

Quarterly disbursements under PLI to begin for at least 6 of 8 sectors soon

THE MOTIVE. Move triggered by success in smartphone production, a sector that already gets quarterly incentives

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Quarterly disbursement of incentives will soon start under the Production Linked Incentive (PLI) scheme for at least six of the eight sectors that currently disburse annually, including automobiles and parts, telecom and networking, electronics products, white goods, food products, textile products and drones, to speed up claim processing, sources said.

"The most successful PLI scheme till now in terms of investments and production is that of smartphones which is one the six sectors for which the provision of quarterly disbursement already exists. The govern-



COMPLETE OVERHAUL. The government is looking at revamping the scheme in a number of sectors such as textiles, electronics and solar PVs to make it more attractive to investors

ment, therefore, drew the conclusion that quarterly disbursement is a good incentive and should be extended to the remaining eight sectors as well," an official tracking the matter told *businessline*.

The Department for Promotion of Industry and In-

ternal Trade (DPIIT), the nodal department for the PLI scheme, is also planning to hold the next stakeholder review of the PLI scheme sometime next month or just after the budget announcement for 2024-25, the official added.

Apart from increasing the

frequency of disbursement of incentives, the government is looking at revamping the scheme in a number of sectors such as textiles, white goods, electronics and solar PVs to make it more attractive to investors.

REVAMPING SCHEME

The quarterly disbursement of funds was likely to start in one or two months as it would take some time for the line Ministries and Departments to complete all the required processes, the official said.

"Most of the eight sectors, except one or two such as speciality steel and solar PV modules, where proper disbursement of incentive is yet to begin, are expected to manage the switchover soon," they added.

In 2021-22, the government announced the PLI scheme with an outlay of ₹1.97-lakh crore, initially for 13 sectors and later extended to 14 sectors, to incentivise local production in strategic areas and encourage exports.

While the scheme showed excellent results for the mobile manufacturing sector, it has started to pick up in some, such as the three pharmaceutical related sectors and the IT hardware sector; yet, for some others, it still is a long way to go.

Per latest estimates, the PLI scheme has attracted ₹1.5-lakh crore investments, led to production worth ₹8-9 lakh crore of which ₹3-3.5-lakh crore were exported, the official said.