

## Tracking the PLI progress

---

**Manufacturing in a few sectors displays positive trends; however, only 25% of expected capex deployed as yet**

February 2024





[Click to see full report](#)

*Of the total expected capex of ~Rs. 4 trillion, ~25% had been invested as of November 2023. However, major sectors with huge capex deployment will start manufacturing from FY2025.*

*Positive trends are visible in imports and exports in sectors where manufacturing has started.*

*Government interventions might help to make the PLI scheme successful in sectors that are lagging so far.*

In FY2022, Government announced the Production-Linked Incentive (PLI) scheme in 14 sectors to boost manufacturing, increase exports, reduce imports, attract investments and technology, to make Indian manufacturers globally competitive. Sectors where manufacturing has started, have witnessed positive results in imports and exports, while some others are yet to see the benefits. ICRA has analysed the sector-specific success of the scheme.

### Capex

- Of the total expected capex of ~Rs. 4 trillion to be incurred by corporates under the PLI scheme (which is over a period of five-six years), Rs. 1 trillion had been invested as of November 2023 (around 25% of the total estimated capex).
- Some sectors may have seen higher capex deployment than others according to the stage of manufacturing; however major sectors with huge capex deployment like semiconductors, Advance Chemistry Cell (ACC) batteries, yet to start commercial production.

### Incremental Sales/Production

- Of the expected incremental sales/production<sup>#</sup> through the PLI scheme of Rs. 35-40 trillion, the current capex deployment resulted in an incremental sales of around Rs. 9 trillion (as on November 2023), which is 20-25% of the total incremental sales from the PLI scheme.

### PLI incentives disbursement

- Eight sectors (out of a total of 14), including phone/electronics, pharma, food products, received the disbursements under PLI for FY2024 till November 2023. Two additional sectors (textile and white goods) may claim PLI incentives for FY2024.

A quick policy response such as a relaxation of the performance threshold might be needed in cases where lower traction is witnessed or the pick-up is not as expected or where PLI disbursements are low.

*#For calculation of PLI incentives, incremental sales/production is calculated as sales/production over a given period minus the sales/production in the base year*



ICRA

# Analytical Contact Details

Name	Designation	Email	Contact Number
Aditi Nayar	Chief Economist and Head – Research and Outreach	<a href="mailto:aditin@icraindia.com">aditin@icraindia.com</a>	0124 - 4545 385
Madhura Nejjur	Assistant Vice-President	<a href="mailto:madhura.nejjur@icraindia.com">madhura.nejjur@icraindia.com</a>	022 - 6114 3417





ICRA

# Business Development/Media Contact Details

Name	Designation	Email	Contact Number
L Shivakumar	Chief Business Officer	<a href="mailto:shivakumar@icraindia.com">shivakumar@icraindia.com</a>	022-61693304
Neha Agarwal	Head – Research Sales	<a href="mailto:neha.agarwal@icraindia.com">neha.agarwal@icraindia.com</a>	022-61693338
Rohit Gupta	Head Business Development - Infrastructure Sector	<a href="mailto:rohitg@icraindia.com">rohitg@icraindia.com</a>	0124-4545340
Vivek Bhalla	Head Business Development - Financial Sector	<a href="mailto:vivek.bhalla@icraindia.com">vivek.bhalla@icraindia.com</a>	022-61693372
Vipin Saboo	Head Business Development – Corporate Sector - West & East	<a href="mailto:vipin.saboo@icraindia.com">vipin.saboo@icraindia.com</a>	022-61693348
Shivam Bhatia	Head Business Development – Corporate Sector - North & South	<a href="mailto:shivam.bhatia@icraindia.com">shivam.bhatia@icraindia.com</a>	0124-4545803
Naznin Prodhani	Head – Media & Communications	<a href="mailto:communications@icraindia.com">communications@icraindia.com</a>	0124-4545860





***© Copyright, 2024 ICRA Limited. All Rights Reserved.***

All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies, while publishing or otherwise disseminating other reports may have presented data, analyses and/or opinions that may be inconsistent with the data, analyses and/or opinions in this publication. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.



ICRA

**Thank You!**