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Production Linked Incentive Scheme

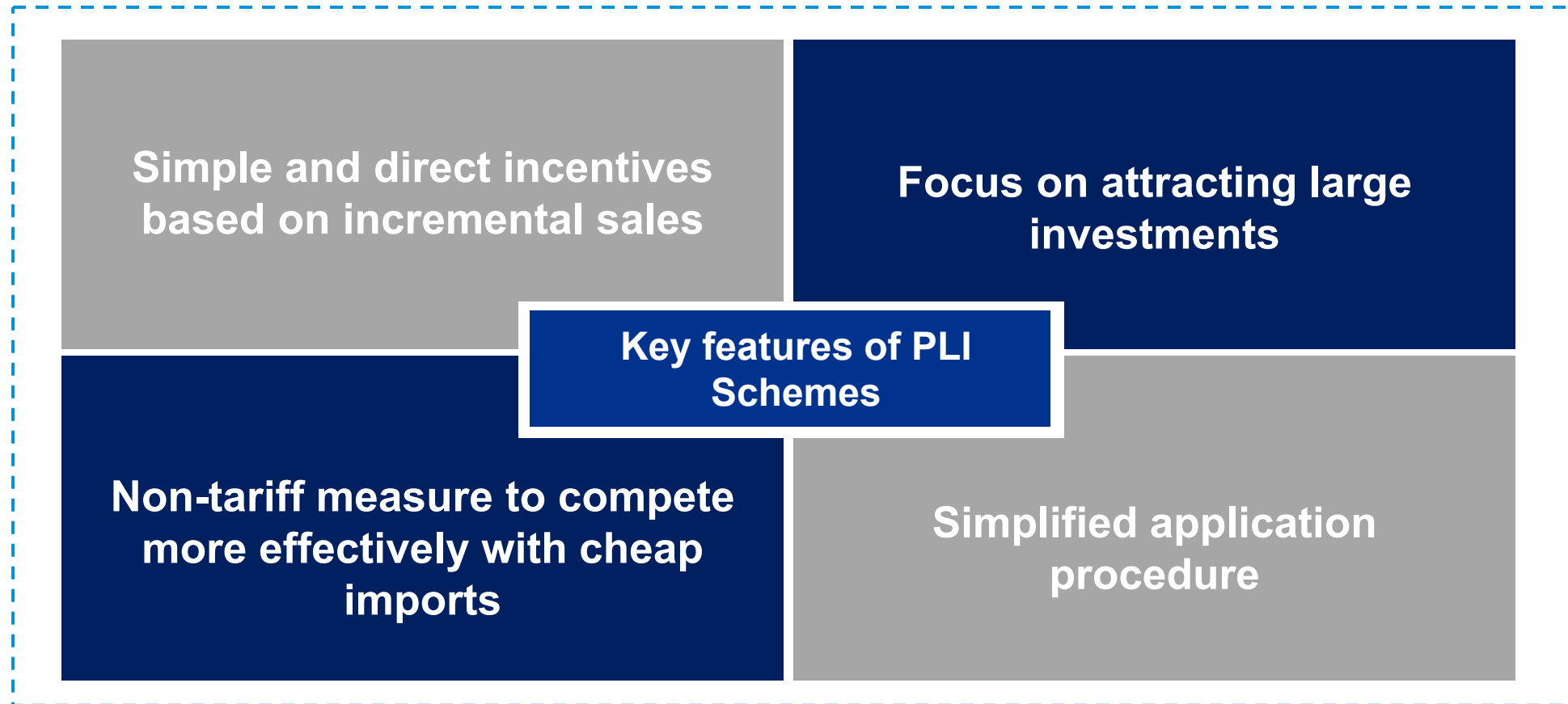
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Vision behind PLI Scheme



PLI Scheme



Objectives & Expectations

Objectives

Select few and make them torch bearers

Identify sectors and products

Unique evaluation - percentile

Empowered bureaucracy

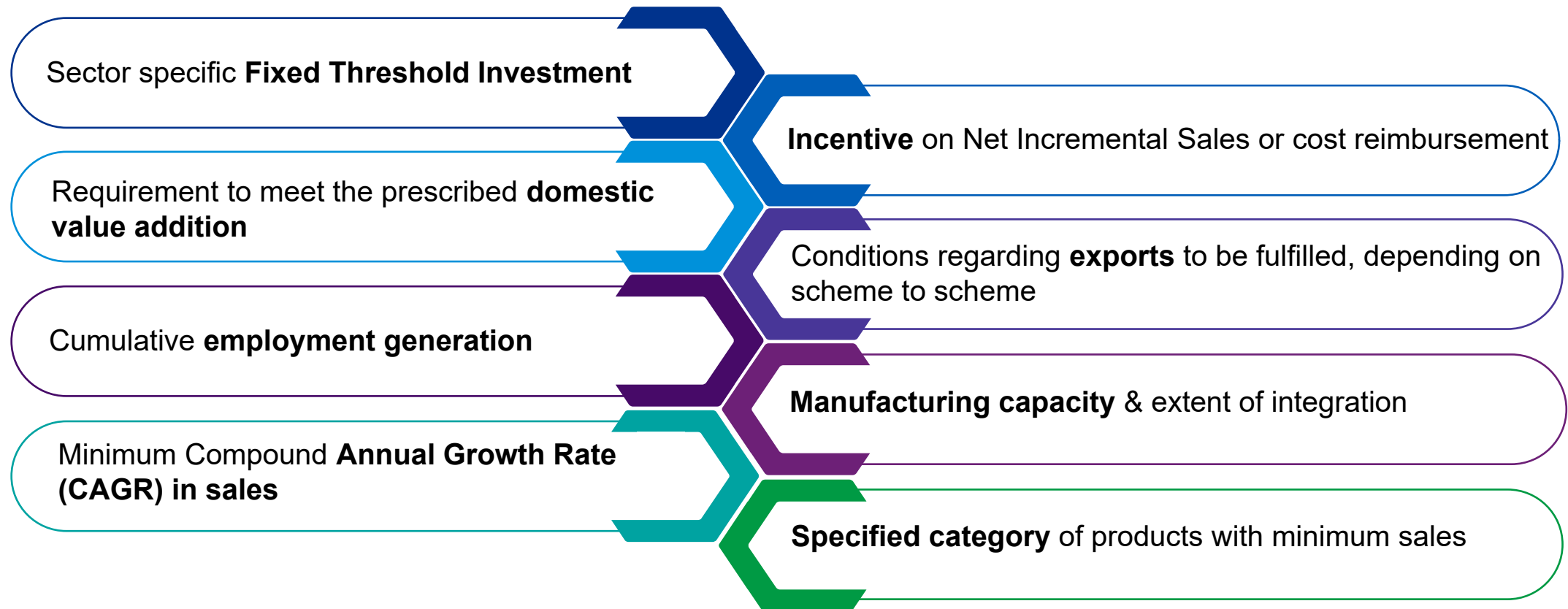
Other benefits continue



Expectations

- **Incremental turnover: ~ USD 500 bn**
- **Investment: USD 30 bn by FY25**
- **Global scale production facilities**
- **Export promotion & import substitution**
- **Align industrial development with global trends including ESG**

General parameters



** Please note, these are general parameters of a particular scheme and actual parameters vary from scheme to scheme*

Why evaluate PLI

Total identified 14 sectors

Substantial incentive
percentage

Adequate budgetary
provision



Re-engineering supply
chain

Competitor analysis –
If not me someone else

Status of PLI Schemes

Large Scale Electronics Manufacturing Closed	Food Processing Industry Closed	Manufacturing Of Medical Devices Closed	Advance Chemistry Cell (ACC) Battery Closed
Information Technology Hardware Closed	Automobiles & Auto Components Closed	Pharmaceuticals Drugs 2.0 Closed	Telecom & Networking Products Closed
Textile Products: MMF Segment and Technical Textiles Closed	Semi-conductors and display fabs Closed	Design-led manufacturing for augmenting infrastructure for 5G TBN	High Efficiency Solar PV Modules Closed*
Specialty Steel Open	Pharma 1.0 - API/KSMs/DIs Open for specified APIs	Drones and Drone Components Open	White Goods (ACs & LED) Open

* Likely to be re-opened

Open/Closed/TBN (To Be Notified)

Success of notified PLI schemes

Resounding success of PLI schemes

PLI schemes have been a huge success

Large no of applications received from various players

Significant investments committed by applicants

Augment production and raise direct employments

Selected Applicants of Key PLI schemes

- **Large Scale Electronics Manufacturing: 16 applicants selected** including **Samsung, Foxconn, Pegatron, Lava, Micromax**
- **Auto: 95 applicants selected** for OEM Champion and Component scheme including **Suzuki Motors, Mahindra, Maruti Suzuki**
- **Pharmaceuticals: 55 applicants selected** including **Sun Pharmaceutical, Dr. Reddy's Laboratories, Lupin**
- **Food: Total 143 applicants selected** including **Britannia, Haldiram, ITC, HUL, Nestle, Dabur, Parag Milk Foods**
- **IT Hardware: 14 applicants selected** including **Dell, ICT, Rising Stars, Lava, Dixon, Micromax**
- **White Goods: 42 applicants selected** including **Daikin Airconditioning, Hindalco Industries, Havells India**

Boost to Conventional and Unconventional players

Conventional Players

- » **Samsung**
- » **Maruti Suzuki India Limited**
- » **Foxconn**
- » **Dell**
- » **Britannia Industries Limited**
- » **Nestle India Limited**
- » **Cipla Limited**



Unconventional Players

- » **Axis Clean Mobility Private Limited**
- » **Booma Innovative Transport Solutions Private Limited**
- » **Elest Private Limited**
- » **Hop Electric Manufacturing Private Limited**
- » **Ola Electric Technologies Private Limited**
- » **Powerhaul Vehicle Private Limited**

Picture so far



Initial plan of the Government

- PLIs announced for **13 sectors**
- Incentive earmarked **INR 1.97 lakh crores or USD 26 bn**



Actual Plan

- Total PLI schemes announced till date: **13+1**
- Revised incentive earmarked: **INR 2.92 lakh crores or USD 38.2 bn**
- Applicants selected: **~500 across PLI schemes**
- Investment committed by applicants: **INR 3.86 lakh crores** (includes committed and expected)
- Range of incentives as a percentage of turnover: **From 1%-50%**



Future plan

- PLIs still open: **Drones, Pharma 1.0, Steel, White Goods and Solar** (additional outlay)
- Scheme yet to be announced: **Design led manufacturing for 5G**
- Sectors still to be tapped: **Aerospace, Defence, R&D, capital goods etc.**



Thoughts for the road

PLI to be looked in the context not in isolation

- Income tax rate – New manufacturing companies eligible for reduced rate of 15%
- Removal of SEZ holidays – WTO impact
- Phased manufacturing programmes – selective tariff incentives
- State incentives, sectoral schemes by Central Government

Not a one-time programme

- Budget not exhausted
- Government focus on capex in budget 2022
- Need to align sector objectives with Government objectives
- Focus not only on Centre, but also on States

Active interaction with Government is the key





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KPMG Assurance and Consulting Services LLP, Lodha Excelus, Apollo Mills Compound, NM Joshi Marg, Mahalaxmi, Mumbai - 400 011 Phone: +91 22 3989 6000, Fax: +91 22 3983 6000.

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