



Cabinet

Union Cabinet approves Production Linked Incentive (PLI) Scheme for White Goods (Air Conditioners and LED Lights)

Incentives worth Rs. 6,238 Crore to be provided over five years for manufacturing of these products in India

Production Worth Rs. 1.68 Lakh Crore and Exports Worth Rs. 64,400 Crore Estimated in Five Years

Will help facilitate additional investments of Rs. 7,920 Crore, Generate Direct and indirect Revenues of - Rs. 49,300 Crore and create four Lakh Jobs in Five Years

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Taking another important step towards the vision of 'Atmanirbhar Bharat', the Union Cabinet, chaired by the Prime Minister, Shri Narendra Modi, approved the Production Linked Incentive (PLI) Scheme for White Goods (Air Conditioners and LED Lights) with a budgetary outlay of Rs. 6,238 crore.

The prime objective of the PLI scheme is to make manufacturing in India globally competitive by removing sectoral disabilities, creating economies of scale and ensuring efficiencies. It is designed to create complete component ecosystem in India and make India an integral part of the global supply chains. The scheme is expected to attract global investments, generate large scale employment opportunities and enhance exports substantially.

The PLI Scheme for White Goods shall extend an incentive of 4% to 6% on incremental sales of goods manufactured in India for a period of five years to companies engaged in manufacturing of Air Conditioners and LED Lights. Different segments have been earmarked for different types of components separately to specifically target global investments into desired areas. Selection of



companies for the Scheme shall be done so as to incentivize manufacturing of components or sub-assemblies which are not manufactured in India presently with sufficient capacity. Mere assembly of finished goods shall not be incentivized.

Companies meeting the pre-qualification criteria for different target segments will be eligible to participate in the Scheme. Incentives shall be open to companies making brown field or green field Investments. Thresholds of cumulative incremental investment and incremental sales of manufactured goods over the base year would have to be met for claiming incentives.

An entity availing benefits under any other PLI Scheme of Govt. India will not be eligible under this scheme for the same products but the entity may take benefits under other applicable schemes of Govt. of India or schemes of State governments. The Scheme will be implemented as a pan India scheme and is not specific to any location, area or segment of population. A number of global and domestic companies, including a number of MSMEs are likely to benefit from the Scheme.

The Scheme is expected to be instrumental in achieving growth rates that are much higher than existing ones for AC and LED industries, develop complete component eco-systems in India and create global champions manufacturing in India. They will have to meet the compulsory BIS and BEE Quality standards for sales into domestic market and applicable standards for global markets. It will also lead to investments in innovation and research and development and upgradation of technology.

It is estimated that over the period of five years, the PLI Scheme will lead to incremental investment of Rs. 7,920 Crore, incremental Production worth Rs. 1,68,000 Crore, exports worth Rs 64,400 Crore, earn direct and indirect revenues of Rs 49,300 crore and create additional four lakh direct and indirect employment opportunities.

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