

# Production Linked Incentive Scheme('PLI')

*Cabinet approves PLI Scheme for 10 key sectors*

*For discussion purposes only*

*March 2021*



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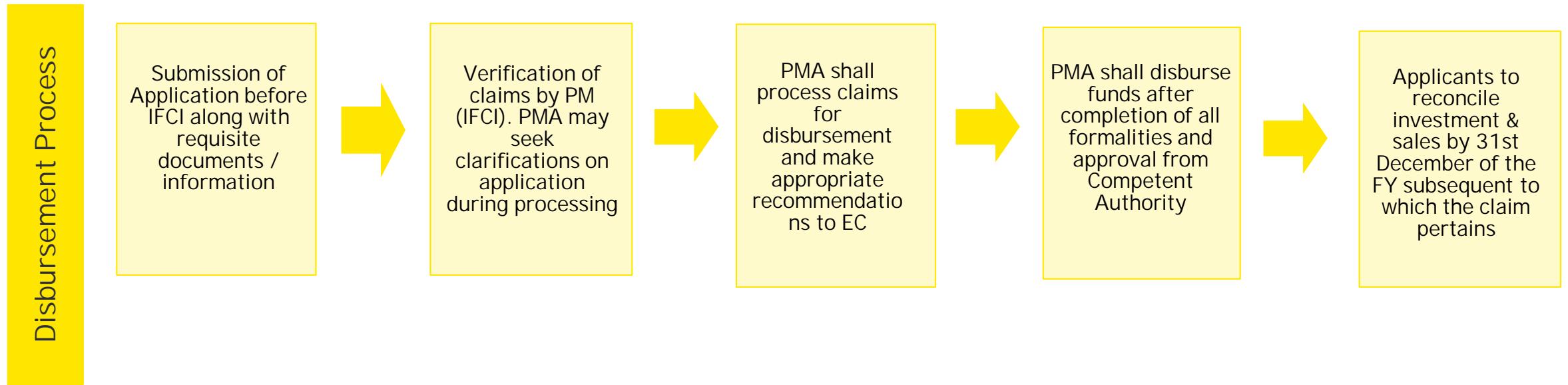
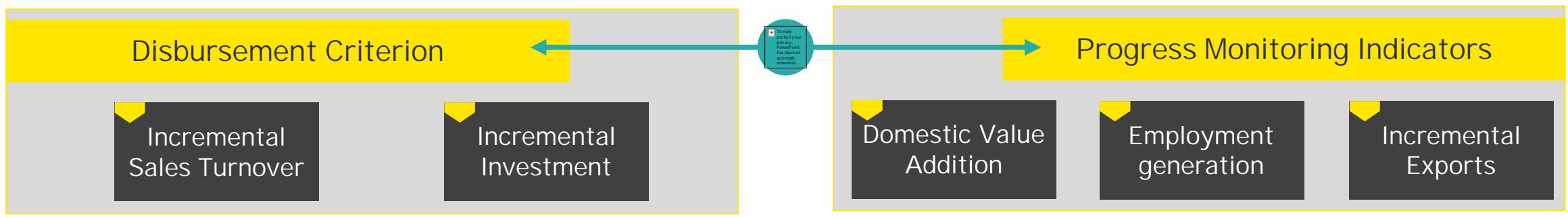
# Production linked incentives (PLI) schemes

## Key parameters

Scheme intent	Already in place for Electronics and Pharma industry
<ul style="list-style-type: none"><li>▶ Encourage domestic manufacture</li><li>▶ Promotion of exports</li><li>▶ Higher import substitution</li><li>▶ The Government of India has identified thrust sectors for the PLI schemes</li></ul>	<i>Electronics</i> Scheme provides aggressive financial incentive to promote electronic manufacturing (mobile phones & specified electronic components).
<ul style="list-style-type: none"><li>▶ Eligibility based on specified investment and/or capacity and/or sales turnover criteria</li><li>▶ Investors chosen from applicant pool based on above and other qualitative factors by the 'Project Management Agency' (PMA) appointed by the Government</li><li>▶ Chosen applicants given recurring incentive as a percentage of sales turnover for a specified duration</li><li>▶ 3 key stages involved i.e application, appraisal by PMA for approval and disbursal applications</li></ul>	<i>Pharma</i> Only major criteria being new investment in manufacturing facility in India
<ul style="list-style-type: none"><li>▶ Already notified for mobile phones, pharmaceutical drugs and medical devices</li><li>▶ Schemes approved for additional 10 sectors</li></ul>	Target Segment - Medical Drugs and Medical Devices Incentive - Medical Drugs (5%-20%) & Medical devices (5%) on incremental sales of goods manufactured over the base year Investment - 20 cr. to 400 cr. (KSM/DI/API) & 180 cr. (medical devices)

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## Disbursement



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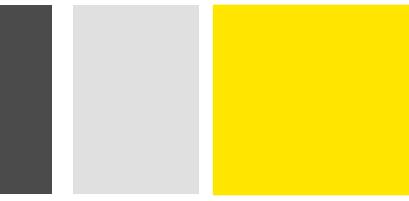
## *Indicative product coverage and budget outlay*

Sector	Products covered	Budget outlay (INR crore)
Advance Chemistry Cell Battery	<ul style="list-style-type: none"> <li>ACC Batteries</li> </ul>	18,100
Electronics and Technology Project	<ul style="list-style-type: none"> <li>Semiconductor Fab</li> <li>Display Fab</li> <li>Laptops / Notebooks</li> <li>Servers</li> <li>IoT Devices</li> <li>Specified Computer Hardware</li> </ul>	5,000
Automobiles and Auto Components	<ul style="list-style-type: none"> <li>Automobile and Auto Components</li> </ul>	57,042
Telecom and Networking Equipments	<ul style="list-style-type: none"> <li>Core Transmission Equipment</li> <li>4G/5G, Next Generation Radio Access Network and Wireless Equipment</li> <li>Access &amp; Customer Premises Equipment (CPE), Internet of Things (IoT)Access Devices and Other Wireless Equipment</li> <li>Enterprise equipment: Switches, Router</li> </ul>	12,195
Textile Sector	<ul style="list-style-type: none"> <li>Man-Made Fibre Segment</li> <li>Technical Textiles</li> </ul>	10,683
Food Products	<ul style="list-style-type: none"> <li>Ready to Eat / Ready to Cook (RTE/ RTC)</li> <li>Marine Products</li> <li>Fruits &amp; Vegetables</li> <li>Honey, Desi Ghee, Mozzarella Cheese, Organic eggs and poultry meat</li> </ul>	10,900

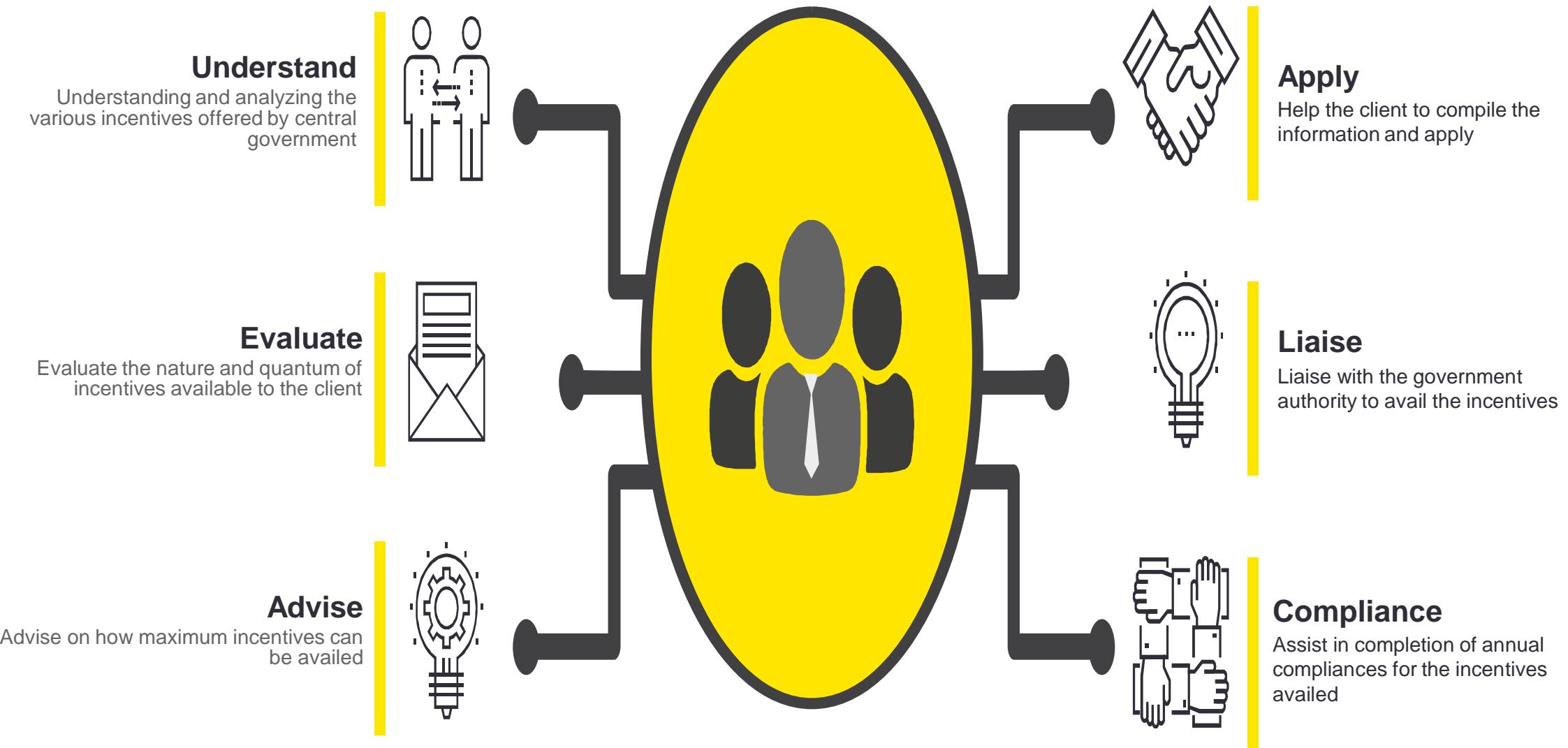
# Production linked incentives (PLI) schemes

## *Indicative product coverage and budget outlay*

Sector	Products covered	Budget outlay (INR crore)
Pharmaceutical Drugs	Category 1 <ul style="list-style-type: none"> <li>• Biopharmaceuticals</li> <li>• Complex generic drugs</li> <li>• Patented drugs or drugs nearing patent expiry</li> <li>• Cell based or gene therapy products</li> <li>• Orphan drugs, Special empty capsules, Complex excipients</li> </ul> Category 2 <ul style="list-style-type: none"> <li>• Active Pharma Ingredients (APIs) /Key Starting Materials (KSMs) and/Drug Intermediaries (DIS)</li> </ul> Category 3 <ul style="list-style-type: none"> <li>• Repurposed Drugs</li> <li>• Auto-immune drugs, Anti-cancer drugs, Anti diabetic drugs, Anti Infective drugs, Cardiovascular drugs, Psychotropic drugs and Anti-Retroviral drugs</li> <li>• In-vitro Diagnostic Devices (IVDs)</li> <li>• Phytopharmaceuticals</li> <li>• Other drugs not manufactured in India, other drugs as approved</li> </ul>	15,000
High efficiency solar photovoltaic modules	<ul style="list-style-type: none"> <li>• Solar PVs</li> </ul>	4,500
White Goods	<ul style="list-style-type: none"> <li>• Air Conditioners and Light Emitting Diodes</li> </ul>	6,238
Steel Products	<ul style="list-style-type: none"> <li>• Coated Steel, High Strength Steel</li> <li>• Steel Rails, Ally Steel Bars &amp; Rods</li> </ul>	6,322



# Role of EY - Assistance in Incentive Schemes



# Thank you

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