

# PLI reset: Quarterly incentive payments on the table

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To burnish production-linked incentive (PLI) schemes, the government is considering an overhaul of some of them relating to sectors such as textiles and pharma, and making incentive payments quarterly, officials in the know said.

In a bid to cut the delay in processing incentive claims, the government is looking at switching to a quarterly disbursement of incentives. Currently, in most schemes, incentives are annual. As a result, hardly any progress is seen for most of the year.

The industry department, in charge of coordinating the development and progress of the schemes, has been asking other departments to shift to it. During 2023-24, ₹6,800 crore has been disbursed as compared to the government's estimate of ₹11,000 crore.

New schemes for labour-intensive sectors such as apparel, toys, and footwear are also in the offing as part of the government's efforts to create jobs, officials aware of the matter said.

"The timing of the launch of the new PLI schemes has not been decided. A Cabinet note is being prepared for the new schemes as well as for the (proposed) changes in the existing one," one of the persons cited above said.

Questions sent to the Department of Promotion of Industry and Internal Trade via email did not elicit any response till the time of going to press.

In 2020-21 and 2021-22, PLI schemes for 14 sectors, including mobiles, drones, telecom, textile, automobile, white goods, and pharmaceutical drugs, were launched.

However, progress has been uneven. The scheme for large-scale electronics manufacturing that mainly focuses on smartphones has been most successful, propelling a sharp jump in exports over the last two years. On the other hand, the government had recognised progress was largely on track in sectors pharmaceutical drugs, telecom, food products, drones, with slower than expected progress in the case of some sectors such as steel, textile, battery, and automobiles.

For instance, due to a lukewarm response from private players, the textiles ministry has been pushing to make the PLI scheme attractive by offering more

flexibility by adding more product lines. The government hopes to see more applications and investment proposals with the change.

In the case of PLI for bulk drugs, some changes in guidelines are expected and the tenure of the scheme may be extended to 2028-29 from 2027-28. All these changes will require approval from the Cabinet, one of the officials cited above said.

## ON THE ANVIL?

■ New schemes for labour-intensive sectors, such as apparel, toys, and footwear in the offing

■ PLI schemes for textiles and pharma sectors may be overhauled

■ Bulk drugs PLI may witness changes to guidelines; the tenure may be extended to 2028-29 from 2027-28