

# Cabinet okays PLI scheme for solar, white goods units

Budgetary outlay of ₹6,238 crore for white goods incentives and ₹4,500 crore for solar

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**ENS ECONOMIC BUREAU @ New Delhi**

THE Union Cabinet on Wednesday approved a production linked incentive (PLI) scheme for white goods and solar PV module manufacturing plants, with a budgetary outlay of ₹6,238 crore and ₹4,500 crore respectively.

"The PLI scheme for white goods shall extend an incentive of 4 per cent to 6 per cent on incremental sales of goods manufactured in India for a period of five years to companies engaged in manufacturing of Air Conditioners and LED Lights," an official statement said.

Announcing the scheme, Commerce and Industry Minister Piyush Goyal said it is estimated that over five years, the scheme will lead to an incremental investment of ₹7,920 crore, incremental production worth ₹1,88,000 crore, exports worth ₹64,400 crore, earn direct and indirect revenues of ₹49,300 crore and create additional four lakh direct and indirect employment opportunities.

The selection of companies eligible for the scheme will be done based on products which are not manufactured in India presently with sufficient capacity. Just assembly of finished goods, the Centre says, will not be incentivised.

"Companies meeting the pre-qualification criteria for different target segments will be eligible to participate in the



SHEKHAR YADAV

scheme. Incentives shall be open to companies making brownfield or greenfield investments," it said, adding that manufacturers have to meet the compulsory BIS (Bureau of Indian Standards) norms in order to sell in the domestic market and maintain applicable standards for global markets.

According to Goyal, the scheme would help in increasing value addition from 25 per cent to 75 per cent in the AC segment and 40-45 per cent in LED lights. The Union Cabinet also approved a similar scheme with an outlay of ₹4,500 crore to add 10,000 MW of capacity for integrated solar PV modules. The scheme will bring direct investment of around ₹17,200 crore in the solar PV manufacturing sector and is likely to create direct employment of around 30,000 and indirect employment of 1.2 lakh.

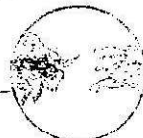
## TODAY'S STOCK PICK

Current Price

₹1,403.9

Target Price

₹1,625



L&T

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L&T's consolidated adjusted PAT grew 5% YoY to INR22.6b, 42% above our expectation. Order inflows remained robust with 76% YoY growth during 3QFY21, thanks to large orders like the High Speed Rail. Strong order inflows makes up for minor miss on core E&C performance. L&T has rightly prioritized Balance Sheet strength over growth during the current crisis.

— Motilal Oswal Securities Limited