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Cabinet approves ₹22,919 cr PLI for non-semiconductor electronics component

Electronic industry has been urging the central government to create a separate production-linked incentive for non-semiconductor electronics since 2022

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New Delhi: Union Minister Ashwini Vaishnaw Briefs The Media On Union Cabinet Decisions, In New Delhi (Photo: PTI)

The Union Cabinet, chaired by Prime Minister [Narendra Modi](#), has approved the long-awaited production-linked incentive (PLI) scheme for non-semiconductor electronics components with an outlay of ₹22,919 crore, Union Electronics and IT Minister [Ashwini Vaishnaw](#) announced on Friday.

“Passive components are approved under the Electronics Component PLI scheme. It has a total package of ₹22,919 crore. This will be for over six years,” Vaishnaw said.

The PLI scheme aims to strengthen domestic manufacturing, strengthen India’s electronics supply chain, and reduce dependence on imports. The initiative is expected to attract ₹59,350 crore in investments, generate ₹4,56,500 crore in production, and create 91,600 direct jobs, along with numerous indirect employment opportunities over its six-year duration, Vaishnaw said.

India's electronics ecosystem

Electronics is one of the fastest-growing global industries, playing a crucial role in economic and technological advancements. The sector has witnessed significant growth in India over the past decade, with the production of electronic goods increasing to ₹9.52 trillion in 2023-24 from ₹1.90 trillion in 2014-15, marking a compound annual growth rate (CAGR) of over 17 per cent, government data shows. Exports of electronic goods have also risen to ₹2.41 trillion in 2023-24 from ₹0.38 trillion in 2014-15, at a CAGR of over 20 per cent.

The newly approved scheme will focus on passive components, such as resistors, capacitors, and inductors, which are essential building blocks of electronic devices. The government expects this initiative to be a key step towards making India self-reliant by enhancing domestic value addition (DVA) and integrating Indian manufacturers into Global Value Chains.

Demand for non-semiconductor PLI

The Electronic Industries Association of India (Elcina) has been advocating for a separate PLI scheme for non-semiconductor components since the launch of the semiconductor PLI initiative in December 2021. The industry body highlighted the distinct market dynamics of non-semiconductor components and emphasised their strategic importance in sectors such as mobile phones, industrial electronics, electric vehicles (EVs), and defence electronics.

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