

Govt set to pay out ₹4K cr under PLI by March end

Budget may extend the scheme to 6-7 more sectors such as toys and leather

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The government is set to pay ₹4,000 crore by March to beneficiaries of the production-linked incentive (PLI) scheme as it lines up its expansion, likely to be announced in the Budget.

“The first instalment towards seven schemes (of the 14) will be paid by March. Instalments for mobile manufacturing, pharmaceuticals, and food processing have been paid,” a senior government official said.

The Budget may extend the PLI scheme to six-seven more sectors such as toys, garments and home textiles, electronics, bicycle components, leather, and furniture.

The government rolled out the PLI scheme in automob-

iles, drones, specialty steel, textiles, new and renewable energy, pharmaceuticals, among others, in 2021-22.

It is worth ₹1.97 trillion and will hold good for five years. More schemes are being planned because the existing ones have found a good take-up, the government official said.

The budgetary allocation of the PLI scheme is being firmed up by utilising the savings from the first set of schemes along with fresh allocations, the official cited above said.

As of last year, the savings had been ₹11,484 crore.

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COUNTDOWN TO BUDGET BEGINS: The halwa ceremony, an annual ritual that heralds the Union Budget, returned after a year's break with Finance Minister Nirmala Sitharaman stirring a kadhai to mark the traditional event

PHOTO: PTI

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Finance ministry contemplating proposals to benefit middle class

The finance ministry is considering proposals to benefit the middle class in its last full Budget of the Narendra Modi 2.0 government — to be presented on February 1 in the Lok Sabha. It is looking into proposals sent by various departments on specific

steps which may be announced in the Budget, benefitting a large section of the middle class, sources said.

The Centre has not raised income tax exemption limit from ₹2.5 lakh which was fixed in 2014 by the then Finance Minister Arun Jaitley in his first Budget.

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It was then decided by an empowered group of secretaries that those could be utilised or reallocated to any other government department in need of funds, a provision that was made while designing the PLI scheme.

According to the finance ministry's data, as of November, ₹40,992 crore was there across the 14 sectors. More than 600 applications were approved. Production is expected to be worth ₹2.85 trillion and 198,000 jobs will be created.

The savings from the PLI schemes could go up since the allocated funds may not be required for the existing ones, the official said.

The logic behind the PLI scheme was India trying to diversify supply chains amid tensions with China and the National Democratic Alliance government's persistent efforts to become self-reliant through various initiatives.