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Shri Amitesh Kumar Sinha, IRAS  
Joint Secretary  
Ministry of Electronics & IT

**Subject: - Request for Clarifications w.r.t. Specific Components to be localized under PLI for IT H/w 2.0**

Respected Sir,

***Greetings from MAIT!***

First and foremost, MAIT on behalf of its industry members truly applaud your efforts and guidance to the industry on all aspects of the PLI for IT H/w 2.0 scheme.

Sir, industry has requested us to reach out to you to seek certain clarifications w.r.t. Specific Components to be localized under PLI for IT H/w 2.0. As evident from the scheme, every participating company will have to localize components year on year. We understand that MeitY notification (W-43/4/2019-IPHW-MeitY) will be the basis of determining localization and would like to highlight that the definitions therein focus on computation of value addition. From the lens of PLI Localization, the industry seeks clarity on applicability of these definitions for the specified components as well as about how will the Project Management Authority validate localization.

The reason for seeking this clarification is for the mutual success of the scheme and its participants, MAIT believes that it will be important to consider the existing component manufacturing ecosystem maturity.

Hence, we request broad clarity on the following: -

- a) whether local assembly and local testing of components be sufficient grounds for considering localization. Additionally, would localization value addition also consider process costs along with component costs? In either case, how will the localization be verified by the PMA?
- b) Given that the application deadline for PLI 2.0 is near, we request you to kindly throw light on these definitions as they would have a direct bearing on localization schedules to be provided by the participants.

Against this backdrop, we are also sharing specific components our members are seeking clarifications on:

**Under Laptops:**

- **Power Adapter:** as per the definition, “value of domestically manufactured parts and components used in the assembly of Power Adapter will be minimum 40%”. This definition only focuses on components and does not consider the value addition accruing from

processing and assembly. Given the existing ecosystem, we propose that local assembly and testing of imported components be considered sufficient ground for localization.

- **Display Panel:** as per the definition one needs to undertake, "Domestic assembly into the Back Cover and Bezel and final testing from imported/ domestically assembled Display Panel, LED Back light, Antennae". However, while bezel is not presently localized in the country, display panel and LED Backlights are not imported separately. Against this backdrop, we propose that importing components separately (with the exception of display panel and LED backlights, which are imported together) and assembling those domestically, should be considered sufficient grounds for localization.

**We request you to kindly provide clarity on the points mentioned above for the wider benefit of PLI applicants.**

Looking forward to your early response

Warm regards,



Col Suhail Zaidi (Retd)  
Director General