

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
RAJYA SABHA
UNSTARRED QUESTION NO. 3441
TO BE ANSWERED ON 01.04.2022

PLI SCHEME FOR ELECTRONIC MANUFACTURERS

3441. SHRI RAMKUMAR VERMA:

Will the Minister of Electronics and Information Technology be pleased to state:

- (a) the objective and details of the Production Linked Scheme (PLI) scheme for electronic manufacturers in the country;
- (b) the number of companies which are availing benefit under the said scheme and the total monetary benefit availed by such companies; and
- (c) the estimated amount allocated by Government for this scheme and the details of the projected targets set thereunder?

ANSWER

MINISTER OF STATE FOR ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI RAJEEV CHANDRASEKHAR)

(a): Government of India's goal is to make India a significant design and manufacturing hub in the Global Value Chain for Electronics as part of its AtmaNirbhar Bharat Economic policies. As part of this, we are broadening and deepening our Electronics Eco-system. In the post COVID-19 global business and trade environment, global companies are looking to diversify their manufacturing locations to mitigate the supply chain risks.

National Policy on Electronics 2019 (NPE 2019) envisions positioning 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, and creating an enabling environment for the industry to compete globally.

In order to boost electronics manufacturing in the country and incentivize large investments in the electronics value chain, following Production Linked Incentive Schemes have been notified:

- (i) **Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing** was notified on April 01, 2020. This Scheme shall extend an incentive of 4% to 6% to eligible companies on incremental sales (over base year i.e., 2019-20) of manufactured goods including mobile phones and specified electronic components for a period of five years (FY 2020-21 to FY 2024-25) subsequent to the base year.

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% shall be 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.

In accordance with the announcement made by Hon'ble Union Finance & Corporate Affairs Minister on 28.06.2021 to provide relief to companies approved under the PLI Scheme affected by the COVID-19 pandemic, the tenure of the PLI Scheme has been extended by one year i.e., from 2024-25 to 2025-26. The notification in this regard was issued on 23.09.2021.

- (ii) **Production Linked Incentive Scheme (PLI) for IT Hardware** was notified on 03.03.2021. The PLI 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.

(b): 32 companies have been approved under the PLI Scheme for Large Scale Electronics Manufacturing including 10 mobile phone manufacturers and 22 electronic component manufacturers.

14 companies have been approved under the PLI Scheme for IT Hardware for the target segment including Laptops, Tablets, All-in-One PCs and Servers.

As on 28.03.2022, no incentive amount has been disbursed to any of the approved applicants under the PLI Schemes.

(c): A total budget approved by the Union Cabinet for the PLI Scheme for Large Scale Electronics Manufacturing and PLI Scheme for IT Hardware is INR 40,995 crore and INR 7,350 crore respectively.

Over the tenure of the PLI Scheme for Large Scale Electronics Manufacturing, the 32 approved companies are expected to lead to total production of about INR 10.7 lakh crore. The scheme is also expected to boost exports significantly. Out of the total production, more than 60% is expected to be contributed by exports of the order of INR 6.5 lakh crore. The Scheme will bring additional investment of more than INR 11,000 crore in electronics manufacturing.

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