

38 more firms show interest in white goods PLI

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In the first two rounds, 66 applicants with committed investment of Rs 6,962 crore were selected. (Image/Reuters)

The government has received 38 applications committing investment of Rs 4,121 crore for manufacturing components of air conditioners, and LEDs in the third round of application under the production linked incentive (PLI) scheme for white goods, a senior official said on Monday.

"Of the total, 21 applications have come from manufacturers of AC components with an investment commitment of Rs 3,679 crore and 17 applications have come from makers of LED components involving investment of Rs 442 crore," joint secretary in the department for promotion of industry and internal trade Sanjiv Singh said.

Around 43% of the applicants in the third round are micro small and medium enterprises. The better known names on the list are LG, [Hindalco](#), Voltas, RR Cables.

The window for applying for setting up manufacturing units under the PLI Scheme for White Goods was opened for the third time on July 15 and closed on October 12.

The first round of applications were invited in 2021 and second round in 2022. The scheme itself was notified in 2021 with a total outlay of Rs 6,238 crore to provide 4% to 6% of the incremental production value as incentive. The scheme will run for seven years till 2028-29. Even for those selected in the third round will get benefits till FY29.

In the first two rounds, 66 applicants with committed investment of Rs 6,962 crore were selected. Till August they have invested Rs 3,259 crore in setting up facilities and achieved sales of Rs 14,911 crore. One-third of total investments in the first two rounds have been committed by multinationals.

In the first two rounds companies like Daikin, Voltas, Hindalco, [Blue Star](#), Hitachi, LG, Panasonic, Haier, Havells, IFB and Lucas are among the selected applicants. Within LED lights component manufacturing Dixon, Surya, Orient, Crompton Greaves and Halonix are among the companies that are setting up manufacturing units.

Some units have already started production and in 2023-24, Rs 65 crore was given as incentives for production achieved in 2022-23. As production is expected to pick up as more units become operational, Rs 298 crore has been set aside for incentives to the PLI companies in the white goods sector. In each round of incentive outgo is expected to be around Rs 2,000 crore.

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With the PLI, the domestic value addition in air conditioners has gone up to 50% from 25% earlier and by the end of the scheme period this figure will touch 75-80%, the official said.

Before the PLI rollout there was no manufacturing base for making compressors and now 8 million compressors are being made in [India](#) annually. All key components for ACs are being made in India now, he said.

Five clusters of white goods have emerged across India- Sanad in Gujarat, Noida/Greater Noida in Uttar Pradesh, Neemrana/Bhiwadi in Rajasthan, Aurangabad in Maharashtra and Sri City in Andhra Pradesh. Sri City is the biggest of them all.