet the

	performance criteria of FAME-II scheme or as notified from time to time by MHI.
2	Hydrogen Fuel Cell Vehicle – All vehicle segments.

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

**30. Can any applicant company claim incentive for any Automobile or Auto component manufactured by them?**

**Ans.** No. The applicant company once selected and approved under the scheme can claim incentive on Determined sales value of eligible Advanced Automotive Technology products prescribed by MHI.

**31. Can any approved company claim scheme incentive for all Advanced Automotive Technology (AAT) products manufactured by them?**

**Ans.** Any approved company can claim incentive under the scheme for only those Advanced Automotive Technology products meeting the condition of minimum 50% domestic value addition.

**32. Is there any cap on maximum incentive per company?**

**Ans.** Yes. Total incentive per entire Group Company(ies) is kept at ₹6,485 crore i.e. 25% of total incentive outlay under this scheme.

**33. How will the Global group Revenue of the applicant company (including its Group Companies), from auto OEM and/ or auto component manufacturing segments, be calculated if same group company is claimed and considered for two or more applicant companies?**

**Ans:** In case the manufacturing revenue in Champion OEM and/ or Component Champion manufacturing segments, of an applicant company (including its Group Companies) is claimed and considered for two or more applicant companies, then the manufacturing revenue of such applicant company (including its Group Companies) will be considered fully for the applicant which is claiming revenue of such entity. Also, if another group company wants to apply under the scheme, it can also claim revenue of the group company which has already been considered by other applicant group company.

This would facilitate more number of applicants to participate under the scheme.

For example, Company A and B are group companies and both are in automobile manufacturing business. Company X (an SPV of the group) wants to apply under the scheme. Then X can use the revenue of A & B to qualify under the scheme under Champion OEM. However, there is one more SPV company say Company Z which also wants to apply under the scheme. Then Z can also use revenue of the group companies A & B.

However, Company X and Company Z have to separately meet the Minimum Cumulative Domestic Investment criteria and achieve Determined Sales value as individual applicants under this scheme.

**34. What if the Global group Revenue of the applicant (including Group Companies) is available in currency other than Indian?**

**Ans:** If the Global group Revenue of the applicant company (including Group Companies) is available in a currency other than Indian, the Indian currency equivalent amount may be computed by applying an average of the exchange rate notified by the Reserve Bank of India as on the 1st day and last day of the reporting period.

**35. What does Cumulative Domestic Investment mean?**

**Ans:** The Cumulative Domestic Investment shall mean the cumulative incremental Investment made by the applicant year wise on or after April 1, 2021.

**36. Eligible Investment under the scheme will be considered from which date?**

**Ans:** Investment made on or after 01/04/2021 and capitalized in the books of accounts of the company will only be considered under the scheme. Accordingly, invoice for the investment dated prior to 01/04/2021 and any Capital Work-in-Progress would not be considered under the scheme.

**37. What does the Threshold Investment mean?**

**Ans:** The amount of minimum Cumulative Domestic Investment to be made by the applicant in each financial year for respective components of the scheme as specified in the PLI Scheme Guidelines.

**38. The PLI scheme requires investment to be spread over 5 years. However, given the nature of the industry, the incremental investment may not be allocated as per the PLI investment table and may be frontloaded with entire investment being made in first two-three years. Whether such investment will qualify for the scheme or not?**



**Ans:** Front loaded investment will qualify as eligible investment subject to the same is equal to or more than the corresponding stipulated Cumulative Domestic investment and threshold investment for a respective financial year as prescribed in the scheme guidelines. However, eligibility of PLI shall be subject to achievement of thresholds of Determined sales value of Eligible Products for the respective financial year as detailed in the Scheme Guidelines.

**39. What would be the bank rate for calculating the Net Present Value (NPV) of the front loaded investment by the eligible company?**

**Ans:** The Bank Rate would be as advised by Reserve Bank of India as on 31/12/2021.

**40. Since the Scheme is for five years and Applicants can invest periodically to satisfy the cumulative threshold investment criteria, there may be possibility that a selected applicant may like to put up another manufacturing facility at another location in India in addition to the existing location to cater to local demand or any other reason. In such case, what would be done?**

**Ans:** Selected applicants would be allowed to submit the details of additional location with all relevant documents on commencing commercial production during the tenure of the Scheme with intimation to MHI.

**41. Is eligibility under the Scheme for a given year achieved if one of the two threshold criteria namely Cumulative Domestic investment and Determined Sales Value of eligible products are met?**

**Ans:** The applicant company will have to meet both threshold criteria i.e. Cumulative Domestic investment and Determined Sales Value of eligible products to be eligible for disbursement of incentive under the scheme for a given year.

**42. What if an applicant company is not able to achieve threshold criteria for a given year?**

**Ans:** Eligibility shall be subject to meeting thresholds of Cumulative Domestic investment and Determined Sales Value of eligible products. An applicant must meet threshold criteria to be eligible for disbursement of incentive for the year under consideration. In case an applicant does not meet threshold criteria for any given year, the applicant shall not be eligible for incentive in

that particular year. However, the applicant will not be restricted from claiming incentive in subsequent years during the tenure of the Scheme, provided eligibility criteria are met for such subsequent years.

**43. Whether Interest During construction (IDC), Pre-operative expenses and Administrative expenses to purchase plant and machinery included in the eligible investment?**

**Ans:** No, IDC, pre-operative expenses and administrative expenses are not included in eligible investment.

**44. Whether capital goods purchased under 3-year credit period (open Letter of Credit and use buyer's credit) will be considered as part of PLI investments in the year of purchase?**

**Ans:** In such case, only basic price i.e. the cash down price of capital goods will be considered as Investment but not the interest charged by supplier for the credit period.

**45. Are taxes and duties included in the expenditure that is considered towards Investment in the Scheme?**

**Ans:** All non-creditable taxes and duties would be included in such expenditure.

**46. Is the expenditure incurred on Land and Building covered under the Scheme?**

**Ans:** 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 under the scheme.

**47. Is the expenditure incurred on Engineering Research and Development (ER&D) and related cost allowed for the purpose of Investment under PLI Scheme?**

**Ans:** Yes, the capital expenditure on ER&D and product design & development is allowed under the scheme.

**48. If a parent company and its subsidiary company both are in the manufacturing of automobile and/or auto components business and only parent company applies under the scheme. Whether the investment and sales of the eligible products manufactured by the subsidiary company will be counted in the Cumulative Domestic investment and Determined Sales Value of the parent company under this scheme?**

**Ans:** Yes. However, prior declaration by the applicant company has to be provided to PMA/MHI regarding such subsidiary company(ies).

**49. If a parent company and its subsidiary company both are in the manufacturing of automobile and/or auto components business and both parent company and subsidiary company apply under the scheme. What would be the treatment of Cumulative Domestic investment and Determined Sales Value?**

**Ans:** In such a case both the applicants will have to meet the criteria for Cumulative Domestic investment and Determined Sales Value individually to be eligible for incentive under the scheme. However, any eligible product will be incentivized only once under the scheme.

**50. Applicant Company A and B apply under the scheme. Company A has not given any commitment for front loading of investment whereas Company B has been selected based on their commitment for front loading of investment. What will be the minimum Domestic Investment condition for both the companies in this scheme?**

**Ans:** Minimum Domestic Investment condition for Company A will be as per the scheme. Whereas, minimum Domestic Investment condition for Company B will be as per the commitment of front loading of investment given by Company B in the application form provided the selection was on the grounds of commitment of front loading. Further, this front loading of investment by Company B will be part of Approval letter/Agreement.

**51. Can new AAT products be added to the initial application over the course of time?**

**Ans:** The Applicant can also include those AAT products which the Applicant is not manufacturing currently but intends to manufacture during the scheme period. If an approved company starts manufacturing a new AAT product covered in the list of AAT products prescribed by MHI, the same could be added for the approved applicant later also after due approval by Testing Agency of MHI.

**52. Can an Applicant avail incentive under this scheme be eligible under other schemes of the Government?**

**Ans:** Eligibility under PLI Scheme shall not affect eligibility under any other scheme and vice-versa. But investments made under any other PLI schemes will not be considered under this PLI.

Further, incentive proposed under this scheme to Battery Electric Vehicles will be independent of the incentives given under FAME II scheme where incentives are provided to customers who buy the vehicles and not to the manufacturers.

However, 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.

**53. Whether a beneficiary under other PLI Scheme of Government of India can avail benefits for the same products under this PLI scheme?**

**Ans:** An applicant availing benefits under any other PLI scheme of Government of India for the same product(s) shall not be eligible under this PLI scheme except Advanced Chemistry Cell (ACC) and FAME scheme.

**54. What are the consequence of furnishing incorrect data, which has a bearing on their being selected/ approved, by the Applicants in the online Application?**

**Ans:** The Applicants are required to fill up correct information as it would impact their selection vis-à-vis other Applicants. Applications will be liable for rejection at any stage, if it is found that incorrect information having a bearing on the selection of the Applicant were furnished in the Application.

**55. When can an applicant submit a claim for disbursements under PLI?**

**Ans:** An applicant may submit a claim for disbursement of incentive within 6 (six) months from the end of the financial year to which the claim pertains or within 3 (three) months from the date of finalization of Audited Financial Statements for the same financial year, whichever is later. Claim for any financial year period shall be made only once, unless withdrawn, and no subsequent part claims shall be allowed for the said period.

**56. When will the PLI be disbursed?**

**Ans:** Actual disbursement of PLI for a respective year will be subsequent to that year.

**57. What would happen if a selected applicant exits midway?**

**Ans:** Midway exit by a selected applicant without fulfilling investment criteria will thwart the objectives of the scheme such as deep localization, energy

security, maximizing Gross Value Added to economy and also deprive selection opportunity to another Eligible Applicant under the scheme.

Therefore, all the approved applicants are required to submit a bank guarantee (BG) of ₹ 5,00,00,000/- (Rupees Five crore Only) for Champion OEM scheme and ₹1,00,00,000/- (Rupees One crore only) for Component Champion scheme, from any scheduled commercial bank only within 45 days from the date of the approval letter, having a validity till 31/03/2029.

Further, if any selected applicant exits under written intimation to MHI and/ or **does not make** any Cumulative Domestic Investment for two consecutive years at any stage of the scheme for reasons whatsoever; in such case, the bank guarantee furnished by the applicant shall be invoked and the applicant shall become ineligible for the rest of the tenure of Scheme.

**58. Is there any penalty for not meeting the Cumulative Domestic Investment/ Determined Sales Value during the tenure of the scheme?**

**Ans:** There is no further monetary penalty besides invoking bank guarantee (as mentioned in FAQ No 57) if an applicant **is not able to meet** the Cumulative Domestic Investment/ Determined Sales Value during the tenure of the scheme. However, the applicant shall become ineligible for that particular year of the scheme for claiming incentive if the criteria of Cumulative Domestic Investment and Determined Sales Value are not met.

**59. What are the indicative list of documents that need to be submitted along with the information submitted in the application form?**

**Ans:** The Applicant needs to upload the following indicative documents along with the information submitted in the application form:

- i. Certificate of Incorporation and Corporate Identification Number
- ii. Memorandum of Association
- iii. Article of Association
- iv. PAN Card
- v. GSTIN Registration Certificate
- vi. Importer Exporter Code (IEC) Registration Certificate; if any
- vii. Annual Report and/ or Audited Financial Statements for last three financials years
- viii. Certified Shareholding Pattern
- ix. Letter authorizing the signing authority
- x. Undertaking regarding bankruptcy and defaulter lists of RBI, SEBI etc.
- xi. Undertaking with respect to Integrity compliance

xii. Consent for audit/verification of manufacturing sites and financial statements

Note: Any other document as may be sought by PMA / Testing Agency/ MHI for further verification/ clarifications.

**60. What is Domestic Value Addition as per the Scheme?**

**Ans:** Minimum 50% domestic value addition will be required. 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.

**61. Whether change in Shareholding pattern of a company would be permitted or not?**

**Ans:** Yes, with intimation to MHI.

**62. Whether change in location of plant after getting approval permitted or not?**

**Ans:** Yes, with intimation to MHI.

**63. Is the incentive applicable on domestic sales or export sales of eligible products under the scheme?**

**Ans:** This scheme is not distinguishing domestic and export sales of eligible products.

**64. For electric mobility, if most of components are imported and it was not eligible for FAME II scheme. So can this PLI scheme help in that area?**

**Ans:** No, minimum 50% Domestic Value Addition is mandatory.

**65. If one year sales is not achieved, is there any provision to get the incentive in next year by considering two year sales added?**

**Ans:** No, incentive for each year will be applicable for the Determined Sales Value for that particular year only.

**66. For Auto components manufacturer, shall the revenue be considered for both OEM sales and aftersales market?**

**Ans:** Yes.

**67. Which are testing agency?**

**Ans:** There are 4 testing agency of MHI are:

- i. Automotive Research Association of India (ARAI) at Pune (Maharashtra) in Central India.
- ii. International Centre For Automotive Technology (iCAT) at Manesar (Haryana) in Northern India.
- iii. Global Automotive Research Centre (GARC) at Oragadam near Chennai (Tamil Nadu) in Southern India.
- iv. National Automotive Test Tracks (NATRAX) at Pithampur near Indore (Madhya Pradesh) in Central India.

**68. How the incentive will be calculated under this scheme?**

**Ans:** The incentive calculation is being shown with the following examples for the scheme:

**Example – 1: Champion OEM Incentive Scheme**

(In ₹ crore)

Scheme Year	Eligible Sales Value	Determined Sales Value	13%	14%	15%	16%	Additional 2%	Total Incentive Year wise
Base Year	100.00	NIL						
Year 1	300.00	200.00	26.00					26.00
Year 2	1,600.00	1,500.00	195.00					195.00
Year 3	3,000.00	2,900.00	260.00	126.00				386.00
Year 4	3,500.00	3,400.00	260.00	140.00	60.00			460.00
Year 5	4,500.00	4,400.00	260.00	140.00	150.00	64.00	48.00	662.00
<b>Total</b>	<b>12,900.00</b>	<b>12,400.00</b>						<b>1,729.00</b>

**Example – 2: Champion OEM Incentive Scheme**

(In ₹ crore)

Scheme Year	Eligible Sales Value	Determined Sales Value	13%	14%	15%	16%	Additional 2%	Total Incentive Year wise
Base Year	100.00	NIL						
Year 1	500.00	400.00	52.00					52.00
Year 2	550.00	450.00	58.50					58.50
Year 3	600.00	500.00	65.00					65.00
Year 4	1,000.00	900.00	117.00					117.00
Year 5	3,100.00	3,000.00	260.00	140.00				400.00
<b>Total</b>	<b>5,750.00</b>	<b>5,250.00</b>						<b>692.50</b>

**Example – 3: Champion OEM Incentive Scheme**

**(In ₹ crore)**

<b>Scheme Year</b>	<b>Eligible Sales Value</b>	<b>Determined Sales Value</b>	<b>13%</b>	<b>14%</b>	<b>15%</b>	<b>16%</b>	<b>Additional 2%</b>	<b>Total Incentive Year wise</b>
<b>Base Year</b>	NIL	NIL						
<b>Year 1</b>	NIL	NIL	<b>NIL</b>					<b>NIL</b>
<b>Year 2</b>	150.00	150.00	<b>19.50</b>					<b>19.50</b>
<b>Year 3</b>	110.00	110.00	<b>NIL</b>					<b>NIL</b>
<b>Year 4</b>	600.00	600.00	<b>78.00</b>					<b>78.00</b>
<b>Year 5</b>	1,500.00	1,500.00	<b>195.00</b>					<b>195.00</b>
<b>Total</b>	<b>2,360.00</b>	<b>2,360.00</b>						<b>292.50</b>