

Production-linked incentive (PLI) scheme

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In news

NITI Aayog stated that government will provide Production-linked incentive to more sectors

Key features of Production-linked incentive (PLI) scheme

- PLI scheme was **introduced by the Ministry of Electronics and Information Technology (MeitY) on April 1, 2020**, under National Policy on Electronics 2019
- The scheme would give **incentives of 4-6 per cent to electronics companies which manufacture mobile phones and other electronic and nano-electronic components**
- As per the scheme, companies that make mobile phones which sell for Rs 15,000 or more will get an incentive of up to 6 per cent on incremental sales of all such mobile phones made in India.
- In the same category, companies which are owned by Indian nationals and make such mobile phones, the incentive has been kept at Rs 200 crore for the next four years.
- The scheme would attract big foreign investment in the sector, while also encouraging domestic mobile phone makers to expand their units and presence in India.
- Duration of the scheme: it will be active for five years with the financial year (FY) 2019-20 considered as the base year for calculation of incentives.
- Production Linked Incentives of up to INR 40,951 crores will be awarded over a period of 5 years
- The Scheme is open for applications for a period of 4 months initially which may be extended. Support under the Scheme shall be provided for a period of five (5)

years subsequent to the base year

- The Scheme will be implemented through a Nodal Agency which shall act as a Project Management Agency (PMA) and be responsible for providing secretarial, managerial and implementation support and carrying out other responsibilities as assigned by MeitY from time to time.
- Eligibility: it shall be subject to thresholds of incremental investment and incremental sales of manufactured goods.