### Overview
The Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing proposes a financial incentive to boost domestic manufacturing and attract larger investments in the electronics sector, focusing on mobile phones, electronic components, and IT hardware. This PLI scheme is expected to attract around INR 63,491 crores over a period of 5 years.

### Highlights
- Production of 1% of the current market sales to be manufactured in India.
- Incentive of 4% of incremental sales (above base/year) up to 5 years.
- Target segments: Mobile Phones and Specific Electronic Components.
- Eligibility for incentive shall be subject to thresholds of incremental investments and incremental sales of manufacturer's products.

### Target Segments Eligible under PLI Scheme
- Mobile Phones
- Specific Electronic Components
- SMT components
- Discrete semiconductor devices including transistors, diodes, thyristors, etc.
- Passive components including resistors, capacitors, etc. for electronic applications
- Printed Circuit Boards (PCB) for transistors, photodiode, printed circuit boards printing ink
- Seismic sensors, actuators, sensors for electronic applications
- System in Package (SiP)
- Micro/nano-electromechanical systems (MEMS) and Nano Electro-Mechanical Systems (NEMS)
- Assembly, Testing, Marking and Packaging (ATMP) units

### Eligibility

<table>
<thead>
<tr>
<th>Segment</th>
<th>Base of PLImó</th>
<th>INCREMENTAL INVESTMENT</th>
<th>INCREMENTAL SALES</th>
<th>BASE OF PLI</th>
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</thead>
<tbody>
<tr>
<td>Mobile Phones (exclusively those of the type &quot;Smart&quot; only)</td>
<td>Year 1: INR 25 Crore</td>
<td>Year 1: INR 100 Crore</td>
<td>Year 1: INR 25 Crore</td>
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<tr>
<td>Mobile Phones (Smartphones)</td>
<td>Year 5: INR 250 Crore</td>
<td>Year 5: INR 1,000 Crore</td>
<td>Year 5: INR 250 Crore</td>
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<tr>
<td>Specific Electronic Components</td>
<td>Year 5: INR 50 Crore</td>
<td>Year 5: INR 250 Crore</td>
<td>Year 5: INR 50 Crore</td>
<td></td>
</tr>
<tr>
<td>SMT Components</td>
<td>Year 1: INR 50 Crore</td>
<td>Year 1: INR 250 Crore</td>
<td>Year 1: INR 50 Crore</td>
<td></td>
</tr>
</tbody>
</table>

*For eligibility of Incremental Sales of Manufactured Goods (covered under target segments) irrespective of invoice Value shall be considered.

**Domestic Companies shall be defined as those which are owned by resident Indian citizens as defined in the FEMA Policy Circular of 2017. A company is considered as "domestic" by resident Indian citizens if more than 50% of the capital is beneficially owned by resident Indian citizens and/or Indian companies, which are ultimately owned and controlled by resident Indian citizens.

### Process Flow

**STEP ONE: APPLICATION PROCESS**
1. Submission of Application - Applicant
2. Pre-Fell Examination - Project Management Agency (PMA)
3. Letter of Acknowledgment - PMA
4. Application Approved - PMA
5. Approval on basis of decision of Empowered Committee and Competent Authority - PMA

**STEP TWO: BASELINE DETERMINATION PROCESS**
1. Determination of Baseline - Applicant
2. Disbursement of Funds - PMA

**STEP THREE: DISBURSEMENT PROCESS**
1. Submission of Claim for Disbursement of Incentive - Applicant
2. Verification of Eligibility and Assessment of Incentive - PMA
3. Disbursement Claim (based on decision of Empowered Committee and Competent Authority) - PMA
4. Disbursement of Funds - PMA