

PLI Scheme for IT Hardware manufacturing herald a new era in Laptops, Tablets, All-in-One Personal Computers (PCs) and Servers electronics manufacturing

Ministry of Electronics and IT approves 14 eligible applicants under Production Linked Incentive (PLI) Scheme for IT Hardware Products

Incentives worth Rs. 7,325 Crore will be Provided Over Four Years for Manufacturing of these products in India.

Production worth Rs. 1.61 Lakh Crore and Exports worth Rs. 60 thousand Crore estimated in Four Years.

It will bring Additional Investments of Rs. 2,517 Crore and create 36,066 additional employment opportunities in Four Years.

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Under the leadership of Prime Minister Shri Narendra Modi and his visionary initiatives like the “Digital India” and “Make in India” programmes, India has witnessed an unprecedented growth in electronics manufacturing in the last five years. The National Policy on Electronics 2019 envisions positioning India as a global hub for Electronics System Design and Manufacturing (ESDM) by focusing on size and scale, promoting exports and enhancing domestic value addition by creating an enabling environment for the industry to compete globally.

Ministry of Electronics and Information and Technology (MeitY) has approved 14 eligible applicants under the Production Linked Incentive Scheme (PLI) for IT Hardware. PLI Scheme for IT Hardware notified on 3rd March 2021, extends an incentive of 4% to 2%/1% on net incremental sales (over base year of FY 2019-20) of goods under target segments that are manufactured in India to eligible companies, for a period of four years (FY2021-22 to FY 2024-25). The target segments under the PLI Scheme for IT Hardware include Laptops, Tablets, All-in-One Personal Computers (PCs) and Servers. The scheme proposes production linked incentives to boost domestic manufacturing and attract large investments in the value chain of these IT Hardware products.

While giving approval to eligible applicants under the PLI Scheme, Shri Ravi Shankar Prasad, Union Minister for Electronics & IT, Communications, Law and Justice said that PLI scheme has been huge success in terms of the applications received from Global as well as Domestic manufacturing companies. Industry has reposed its faith in India's stellar progress as a world class manufacturing destination and this resonates strongly with Prime Minister's clarion call of AtmaNirbhar Bharat - a self-reliant India. Minister further said that "we are optimistic and looking forward to building a strong ecosystem across the value chain and integrating with the global value chains, thereby strengthening electronics manufacturing ecosystem in the country".

Four companies have been selected under the category IT Hardware Companies which include Dell, ICT (Wistron), Flextronics and Rising Stars Hi-Tech (Foxconn).

Under the category of Domestic Companies, 10 companies namely Lava International Limited, Dixon Technologies (India) Limited, Infopower Technologies (JV of Sahasra and MiTAC), Bhagwati (Micromax) Neolync, Optiemus, Netweb, Smile Electronics, VVDN and Panache Digilife have been approved.

Over the next 4 years, the approved companies under the PLI Scheme for IT Hardware are expected to lead to a total production of more than INR 1.61 lakh crore. Out of the total production, the approved companies under IT Hardware companies category have proposed a production of INR 84,746 crore. The approved companies under Domestic Companies category have proposed a production of INR 76,007 crore. The scheme will bring additional investment in IT Hardware manufacturing to the tune of INR 2,517 crore.

The scheme will generate an additional direct employment opportunities of more than 36,000 in next 4 years along with creation of additional indirect employment of nearly 3 times the direct employment. Domestic Value Addition is expected to grow from the current 10-15% to 25-30%.

With the demand for electronics in India expected to grow manifold by 2025, Hon'ble Minister expressed confidence that PLI scheme and other initiatives to promote electronics manufacturing will help in making India a competitive destination for electronics manufacturing and give boost to AtmaNirbhar Bharat. Creation of domestic champion companies in electronics manufacturing under the Scheme will give fillip to vocal for local while aiming for global scale.

Given the current global scenario, the world of manufacturing is undergoing a paradigm shift. Manufacturing companies across the globe are looking to diversify their manufacturing locations to mitigate the risk involved in depending on a single market.

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

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