

Centre to hold PLI payouts' mid-year review next week

Meeting takes place amid slower-than-expected progress in many schemes

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The Department for Promotion of Industry and Internal Trade (DPIIT) is gearing up for a crucial mid-year review to assess the progress of the government's flagship investment promotion programme — production-linked incentive (PLI) scheme — next week.

Respective ministries in charge of the 14 PLI schemes are expected to share the pay out details to the industry department by next week, people aware of the matter told *Business Standard*.

The meeting assumes significance since it will take place against the backdrop of a slower-than-expected progress in a large number of the PLI schemes. The assessment will give the government a realistic estimate of how much incentive has been paid out during the first six months of the current financial year (H1FY24).

“Since companies would have closed their balance sheets by 30 September, we are waiting for the details of the progress of their performance,” the person cited above said, adding that DPIIT — the coordinating agency — is expected to review it after collating the details. As of now, the Centre has paid incentives worth ₹2,874 crore to the PLI beneficiaries, across eight sectors. The government is banking on 80 per cent of the payouts to beneficiaries of mobile manufacturing, pharmaceutical



AT A GLANCE

₹2,874 cr

Incentive payout received in FY23

₹13,000 cr

Initial estimated payout in FY24

₹11,000 cr

Current estimated payout in FY24

sector, and food processing industries during the current financial year (FY24).

According to initial estimates, the expenditure during FY24 or the third year of implementation of the scheme, was expected to touch around ₹13,000 crore. However, government officials now expect it to touch ₹11,000 crore by year-end.

The maximum progress has been seen in the case of mobile manufacturing, pharmaceutical drugs, bulk drugs, medical devices, and food products, where the incentive or subsidy pay-out has been the maximum.

“In case the progress is not good even in the top performing sectors, we will have to do a deeper assessment of what is going wrong,” the person said.

In June, commerce and industry minister Piyush Goyal had also met key industry representatives including officials from ministries and government departments responsible for rolling out the PLI scheme to sort out teething issues.

The PIIT has been nudging ministries to hold consultations with the PLI beneficiaries to iron out the challenges being faced by them and come up with a prompt resolution.