



इलेक्ट्रॉनिक्स एवं
सूचना प्रौद्योगिकी मंत्रालय
MINISTRY OF
ELECTRONICS AND
INFORMATION TECHNOLOGY



Production Linked Incentive (PLI) Schemes of Ministry of Electronics & IT

- PLI Scheme for Large Scale Electronics Manufacturing
- PLI Scheme for IT Hardware

“We're manufacturing quality products not only for India but for the world. India is becoming a global hub, especially in the field of electronics and automobile manufacturing. We're rapidly moving towards being No. 1 in mobile phones manufacturing.”

Shri Narendra Modi
Hon'ble Prime Minister of India



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Production Linked Incentive (PLI) Scheme for Large Scale Electronics Manufacturing

Background

Government of India attaches high priority to electronics hardware manufacturing, an important pillar of the “Make in India” and “Digital India” initiatives.

The electronics industry permeates all sectors of the economy and has cross-cutting economic & strategic significance. Recognizing the sector’s unique dynamics, significant opportunities, and structural challenges, Government of India notified the National Policy on Electronics (NPE) 2019 on 25.02.2019.

The NPE 2019 aims to position India as a global hub for Electronics System Design and Manufacturing (ESDM) by encouraging and driving capabilities in the country for developing core components, including chipsets & creating an enabling environment for the industry to compete globally.

One of the objectives of NPE 2019 is to promote domestic manufacturing in the entire value-chain of ESDM, including core components and materials to increase the domestic value addition and reduce dependence on import of electronic goods by focusing on technology, skill, scale and the global market.

India has become an attractive destination for investments into ESDM sector and mobile handsets manufacturing has emerged as a flagship segment. Major brands have either already set up their own manufacturing facilities or have sub-contracted manufacturing to Electronics Manufacturing Services (EMS) companies operating from India.

Genesis of the PLI Scheme

**MEIS (Merchandise Exports from India Scheme) withdrawal:
Need for a WTO compliant
Scheme**



**Geographical De-risking of Supply
Chains in COVID Era**

**PLI Scheme to implement the
vision of National Policy on
Electronics 2019**





Production Linked Incentive (PLI) Scheme for Large Scale Electronics Manufacturing

proposes a financial incentive to boost domestic manufacturing and attract large investment in the electronics value chain including mobile phones and specified electronic components.



Scheme and Guidelines:

The Scheme was notified on 01.04.2020
PLI scheme guidelines were released on 01.06.2020
Second round was launched on 11.03.2021



Quantum of Incentive:

- Incentive of 4% to 6% on incremental sales (over base year), for a period of 5 years (Incentives applicable from 01.08.2020)
- Incentives of 3% to 5% on incremental sales under Second Round



Empowered Committee (EC):

CEO NITI Aayog, Secretary Economic Affairs, Secretary Expenditure, Secretary MeitY, Revenue, Secretary DPIIT and DGFT



Eligibility:

Thresholds of Incremental Investment & Production



Target Segments:

- Mobile Phones: Invoice Value INR 15,000 & above
- Mobile Phones: Domestic Companies Specified Electronic Components



Total expenditure outlay of the scheme:

INR 40,995 Cr (USD 5.7 Bn) in 5 years



To provide relief to the sectors affected by the second wave of the COVID-19 pandemic, Hon'ble Finance Minister, Smt. Nirmala Sitharaman, on 28th June, 2021, announced to extend the tenure of the PLI Scheme by one year i.e. till 2025-26. Participating companies will get option of choosing any five years for meeting their production targets under the scheme.



Approved Companies



01 Mobile Phones (Invoice Value INR 15,000 & above)

FOXCONN **PEGATRON**

Rising Star

wistron

SAMSUNG

02 Mobile Phones (Domestic Companies)

LAVA

micromax

Padget

United Telelinks
Neolyncs

optimus

03 Specified Electronic Components Round 1

AT&S

WLSN

Ascent
CIRCUITS PVT LTD

SILICON
POWER

Sahasra

Round 2

TDK

rakon

vtlesco

DEC

VISHAY

SHOGINI

CDIL

TIBCON
CAPACITORS

CIPSA TEC

SHIVALIK

Deki

KELTRON

mp
Micropack Limited

ALCON
ELECTRONICS
PRIVATE LIMITED

Epitome

Globe Capacitors

Proposed Outcomes

The companies approved under the scheme are expected to generate the following:

Production:	Over INR 8,12,550 Cr during the Scheme tenure
Export:	Out of total production, around 60% (INR 4,87,530 Cr) will be contributed by exports.
Investment:	INR 7,000 Cr
Employment:	Over 2 lakh direct employment is likely to be generated along with an additional indirect employment of nearly 3 times the direct employment
Domestic Value Addition:	Expected to grow from the current 15-20% to 35-40% in case of Mobile Phones and from 25-35% to 45-50% for electronic components

Achievement

As per March 2023 QRR, this scheme has resulted in investment INR 6559 Cr, production of approx. INR 2,84,297 Cr (export approx. INR 1,29,086 Cr) and additional employment of approx. 50,341.



Scan this QR Code to access details of PLI Scheme for large scale electronics manufacturing



List of Specified Electronic Components eligible under PLI Scheme for Large Scale Electronics Manufacturing

Description of Goods

Mobile Phones	01	06	Printed Circuit Boards (PCB), PCB laminates, prepregs, photopolymer films, PCB printing inks
Specified Electronic Components	02	07	Sensors, transducers, actuators, crystals for electronic applications
SMT components	03	08	System in Package (SIP)
Discrete semiconductor devices including transistors, diodes, thyristors, etc.	04	09	Micro / Nano-electronic components such as Micro Electromechanical Systems (MEMS) and Nano Electromechanical Systems (NEMS)
Passive components including resistors, capacitors, etc. for electronic applications	05	10	Assembly, Testing, Marking and Packaging (ATMP) units

Round 2 of PLI Scheme for Large Scale Manufacturing

After the success of the First Round of Production Linked Incentive Scheme in attracting investments in mobile phone and electronic component manufacturing, Second Round of the PLI Scheme for Large Scale Electronics Manufacturing was launched on 11.03.2021 for incentivizing Electronic Components.

Under the Second Round, incentives of 5% to 3% have been extended on incremental sales (over base year i.e., 2019-20) of goods manufactured in India and covered under the target segment, to eligible companies, for a period of four years.

Over the tenure of the scheme, the 16 approved electronic component manufacturers are expected to:



Generate a total production of upto ₹ 12,432 crore.



An additional investment in electronics manufacturing to the tune of ₹ 573 crore.

Impact on Electronics Manufacturing

This Scheme will provide an impetus for moving significant manufacturing capacities to India thereby creating large economies of scale which will further drive the supply chain ecosystem into the country.

As a robust domestic manufacturing ecosystem forms and matures, the pace of increase in electronic goods imports could slow, setting India on a path to becoming a global hub in electronics manufacturing (*RBI Bulletin – April 2019*).

The Scheme will lead to new investments and increased tax revenues in the electronics manufacturing sector. In addition to the direct employment generation that occurs as a result of the Scheme, indirect employment generation will be about 3 times as per industry estimates. The Scheme is expected to contribute significantly to achieving a USD 1 trillion digital economy and a USD 5 trillion GDP by 2026.



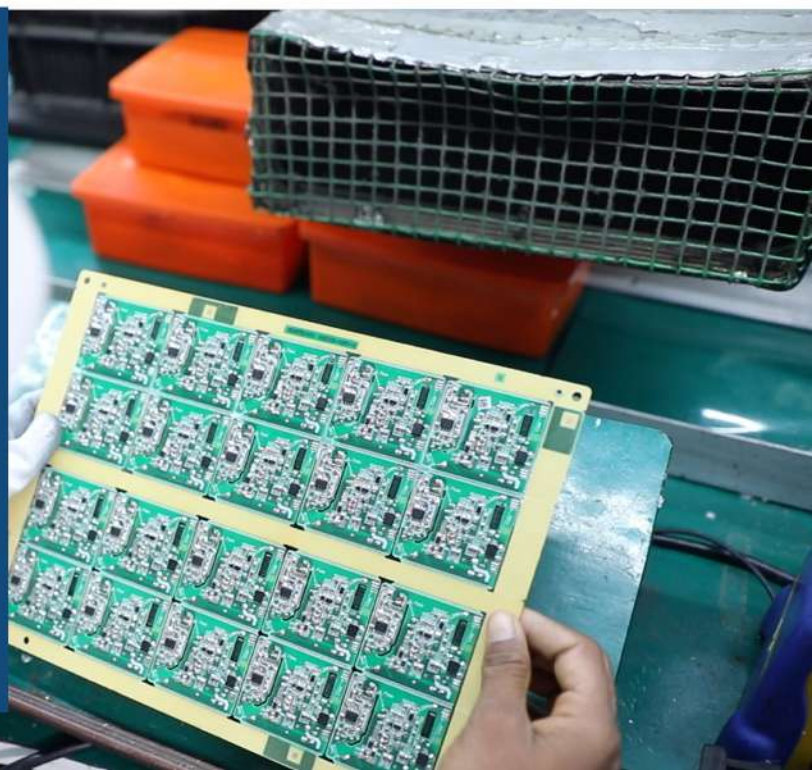
The Scheme along with other Government incentives and initiatives are expected to offset India's overall disadvantage when compared to other global markets by 6.4 % - 10.9 % .

The development of a domestic ecosystem for electronic components manufacturing and semiconductor packaging is critical for developing capacities in all sub-sectors of electronics, attracting investments in FAB facilities in the country and achieving strategic independence in electronics including enhanced hardware security.

PLI Scheme will help in making India a globally competitive destination for electronics manufacturing and create domestic champions to further our mission of achieving an AatmaNirbhar Bharat

The participation of women in active workforce has increased substantially during the PLI Schemes Tenure. As per data submitted by the large applicants under the PLI Schemes, the number of women working in electronic sector has grown substantially.

The direct socio-economic impact of the PLI Schemes is evident through increased competitiveness in the electronics manufacturing sector, employment generation, and business and growth opportunities for Small and Medium-sized Enterprises (SMEs), intermediaries, and ancillary units.



Media Coverage



NITI Aayog



First-Ever Disbursement Approved by Empowered Committee in PLI Scheme for Large-Scale Electronics Manufacturing

Indian Company Padget Electronics First Beneficiary to Receive Incentive



NITI Aayog



Empowered Committee for PLI Scheme for Large-Scale Electronics Manufacturing Approves Incentives for Foxconn India and Padget Electronics

Govt clears smartphone PLI incentives worth Rs765 cr, Wistron to get Rs 601.93 cr

All Product Categories are getting benefitted under PLI Scheme for LSEM.

Till date, total approved incentive under the PLI Scheme for LSEM reaches ~ INR 1645 Cr in the current financial year FY 2022-23.



ALL CATEGORIES

- Mobile Phone (Invoice Value ≥15,000 and above)
 - Mobile Phones (Domestic Companies)
 - Specified Electronics Components (Round I & II)
- ARE GETTING BENEFITTED UNDER PLI SCHEME FOR LARGE SCALE ELECTRONICS MANUFACTURING.**

PLI

The total approved incentive under the **PLI SCHEME FOR LARGE SCALE ELECTRONICS MANUFACTURING**



₹1645 CRORE APPROX
in the current financial year
FY 2022-23

Media Coverage

MeitY disbursed INR1645 Cr. (approx.) incentive till now in FY 2022-2023 under PLI Scheme for Large Scale Electronics Manufacturing.



INCENTIVE DISBURSED UNDER PLI SCHEME FOR LARGE SCALE ELECTRONICS MANUFACTURING



Production Linked Incentive Scheme (PLI) for IT Hardware

Notified on 03.03.2021, the Scheme extends an incentive of 4% to 2%/ 1% on net incremental sales (over base year of FY2019-20) of goods under target segments that are manufactured in India to eligible companies, for a period of four years (FY2021-22 to FY2024-25). The target IT hardware segments under the Scheme include Laptops, Tablets, All-in-One Personal Computers (PCs) and Servers. Incentives are applicable under the scheme from 01.04.2021.

The scheme was open for filing applications till 30.04.2021. A total of 14 companies have been approved under the

PLI Scheme. Over the next 4 years, the 14 approved companies under the Scheme are expected to lead to total production of about ₹ 1,60,000 crore. Out of the total production of ₹ 1,60,000 crore in the next 4 years, more than 37% is expected to be contributed by exports of the order of ₹ 60,000 crore. The scheme is expected to bring an additional investment in electronics manufacturing to the tune of ₹ 2,500 crore. Generation of over 36,000 additional direct jobs and four times indirect employment is expected under the PLI Scheme for IT Hardware.





Production Linked Incentive (PLI) Scheme for IT Hardware

electronics manufacturing proposes a financial incentive to boost domestic manufacturing and attract large investment in the electronics value chain.



Scheme and Guidelines:

The Scheme was notified on 03.03.2021
PLI Guidelines were released on 15.04.2021



Eligibility:

Thresholds of Incremental Investment & Production



Quantum of Incentive:

Incentive of 4% to 2% / 1% on incremental sales (over base year), for a period of four (4) years



Target Segments:

Laptops, Tablets, All-in-One Personal Computers (PCs) and Servers



Empowered Group of Secretaries (EGoS)

Cabinet Secretary, CEO, NITI Aayog , Secretary, DPIIT, Secretary, D/O Commerce Secretary, D/O Revenue, Secretary, D/O Economic Affairs, Secretary, MeitY



Total expenditure outlay of the scheme:

INR 7,350 Cr (~USD 1 Bn) in 4 years

Achievements

As per March 2023 QRR, this scheme has resulted in investment INR 195 Crore, production of approx. INR 5715 Crore and additional employment of approx. 1,089.

PLI Scheme for IT Hardware - Approved Applicants

IT Hardware Companies (4)



wistron

flex

Rising Star

Domestic Companies (10)



Netweb
TECHNOLOGIES



PANACHE

optiemus

Neolync

VVDN
TECHNOLOGIES



Proposed Outcomes

The 14 companies approved under the scheme are expected to generate the following:

Production:

Over INR ₹ 1,60,753 crore (~USD 21 billion) during the scheme tenure

Export:

Out of total production, around 37% (INR 60 Thousand crore) will be contributed by exports.

Investment:

More than INR 2500 crore (~USD 333 billion)

Employment:

Over 36,000 direct employment is likely to be generated along with an additional indirect employment of nearly 3 times the direct employment

Domestic Value Addition:

Expected to grow from the current 15% - 20% to 20% - 25 % by FY 25.

Scan this QR Code to access notification of PLI Scheme for IT Hardware



Scan this QR Code to access guidelines of PLI Scheme for IT Hardware



First disbursement approved by Ministry of Electronics and IT under PLI Scheme for IT Hardware.



First disbursement approved by
Ministry of Electronics and Information Technology
under PLI Scheme for IT Hardware



₹5.30 Cr.



Creating Domestic Champions :

Bhagwati Products Limited has qualified Incremental Sales Thresholds and Investment Criteria as per scheme requirements.

Industry / Stakeholder Response

The PLI scheme has been a huge success in terms of the applications received from Global as well as Domestic Mobile Phone manufacturing companies and Electronic Component manufacturers. The Industry has reposed its faith in India's stellar progress as a world class manufacturing destination and this resonates strongly with the Hon'ble Prime Minister's clarion call of Atmanirbhar Bharat - a self-reliant India.



Shri Sunil Vachani
Chairman, Dixon Technologies

The PLI scheme for mobile phones has been a game changer for Indian mobile phone industry as it has brought significant gains for country & industry. It has encouraged domestic manufacturing of mobile phones in India, leading to increased production capacity and reduced country's import dependence. Now the export target of \$ 100 bn of mobile phone looks achievable, making India, one of the top destinations for manufacturing mobile phones for the world.



Mr Rajesh Agarwal ,
Chairman, Bhagwati Products Ltd.

PLI Scheme really strengthening domestic manufacturing in the country ,we are the first one to receive incentive under PLI IT hardware scheme , scheme makes manufacturer very competitive and provide wings to achieve higher scale at global level.



Shri Manish Sharma
President & CEO, Panasonic India

This is a game changer! PLI for strategic sectors approved by Government.



Pankaj Mohindroo
Chairman, India Cellular and Electronics Association (ICEA)

PLI conceptually works on the basic fundamental of securing a robust global market share through GVC's and developing Indian Champion Companies. We will be achieving mobile phone production of more than USD 100 billion riding on the effectiveness of mobile PLI.



Shri Sunil Raina
President and Business head,
Lava International

The company is strengthening its manufacturing operations to support its smartphone business and for contract manufacturing business contracts under the PLI scheme.



Mr. Daniel Mazon
Vice Chairman at Philips India

Even as we work through the current crisis, we are focused on the future and are investing towards it. Covid-19 is not stopping us from our plans as we double down on our investments and focus on India.



Shri Hari Om Rai
Chairman & Managing Director,
Lava International

We had around 600-650 employees in China for product design. Now we have shifted designing to India. Our sales requirements for India were met from our local plant. We used to partially export mobile phones from China to the rest of the world, which will now happen from India.



Dr. Harshad Mehta
President and Founder of Silicon Power Corporation

I'm very optimistic about the market potential that India offers, and I'm committed to bring India those technologies and resources to the Indian economy for everyone's benefit.



Shri Amitabh Kant
Former CEO, Niti Aayog

PLI scheme will make India 'highly competitive' in global economy. PLI scheme is a focused scheme, it is not an investment scheme, it is not an investment subsidy scheme.

16 cos get govt nod for mobile mfg booster plan

Times News Network

New Delhi: As many as 16 companies, including four top suppliers of US giant Apple, South Korean Samsung and five domestic makers, have been chosen by the government for its ambitious Rs 4,000-crore production-linked incentive (PLI) scheme.

Three Apple suppliers among 16 cos that get nod under PLI scheme

ENSECONOMICBUREAU
NEW DELHI OCTOBER 6

KEY POINTS

1 Apart from Apple's contract manufacturers Foxconn Hon Hai, Wistron and Pegatron, global firms like Samsung and Rising Star also got approval for making mobile phones in the Rs 15,000 and above value segment

2 Among domestic

Micromax's parent company Bhagwati Products, Padget Electronics, UTL Neolyncs, and Optimus Electronics were granted approval by the IT Ministry, the release said.

In the specified electronic component segment, Austria's AT&S, US-based Viscon, as well as others such as Ascent Circuits Walsin, Sahasra, and Neolyn were granted approval to set up units under the PLI scheme. The PLI scheme, open for a total of five years, aims to give incentives worth Rs 5,334 crore

NITI Aayog panel approves 32 beneficiaries in PLI scheme for electronics manufacturing. Check details

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LiveMint



मोबाइल फोन विनिर्माण के 16 प्रस्तावों को मंजूरी

नई दिल्ली, 6 अक्टूबर (भाषा)।

सरकार ने चरेल और अंतरराष्ट्रीय कंपनियों के 16 प्रस्तावों को मंजूरी दे दी है।

कंपनियां इलेक्ट्रॉनिक्स विनिर्माण क्षेत्र में करीब 11,000 करोड़ रुपये का अतिरिक्त निवेश भी करेंगी। व्यापक स्तर पर इलेक्ट्रॉनिक्स विनिर्माण के लिए उत्पादन से जुड़ी प्रोत्साहन योजना (पीएलआई) एक अप्रैल 2020 को अधिसूचित की गई थी।

मोबाइल फोन क्षेत्र में 11,000 करोड़ रुपये के निवेश प्रस्तावों को सरकार ने दी मंजूरी

नई दिल्ली, 6 अक्टूबर (भाषा)। सरकार ने चरेल और अंतरराष्ट्रीय कंपनियों के 16 प्रस्तावों को मंजूरी दे दी है। यह मंजूरी भारत में इलेक्ट्रॉनिक्स क्षेत्र में बड़े निवेश को प्रोत्साहित करेगी।

मोबाइल उत्पादन के 16 प्रस्तावों को मंजूरी, 11 हजार करोड़ प्रोत्साहन

पांच साल में होगा 10.5 लाख करोड़ का मोबाइल उत्पादन नई दिल्ली। सरकार ने मंगलवार को सांख्यिकी विभाग के अध्यक्ष के नेतृत्व में एक बैठक में मोबाइल उत्पादन के 16 प्रस्तावों को मंजूरी दे दी है।

फोन निर्माण के 16 प्रस्तावों को मंजूरी Centre nod for 16 mobile firms under PLI Scheme

PLI scheme: Final nod for Apple, Samsung to make phones in India

Approximately more than two lakh direct jobs are expected to be created over the next five years while indirect employment opportunities are expected to number nearly three times that.

The local companies that have won approvals and can use the PLI sops are Lava, Bhagwati (Micromax), Padget Electronics, Optimus Electronics, the go ahead for the first three companies is expected to be announced in the next few days.



60% of the global revenues in net nod was not required.

Bhagwati says bagged Rs 5.3 crore incentive from MeitY under PLI scheme for IT hardware

"Bhagwati Products Ltd has become the first domestic company to bag the disbursement under the PLI Scheme for IT hardware," it said in a statement.

domestic value added expected to increase from current 15%-20% to 34%-40% for mobile phone 45%-50% for electronic components.

The PLI scheme for scale electronics manufacturing was notified on April 2020. It provides an incentive of 4% to 6% on incremental

phone manufacturing companies that are approved under the mobile phone (invoice value ₹15,000 and above) segment are Samsung, Foxconn Hon Hai, Rising Star, Wistron and Pegatron.

Foxconn Hon Hai, Wistron and Pegatron are contract manufacturers for Apple iPhones. Apple (37 per cent) and Samsung (22 per cent) together account for nearly 60 per cent of the total production.

16 PLI projects get nod in ₹10.5-trn electronics push

The scheme will generate 3 lakh direct employment opportunities in next five years

It will create additional indirect employment of 9 lakh

Applications received from global as well as domestic mobile phone manufacturing companies and electronic components manufacturers," said Ravi Shankar Prasad, Minister for Electronics & IT. The int...

under the mobile phone (domestic companies) segment, Lava, Bhagwati (Micromax), Padget Electronics, UTL Neolyncs and Optimus Electronics have been approved by MeitY. Six companies have been approved under the...

PLI as a Trailblazer for the Manufacturing Sector

The Prime Minister's clarion call for "Atmanirbhar Bharat" has brought 'Manufacturing' to the centre stage and emphasized its significance in driving India's growth and creating employment. A strong, vigorous, and dynamic manufacturing sector must be the driver of India's economic growth. The Production Linked Incentive scheme for Large Scale Electronics Manufacturing has paved the way for domestic manufacturing, providing India with the much-needed impetus to augment its manufacturing capacity and export potential, further promoting the 'Make in India' initiative of Government.

The PLI scheme can be leveraged to attract investments in areas of strength and to strategically enter certain aspirational segments of global value chains (GVC). This will help to bring

scale and size in key sectors while creating global champion companies. Emboldened by the industry response from the PLI scheme, MeitY is taking additional steps to bring new technologies such as - semiconductor fab and display fabrication into the country which is presently only available in a few select developed nations. With these technologies being used to manufacture electronics products, India will become one of the top manufacturing hubs of all types of electronics components as well as final products.

To further replicate the success of the PLI Scheme for electronics manufacturing, the Union Cabinet chaired by the Prime Minister, Shri Narendra Modi, on 11th November 2020, has given its approval to introduce the Production-Linked Incentive (PLI) Scheme in the following 14 key sectors.

	Implementing	Approved financial outlay over a five-year period (INR crore)
Advance Chemistry Cell (ACC) Battery	NITI Aayog and Department of Heavy Industries	18,100
Electronic/Technology Products	Ministry of Electronics & Information Technology	5,000
Automobiles & Auto Components	Department of Heavy Industries	57,042
Pharmaceuticals Drugs	Department of Pharmaceuticals	15,000
Telecom & Networking Products	Department of Telecom	12,195
Textile Products: MMF Segment and Technical Textiles	Ministry of Textiles	10,683
Food Products	Ministry of Food Processing Industries	10,900
High Efficiency Solar PV Modules	Ministry of New and Renewable Energy	4,500
White Goods (ACs & LED)	Department for Promotion of Industry & Internal Trade	6,238
Specialty Steel	Ministry of Steel	6,322
Total		145,980

The PLI schemes in the above 10 key sectors combined with the previously announced schemes of MeitY would benefit the entire spectrum of core manufacturing in India. This will create a positive impact on the GDP of the

country, generate employment at a very large scale, address many of the challenges India faces as a developing nation while contributing to the achievement of several Sustainable Development Goals (SDG) set by the United Nations.



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