

# Govt turns down requests for easing of eligibility criteria for PLI scheme

**MEETING TAKEAWAY.** 'Changing rules now may not be easy, but govt may consider requests for future editions'

**Amiti Sen**  
New Delhi

The government is unlikely to relax eligibility rules, such as minimum investment and incremental turnover criteria, or increase incentives, under the Production Linked Incentive (PLI) schemes for various sectors under implementation, but in case there are new editions of such schemes, like the recent one announced for the IT hardware sector, flexibilities could be introduced, sources have said.

In the review meeting for the PLI scheme chaired by Commerce & Industry Minister Piyush Goyal on Tuesday for effective implementation, the Minister asked beneficiaries to take up procedural challenges faced by them with respective Ministries and Departments concerned to help reform the process, an official statement pointed out.

"However, the demand made by some industry sectors for lowering investment



Piyush Goyal, Minister of Commerce and Industry

and incremental turnover requirement for eligibility, to allow smaller entities to benefit from the scheme and increasing incentives, were more or less turned down," an industry representative who attended the meeting told *businessline*.

Since commitments for investments have already been made by investors under the ongoing schemes taking into account the present rules and conditions that were framed

after consultations, the government would find it difficult to change them mid-way, the source said.

## MORE INVESTMENTS

The ₹1.97-lakh crore PLI scheme was announced in 2020 to attract investments in 14 sunrise and strategic sectors, with incentives spread over a five-year period, but it is facing severe challenges in many sectors.

While the PLI scheme has

attracted substantial investments in the large-scale electronics sector, which includes mobile phones, and has also started showing encouraging results for the pharmaceuticals and food processing sectors, in six sectors there have been no disbursement of incentives because of very low investments and production. These include white goods, automobiles, auto parts, textiles, solar PV modules and ACC battery. In the other five sectors, such as medical devices, bulk drugs, telecom & networking products, technology products and drones, disbursements have been low.

"There is a chance that in the newer editions of the schemes for the existing sectors, like the one for the textiles sector under consideration, the eligibility criteria could be lowered, and the scheme could be made more lucrative and inclusive. This has already happened for the IT hardware sector," the source said.

The Minister said government officials of the imple-

menting Ministry/ Department must hold regular consultation and roundtables with their respective PLI beneficiaries so that procedural issues may be resolved promptly, the official statement highlighted.

## SEEKS FEEDBACK

He also called for the industry's feedback and collaborative engagement to shape the policies, procedures and effectiveness of the PLI scheme.

Officials from 10 implementing Central departments, companies/ PLI beneficiaries under 14 key sectors, various PMAs such as IFCL, SIDBI, MECON, IREDA and SECI, industry associations including CII, FICCI, ASSOCHAM and PHDCCI, and export promotion councils participated in the workshop.

Representatives from Wistron, Foxconn, Samsung, Dell, Wipro GE, Dr Reddy's, Tata Motors, Mahindra & Mahindra, Nokia Solutions, ITC, & Dabur, JSW and Reliance were present.