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June 26, 2023

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

**Subject:** Regarding Existing PLI 1.0 Applicants migration to PLI 2.0 (IT Hardware)

**Ref:** PLI Notification No: (IPHW Division) Dated 29<sup>th</sup> May 2023 Production Linked Incentive Scheme; PLI 2.0 for IT Hardware W-17/9/2021-IPHW

**Respected Sir,**

**Greetings from MAIT!**

First and foremost, we express our gratitude to you for the constant support and encouragement that you provide to the Electronics Manufacturing in India.

This letter has reference to PLI 2.0 Scheme notification for IT Hardware W-17/9/2021 published on 29<sup>th</sup> May 2023. The existing PLI 1.0 applicants, who have successfully met Year 1 targets are MAIT Members. Some challenges and disabilities created for these players are highlighted below:

1. If they receive/have received the incentives, they cannot participate afresh in the scheme to benefit from the newly formed Hybrid Category. This limitation of choice hampers the prospects of both Domestic and Global players and acts as a negative reinforcement of having participated in PLI 1.0. The option to participate afresh would require them to forego their existing investments, but at least the option must be provided. Also, since these participants will end up investing more than other players, the option of getting incentives for the remaining 6 years of the scheme must remain.
2. If they migrate to PLI 2.0, they are immediately tasked with an additional localization requirement. This becomes an issue since localizing FA and SMT both were the only localization requirements in PLI 1.0 Year 2. The migrating companies should be granted the same incentive and localization structure. For migrating applicants, the scheme may continue to be limited to 5 additional years.

Hence, MAIT suggests that **the existing PLI 1.0 applicants should be allowed to take part in the scheme for 5 years in this new PLI 2.0 with similar Incentive and Localization clause which are applicable for new applicant under the PLI IT Hardware 2.0 Scheme. Also, if the applicants want to apply afresh under the Hybrid category, the scheme should not limit those options only because they received well-deserved incentive owing to their participation in PLI 1.0.**

We are really looking forward to an early resolution and way forward on this matter.

Warm regards,

  
Col Suhail Zaidi (Retd)  
Director General