

Production Linked Incentive (PLI) Scheme for Telecom and Networking Products

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In news : Recently, the Union Cabinet approved a Rs 12,195-crore Production Linked Incentive (PLI) scheme for domestic manufacturing of telecom and networking products

About the PLI Scheme for Telecom and Networking Products

- In continuation of “Atmanirbhar Bharat-Strategies for enhancing India’s Manufacturing capabilities and enhancing exports”, this scheme is part of the umbrella scheme approved by the cabinet in November 2020 for implementation of PLI under various Ministries/ Departments including Department of Telecommunications (DoT).
- This scheme intends to promote manufacture of Telecom and Networking Products in India and proposes a financial incentive to boost domestic manufacturing and attract investments in the target segments of telecom and networking products in order to encourage Make in India.
- The scheme will also encourage exports of telecom and networking products ‘Made in India’

Who will get the support under the scheme?

Support under the Scheme will be **provided to companies/entities engaged in manufacturing of specified telecom and networking products in India**. Eligibility will be further subject to achievement of a minimum threshold of cumulative incremental investment over a period of four years and incremental sales of manufactured goods net of taxes (as distinct from traded goods) over the Base Year 2019-2020.

Investment threshold

- The cumulative investment can be made at one go, subject to annual cumulative threshold as prescribed for four years being met.
- There will be a minimum investment threshold of Rs.10 crore for MSME with incentives from 7% to 4 % and Rs. 100 crore for others with incentives from 6% to 4 % over 5 year above Base Year.
- The applicants with higher investments than specified threshold under MSME and Non MSME categories will be selected through a transparent process.

Why is this scheme significant?

- Globally Telecom and Networking Products exports represent an US\$100 billion market opportunity, which can be exploited by India.
- With support under the scheme, India will augment capacities by attracting large investments from global players and at the same time encourage promising domestic champion companies to seize the emerging opportunities and become big players in the export market.
- With this scheme, India will be well positioned as a global hub for manufacturing of Telecom and Networking Products.
- Incremental production around Rs. 2 Lakh crore is expected to be achieved over 5 years.
- It is expected that the scheme will bring more than Rs. 3,000 crore investment and generate huge direct and indirect employment.