# Consumer Durables

## White Goods PLI application window reopened for a month

Shalin Choksy
shalin.choksy@jmfl.com | Tel: (91 22) 66303380
Jignesh Thakur
jignesh.thakur@jmfl.com | Tel: (91 22) 66303514

The Ministry of Commerce and Industry has reopened the application window for the PLI Scheme for White Goods (ACs and LED lights) for a period of 30 days starting 15th Sep'25. Under this extension, both existing and new applicants are allowed to apply for the PLI. Applicants approved under the current round are eligible to receive PLI benefits for 1 year or 2 years based on the investment category they fall in.

- **Reopening of window:** The government has reopened the application window for the PLI Scheme for White Goods (ACs and LED lights) for 30 days starting 15th Sep'25. According to the ministry, both new applicants as well as existing beneficiaries of the PLI scheme are eligible to apply for the new reopened window. The objective of reopening of the scheme is based on the high demand as well as the high appetite of the industry to invest more under the scheme and increase manufacturing and sub-assembly capabilities.

- **Diving deep into the scheme (Refer Exhibit 2):** Applicants approved in the current round (that has now opened) will be eligible to receive PLI benefits for a maximum of 2 years if they are new applicants or existing beneficiaries under GP-2 (valid up to Mar'23) who want to move to a higher investment category. On the other hand, beneficiaries under GP-1 (valid up to Mar'22) who want to move to a higher investment category will be eligible for PLI benefits for 1 year. If existing beneficiaries cannot meet the required investment or sales targets in any year, they can claim benefits based on their original investment plan.

- **What this means?** Companies who want to scale up under PLI (i.e., invest more, manufacture more) now get a quicker route but with limited duration of incentive (1-2 years depending on their previous category) rather than full scheme duration. But if they don't manage to hit the higher target, they are not fully penalised; they can still claim incentives under their older commitments. This reduces the risk for businesses trying to upgrade. But since the "upgrade flexibility" is allowed only once, the decision to move categories is strategic; beneficiaries will want to ensure they can meet higher thresholds or knowingly plan for a fallback.

- **Scheme specifics:** The White Goods PLI was approved in Apr'21 with an expected investment outlay of INR 62.4bn over FY21-22 to FY28-29. Till now, 83 applicants with committed investment of INR 104bn have been selected as beneficiaries under the scheme.

## Exhibit 1.White Goods PLI Scheme for AC and AC components (INR mn)

| Particulars | Segment | Year | PLI (%) | Minimum Cumulative Incremental Investment | Minimum Incremental Sales | Minimum PLI | Minimum Cumulative Incremental Investment | Minimum Incremental Sales | Minimum PLI |
|---|---|---|---|---|---|---|---|---|---|
| | | | | LARGE INVESTMENT | | | NORMAL INVESTMENT | | |
| 1 | ACs (Components) | 2021-22 | | 1,500 | - | - | 500 | - | - |
| | | 2022-23 | 6% | 3,000 | 7,500 | - | 1,000 | 2,500 | - |
| | | 2023-24 | 6% | 4,000 | 15,000 | 450 | 1,500 | 5,000 | 150 |
| | | 2024-25 | 5% | 5,000 | 20,000 | 900 | 2,250 | 7,500 | 300 |
| | | 2025-26 | 5% | 6,000 | 25,000 | 1,000 | 3,000 | 11,250 | 380 |
| | | 2026-27 | 4% | - | 30,000 | 1,250 | - | 15,000 | 560 |
| | | 2027-28 | | - | - | 1,200 | - | - | 600 |
| | | Total | | 6,000 | 97,500 | 4,800 | 3,000 | 41,250 | 1,990 |
| 2 | High Value intermediates of ACs | 2021-22 | | 500 | - | - | 500 | - | - |
| | | 2022-23 | 6% | 1,250 | 2,500 | - | 1,000 | 2,500 | - |
| | | 2023-24 | 6% | 2,000 | 6,250 | 150 | 1,500 | 5,000 | 150 |
| | | 2024-25 | 5% | 3,000 | 10,000 | 380 | 2,000 | 7,500 | 300 |
| | | 2025-26 | 5% | 4,000 | 15,000 | 500 | 2,500 | 10,000 | 380 |
| | | 2026-27 | 4% | - | 20,000 | 750 | - | 12,500 | 500 |
| | | 2027-28 | | - | - | 800 | - | - | 500 |
| | | Total | | 4,000 | 53,750 | 2,580 | 2,500 | 37,500 | 1,830 |
| 3 | Lower value intermediates of ACs | 2021-22 | | 200 | - | - | 100 | - | - |
| | | 2022-23 | 6% | 400 | 1,000 | - | 200 | 500 | - |
| | | 2023-24 | 6% | 600 | 2,000 | 60 | 300 | 1,000 | 30 |
| | | 2024-25 | 5% | 800 | 3,000 | 120 | 400 | 1,500 | 60 |
| | | 2025-26 | 5% | 1,000 | 4,000 | 150 | 500 | 2,000 | 80 |
| | | 2026-27 | 4% | - | 5,000 | 200 | - | 2,500 | 100 |
| | | 2027-28 | | - | - | 200 | - | - | 100 |
| | | Total | | 1,000 | 15,000 | 730 | 500 | 7,500 | 370 |

Source: PIB, JM Financial

## Exhibit 2.Specifics of the scheme

| Group | What they are | What benefit / flexibility they get now (in the fourth round) |
|---|---|---|
| New applicants AND existing beneficiaries under GP-2 (i.e. those whose investment or sales threshold was valid up to March 2023) who wish to move to a higher investment category | These are people who are already under the scheme (or are applying now) and want to shift into a higher investment bracket (i.e. commit more investment or produce more, etc.) | If approved in this fourth round, they get PLI (the incentive) for up to 2 years under the scheme (instead of full remaining period) |
| Beneficiaries under GP-1 (i.e. those whose threshold was up to March 2022) who want to move to a higher investment category | These are older beneficiaries (with earlier thresholds) wanting to upgrade | If approved now, they get PLI for only one year under the scheme |
| Existing beneficiaries who cannot meet the required threshold (investment or sales) in a given year but had committed to moving to a higher category | If they fail to meet the new higher threshold in a year, they can still submit claims as per their original investment plan (i.e. fallback to what they had committed earlier) | |

Source: Industry, JM Financial

# APPENDIX I

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Member of BSE Ltd. and National Stock Exchange of India Ltd.
SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610
Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.
Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: jmfinancial.research@jmfl.com | www.jmfl.com
Compliance Officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1743 | Email: sahil.salastekar@jmfl.com
Grievance officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1743 | Email: instcompliance@jmfl.com

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|---|---|
| Rating | Meaning |
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| Hold | Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months. |
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* REITs refers to Real Estate Investment Trusts.

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