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Department for Promotion of Industry & Internal Trade

Ministry of Commerce & Industry

Press Note

26 April, 2022

Nineteen companies file applications for PLI Scheme for White Goods (ACs and LED Lights) in the 2nd Round of Applications

Major Global and Domestic Companies Commit Investments of Rs 1,548 Crore.

Production worth Rs 26,880 crore of components expected over next 5 years.

Domestic Value Addition to grow from the current 15-20% to 75-80%

Major boost to AtmaNirbhar Bharat

The Prime Minister's clarion call for 'Atmanirbhar Bharat' has brought manufacturing at the center stage and emphasized its significance in driving India's growth and creating jobs. Accordingly, on 11.11.2020, the Union Cabinet chaired by Hon'ble Prime Minister had given approval to introduce the Production-Linked Incentive (PLI) Scheme for the 10 key sectors with total outlay of Rs 1,45,980 Crore for enhancing India's manufacturing capabilities and enhancing exports. These 10 sectors are in addition to the 3 sectors for which PLI schemes have been approved by the Cabinet in April 2020 for mobile manufacturing and specified electronic components, critical key drug intermediaries and APIs, and manufacturing of medical devices. White Goods (Air Conditioner and LED lights) sectors is one of the 10 key sectors with an outlay of ₹ 6,238 Crore.

The Union Cabinet chaired by Hon'ble Prime Minister 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 complete component ecosystem for Air Conditioners and LED Lights Industry in India and make India an integral part of the global supply chains. The Scheme extends an incentive of 6% to 4% on reducing basis on incremental sales for a period of five (5) years subsequent to the base year and one year of gestation period. Domestic Value Addition is expected to grow from the current 15-20% to 75-80%.

Initially, online applications were received from 15th June 2021 till 15th September 2021. Total 52 companies had filed their application. After evaluation of all the applications, 42 applicants with committed investment of Rs 4,614 crore were selected as beneficiaries under the PLI scheme.

Additional applications were invited under Clause 9.2 of the Scheme Guidelines for investments. The on-line application window for the Second round of applications was open for the period from the 10th March to 25th April, 2022.

In this period 19 companies have filed their applications with committed investments of Rs 1,548 crore. This includes 8 companies for AC components and 11 companies for LED Lights. Over the next 5 years, these 19 companies are expected to achieve production of about Rs 26,880 crore of components of ACs and LED Lights and generate direct employment of 5,522 persons.

Several companies like LG Electronics, Mitsubishi Electric, Adani Copper Tubes, Jindal Poly films, Crompton Greaves, Wipro, Zeco Aircon, Starion India and Swaminathan Enterprises are among companies which have applied for manufacturing components of Air conditioners and LED Lights.

Applications have been filed for production of components which are not manufactured in India presently with sufficient capacity. For Air Conditioners, companies will be manufacturing copper tubing, compressors, control assemblies for IDU or ODU, Heat Exchangers and BLDC motors among other components. Similarly, for LED Lights, LED Chip packaging, LED Drivers, LED Engines, LED Light Management Systems and Metallized films for capacitors etc. will be manufactured in India.

Altogether, the scheme will bring investment in component manufacturing ecosystem of ACs and LED Lights industry to the tune of Rs 7,074 crore and generate approx. 2 lakh direct and indirect employment opportunities. The Scheme is expected to lead to total production of components of ACs and LEDs in India of about Rs 1,07,134 crore.
