

IT Hardware PLI Purse may Zoom 2.5x to ₹19kcr

Govt also proposes to double incentive rates to encourage global majors to Make in India

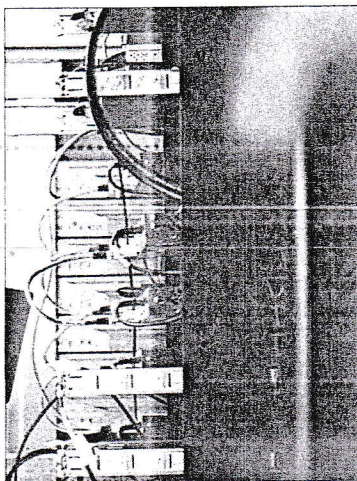
Kiran Rathee & Aashish Aryan

New Delhi: The government may sweeten the production-linked incentive (PLI) scheme for IT hardware.

It has proposed to increase the scheme's financial outlay by 2.5 times to around Rs 19,000 crore and double the incentive rates to woo multinational companies such as Dell, HP, Apple, Samsung and Asus to step up manufacturing in the country.

According to a draft of the revised scheme — PLI for IT Hardware 2.0 — which is set to be circulated to major stakeholders for feedback, the restructured scheme will now offer incentives of 4-5.75% over five years, against 1-4% over a tenure of four years at present, officials aware of the matter told ET. Its financial outlay will touch about Rs 19,000 crore from Rs 7,350 crore, they said.

The draft of the revised scheme will



be discussed with the industry, after which, it will be put up before the Cabinet for approval. All companies selected under the existing scheme will be allowed to participate in PLI 2.0.

"The average incentives for companies have been increased to 5.34% from 2.21% over five years," an official told ET. Conditions for availing of the scheme's benefits will, however, remain the same, including the localisation schedule.