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Now, Rs 17,000cr incentive for making laptops, tablets locally

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NEW DELHI: The Cabinet on Wednesday approved a Rs 17,000 crore incentive scheme for manufacturing laptops and servers in India, increasing the PLI from the earlier Rs 7,350 crore (131%), eliciting interest from global players. Top seller Apple has said it is "seriously evaluating" making MacBooks in the country. IT minister Ashwini Vaishnaw said top mass laptop companies such as Dell, HP, Acer, and Asus are among those looking at India favourably now. He said the new plan provides 5% incentive to companies investing locally, and has the option to sweeten it by another 3% if specific parts are also sourced from local vendors.

TO MEET DOMESTIC, EXPORT DEMAND	
<p>> Govt wants to start laptops and servers manufacturing in India not only to meet domestic demand but also for exports</p> <p>> Companies such as Dell, HP and Asus promise to deepen local sourcing through captive contractors</p>	<p>to avail PLI benefits</p> <p>> Apple is one of the key targets for government in view of its large value of export shipments</p> <p>> Previous scheme failed to address disabilities arising due to local manufacturing against imports</p>

Govt boosts PLI outlay for laptops by 131% to Rs 17k cr

The government on Wednesday boosted the incentive scheme for manufacturing laptops and servers in India by 131% to Rs 17,000 crore. It cited interest from global companies, including world's top seller Apple.

According to the government, Apple is "seriously evaluating" making MacBooks in India, after expanding with iPhones. IT & electronics minister Ashwini Vaishnaw said discussions with Apple have been encouraging as the government pushes the company to make more in India, replicating the success with iPhones. "They are seriously evaluating," Vaishnaw told TOI. While refusing to get into specifics of discussions with various companies, Vaishnaw said top mass laptop companies such as Dell, HP, Acer, and Asus are among those, who are looking at India favourably now that the scheme has been made comprehensive in terms of the incentives.

The decision to boost the benefits under the production-linked incentive (PLI) scheme for IT hardware such as laptops, tablets, all-in-one PCs, servers and ultra small form factor devices was approved by the Cabinet. While the earlier scheme had earmarked Rs 7,350 crore towards PLI incentives, the government had to increase the allocations after industry's feedback that earlier plan did not cover financial disabilities arising out of making in India, as against imports. The government had to increase the benefits for local manufacturing in laptops as unlike smartphones, where there is a duty of 20% on imports, there are no such restrictions on computer as the category falls under ITA-1, which allows imports at zero duty.

TOI had reported about the government's plan to give a mega boost to the IT hardware PLI scheme in its editions dated January 2 this year.

Vaishnaw said the new plan provides an incentive of around 5% to companies investing locally, and has the option to sweeten it by another 3%, if specific parts such as PCBA, memory, and power supply are also sourced from local vendors. Rajeev Chandrasekhar, minister of state for IT & electronics, said the new revised scheme will help boost investments in the sector and create jobs.