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February 17, 2022

Shri Saurabh Gaur, IAS
Jt. Secretary
Ministry of Electronics & IT

Subject: Industry's Requests regarding PLI for IT H/w Extension

Respected Sir,

Greetings from MAIT!

This bears reference to industry's ask regarding seeking extension in the time-period in the first year of current PLI for IT H/w scheme starting from 1st April 2021 (**i.e., extension in duration for investment criteria as well as for production to be done in the year**). MAIT has reached out to all the PLI applicants on the matter. The individual responses all 14 companies are enclosed in Annexure-1 which includes extension period, and their responses on need for investment criteria extension (Yes/No) and production criteria extension (Yes/No).

Basis inputs received from the industry; it emerges that there are 3 different requests. One set of PLI applicants need an extension of 3-6 months and there is a second set of applicants where the applicants had made investments in machinery, etc. and are ready for manufacturing; however, owing to Covid and supply chain disruptions, the orders were delayed, and they need 1 year shift in Financial Year for starting their operations i.e., option to choose FY 22-23 as first year. There is a third set also who need an extension of 12-18 months.

Below are our requests: -

Request 1: - There are few applicants **who need an extension of 3-6 months** owing to the few months of delay in approval of the PLI applications.

Request 2: - There are PLI applicants **who need option to choose FY 22-23 as first year** as in FY 21-22, they brought in the machinery, etc. and are now ready to do manufacturing.

Request 3: - There are PLI applicants have **requested for an extension of 12-18 months** due to the following reasons: -

- The annual forecast for the year was already planned with applicants' vendor ecosystem and it is difficult to shift the business in short time
- Due to Covid, companies were cautious of disturbing their existing supply chain
- Due to Covid, the manufacturing activity was impacted and there were delays in setting up new manufacturing facilities in the past year and
- **Global Shortages on Chip Sets** has also impacted the manufacturing planning negatively

As you will appreciate that players across electronics H/w industry have different supply chain models i.e. Brand manufacturers, EMS Manufacturers, ODM manufacturers, etc. with different supply chain dependencies and, thus, what is suffice for one company may not be suitable for other.

Industry's ask is that **applicant companies should be given an extension of 3-6 months immediately** (Request 1) while for Request 2, **applicants should be given an option to choose FY 22-23 as first year so that they don't lose out on 1-year PLI benefits.**

For Request 3 (i.e., industry seeking 12-18 months), a suitable model be worked out for which MAIT shall work closely with MeitY to enable these companies to leverage the PLI Scheme.

Last but not the least, all companies are looking forward to an increase in PLI percentage

Look forward to your favourable consideration of industry's requests.

With regards,

A handwritten signature in black ink, appearing to read "George Paul". The signature is fluid and cursive, with a long horizontal stroke extending to the left.

George Paul
Chief Executive Officer

Annexure 1:- Requests of all 14 PLI Applicants for IT H/w w.r.t. extension

Company	Extension Period Required (in months)	Extension Required for Investment Criteria (Yes/No)	Extension Required for Production Targets (Yes/No)
Company 1	3 months plus increase in incentive % and duration increase	Yes	Yes
Company 2	3-6 months plus increase in incentive % and duration increase	Yes	No (but acceptable if extension be given)
Company 3	12 months plus increase in incentive % and duration increase	Yes	Yes
Company 4	12 months plus increase in incentive % and duration increase	Yes	Yes
Company 5	Neutral- No Comments on extension; They are looking forward to increase in incentive % and duration increase	No Comments	No Comments
Company 6	No Response	No Response	No Response

Company 7	12 months plus increase in incentive % and duration increase	No	Yes
Company 8	12 months plus increase in incentive % and duration increase	Yes	Yes
Company 9	9 months-12 months plus increase in incentive % and duration increase	Yes - one year needed start from Fy2022-23	Yes-months 9 months to 1 year.
Company 10	12-18 months plus increase in incentive % and duration increase	No Comments	No Comments
Company 11	No Response	No Response	No Response
Company 12	Not Required; They are looking forward to increase in incentive % and duration increase	Not Required	Not Required
Company 13	12 months increase in incentive % and duration increase	No Comments	No Comments
Company 14	Need option to choose FY 22-23 as first year.	Need option to choose FY 22-23 as first year.	Need option to choose FY 22-23 as first year.