

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
RAJYA SABHA
UNSTARRED QUESTION NO. 727
TO BE ANSWERED ON 03.12.2021

**LARGE SCALE MANUFACTURING OF ELECTRONIC
COMPONENTS UNDER PLI SCHEME**

727 SHRI SAMBHAJI CHHATRAPATI:

Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether the Government has invited proposals for the second round of large scale manufacturing of electronics under the Production Linked Incentive (PLI) scheme;
- (b) how far this initiative is different from the earlier one in terms of items under the electronic sector;
- (c) which categories of electronic components are likely to be given preference and whether is Government is expecting major manufacturers to participate in the ongoing process as was experienced in the earlier instance; and
- (d) whether Government had undertaken any estimation on investment to come to the country from the manufacturers likely to participate?

ANSWER

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

(a) and (b): 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. The National Policy on Electronics 2019 which was formulated pre-covid envisioned this and is being further strengthened. With an objective to boost domestic manufacturing and attract large investments in the value chain, Ministry of Electronics and Information Technology (MeitY) notified the Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing, on 1st April 2020. This scheme extends an incentive of 6% to 4% on net incremental sales of manufactured goods. The total budget outlay approved by the Union Cabinet for the scheme is INR 40,951 crore. 16 companies were approved under the first round of PLI Scheme for Large Scale Electronics Manufacturing, including 10 mobile phone manufacturers and 6 electronic components manufacturers. Over the tenure of PLI Scheme, the approved companies are expected to generate a total production of more than INR 10,50,000 crore, out of which approximately INR 16,000 crore is committed by the six electronic components manufacturers. Further, the companies approved under the scheme are expected to bring an additional investment in electronics manufacturing to the tune of INR 11,000 crore, out of which INR 1,200 crore of investment is committed by the electronic components manufacturers.

After the success of the first round of Production Linked Incentive Scheme in attracting investments in mobile phone and electronic components manufacturing, second round of the PLI Scheme with the target segment of specified electronic components was opened for applications till 31.03.2021. The second round extends an incentive of 5% to 3% on net incremental sales of manufactured goods to eligible companies, for a period of four (4) years. 16 electronic component manufacturers have been approved under the second round of PLI Scheme.

(c) and (d): The list of electronic components eligible under the second round of PLI Scheme for Large Scale Electronics Manufacturing was as follows:

1	SMT components
2	Discrete semiconductor devices including transistors, diodes, thyristors, etc.
3	Passive components including resistors, capacitors, etc. for electronic applications
4	Printed Circuit Boards (PCB), PCB laminates, prepregs, photopolymer films, PCB printing inks
5	Sensors, transducers, actuators, crystals for electronic applications
6	System in Package (SIP)
7	Micro / Nano-electronic components such as Micro Electromechanical Systems (MEMS) and Nano Electromechanical Systems (NEMS)
8	Assembly, Testing, Marking and Packaging (ATMP) units

An investment of INR 573 crore and a production of INR 12,430 crore has been committed by the 16 electronic components manufacturers approved under the second round of PLI Scheme for Large Scale Electronics Manufacturing.
