

PRESS-NOTE
MINISTRY OF COMMUNICATIONS
DEPARTMENT OF TELECOMMUNICATIONS

**Production Linked Incentive (PLI) Scheme for Telecom and
Networking Equipment**

- ❖ **DoT invites applications under PLI scheme from 4th June 2021**
 - ❖ **DoT announced PLI Scheme Guidelines to make India a global manufacturing hub for telecom and networking products**
 - ❖ **MSMEs and domestic companies to reach global scale in India**
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3rd June, 2021

With the objective to boost domestic manufacturing, investments and export in the telecom and networking products Department of Telecommunications (DoT) notified the “Production Linked Incentive (PLI) Scheme” on 24th February 2021. Now, after extensive consultations with stakeholders, the operational guidelines for the scheme have been issued on 3rd June 2021.

The scheme envisages to create global champions out of India who have the potential to grow in size and scale using cutting edge technology and thereby penetrate the global value chains. Telecom products play an important role in the larger vision of “Digital India”.

The PLI Scheme will be implemented within the overall financial limits of ₹ 12,195 Crores only (Rupees Twelve Thousand One Hundred and Ninety-Five Crore only) for implementation of the Scheme over a period of 5 years. For MSME category, financial allocation will be ₹1000 Crores.

Small Industries Development Bank of India (SIDBI) has been appointed as the Project Management Agency (PMA) for the PLI scheme.

The scheme will be effective from 1st April, 2021. Investment made by successful applicants in India from 1st April, 2021 onwards and up to Financial Year (FY) 2024-2025 shall be eligible, subject to qualifying incremental annual thresholds. The support under the Scheme shall be provided for a period of five (5) years, i.e. from FY 2021-22 to FY 2025-26.

The Scheme is open to both MSME and Non-MSME Companies including Domestic and Global Companies. Also, manufacturers with products with Indian technology are encouraged to apply.

Interested eligible Applicants can start the registration process for the Scheme from 4th June 2021 at <https://www.pli-telecom.udyamimitra.in>. The Application window shall be open for 30 days i.e. up to 3rd July 2021.

Applicants will have to satisfy the minimum revenue criteria to be eligible under the Scheme. The Company may decide to invest in 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).

Dept of Telecommunications shall grant approvals to 10 (ten) eligible applications each in MSME & non-MSME categories. Out of the 10 applications in non-MSME category, at least 3 (three) Applicants will be eligible Domestic companies. The applications will be short listed from highest to lowest on the basis of committed cumulative incremental investment during the Scheme period.

It is estimated that full utilisation of the Scheme funds is likely to lead to incremental production of around ₹ 2.4 Lakh Crores with exports of around ₹ 2 Lakh Crores over 5 years. It is also expected that Scheme will bring investment of around ₹ 3,000 crore and generate huge direct and indirect employment. This is in line with the larger objective of “Make in India”.