



PLI in Electronics and Electronics Components Manufacturing Scheme (ECMS)

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Introduction



- The Government of India's PLI Scheme for Electronic Components is a powerful initiative to boost domestic manufacturing, reduce imports, and promote Atmanirbhar Bharat. It offers financial incentives to businesses for investing in electronic component production and infrastructure.
- This initiative aims to bolster domestic production, reduce import dependency, and promote an Atmanirbhar Bharat (Self-Reliant India) in the electronic components sector.
- Key Objectives and Incentive Structures

Key Objectives	Incentive Structure
Boost domestic production	Turnover-linked incentives
Reduce import dependency	Capital expenditure incentives
Promote Atmanirbhar Bharat	Hybrid incentives

The PLI scheme is designed to stimulate the domestic manufacturing ecosystem in India's electronics sector. By offering incentives tied to turnover, capital expenditure, and a hybrid model, the scheme aims to attract significant investment and drive substantial growth in local production. This, in turn, is expected to reduce reliance on imports and propel India towards self-reliance in electronics manufacturing.

Objectives and Budget Outlay



Primary Objectives

- **'Atmanirbharta'** in electronics supply chain system
- To develop a robust electronic components ecosystem in India, enhance **domestic value addition (DVA)**, and boost exports to global markets.
- The primary objective of the PLI scheme is to create a thriving ecosystem for electronic components manufacturing within India.
- This involves not only increasing production volume but also enhancing the domestic value addition in manufactured goods and **promoting exports to capture a larger share of the global market.**

Budget Outlay

- A substantial financial commitment of ₹22,919 Crore has been allocated to support the scheme's objectives and incentivize manufacturers
- Provides incentives such as,
 - (i) Turnover linked (% of net incremental turnover); (ii) Capex linked (% of capex); (iii) Hybrid (mix of above)

Target Segments under the Scheme



The PLI scheme targets a broad spectrum of electronic components and sub-assemblies to foster comprehensive growth across the electronics manufacturing value chain. This includes essential components which are classified in 4 different segments as under:

Segment A: Sub-assemblies	Segment C: Advanced Technologies
Display Modules	HDI (High-Density Interconnect)
Camera Modules	SMD (Surface Mount Devices)
Segment B: Bare Components	Segment D: Capital Equipments
Non-surface mount devices (non-SMD) passive components	Parts / components used in manufacturing of specified sub-assembly and bare components
Multi-layered Printed Circuit Boards (PCBs)	
Li-ion Cells for digital applications (excl storage and mobility)	
Electro mechanicals for electronic applications	Capital goods used in electronics manufacturing including their sub-assembly and components
Enclosures for Mobile, IT Hardware products and devices	

Target Segments Coverage – illustrative list of products



Sr. No.	Target Segment	Products Covered
1	Non-SMD passive components	Resistors, Capacitors, Ferrites, Specialty Ceramics, Inductors, Coils (including inductive coil), etc. for electronic applications
2	Electro-mechanicals	Speakers & Microphones for ICT products, Relays, Switches, Connectors, Heat Sinks, Antenna, Vibrator Motors, Oscillators, Filters, Actuators, Crystals, Sensors (non-semiconductor), Transducers, etc. for electronic applications
3	Supply Chain of sub-assemblies & bare components	Laminate, Pre-Peg, Copper Foil, Separator, Cathode Material, Anode Material, Electrolyte, Polypropylene Film, Spray Wire, Lenses, Protective Film, Glass Cover, Back Light, Contrast Film, Polarizer Film, etc. for electronic applications

Scheme Tenure and Operational Timeline



1. Application Window (A / B / C) :

A three-month window starting from 1 May 2025 is available for application submissions for segments A, B, and C

2. Segment D Window :

Segment D, focusing on capital equipment, has a scheme duration of two years to facilitate investment in this critical area.

3. Base Year :

Financial Year 2024–25 is designated as the base year for determining incremental production and eligibility for incentives. 1 year of gestation period available for Segments A, B and C

4. Tenure :

- Turnover linked and Hybrid linked – 6 years period with 1 year optional gestation period
- Capex linked – 5 years from the date of acknowledgement

5. Filling timelines :

Claims must be filed within 9 months from the end of financial year

Types of Incentives Offered



The PLI scheme offers a flexible incentive structure tailored to the specific needs of different segments within the electronic components industry as under:

1. Turnover – Linked Incentive :

Applicable to segments A and B, these incentives are based on the incremental turnover achieved by eligible manufacturers. 1-10% Turnover Incentives ranging from 1% to 10% are offered based on the incremental turnover achieved by eligible manufacturers.

2. Hybrid Incentives :

Segment C benefits from a hybrid incentive model, combining elements of both turnover-linked and capital expenditure-based incentives

3. Capex-Based Incentives :

Segment D receives incentives linked to capital expenditure, encouraging investments in manufacturing infrastructure and equipment. 25% Capex A fixed incentive of 25% is provided on eligible capital expenditure, encouraging investments in manufacturing infrastructure.

The quantum of incentives available under the PLI scheme is designed to be substantial enough to attract significant investment and drive meaningful growth in the electronic components sector.

Eligibility and Conditions (1/3)



Eligibility:

Greenfield and brownfield projects

Global Manufacturing / ESDM Revenue

Minimum Investment Commitment

Technical and Financial capability

General Conditions:

- Both Greenfield (new setups) and Brownfield (expansions, modernization, diversification) investments are eligible
- Applicant must submit a separate application for each target segment product
- Only one application allowed per target product (no multiple applications for same product)
- Any Investment or sales already incentivized under another Government of Bharat scheme (like PLI, SPECS) cannot be considered again for ECMS
- Acknowledged applications under SPECS, which could not be considered due to budget constraints, would be considered under ECMS- subject to fulfilment of qualification and eligibility criteria

Eligibility and Conditions (2/3)



Revenue based qualification criteria for Segment (A), (B), (C) (1/2):

Applicants, its group companies or its joint ventures must meet either of the following criteria for FY 23-24

Target Segment	Global Consolidated ESDM Revenue (INR in Crs)	Manufacturing Revenue (INR in Crs)
Display Module Sub-assembly	250	750
Camera Module Sub-assembly	250	750
Non-SMD Passive Components	50	150
Electro-mechanicals	50	150
Multi-layer printed Circuit Board	50	150
Li-ion Cells (for digital applications)	250	750
Enclosures for Mobile and IT hardware	250	750
HDI / MSAP /Flexible PCBs	500	1500
SMD Passive components	250	750

Eligibility and Conditions (3/3)



Revenue based qualification criteria for Segment (A), (B), (C) (2/2):

- If an applicant does not meet the global ESDM revenue thresholds, it can still qualify under ECMS by demonstrating technological capability. This requires submitting documentary evidences such as in-house R&D capabilities, a binding term sheet with a technology partner, a technology transfer agreement or other credible technical proof relevant to the target segment
- Revenue to be computed on weighted average revenue based upon the shareholding pattern in JV
- Majority stake in JV to derive whether the JV revenue would be considered as ESDM or manufacturing revenue
- Companies following calendar year accounting must recast revenues into Financial year basis

Financial capability for Target Segment (D) (for applicant investing in supply chain ecosystem and capital goods) :

- Networth must be $\geq 50\%$ of the proposed investment
- Networth to be certified based on audited financials (not older than March 31, 2024)
- If not meeting the net worth condition, applicant must submit a Board Resolution (BR) committing the required investment along with details of funding sources

Minimum Investment & Turnover (1/6)



- The PLI scheme sets minimum investment and turnover thresholds to ensure that participating companies have the capacity and commitment to contribute meaningfully to the growth of the electronic components sector. These thresholds vary depending on the type of component being manufactured, with higher thresholds for semiconductors and lower thresholds for other components.
- Meeting these requirements is essential for eligibility and access to incentives under the scheme.

The threshold limits are as under :

Category	Target segments	Total Investment (INR in Cr)	Year	Cumulative incremental threshold			Turnover incentive (% of incremental t/o to base year)
				Investment (INR in Cr)	Sales (INR in Cr)	Employment (in No.)	
Segment A: Sub Assemblies	Display modules	250	Year 1	50	200	50	4
			Year 2	100	400	100	4
			Year 3	150	600	150	3
			Year 4	200	800	200	2
			Year 5	250	1000	250	2
			Year 6	-	1200	300	1

Minimum Investment & Turnover (2/6)



The threshold limits are as under:

Category	Target segments	Total Investment (INR in Cr)	Year	Cumulative incremental threshold			Turnover incentive (% of incremental t/o to base year)
				Investment (INR in Cr)	Sales (INR in Cr)	Employment (in No.)	
Segment A: Sub Assemblies	Camera Module	250	Year 1	50	150	75	5
			Year 2	100	300	150	4
			Year 3	150	450	225	4
			Year 4	200	600	300	3
			Year 5	250	750	375	2
			Year 6	-	900	450	2
Segment B: Bare Components	Non-SMD passive and electro mechanical	50	Year 1	10	15	30	8
			Year 2	20	30	60	7
			Year 3	30	45	90	7
			Year 4	40	60	120	6
			Year 5	50	75	150	5
			Year 6	-	90	180	4

Minimum Investment & Turnover (3/6)



The threshold limits are as under:

Category	Target segments	Total Investment (INR in Cr)	Year	Cumulative incremental threshold			Turnover incentive (% of incremental t/o to base year)
				Investment (INR in Cr)	Sales (INR in Cr)	Employment (in No.)	
Segment B: Bare Components	Multilayer PCB – 6 layers	50	Year 1	10	15	15	6
			Year 2	20	30	30	6
			Year 3	30	45	45	5
			Year 4	40	60	60	5
			Year 5	50	75	75	4
			Year 6	-	90	90	4
	Multilayer PCB – 8 layers	50	Year 1	10	15	15	10
			Year 2	20	30	30	8
			Year 3	30	45	45	7
			Year 4	40	60	60	6
			Year 5	50	75	75	5
			Year 6	-	90	90	5

Minimum Investment & Turnover (4/6)



The threshold limits are as under:

Category	Target segments	Total Investment (INR in Cr)	Year	Cumulative incremental threshold			Turnover incentive (% of incremental t/o to base year)
				Investment (INR in Cr)	Sales (INR in Cr)	Employment (in No.)	
Segment B: Bare Components	Li-ion Cells for digital applications (except storage and mobility)	500	Year 1	100	200	100	6
			Year 2	200	400	200	6
			Year 3	300	600	300	5
			Year 4	400	800	400	5
			Year 5	500	1000	500	4
			Year 6	-	1200	600	4
	Enclosure for mobile, IT Hardware products and related devices	500	Year 1	100	200	120	7
			Year 2	200	400	240	6
			Year 3	300	600	360	5
			Year 4	400	800	480	4
			Year 5	500	1000	600	4
			Year 6	-	1200	720	3

Minimum Investment & Turnover (5/6)



The threshold limits are as under:

Category	Target segments	Total Investment (INR in Cr)	Year	Cumulative incremental threshold			Turnover incentive (% of incremental t/o to base year)*	Capex Incentive **
				Investment (INR in Cr)	Sales (INR in Cr)	Employment (in No.)		
Segment C: Selected Bare Components	HDI / MSAP / Flexible PCB	1000	Year 1	200	200	200	8	25%
			Year 2	400	400	400	7	
			Year 3	600	600	600	7	
			Year 4	800	800	800	6	
			Year 5	1000	1000	1000	5	
			Year 6	-	1200	1200	4	
	SMD Passive Components	250	Year 1	100	200	120	7	25%
			Year 2	200	400	240	6	
			Year 3	300	600	360	5	
			Year 4	400	800	480	4	
			Year 5	500	1000	600	4	
			Year 6	-	1200	720	3	

* 1% of total incentive shall be disbursed only on meeting cumulative incremental employment threshold criteria

** 5% of total incentive shall be disbursed only on meeting cumulative incremental employment threshold criteria

Minimum Investment & Turnover (6/6)



The threshold limits are as under:

Category	Target segments	Capex Incentive **	Minimum Investment (INR in Cr)	Employment threshold
Segment D: Supply chain eco-system and capital equipment	Supply chain of sub-assemblies and bare components covered in the scheme (including Laminates, Pre-Peg, Copper Foil, Separator, Cathode Material, Anode Material, Electrolyte, Polypropylene Film, Spray Wire, Lenses Protective Film, Glass Cover, Back Light, Contrast Film, Polarizer Film, etc, for electronic applications)	25%	10	10 persons per INR 1 Crores of Investment
	Capital goods used in electronics manufacturing including their sub-assemblies and components	25%	10	20 persons per INR 1 Crores of Investment

** 5% of total incentive shall be disbursed only on meeting cumulative incremental employment threshold criteria

Key Benefits of Participating



Participating in the PLI scheme offers numerous benefits to electronic components manufacturers. These include annual financial incentives based on production performance, bonus incentives for adopting advanced technologies and making substantial investments, and priority consideration for initiatives that generate employment opportunities. These benefits collectively contribute to enhanced competitiveness, increased profitability, and sustainable growth for participating companies.

Annual Incentive :

- Receive yearly financial incentives based on production performance

Technology Bonus :

- Earn additional incentives for adopting advanced technologies

Investment Bonus :

- Get extra benefits for making substantial investments in the sector

Employment Priority Priority :

- Gain priority for initiatives that generate employment opportunities.



Thank You

For detailed discussion, please feel free to contact at below address

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