

Q Discuss the relevance of Production linked Incentive Scheme and its impact on Indian economy? (200 W)

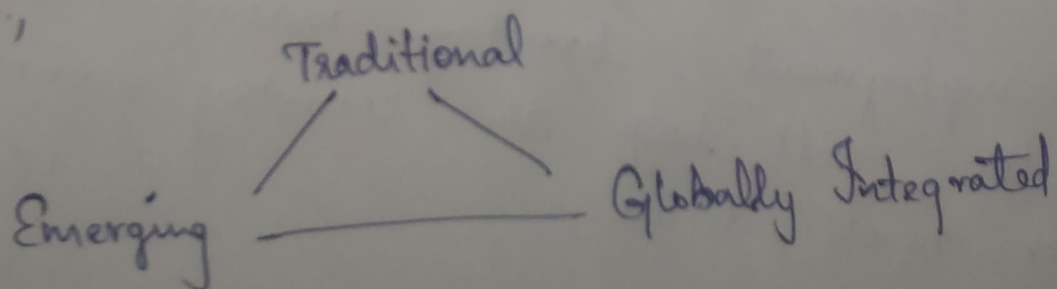
During ancient times India was a major manufacturing power house, with huge share in world trade. After colonialism it lost its status.

After Independence, with growing population and also aspiration India wants to expand its manufacturing sector with likes of LPG reforms, Make in India etc.,

To become Atmanirbar Bharat, Govt has unveiled Production linked scheme boosting manufacturing sector.

The scheme is simply giving the income tax incentives on key anchor entities on certain selected sectors who will invest in manufacturing machinery and R&D.

The sectors are identified based on employment potential, growth potential etc.,



Traditional sector list which India is still pioneer but manufacture low value goods are selected to produce high value goods, sectors like food processing and other agri based products (for rural economy)

Emerging sectors which are going to decide the fate of certain economies on 21<sup>st</sup> Century like of Electronics & Telecommunication, Renewable energy sectors with products like photovoltaic modules, electric vehicles.

Globally integrated sectors which still constitutes global market huge share like automobiles are also included to increase suppliers base thus increasing employment in working population.

This PLI Scheme is devised to give rural employment, supplier base and to utilize the working population.

Given the pandemic situation & unemployment boosting manufacturing sector will help the country economy for next decade.