

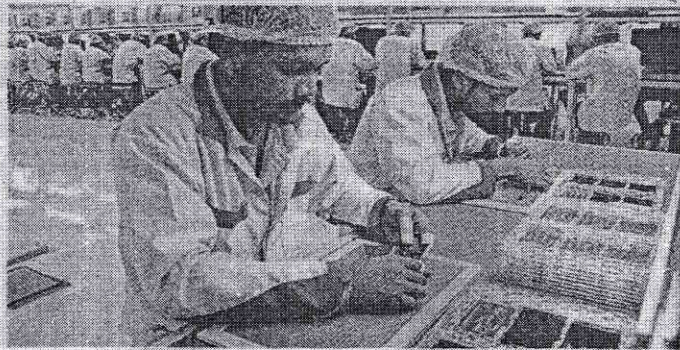
Govt mulls tweaking PLI scheme for pharma, electronics

HELPING HAND. Idea is to examine scheme's effectiveness, sort out sectors' woes

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The government is considering the need for "minor tweaking" of the Production Linked Incentive (PLI) scheme for certain sectors, such as pharmaceuticals and electronics, to meet specific requests of investors including expeditious environmental clearances and visas for technicians and experts required by Chinese vendors, sources have said.

"The Empowered Group of Secretaries (EGoS) to monitor the PLI scheme, headed by the Cabinet Secretary, met on Thursday to review the scheme for sectors, such as pharmaceuticals and large-scale electronics including mobile phones, that are doing well. The idea was to examine their problems and sort them out so that they can perform better," a source tracking the



SEEING RED OVER GREEN NOD. Delayed environmental clearances is one of the main issues that have troubled investors

matter told *businessline*. Among the problems that investors have cited, a prominent one is that of delayed environmental clearances for projects. "The EGoS will examine what the particular issues are and how can they be addressed so that environmental clearances do not stay a hurdle," the source said.

CHALLENGES

Another hurdle faced by Chinese vendors, who are part

of the PLI scheme for large-scale electronics, is getting their own technicians and experts from China to help with component manufacturing due to problems with issuance of visas. "The Chinese vendors who are manufacturing their own components in India need expertise from China. For that, timely visas need to be issued to them. This is a matter that is to be resolved," the source said.

The ₹1.97-lakh crore PLI

scheme was announced in 2020 to attract investments in 14 sunrise and strategic sectors, with incentives spread over a five-year period, but it is facing severe challenges in many sectors.

DISBURSAL OF INCENTIVES

While the PLI scheme has attracted substantial investments in the large scale electronics sector, which includes mobile phones, and has also started showing encouraging results for the pharmaceuticals and food processing sectors, in six sectors there have been no disbursement of incentives because of very low investments and production. These include white goods, automobiles, auto parts, textiles, solar PV modules and ACC battery. In the other five sectors — medical devices, bulk drugs, telecom & networking products, technology products and drones, disbursements have been low.