

Design led manufacturing under Production Linked Incentive (PLI) Scheme for Promoting Telecom and Networking Products Manufacturing in India

PLI Scheme amended to facilitate Design-Led Manufacturing with additional incentive rate of 1% over and above existing incentive rates

Additional telecom & networking products added in the list of eligible products

Telecom PLI Scheme is extended by one year

Applications are invited from 21st June 2022 for incentive of more than 4,000 crores

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Department of Telecommunications(DoT) had notified the Production Linked Incentive (PLI) Scheme on 24th February 2021, with a financial outlay of ₹ 12,195 Crores. A total of 31 companies, comprising of 16 MSMEs and 15 Non-MSMEs including 8 Domestic and 7 Global companies were given approval on 14th October,2021.

With the objective to build a strong ecosystem for 5G, the Union Budget 2022-23 has proposed to launch a Scheme for design-led manufacturing as part of the existing PLI Scheme. After consultations with stakeholders, the Guidelines for the PLI Scheme for Telecom & Networking Products have been amended to introduce the Design-led Manufacturing with additional incentive rates.

Further, DoT based on feedbacks from stakeholders including the selected PLI Applicants, has decided to extend the existing PLI Scheme by one year. The existing PLI beneficiaries will be given an option to choose financial year 2021-22 or financial year 2022-23 as the first year of incentive.

DoT has also approved addition of 11 new telecom and networking products to the existing list, based on suggestions from the stakeholders.

For promoting design-led manufacturing, Department of Telecommunications (DoT) is inviting applications from Design-led manufacturers as well as others, for availing incentive under the PLI Scheme for five years commencing from 1st April 2022. Investment made by successful applicants in India from 1st April 2022 onwards and up to Financial Year (FY) 2025-2026 shall be eligible, subject to qualifying incremental annual thresholds. The Scheme is open to both MSME and Non-MSME Companies including Domestic and Global Companies. The applications from Design-led manufacturers shall be prioritized over other manufacturers while shortlisting. The Design Led Manufacturing is primarily aimed to support efforts for designing telecom products in India. It will recognize and encourage R&D-driven manufacturing in the country to enhance its contribution to global value chain as envisaged in the National Digital Communication Policy, 2018.

Applicants will have to satisfy the minimum Global Revenue criteria to be eligible under the Scheme. The Company may decide to invest for single or multiple eligible products. The Scheme stipulates a minimum investment threshold of ₹10 Crores for MSME and ₹100 Crores for non MSME applicants. Land and building cost will not be counted as investment. Eligibility shall be further subject to Incremental Sales of Manufactured Goods (covered under Scheme Target Segments) over the base year (FY2019-20). The allocation for MSME has been enhanced from ₹1000 Crores to ₹2500 Crores.

Interested eligible Applicants can start the registration process for the Scheme from 21st June 2022 at <https://www.pli-telecom.udyamimitra.in>. The Application window shall be open for 30 days i.e. up to 20th July 2022. These applications are invited for the balance fund of more than ₹4000 crores. This will give a boost to manufacturing of telecom and networking products to develop 5G ecosystem for India.

The amendments in the Guidelines in this regard has been issued separately and are available at DoT website and also on <https://www.pli-telecom.udyamimitra.in>.

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