

TECH TEXTILES, PHARMA AND DRONES TO BENEFIT

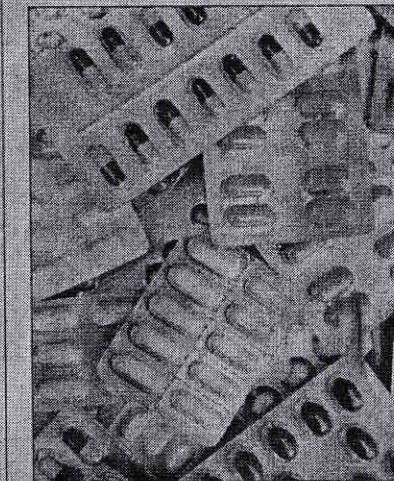
PLI for 3 sectors being tweaked

Changes based on review last month, Cabinet note soon

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THE GOVERNMENT IS looking to tweak the production linked incentive schemes for drones, pharma and technical textiles, and a Cabinet note is being prepared in this regard, a senior official said on Tuesday. The changes are based on the review of the 14 PLI schemes conducted last month by the Cabinet secretary and industry demands.

For the drone sector, the government may raise allocation under the scheme because the off-take is good, the official, who did not wish to be named, said. For the pharma sector, the time for availing incentives could be extended. As for the PLI for technical textiles, more clarity on the categories and products that qualify for incentives is being looked at. "In textiles, we are expanding the definition



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of certain other products in the technical textiles segment," the official said.

Allocation for the PLI for drones and their components was ₹120 crore when it was announced in September 2021. Though it seems modest, it was twice the turnover of the industry in 2020-21. In 2022-23, around ₹30 crore has been reimbursed to the drone and parts makers.

Twelve drone and 11 component makers have qualified for the scheme that will run till FY2025-end.

Pharma sector PLI was one of the earlier schemes in the series that was launched by the government. It had an outlay of ₹15,000 and was expected to run for 6 years. Around 55 applications have been approved under the scheme and because there has been a delay in some of the plants

coming onstream, the industry has asked for some changes in the timelines for the scheme.

The application window for PLI for man-made fibre (MMF) apparel, MMF fabrics and technical textiles is open till October-end. It is the second attempt by the government to get PLI in the sector take off.

The PLI scheme for textiles with an outlay of ₹10,683 crore was first announced in September 2021. Around 67 companies applied under the scheme of which 64 were approved. However, no investments were made by successful applicants. The government decided to re-invite the applications in July this year.

The PLI is the flagship scheme of the government to boost local manufacturing in the critical sectors of the economy. It has an outlay of ₹1.97 trillion but only ₹2,900 crore has been disbursed till March 2023. As more units that were approved under the scheme start manufacturing, this figure is expected to touch ₹13,000 crore by the end of this financial year.