

**File No. W-28/1/2020-IPHW-MeitY-Part(1)**  
**Government of India**  
**Ministry of Electronics and Information Technology (MeitY)**  
**IPHW Division**

**Dated: 11<sup>th</sup> March, 2021**

**Supplementary Guidelines on Second Round of Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing**

**References:**

- i. *PLI Scheme Notification No. CG-DL-E-01042020-218990 dated 1<sup>st</sup> April 2020 in Part – I, Section 1 of the Gazette of India (Extraordinary) [F.No. No. W-28/1/2019-IPHW-MeitY]*
- ii. *Guidelines for the Operation of Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing dated 1<sup>st</sup> June, 2020 [F.No. No. W-28/1/2019-IPHW-MeitY]*
- iii. *Addendum: Amendments in Guidelines of Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing dated 11<sup>th</sup> March, 2021 [File No. W-28/1/2020-IPHW-MeitY-Part(1)]*

**1. Background**

Ministry of Electronics and Information Technology (MeitY) notified the Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing on April 01, 2020. Subsequently, Guidelines for the operation of the Scheme were notified on 01.06.2020. The first round of the Scheme was open for receiving applications till 31.07.2020.

As per Para 6.2 of the PLI Scheme, *the Scheme may also be reopened for applications anytime during its tenure based on response from the Industry* and as per Para 12.5 of the Scheme, *the Empowered Committee (EC) may revise incentive rates, ceilings, target segments and eligibility criteria as deemed appropriate during the tenure of the Scheme*. Therefore, in accordance with the

abovementioned provisions, the EC in its meeting held on 11<sup>th</sup> February 2021 gave approval for the Second Round of the PLI Scheme for Large Scale Electronics Manufacturing with the following revisions (Refer Para 2 below) in existing PLI Scheme Guidelines:

## 2. Revisions

2.1 For the purpose of Second Round of PLI Scheme, the following revisions have been done in the existing Scheme Guidelines. The revised Paras may be read as follows:

Para	Existing Scheme Guidelines	Revised Para in the Scheme Guidelines for Second Round
1.2	As per Para 6.1 of the Scheme, PLI will be open for receiving applications for four months from the date of notification. Since, the notification was published on 01-04-2020, applications will be received upto 31-07-2020.	In reference to Para 6.2 of the Scheme, the second round of PLI Scheme will be open for receiving applications until 31.03.2021.
2.1	<b>Target Segments:</b> In accordance with Para 4 of the Scheme, Target Segments shall mean two segments viz. Mobile phones and Specified Electronic Components as in Annexure B in the Scheme.	<b>Target Segment:</b> In accordance with Para 4 and Para 12.5 of the Scheme, the Target Segment shall mean <i>Specified Electronic Components</i> as in Annexure B of the Scheme.
2.4	<b>Application Window:</b> Time period allowed for filing of applications. In accordance with Para 6.1 of the Scheme, the Application Window shall be 4 months from the date of notification of the Scheme initially and may be extended and / or	<b>Application Window:</b> Time period allowed for filing of applications. The Application Window shall be open until 31.03.2021 initially and may be extended and / or reopened based on response from the industry.

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2.16	<b>Incremental Investment:</b> Investment made in India after the end of the Base Year as defined.	<b>Incremental Investment:</b> Investment made in India after 31.03.2021.
3.4	For the purpose of determining eligibility of an applicant under the Scheme, in order to meet the threshold criteria of Incremental Investment for any year, the <b>cumulative value of investment done till such year</b> (including the year under consideration) over the Base Year shall be considered.	For the purpose of determining eligibility of an applicant with respect to Incremental Investment for any year, the <b>cumulative value of investment done till such year</b> (including the year under consideration) after 31.03.2021 shall be considered.
4.1.1	Investment as defined in Para 2.9 of these Guidelines shall be considered for determining eligibility under the Scheme provided such <b>Investment is made on or after 01.04.2020.</b>	Investment as defined in Para 2.9 of these Guidelines shall be considered for determining eligibility under the Scheme provided such <b>Investment is made on or after 01.04.2021.</b>
5.1	The Scheme shall be <b>open for applications till 31.07.2020</b> initially which may be extended.	The Scheme shall be <b>open for applications till 31.03.2021</b> which may be extended.
9.3	After the conclusion of initial round of applications, approvals will be granted to <b>not more than 5 eligible applicants in Target Segment Mobile Phones (Category – Invoice Value INR 15,000 and above); not more than 5 eligible applicants in Target Segment</b>	After the conclusion of Second Round of applications, approvals will be granted to <b>not more than 30 eligible applicants in the Target Segment.</b>

	<p><b>Mobile Phones (Category – Domestic Companies); and not more than 10 eligible applicants in Target Segment Specified Electronic Components.</b></p>	
9.4	<p>In case of receipt of eligible applications in excess of the limits specified above for any of the Target Segments, the eligible applications for the given Target Segment will be ranked from highest to lowest on the basis of consolidated global manufacturing revenue of the applicants (including its group companies), in the target segment, in the base year. <b>5 eligible applicants having the highest consolidated global manufacturing revenue in Target Segment Mobile (Category – Invoice Value INR 15,000 and above); 5 eligible applicants having the highest consolidated global manufacturing revenue in Target Segment Mobile (Category – Domestic Companies); and 10 eligible applicants having the highest consolidated global manufacturing revenue in Target Segment Specified Electronic Components;</b> shall be selected and granted approval under the Scheme.</p>	<p>In case of receipt of eligible applications in excess of the limits specified above for Target Segments, the eligible applications for the given Target Segment will be ranked from highest to lowest on the basis of consolidated global manufacturing revenue of the applicants (including its group companies), in the target segment, in the base year. <b>30 eligible applicants having the highest consolidated global manufacturing revenue in the Target Segment, in the base year,</b> shall be selected and granted approval under the Scheme.</p>

<b>10.2</b>	<p>The period for determination of baseline shall be as follows:</p> <p>10.2.1 Baseline for Investment: As on 31.03.2020</p> <p>10.2.2 Baseline for Sales of Manufactured Goods</p> <p>a) First year i.e., FY 2020-21: Period from 01.08.2019 to 31.03.2020</p> <p>b) Second year onwards: Period from 01.04.2019 to 31.03.2020</p>	<p>The period for determination of baseline shall be as follows:</p> <p>10.2.1 Baseline for Investment: As on 31.03.2021</p> <p>10.2.2 Baseline for Net Sales of Manufactured Goods (covered under the Target Segment): Period from 01.04.2019 to 31.03.2020</p>
<b>10.6</b>	10.6.7 Baseline for Investment (as on 31.03.2020)	10.6.7 Baseline for Investment (as on 31.03.2021)

**2.2 For the purpose of Second Round of PLI Scheme, Annexure 1 of the Scheme Guidelines shall be read as follows:**

**Target Segments Eligible under PLI**

<b>S. No.</b>	<b>Description of Goods</b>
1	<b>Specified Electronic Components</b>
1.1	SMT components
1.2	Discrete semiconductor devices including transistors, diodes, thyristors, etc.
1.3	Passive components including resistors, capacitors, etc. for electronic applications
1.4	Printed Circuit Boards (PCB), PCB laminates, prepregs, photopolymer films, PCB printing inks

1.5	Sensors, transducers, actuators, crystals for electronic applications
1.6	System in Package (SIP)
1.7	Micro / Nano-electronic components such as Micro Electromechanical Systems (MEMS) and Nano Electromechanical Systems (NEMS)
1.8	Assembly, Testing, Marking and Packaging (ATMP) units

**2.3 For the purpose of Second Round of PLI Scheme, Annexure 2 of the Scheme Guidelines shall be read as follows:**

**Eligibility Threshold Criteria**

<b>Target Segment</b>	<b>Incentive Rate</b> (on Incremental Sales of Manufactured Goods)	<b>Incremental Investment</b>	<b>Incremental Sales of Manufactured Goods</b>
Specified Electronic Components (detailed in <b>Annexure 1</b> )	Year 1: 5% Year 2: 4% Year 3: 4% Year 4: 3%	INR 25 crore over 4 Years Cumulative Minimum: Year 1: INR 5 crore Year 2: INR 11 crore Year 3: INR 18 crore Year 4: INR 25 crore	Year 1: INR 15 crore Year 2: INR 35 crore Year 3: INR 60 crore Year 4: INR 100 crore

*Year 1: FY 2021-22; Year 2: FY 2022-23; Year 3: FY 2023-24; Year 4: FY 2024-25*

3. Incentives under Second Round of PLI Scheme shall be applicable from 01.04.2021.
4. Applicant companies approved under the First Round of the PLI Scheme shall not be allowed to apply under the Second Round of PLI Scheme. However, group companies having minority or non-controlling interest in applicant companies approved under Round 1 shall not be restricted from applying under Round 2 of the Scheme.
5. These Supplementary Guidelines shall be read along with the PLI Scheme Guidelines issued on 01.06.2020 and Addendum dated 11<sup>th</sup> March, 2021 incorporating the changes wherever applicable.
6. This issues with the approval of Hon'ble Minister for Electronics and Information and Technology.

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