

Cabinet approves Rs 6,238 crore PLI scheme for AC, LED lights

By TIOL News Service

NEW DELHI, APR 07, 2021: The Cabinet on Wednesday approved the Production Linked Incentive (PLI) scheme for white goods such as air conditioner and LED light, with an 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," said the press release.

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 4-6 per cent on incremental sales to domestic manufacturers. Different segments have been earmarked for different types of components separately to specifically target global investments into desired areas.

The 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.

The Scheme is expected to be instrumental in achieving growth rates that are much higher than existing ones for the AC and LED industries, develop complete component eco-systems in India and create global champions manufacturing in India.

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 lakh crore, exports worth Rs. 64,400 crore, earn direct and indirect revenues of Rs. 49,300 crore and create 4 lakh direct and indirect employment opportunities.