

Enhance budget for PLI, widen its coverage: Assocham

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Assocham President Sumant Sinha has recommended the government raise the money that can be deployed in the whole production-linked incentive (PLI) scheme and enhance coverage for more industrial sectors to drive manufacturing growth in the country.

“In a push towards a green economy, there is a need for enhancing the green hydrogen policy, expanding the PLI scheme for green hydrogen electrolyzers and utility-scale batteries manufacturers, viability-gap funding for the offshore wind sector, and the allocation for solar PLI might be considered for increase as well from ₹19,500 crore in the Budget in 2022,” he added.

The PLI scheme had an outlay of around ₹2 trillion for 13 sectors.

In its pre-Budget recom-

mendations, Assocham said the government should increase the exemption limit for income tax to at least ₹5 lakh so that more disposable income is left in the hands of consumers and the economy got a consumption boost.

“Boosting consumption by leaving more money in the hands of the consumer is a low-hanging fruit for a further recovery in economic growth,” said Deepak Sood, secretary general, Assocham.

Sinha said buoyancy in both direct and indirect taxes should give enough elbow room to the government for raising the income tax exemption limit.

The Central government had committed an effective capital expenditure of ₹10.68 trillion for 2022-23, which is about 4.1 per cent of gross domestic product (GDP).

Assocham has recommended this expenditure be increased by at least 10 per cent in the Budget next year.

