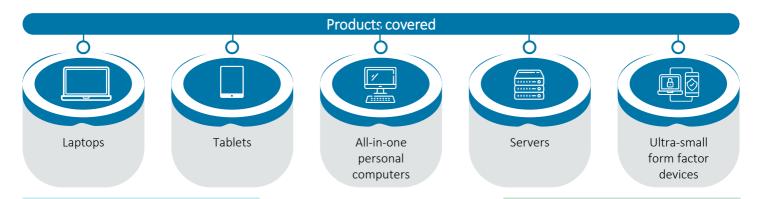
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# PLI scheme for IT hardware 2.0

# IT hardware PLI 2.0 - Improved incentive payouts, longer tenure, flexible domestic sourcing norms



# Objective

- · Boost domestic manufacturing
- Attract global manufacturers to shift their production base to India
- Flexibility to approved applicants of IT Hardware PLI 1.0
- Focus on localisation

## Incentives

- Incentives ranging between 4 and 8 percent over six years; to be linked with net incremental sales
- Flexibility to select the base year to determine incremental sales
- Better payouts for companies locally procuring sub-assemblies



# Target segment

- Global manufacturers
- Domestic manufacturers
- Hybrid (global and domestic)
- Existing PLI applicants possibility to migrate to a new scheme

### Other aspects

- Budgetary outlay INR 17,000 crore (US\$ 2.05 billion)
- Maximum incentive capped based on applicant company status, whether global, hybrid, or domestic
- Option to choose start date as 1 April 2024 or 1 April 2025

# Eligibility criteria

# Applicant Expected investment threshold Global companies INR 500 crore (US\$61 million) Hybrid companies (new category) INR 250 crore (US\$30 million) Domestic companies INR 20 crore (US\$2.4 million)

- Flexibility expected in year-on-year investment criteria
- Component manufacturer's investment may be included and considered as the applicant's investment



# Sales threshold: Exports + domestic (per IT hardware PLI 1.0)

Global companies – INR 10,000 crore (US\$1.21 billion)

Domestic companies -INR 300 crore (US\$36 million)

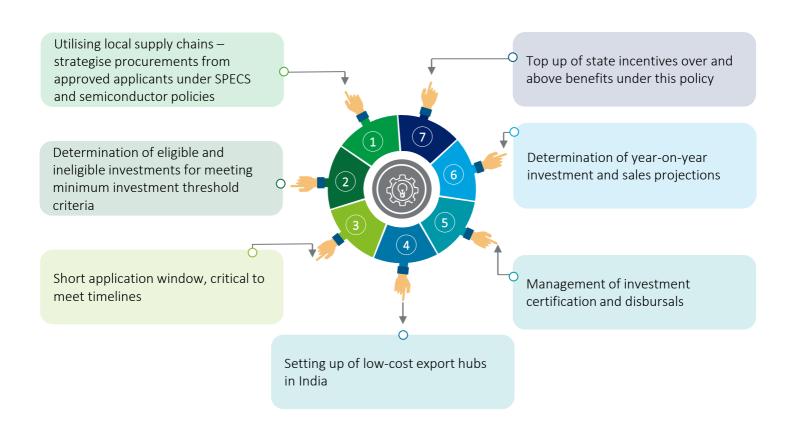


### Domestic value addition

New schedule for domestic value addition criteria likely to be prescribed under the policy

Companies are expected to have flexibility under the new scheme for selecting localisation components

# Other key parameters for consideration



# Deloitte support areas

## Pre-application support

- Feasibility study evaluating areas, such as location and legal entity
- Financial modelling
- Incentive evaluation
- Discussion with MeitY for clarity on key aspects

# Post-application support

- Government meetings
- Additional submissions
- Administrative follow-ups on the status of the application and obtaining final approval
- Approval letter-related review and support

### Application suppor

- Collation of documents
- Review of key information; support in preparing information memorandum, business plans
- Preparation and filing of application; online and physical submissions

### Post-selection support

- Disbursement and compliance support
  - Filing of application
  - Quarterly performance report
- Standard operating procedures
- Implementation support for initiatives finalised



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