GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE

LOK SABHA

UNSTARRED QUESTION NO. 1423.
TO BE ANSWERED ON TUESDAY, THE 28TH JULY, 2026.

IMPLEMENTATION OF PLI SCHEME

1423. DR. ALOK KUMAR SUMAN:

Will the Minister of **COMMERCE AND INDUSTRY** be pleased to state:
वाणिज्य एवं उद्योग मंत्री

(a) the manner in which the Production Linked Incentive (PLI) Scheme is being implemented;

(b) the policy adopted to increase exports from the country;

(c) the steps taken to promote the Micro, Small and Medium Enterprises (MSME) sector;

(d) the reforms introduced to attract foreign investment; and

(e) the details of India's industrial position in the global market?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री जितिन प्रसाद)
THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY
(SHRI JITIN PRASADA)

(a): The Production Linked Incentive (PLI) Schemes for 14 key sectors were approved with an outlay of ₹1.91 lakh crore with the objective to enhance India's manufacturing capabilities, attract investments, promote exports, generate employment and reduce import dependence. The respective Administrative Ministries/Departments are responsible for implementation of the Schemes, while the Department for Promotion of Industry and Internal Trade (DPIIT) acts as the nodal Department for overall coordination and monitoring.

As on 31.03.2026, under the PLI Schemes, 892 applications have been approved across 14 sectors, resulting in actual investment of over ₹2.40 lakh crore, production/sales of over ₹22.66 lakh crore, exports of over ₹15.2 lakh crore, employment generation of over 14.15 lakh (direct and indirect) out of which 8.4 Lakhs is Direct employment and cumulative incentive disbursement of ₹35,354 crore. The PLI Schemes have also contributed to strengthening domestic manufacturing and reducing import dependence across sectors by promoting domestic production of critical products and components, deepening local value addition and integrating Indian manufacturers with global value chains.

The sectoral impact of the Production Linked Incentive (PLI) Schemes across various sectors is as under:

- In the Large Scale Electronics Manufacturing sector, mobile phone production has increased by around 2.4 times since the launch of the Scheme. Mobile phone imports have declined by about 77%, and around 99.2% of mobile phones used in India are now manufactured domestically.
- The Pharmaceuticals sector has recorded cumulative sales of over ₹3.64 lakh crore under the Scheme. It has also enabled the domestic manufacture of 1,931 pharmaceutical products, including 191 bulk drugs manufactured in India for the first time, thereby strengthening domestic manufacturing capabilities.
- In the Bulk Drugs sector, manufacturing capacity of about 55,000 MT has been established across 26 critical Active Pharmaceutical Ingredients (APIs), significantly enhancing domestic production capacity and reducing import dependence for products such as Paracetamol, Levofloxacin and Norfloxacin.
- The PLI Scheme for Manufacturing of Medical Devices has facilitated domestic manufacturing of advanced medical equipment such as CT Scanners, MRI Systems, Cath Labs and Ultrasonography equipment. 22 applicants have commenced operations and 55 unique medical devices have been commissioned.
- In the Telecom & Networking Products sector, the Scheme has supported the development of indigenous 4G technology and domestic manufacturing capability for 5G telecom equipment, strengthening India's telecom manufacturing ecosystem.
- The PLI Scheme for White Goods has contributed to a significant expansion in domestic manufacturing. Compressor manufacturing capacity has increased from 1 million units in 2021 to 10 million units in 2025-26, while localisation of key components such as PCBAs and Cross Flow Fans has improved substantially, leading to domestic manufacturing of several critical air-conditioner components.

(b): The Government is consistently working to boost exports and expand the country’s global footprint, combining traditional strengths with emerging technology-driven sectors. Central to this ambition is the creation of a supportive ecosystem wherein, exporters, particularly MSMEs, can compete confidently in international markets. This effort is reinforced by a dynamic policy framework, strong financial incentives, a growing digital infrastructure, improved trade facilitation, and a determined push to secure deeper market access through next-generation trade agreements.

The RoDTEP scheme plays a central role by neutralizing embedded taxes on exports and enabling Indian goods to remain competitive worldwide. The recently launched Export Promotion Mission (EPM) further reinforces this effort through two targeted pillars: expanding access to affordable trade finance and upgrading quality, logistics, branding, and market-readiness across the export value chain. The Government has approved the EPM with a budgetary outlay of Rs. 25,060 crores (FY 2025–26 to FY 2030–31). It operates through Niryat Protsahan (focusing on trade finance and credit enhancement) and Niryat

Disha (focusing on export logistics, warehousing, and market access), specifically targeting MSME competitiveness.

Proactive trade diplomacy complements policy measures and expanding digital infrastructure, reinforcing the country's efforts to strengthen global market access and enhance export competitiveness. With 19 FTAs and a renewed push since 2021 wherein India has concluded or advanced eight major agreements with key partners. The India-EU FTA, a landmark pact offering access to almost the entire EU tariff universe, marks a significant step in integrating India more deeply into global value chains. The India-EFTA Trade and Economic Partnership Agreement (TEPA) is India's first FTA to include a dedicated commitment aiming to increase FDI from their investors. Trade agreements with New Zealand, Oman and UK will broaden market access, enhance services mobility, secure long-term investments, and create predictable regulatory environments for businesses. Meanwhile, ongoing negotiations with Israel, Canada, GCC nations, Chile, and Peru indicate India's determination to expand high-value trade corridors across regions.

India's export strategy reflects a decisive whole-of-government approach, moving beyond transactional support to building a resilient, competitive, and future-ready ecosystem. By combining targeted financial incentives, technology-enabled trade facilitation, institutional reforms, and proactive market-access initiatives, the focus is on embedding digital governance, expanding global reach, and strengthening exporter capabilities across sectors and regions. This integrated approach positions India not just as a participant, but as a trusted, technology-driven partner in global trade.

(c): The Government has taken a number of initiatives for promotion of MSME sector in the country. The recent initiatives for promotion of MSMEs are given below:

- New revised criteria for classification of MSMEs, based on Investment and Turnover, to widen the ambit of the MSME sector.
- "Udyam Registration" for registration of MSMEs, which is a completely online, free-of-cost and self-declaration-based portal, thus, promoting Ease of Doing Business.
- Udyam Assist Platform, for bringing Informal Micro Enterprises in the formal ambit which helped the registered IMEs to avail the benefits of Priority Sector Lending.
- Inclusion of Retail and Wholesale traders as MSMEs w.e.f. 02.07.2021.
- Non-tax benefits extended for 3 years in case of an upward change in status of MSMEs.
- Ministry of MSME has launched Samadhaan Portal for filing of grievances and monitoring of outstanding dues to the MSEs from the buyers of goods and services.
- Launching of an online Portal "CHAMPIONS" in June, 2020 to cover many aspects of e-governance including redressing grievances and handholding of MSMEs
- To support the MSME Sector, the Ministry of MSME implements various

schemes and programmes for facilitating access to credit, marketing, skilling, technology upgradation, infrastructure, etc., which inter-alia includes Prime Minister's Employment Generation Programme (PMEGP), Credit Guarantee Scheme for Micro and Small Enterprises, Micro and Small Enterprises-Cluster Development Program (MSE-CDP), Public Procurement Policy for MSEs Order, 2012, Raising and Accelerating MSME Performance (RAMP), Self Reliant India(SRI) Fund, PM-Vishwakarma Scheme, Tool Rooms & Technology Centres (TCs) etc.

(d): In recent years, India has been an attractive destination for FDI. India has embarked on a series of reforms aimed at liberalising its Foreign Direct Investment (FDI) policies, with the goal of stimulating economic growth and encouraging foreign capital inflows. To promote Foreign Direct Investment (FDI), the Government has put in place an investor friendly policy, wherein most sectors, except certain strategically important sectors, are open for 100% FDI under the automatic route. More than 90% of the FDI inflow is received under the automatic route. National Single Window System (NSWS) has also been launched as the online single point interface of the Government of India for investors to start any industry in India and take requisite permissions.

Further, to ensure that India remains an attractive and investor friendly destination, the Government reviews FDI policy on an ongoing basis and makes changes from time to time after having intensive consultations with stakeholders including apex industry chambers, Associations, representatives of industries/groups and other organizations taking into consideration their views/comments.

FDI policy provisions have been progressively liberalised and simplified across various sectors such as Pension, Other Financial Services, Asset reconstruction Companies, Broadcasting, Pharmaceuticals, Single Brand Retail Trading, Construction & Development, Power Exchanges, e-commerce activities, Coal Mining, Contract Manufacturing, Digital Media, Civil Aviation etc. In the recent past, reforms in the FDI Policy have been undertaken in sectors such as Defence, Insurance, Petroleum & Natural Gas, Telecom and Space.

The reforms introduced to attract foreign investment since 2019 are placed at **Annexure.**

(e): India has emerged as one of the world's fastest-growing industrial economies. India has steadily positioned itself as a preferred destination for global investors. Over the past decade, consistent reforms, simpler regulations, and a stable policy environment have attracted significant investments in manufacturing. Initiatives to enhance ease of doing business, coupled with targeted sectoral incentives, have reinforced India’s competitiveness as a global manufacturing hub.

Total FDI inflows into India over the last eleven years (2014–25) stood at USD 748.78 billion, up 143% compared to USD 308.38 billion received during

2003–14. India clocked USD 94.53 billion in gross FDI inflows in FY 2025–26, up by 17% year-on-year growth. Manufacturing FDI accelerated 18% to USD 19.04 billion in FY 2024-25 (from USD 16.12 billion in FY 2023–24).

India's electronics manufacturing sector has seen a sixfold rise in production and an eightfold surge in exports over the past 11 years.

India's pharmaceutical industry is a global powerhouse ranking 3rd in the world by volume and 14th in terms of value of production supplying over 50% of global vaccine demand and nearly 40% of generics to the US.

As per economic survey 2024-25, India's textile & apparel industry is among the largest industry globally, contributing around 2.3% to GDP, 13% to industrial production, and 12% to total exports.

****

ANNEXURE

ANNEXURE REFFERED TO IN REPLY TO PART (d) OF THE LOK SABHA USTARRED QUESTION NO. 1423 FOR ANSWER ON 28.07.2026

i. 2019:

a) 100% FDI under automatic route permitted for sale of coal and other coal mining activities including associated processing infrastructure like coal washery, crushing etc. Earlier, 100% FDI under automatic route was permitted in coal mining for captive consumption only.
b) In Manufacturing sector,100% FDI under automatic route allowed in contract manufacturing on Principal to Principal or Principal to Agent basis.
c) Single Brand Retail Trading (SBRT)- All procurements made from India by SBRT entity shall be counted towards local sourcing, irrespective of whether goods procured are sold in India or exported.
d) In digital media, 26% FDI has been permitted under government route for uploading/ streaming of News & Current Affairs. Earlier 49% in TV channels and 26% Print media already allowed.

ii. 2020:

a) 100% FDI permitted in Insurance Intermediaries like insurance brokers, consultants, TPAs, Surveyors and Loss Assessors etc. 49% FDI allowed for insurance companies through automatic route.
b) FDI in Air Transport Service permitted up to 100% under automatic route by NRIs. For others the cap for automatic remains at 49% under automatic route and 100% via Government route.
c) Press Note-3 - Investment only through Government Route, if investor entity belongs to any land border sharing country, or if the beneficial owner of such investment resides there or is a citizen of such country. Further, if ownership of any existing or future FDI in an entity in India is transferred so that beneficial ownership falls within this restriction then such change will also require Government approval.
d) FDI in defence sector has been allowed up to 74% through automatic route (from earlier 49%) for companies seeking new industrial licenses. FDI beyond 74% and up to 100% permitted under Government route.

iii. 2021:

a) FDI in Insurance Companies increased from 49% to 74% under the automatic route and foreign ownership and control allowed with safeguards.
b) Investment by NRI(s) on non- repatriation basis are deemed to be domestic investments at par with residents.
c) FDI up to 100% under automatic route permitted in PSUs of PNG sector, where Government has accorded an 'in-principle' approval for strategic disinvestment.
d) 100% FDI in Telecom Sector allowed under Automatic Route.

iv. 2022:

a) 20% FDI allowed in Life Insurance Corporation (LIC) under automatic route.

v. 2024:

a) Space sector has been liberalized for foreign direct investment in prescribed sub-sectors/activities.

vi. 2025:

a) Clarifications on the permissibility of issuance of bonus shares to existing non-resident shareholder(s) by Indian companies engaged in sectors prohibited for FDI.

vii. 2026:

a) Amendments to FDI policy in insurance to increase the FDI limit from 74% to 100% for companies investing its entire premium in India.
b) Amendments in guidelines on investments from countries sharing land border with India (LBCs):

- Provides for a definition and criteria for determination of Beneficial Ownership, under the Prevention of Money Laundering Rules, 2005. Investors with non-controlling LBC Ownership of up to 10 percent shall be permitted under the automatic route as per the applicable sectoral caps, entry routes, attendant conditions. Such investments shall be subject to the reporting of relevant information/details by the investee entity to DPIIT.
- Proposals for LBC investments in specified sectors/activities of manufacturing in Capital Goods Manufacturing, Electronic Capital Goods Manufacturing, Electronic Component Manufacturing, Polysilicon (and Ingot-) Wafers, Advanced Battery Components, Rare Earth Permanent Magnets, Rare Earth Processing shall be processed and decided within 60 days. In these cases, the majority shareholding and control of the Investee entity will be with resident Indian citizen(s) and/or resident Indian entity(ies) owned and controlled by resident Indian citizen(s), at all times.

c) Press Note 3 of 2026 dated 23.07.2026 has been notified by DPIIT and the extant FDI Policy on e-commerce has been revised in order to facilitate greater exports through easier and increased access of global markets by Indian sellers, and it is decided that the restrictions on inventory-based model of e-commerce shall not apply in case of exports of domestically manufactured and/or produced goods/products.

****