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Ministry of Commerce & Industry



38 companies apply for PLI Scheme for White Goods (ACs and LED Lights) in the 3rd Round of Application Window

Major global and domestic companies commit investments worth Rs 4,121 Crore.

43% of the new applicants are in the MSME sector

Posted On: 14 OCT 2024 5:50PM by PIB Delhi

The 3rd Round of on-line application window for PLI Scheme for White Goods (Air Conditioners and LED lights) has attracted 38 responses with a net committed investment of Rs 4121 crore ended on 12th October 2024 after being open for 90 days from 15th July, 2024. 43% of the new applicants are in the MSME sector which shows the confidence among MSMEs to become part of the value chain of manufacturing of components of ACs and LED Lights. The PLI scheme was launched by the Department for Promotion of Industry and Internal Trade(DPIIT).

The applicants include 8 existing beneficiaries of the Production Linked Incentive Scheme for White Goods (PLIWG) committing net incremental investment of Rs 1,285 crore. 30 new applicants have committed investment of Rs 2,836 crore proposing to manufacture varieties of critical components of

ACs and LED Lights across India. Investments have been proposed across India spanning in 13 States including Jammu & Kashmir and Odisha and 49 new locations. Altogether, investments will be spread across 54 Districts in 18 States, at 174 locations. Manufacturing clusters are coming up at Noida-Greater Noida in UP, Neemrana and Bhiwari in Rajasthan, Aurangabad-Pune in Maharashtra, Sanad, Gujarat and Sri City in Andhra Pradesh. 6 AC manufacturers and 12 component manufacturers are in Sri City, Andhra Pradesh, also nicknamed as the Cooling City. The Scheme has a healthy mix of multinational and domestic Companies. Five additional Foreign Companies are investing Rs 245 Crore apart from 15 existing companies investing Rs 2,287 Crore

Altogether, the scheme is expected to bring in investment in the component manufacturing ecosystem of ACs and LED Lights industry to the tune of Rs 11,083 crore. and generate approx. 80,486 direct employment. The Scheme is expected to lead to total production of components of ACs and LEDs in India of about Rs 1,81,975 crore.

As regards to bifurcation between two segments of PLIWG Scheme i.e. ACs and LED Lights, 21 applicants have applied for manufacturing components of ACs with a committed investment of Rs 3,679 crore and 18 applicants for components of LED Lights with a committed investment of Rs 442 crore. In ACs segment, several investments have been proposed to manufacture High value intermediates of ACs i.e. Copper Tubes (Plain / Grooved), Aluminium Stock for Foils or Fins for heat exchangers and Compressors which account for almost 50% of Bill of material (BoM) for room Air conditioners. In addition to that applicants have proposed to manufacture control assemblies for IDU or ODU, Heat Exchangers, motors, and Sheet metal components and plastic moulded goods etc. Similarly, LED Lights, LED Chip packaging, LED Drivers, Heat Sinks, LED Engines, and LED Light Management Systems etc. will be manufactured in India. Applications have been filed for production of components which are not manufactured in India presently with sufficient capacity.

Several applicants are vendors for large manufacturers such as Daikin, Voltas, Blue Star and LG Electronics in the ACs sector. Similarly, several applicants are suppliers of LED components for large LED Lights manufacturers like Surya, Orient, Crompton Greaves, Signify and Halonix etc.

The overwhelming response from the Industry to participate under the PLIWG Scheme is also attributed to several factors namely:

- continuous interactions with the Industry through one-to-one meetings,
- physical meetings with vendors at Sri City,
- connect with the selected Ambassadors of India in foreign countries and
- weekly meeting with PLI beneficiary jointly organised by DPIIT and Project management Agency of the Scheme M/s IFCI Ltd.

The application window for the PLI Scheme for White Goods was reopened based on the appetite of the Industry to invest more under the Scheme, which is an outcome of the growing market and confidence generated due to manufacturing of key components of ACs and LED Lights in India under the PLIWG Scheme. The application window was opened on the same terms & conditions stipulated in PLIWG Scheme notified on 16.04.2021 and PLIWG Scheme Guidelines issued on 04.06.2021, as amended from time to time. In order to avoid any discrimination, both new applicants

as well as existing beneficiaries of PLIWG who propose to invest more by way of switching over to higher target segment or their group companies applying under different target segment were eligible to apply subject to fulfilling the eligibility conditions as mentioned in the Para 5.6 of the Scheme Guidelines and adhering to investment schedule as mentioned in the Scheme Guidelines.

In terms of Para 6.4 of the PLIWG Scheme and Para 9.2 of the Scheme Guidelines, applicants shall only be eligible for incentives for the remainder of the Scheme's tenure. The applicant approved in the proposed third round would be eligible for PLI for maximum three years only in the case of new applicants and existing beneficiaries opting for investment period upto March 2023 seeking to move to higher investment category. For existing beneficiaries opting for investment period upto March 2022 seeking to move to higher investment category in the proposed third round would be eligible for PLI for maximum two years only. Existing beneficiaries opting for the above, in case they are not able to achieve the threshold investment or sales in a given year will be eligible for submitting the claims as per their original investment plan. However, this flexibility will be provided only once during the Scheme period.

The Union Cabinet chaired by Prime Minister, Shri Narendra Modi had given approval to the Production-Linked Incentive (PLI) Scheme for White Goods (Air Conditioners and LED lights) to be implemented over FY 2021-22 to FY 2028-29 with an outlay of Rs 6238 Crore on 7th April 2021. The Scheme was notified by DPIIT on 16.04.2021. The Scheme Guidelines were published on 4th June 2021. The PLI Scheme on White Goods is designed to create a complete component ecosystem for Air Conditioners and LED Lights Industry in India and make India an integral part of the global supply chains. Domestic Value Addition is expected to grow from the initial level of 15-20% to 75-80%.

So far, 66 applicants with committed investment of Rs 6,962 crore have been selected as beneficiaries under the PLI scheme. For manufacturing components of Air conditioners (ACs) companies like Daikin, Voltas, Hindalco, Amber, Pg Technoplast, Epack, Mettube, Lg, Blue Star, Johnson Hitachi, Panasonic, Haier, Midea, Havells, Ifb, Nidec, Lucas, Swaminathan, And Triton Valves etc. have invested. Similarly, in manufacturing components of LED lights, companies like Dixon, R K Lighting, Radhika Opto, Surya, Orient, Signify, Crompton Greaves, Stove Kraft, Cosmo Films, Halonix, Chenfeng, Fulham, Adsun, Inventronix And Luker etc. have invested. These investments will lead to manufacturing of components of Air Conditioners and LED Lights across the complete value chain including components which are not manufactured in India presently with sufficient quantity.

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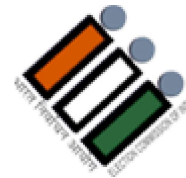
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Last Updated On: 22 Oct 2024 17:28:00 PM