

Govt to reopen white goods PLI application window till April 25

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The government on Monday said it will reopen the application window for the Rs 6,238-crore production-linked incentive (PLI) scheme for air-conditioners (ACs) and LED bulbs, acceding to industry requests.

The move will benefit those who missed out on the opportunity in the first instance, and also those players like Daikin who have been selected under the scheme and want to step up investments beyond the already-committed levels.

The PLI scheme was first notified on April 16, 2021, and its guidelines were published on June 4. Interested investors had time up to September 15 last year to apply for the scheme. Now, the application window for the scheme will remain open from March 10 to April 25. "No application shall be accepted after the closure of the application window," the Department for the Promotion of Industry and Internal Trade (DPIIT) said.

FE was the first to report on March 3 about the government's plan to re-open the scheme.

Within the proposed budgetary outlay for the scheme, there was scope to incentivise more investments than what have been pledged by the 42 companies already selected by the DPIIT, according to Anil Agarwal, additional secretary in the DPIIT.

Last week, Daikin India managing director and chief executive Kanwal Jeet Jawa said his company was willing to invest Rs 500 crore over and above its current PLI commitments. The company has already pledged to invest Rs 580 crore and is setting up a unit over 75 acres in Sri City in Andhra Pradesh, he had added.

Similarly, Manish Sharma, chief executive at Panasonic India, had said his company was "currently evaluating the situation".

The government had, in November 2021, selected 42 companies — including Daikin, Hitachi, Panasonic, Voltas, [Blue Star](#), Mettube, Dixon and Havells — that had committed investments of Rs 4,614 crore to avail of incentives under the PLI scheme. Six other applicants proposing foreign direct investment (FDI) were asked to seek the necessary approval and one of them has just received it.

Of the selected candidates, 26 companies have pledged investments of 3,898 crore in component manufacturing for ACs, while 16 will invest 716 crore in making LED parts.

The incentives will flow in from the next fiscal at 6% (if the investments start from FY22) and will be trimmed to 5% by FY25 and then to 4% in FY27.

The scheme is expected to raise the level of domestic value addition in these segments from the current 15-20% to 75-80%. The selected companies will produce components of ACs and LED bulbs that are not usually manufactured in India now. The total incentives of ` 6,238 crore are proposed to be extended over five years.