



Aug 25, 2025

**Good morning my Dear Friend**

We are happy to share our **weekly** research paper being **published on Monday**

**161** FAQs on Production Link Incentive (**PLI**) Scheme for Make in India (**MII**) initiative

This research paper is **relevant**

**For**

**Knowing** about Production Link Incentive (**PLI**) Scheme for Make in India (**MII**) initiative **through** our **21** pilot **points**

## **1. Introduction of MII initiative**

- (i) MII **is** initiative taken **by** Government of India (**Govt.**) to create **and to encourage** companies **for** developing, **manufacturing and also** assembling products **in** India **"all"**.
- (ii) MII **is** to incentivize **for** **"dedicated"** investments **in** manufacturing.
- (iii) MII **is** to create **"conducive"** environment **for** investments **and** to develop modern **efficient** infrastructures **and also** to open **"new"** sectors **"all"** **for** foreign capitals.
- (iv) MII **was** unsuccessful to achieve **its** targets **i.e. 25%** GDP's shares **in** manufacturing **for** period ended **on Dec 31, 2022** where **"actually"** achieved **from 16.7% in 2013-2014 to 15.9% in 2023-2024**

## **2. Govt. of India's role for MII Initiative**

- (i) MII **is** announced **in 2014** with **3** objectives **like:**
  - (a) **For** increasing **"manufacturing"** growth rate **from 12% to 14%** **"per"** annum
  - (b) **For** creating **100** million **"additional"** manufacturing jobs **in** India **for** period ended **on Dec 31, 2022**
  - (c) **For** ensuring **"manufacturing"** sector's contribution **to GDP to 25%** **for** period ended **on Dec 31, 2022**

- (ii) Govt. *has* made *investment* commitments **for INR 16.40** lac crore where investment inquiries *were* received **for INR 1.5** lakh crore **from Sep. 2014 to Feb. 2016**
- (iii) Govt. *has* permitted **100%** Foreign Direct Investments (**FDIs**) in “most” sectors **except** space *industry*, defense *industry* and also media “all”
- (iv) Japan and India *have* announced budget of **USD 12** billion **for pushing** investments **in** India *under* Japan-India *Make-in-India* Special Finance Facility

### **3. India's roles for ease of doing business**

- (i) Govt. *has* appointed United Nations Development Program (**UNDP**) and National Productivity Council (**NPC**) “both” **for** sensitizing “actual” users and also getting feedback **on** several “reform” measures.
- (ii) State govts. *have* created competitions *among* themselves **for** improving their current ranking **on** ease of doing business index **on** completions percentage scores based **on 98**-point action plan **for** business reforms.

### **4. Companies' roles for Zero Defect Zero Effect**

- Prime Minister Narendra Modi has given “Zero Defect Zero Effect” slogan to guide *MII* initiative **for** producing products **with no** defects **with no** adverse *environmental* and also ecological effects “both”

### **5. Production Linked Incentive (PLI) Scheme**

- (i) Govt.'s *PLI* Scheme *is* performance “linked” incentives *scheme* available **for** companies *based on* their “incremental” sales and also “incremental” investments “both” **from** products *manufactured in* India
- (ii) *PLI* Scheme *is* introduced **for** boosting manufacturing sectors and also to reduce imports “both”
- (iii) *PLI* Scheme *is* encouraging “foreign and Indian” manufacturers **for** manufacturing products *in* India and also to exports **outside** India
- (iv) Govt. *has* allocated INR **1.97** crore *under* *PLI* Scheme **for 14** sectors like:



- (a) Large-Scale Mobile *and also* **specified** electronics manufacturing “both”
- (b) Large-Scale Critical Key Starting Materials, Drug **Intermediaries** *and also* **Active** Pharmaceutical Ingredients manufacturing “all”
- (c) Large-Scale Medical devices manufacturing
- (d) Large-Scale Automobiles *and also* auto components manufacturing “both”
- (e) Large-Scale Pharmaceuticals Drugs manufacturing
- (f) Large-Scale Specialty Steel manufacturing
- (g) Large-Scale Telecom *and also* Networking products manufacturing “both”
- (h) Large-Scale Electronic *and* Technology products manufacturing “both”
- (i) Large-Scale White Goods i.e. **ACs** *and also* **LEDs** manufacturing “both”
- (j) Large-Scale Food Products manufacturing
- (k) Large-Scale Textile Products i.e. **MMF** segment *and also* **technical** textiles manufacturing “both”
- (l) Large-Scale High efficiency solar PV modules manufacturing
- (m) Large-Scale Advanced Chemistry Cell (**ACC**) Battery manufacturing
- (n) Large-Scale Drones *and also* Drone Components manufacturing “both”

## 6. Introduction of Atmanirbhar Bharat Abhiyan (ABA)

- (i) ABA is translated **as** Self-Reliant **India** associated **with** Prime Minister Narender Modi **for** promoting “economic” self-sufficiency *and also* “national” development “both”.
- (ii) ABA is umbrella **for** **India’s** vision to become *more* efficient, competitive *and* resilient **for** expanding its role **in** “global” economy **by** transforming “India” **into** “global” supply chain hub.
- (iii) Prime Minister Narender Modi had referenced English term “self-reliance” **in** early 2014 **in** discussion **for** national security, poverty, alleviation *and* digital India initiatives “all”.

- (iv) Hindi phrase **ABA** i.e. Self-Reliant **India Mission** has gained prominence during announcement of India's economic stimulus package **for** COVID-19's pandemic

## 7. **Meaning of Atmanirbhar Bharat Abhiyan (ABA)**

- (i) 1<sup>st</sup> time Prime Minister Narender Modi has aggressively publicized ABA during Corona virus pandemic in India (2019 - 2022) due to "slow down" in India's economy and also pandemic's impacts "both"
- (ii) Govt. has issued "economic" package which is commonly known as ABA package
- (iii) Swaminathan Aiyar has written **for** Economic Times (ET) that ABA can be translated as self-reliance and also self-sufficiency "both"
- (iv) Prime Minister Narender Modi's policies are aiming to reduce imports and also to increase exports "both" simultaneously
- (v) ABA is "prominently" observed during Indo-China border conflicts and also India's economic dependence on China "both" for "several" sectors
- (vi) Govt. has given call to boycott "Chinese" products and also to promote ABA "both"

## 8. **ABA/MII during COVID-19 Pandemic**

- (i) Research, development and manufacture of COVID-19 vaccinations in India was important example for ABA / MII.
- (ii) Govt. has announced 3 ABA packages totalling to INR 29.87 trillion for COVID-19 crisis under ABA / MII.
- (iii) Govt. has expanded definition of Small and Medium Sized Enterprises (MSMEs) for boosting "private" participation in several sectors under ABA / MII
- (iv) Govt. has increased limit for Foreign Direct Investments (FDIs) in defence sector under ABA / MII.
- (v) India's Personal Protective Equipment (PPE) sector has increased from INR 100 billion to INR 120 billion as 2<sup>nd</sup> largest "after" China under ABA / MII.

- (vi) Ministry of Consumer Affairs, Food and Public distribution has issued statement **for** placing “food” rationing **in Aug 2020 for** migrant workers’ crisis during COVID-19 pandemic under ABA / MII.

## 9. ABA’s other initiatives

- (i) Importance of education and research **for** self-reliance was recognized by Prime Minister Narender Modi **through** his address to Visva-Bharati University’s students under ABA/MII.
- (ii) “New” National Education Policy (NEP) was connected under ABA/MII
- (iii) Prime Minister Narender Modi has advised students **for** creating surrounding **with** university under ABA/MII
- (iv) Prime Minister Narender Modi has stressed to develop “link” between education and ABA/ MII.
- (v) C. Raj Kumar, educationist and university administrator said that vision of “Atmanirbhar University” is combining vision of John Henry Newman’s work Idea of University **with** Humboldtian model of higher education under ABA / MII
- (vi) All India Council for Technical Education (AICTE) apex public education bodies has asked universities **for** using “Indian” books **where** efforts are existed to promote work under ABA / MII
- (vii) Home Minister Amit Shah has acknowledged “new” policy and also given due importance **to** svabhasha, Indian language under ABA / MII
- (viii) Prime Minister Narender Modi has said that his govt. was trying to take human capital flight and also had aims of engaging India’s diaspora under ABA / MII.
- (ix) Indian National Space Promotion and Authorization Centre (IN-SPACe) was formed **in** space sector aiming to channel India’s space talent under ABA / MII
- (x) Prime Minister Narender Modi has given emphasis to reduce “imports” dependence under ABA/MII **for** pharmaceutical sector **where** 53 raw

materials *were* imported *and* 35 raw materials *were* produced *in* India *up to March 2022*.

- (xi) Defence Minister *Rajnath Singh* has addressed *Atmanirbhar Bharat Defence Industry Outreach Webinar in August 2020* where *govt. and also private defence leaders "both" have attended webinar*.
- (xii) Defence Minister *Rajnath Singh* has announced that *Defence Ministry is ready for big push through imposing imports' prohibitions on 101 military items in "next" 5 years under ABA / MII*.
- (xiii) Minister of Defence (**MoD**) has announced "*positive*" indigenization lists and also "*negative*" imports lists under ABA/MII
- (xiv) MoD has increased *India's* self-reliance *i.e.* Indian Indigenously Designed, Developed and Manufactured (**Indian-IDDM**) is created
- (xv) MoD has reformed Ordnance Factory Board (**OFB**) and given "*new*" defence Public Sector Undertaking (**PSU**) "*both*" for providing "*large*" scale orders under ABA/MII
- (xvi) MoD has decided to spent *minimum* capital budget **65%** on "*domestic*" procurements and also to increase self-reliance "*both*" for warships and submarines' constructions
- (xvii) Prime Minister *Narendra Modi* has announced slogan "*Vocal for local*" in toy fair under ABA/MII.

## 10. Famous slogans under ABA/MII

- Prime Minister Modi has announced *certain* slogans like:
  - (i) Local **for** vocal
  - (ii) Local **for** global
  - (iii) Make **for** world
  - (iv) Brain drains **to** brain gains

## 11. Vocal for local under ABA/MII

- (i) Prime Minister Modi has given slogan "*Vocal for local*" in his Independence Day Speech in 2020 under ABA/MII

- (ii) Prime Minister Modi *has* appreciated *that* local products *are required for* “Vocal for local” under ABA/MII.
- (iii) Prime Minister Modi *has* appreciated *that* local products *are required to* encourage *under* ABA/MII.
- (iv) Amul Managing Director (**MD**) RS Sodhi *has* said *that* “Vocal for local” *are required for* competitive *vis-à-vis* global brands

## 12. **Make for world** *under* ABA/MII

- (i) Prime Minister *Narendra Modi has* said *in his* Independence Day Speech *in 2020 that* Make for world *are required under* ABA/MII
- (ii) Niti Aayog’s Vice-Chairperson (**VC**) Arvind Panagariya *has* said *that* make for world *is* matter *for* optics *and* policy change “both” *under* ABA/MII.
- (iii) India *became* top “smart phone” exporters *to* US *in 2025* overtaking China *and also in* year-to-year **240%** growth “both” *under* ABA/MII.
- (iv) India *became* trusted “global manufacturing” hub *when* Apple *has* shifted “substantial” manufacturing *to* India *under* ABA/MII.

## 13. **Domestic Commentary** *under* ABA/MII

- (i) Finance Minister (**FM**) *Nirmala Sitharama has* said *that at least* don't buy Ganesha idols *from* China “after” commenting *on* India's over-reliance *on* “non-essential” Chinese imports *under* ABA/MII.
- (ii) India’s opposition parties *have* said *that* ABA/MII *are* re-packaged version of Make *in* India movement *being* used since *its* independence *in 1947*.
- (iii) India’s opposition parties *have* said *that* India *was* “already” self-reliance *when* *several* works *were carried* since *its* independence *in 1947* like:
  - (a) Formation of Steel Authority of India (**SAIL**) *for* steel production.
  - (b) Indian Institute of Technology (**IIT**) *for* domestic engineers
  - (c) All India Institutes of Medical Sciences (**AIIMS**) *for* medical science
  - (d) Defence Research and Development Organization (**DRDO**) *for* defence research
  - (e) Hindustan Aeronautics Limited (**HAL**) *for* aviation

- (f) Space Research Organization (**ISRO**) **for** space research
- (g) Central Coalfields (**CCL**) NTPC **and** GAIL “**all**” **for** energy

#### **14. International reactions under ABA/MII**

- (i) Global policy experts **and also** “Indian” diaspora “**both**” **have** acknowledged **in** mid-2021 **that** ABA / MII **is** promising initiative
- (ii) Vinai Thummalapally, former US ambassador to Belize **has** said **that** India's “global” exports **for** manufacturing products **are** presently lower **but through** ABA/MII program, **competitive and also** valuable products “**all**” **are** to increase India’s “export” growth
- (iii) Nisha Desai Biswal, American businesswoman **has** said **that** due to lack of clarity **about** definition of ABA/MII **its** likely **to be** counterproductive.
- (iv) Freddy Svane, Denmark's ambassador to India **and also** Himanshu Gulati Member of Parliament (**MP**) Norway “**both**” **have** said **that** Denmark **and** Norway **can** help **in** India’s ABA/MII **for** energy-efficient technologies
- (v) UK-India Business Council **has** conducted survey **and also** found “**both**” **in** June 2021 **that** most of companies **are** agreed **with** India’s growth **under** ABA/MII.
- (vi) Kenneth Juster, US ambassador to India **has** said **in** January 2021 **that** India’s thinking **for** larger economic role **in** world **is** **not** compatible **under** ABA/MII.
- (vii) United States Trade Representative **has** written **in** April 2022 **in** his report **on** foreign trade barriers **in** India **that** USA's exporters **are** to encounter “significant” tariff barriers **and also** non-tariff barriers “**both**” **for** USA's goods/services imports **in** India **under** ABA/MII.
- (viii) Govt. **has** pursued ongoing economic reform’s efforts **through** promoting some programs **for** increasing India’s self-sufficiency **by** promoting “domestic” industries, “reducing” reliance **on** “foreign” suppliers **and also** imported goods / services like:
  - (a) Make in India (**MII**) **in** 2014
  - (b) Atmanirbhar Bharat Abhiyan (**ABA**) **in** 2020

- (ix) Chief Executive of Lockheed Martin India has said in July 2020 that companies are committed to support Prime Minister Narendra Modi's vision under ABA/MII.

### 15. **Meaning of Production Linked Incentive (PLI) scheme**

- (i) PLI Scheme is govt.'s initiative to boost "domestic" manufacturing by providing financial incentives to companies for their "incremental" sales from products manufactured in India.
- (ii) PLI scheme to include certain objects like:
- (a) For attracting domestic and foreign "both" investments
  - (b) For encouraging "domestic" manufacturing
  - (c) For "increasing" exports
  - (d) For "decreasing" imports

### 16. **PLI's computation**

- PLI scheme is offering "financial" rewards to companies for "incremental" sales from "domestic" manufacturing

### 17. **Attracting investments under PLI Scheme**

- PLI scheme is attracting "domestic and foreign" companies for setting and also expanding their manufacturing in India.

### 18. **Encouraging local manufacturing under PLI Scheme**

- (i) PLI scheme is encouraging "domestic" manufacturing by providing "financial" rewards to companies for "incremental" sales from "domestic" manufacturing
- (ii) PLI scheme is encouraging for investing in "advanced" technologies, improving efficiencies and also achieving "volume" productions "all"

### 19. **Enhancing exports under PLI Scheme**

- PLI scheme is enhancing India's manufacturing and also exports volumes "both" for strengthening India's ranking in global markets.



## **20. Meaning of Project Management Agency (PMA)**

- PLI scheme is being managed by designated PMAs for monitoring implementations and also incentives disbursements “both”

## **21. Applications’ submission for PLI Scheme**

- (i) Applicant companies are required to submit applications from PLI Scheme opening’s date as notified by DoT on <https://www.pli-telecom.udyamimitra.in>
- (ii) Competent Authority is permitted to accept applications and also to issue acknowledgement “both” on <https://www.pli-telecom.udyamimitra.in>

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**2.**

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*My Dear Friend*

*I am publishing Research Paper under head 161 FAQs on Production Link Incentive (PLI) Scheme for Make in India (MII) initiative*

- *This **Research paper** is published under our awareness mission **for** Residents + Non-Residents **for** knowing about Production Link Incentive (**PLI**) Scheme for Make in India (**MI**) initiative as inspired from thought process of Honorable Prime Minister of India.*

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- *With best wishes from CA Satish Agarwal, New Delhi* ●



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## 161 FAQs on Production Link Incentive (PLI) for Make in India (MII)

### ● Chapter-I- MII initiative ●

#### 1. What is Introduction for MII initiative?

- (i) MII is initiative taken **by** Government of India (**Govt.**) to create **and** to **encourage** companies **for** developing, **manufacturing** and **also** assembling products **in** India **"all"**.
- (ii) MII is to incentivize **for** **"dedicated"** investments **in** manufacturing.
- (iii) MII is to create **"conductive"** environment **for** investments **and** to develop modern **efficient** infrastructures **and** **also** to open **"new"** sectors **"all"** **for** foreign capitals.
- (iv) MII **was** unsuccessful to achieve **its** targets **i.e.** **25%** GDP's shares **in** manufacturing **for** period ended **on Dec 31, 2022** where **"actually"** achieved **from 16.7% in 2013-2014 to 15.9% in 2023-2024**

#### 2. What is MII initiative for Govt. of India?

- (i) MII is announced **in 2014** with **3** objectives **like**:
  - (a) **For** increasing **"manufacturing"** growth rate **from 12%** to **14%** **"per"** annum
  - (b) **For** creating **100** million **"additional"** manufacturing jobs **in** India **for** period ended **on Dec 31, 2022**
  - (c) **For** ensuring **"manufacturing"** sector' contribution to GDP to **25%** **for** period ended **on Dec 31, 2022**
- (ii) Govt. **has** made **investment** commitments **for INR 16.40** lac crore where investment inquiries **were** received **for INR 1.5** lakh crore **from Sep. 2014 to Feb. 2016**
- (iii) Govt. **has** permitted **100%** Foreign Direct Investments (**FDIs**) **in** **"most"** sectors **except** space **industry**, defense **industry** and **also** media **"all"**



- (iv) Japan and India *have* announced budget of USD 12 billion *for* pushing investments *in* India *under* Japan-India *Make-in-India* Special Finance Facility

### 3. **What is MII initiative for Govt. of State(s)?**

- MII is launched *by* “individual” state govts. *through* “local” initiatives *like*:

- (i) Utkarsh Odisha *by* **Odisha** govt.
- (ii) Tamil Nadu Global Investors Meet *by* **Tamil Nadu** govt.
- (iii) Vibrant Gujarat *by* **Gujarat** govt.
- (iv) Happening Haryana *by* **Haryana** Govt.
- (v) Magnetic Maharashtra *by* **Maharashtra** govt.

### 4. **What is World bank's roles for ease of doing index?**

- (i) World bank *has* declared *India's* ease of doing index **63 for 2019**
- (ii) World bank *has* declared *India's* ease of doing index **130 for 2016**

### 5. **What are India's roles for ease of doing business?**

- (i) Govt. *has* appointed United Nations Development Program (**UNDP**) and National Productivity Council (**NPC**) “both” *for* sensitizing “actual” users *and* also getting feedback *on* several “reform” measures.
- (ii) State govts. *have* created competitions *among* themselves *for* improving *their* current ranking *on* ease of doing business index *on* completions percentage scores based *on* **98-point** action plan *for* business reforms.

### 6. **What is MII initiative for Outside India?**

- (i) Campaign *was* designed *by* Wieden, Kennedy *with* launch of web portal *and* brochures' releases *for* **25** sectors “after” relaxing “foreign” equity caps, norms *and* also procedures *in* several sectors “all”.
- (ii) Govt. *has* facilitated “online” applications *and* also increased license's validity to **3** years “both”.



## 7. What is Zero Defect Zero Effect?

- Prime Minister **Narendra Modi** has given “Zero Defect Zero Effect” slogan to guide **MII** initiative **for** producing **products with no defects with no** adverse environmental and also ecological effects “both”

## 8. What is MII Week?

- (i) “**MII Week**” multi-sectoral industrial event was held **at** Mumbai Metropolitan Region Development Authority (**MMRDA**) **from Feb 13, 2016**
- (ii) Event was attended:
  - (a) **By 2500** and also international business teams “both”
  - (b) **By 8000** and also domestic business teams “both”
  - (c) **By 68** countries’ foreign government’s delegations
  - (d) **By 72** countries’ business teams
  - (e) **By 100%** Indian state govts.
- (iii) Event has received investments’ commitments **for more than** **INR 15.2** lakh crore
- (iv) Event has received investments’ commitments **for more than** **INR 8** lakh crore **from** Maharashtra
- (v) Event has received investment inquiries **for more than** **INR 1.5** lakh crore

## 9. What is Public Procurement Order (PPO)?

- (i) Ministry of Commerce and Industry has revised Indian public procurement order and also General Financial Rule (**GFR**) to incorporate preference **for** **MII**.
- (ii) 100% Nodal agencies have published own orders to extend scope **for** **MII** in product’s procurement.



## ● Chapter-II- MII's Sectors ●

### 10. What is Automobile sector?

- (i) General Motors (GM) has announced USD 1 billion investments for automobiles' manufacturing in Maharashtra
- (ii) Kia has announced USD 1.1 billion investments for automobiles' manufacturing in Anantapur, Andhra Pradesh.

### 11. What are Automobile components sector?

- Hitachi has announced investments for auto-component's manufacturing in Chennai, Tamil Nadu

### 12. What is Aviation sector?

- (i) Hindustan Aeronautics Limited (HAL) has manufactured 228 Fairchild-Dornier
- (ii) French drone manufacturer LH Aviation has announced for manufacturing drone in India
- (iii) Thurst Aircraft Pvt Ltd has signed MOU with Govt. of Maharashtra for manufacturing aero plane at Palghar district, approx. 140 km north of Mumbai with investments for INR 35,000 crore

### 13. What is Biotechnology sector?

- Horiba's largest medical equipment and hematology reagent has announced manufacturing in India in Nagpur with investments for INR 200 crore

### 14. What is Defense sector?

- (i) India and Russia have deepened MII for defense manufacturing by signing agreements for naval frigates' construction
- (ii) India and Russia have Joint Venture (JV) for manufacturing KA-226T to make 60 in Russia and also 140 in India "both"
- (iii) India and Russia have JV for manufacturing Brahmos cruise missile with 50.5% India and also 49.5% Russia "both"



### 15. What is electronic system sector?

- (i) Foxconn has announced R&D and also hi-tech semiconductor manufacturing facility “both” in Maharashtra with investments for USD 5 billion
- (ii) Pegatron has talked to open 2<sup>nd</sup> “Indian” iPhone factory
- (iii) Huawei has announced R&D campus in Bengaluru and hardware manufacturing plant in Chennai with investments for USD 170 million
- (iv) Motorola has announced manufacturing at Sriperumbudur near Chennai.
- (v) Micromax has announced manufacturing 3 units in 3 states i.e. Rajasthan, Telangana and Andhra Pradesh with investments for INR 3 billion
- (vi) Qualcomm has announced to mentor 10 Indian hardware companies with potential to come up with innovative solutions and to help them to reach with global scale.
- (vii) Samsung has announced 10 MSME-Samsung Technical Schools and Samsung Z1’s manufacturing in its plant at Noida “both”
- (viii) Spice Group has announced mobile phone’s manufacturing unit in Uttar Pradesh (UP) with investments for INR 5 billion
- (ix) Vivo Mobile India has started smartphones’ manufacturing in plant at Greater Noida with 2,200 employees.
- (x) Wistron, Taiwanese company has started Blackberry, HTC and Motorola devices’ “all” manufacturing in “new” factory at Noida (UP).
- (xi) Xiaomi has announced smartphones Xiaomi Redmi 2 Prime manufacturing in Foxconn-run facility at Sri City, Andhra Pradesh (AP).
- (xii) VVDN Technologies has expanded its manufacturing with “additional” 10-acre Global Innovation Park (GIP) in India

### 16. What is Food Processing sector?

- (i) Marine Products Export Development Authority (MPEDA) has announced to supply “shrimp” eggs to farmers in India for shrimp’s exports from India to “other” countries.



- (ii) Poseidon Aquatech *has* announced **at** Odisha *Investor Summit* *to* undertake *shrimp farming and processing with* investments **for** *INR 100 crore*
- (iii) Indo Nissin Foods Ltd *has* announced *to* expand “existing” facility **in** Odisha **with** “additional” investments **for** *INR 50 crore*

### 17. What is Mining sector?

- Neyveli Lignite Corporation (NLC) India *has* signed MoU **with** *Odisha’s govt. at* Odisha *govt. summit* *to* start mining *processing plant with* investments **for** *INR 7500 crore*

### 18. What is Railway sector?

- (i) Alstom SA, *French company has* announced battery’s *manufacturing for* using **in** *railway* traction components **at** Maneja site **in** Gujarat
- (ii) GE transportation, *American company has* announced **for** starting *locomotive manufacturing factories at* Madhepura *and* Marhaura “both” **in** Bihar.
- (iii) Hyperloop One, *American company has* signed *Framework Agreement with* Maharashtra’s *government for* starting *route’s development from* Mumbai **to** Pune
- (iv) Indian Railways *has* started “new” train *known as Vande Bharat Express (VBE)*

### 19. What is Renewal energy sector?

- NLC India *has* announced *to* start **500 MW solar** power plant **in** Odisha **with** investments **for** *INR 3000 crore*

### 20. What is Thermal power sector?

- (i) Govt. *has* approved **for** construction **10** indigenously *built Pressurized Heavy Water Reactors (PHWRs)*
- (ii) Govt. *has* awarded contracts **to** “Indian” companies *engaged in* PHSWR’s *manufacturing for* **INR 70000 crore**
- (iii) **10** indigenously *built PHWRs are having* combined *nuclear capacity of* **7 GW** **for** creating **33400** direct *and* indirect jobs “both”.



- (iv) NLC has signed MoU **with** Odisha's **govt. at** Odisha **investor** summit **to** start **2000** MW **Thermal** power plant **with** investments **for** **INR 15000** crore

## 21. What is Wellness and Healthcare sector?

- (i) Assam Cancer Care Foundation (**ACCF**) is joint partnership **between** Assam's **govt. and** Tata Trust **"both"**.
- (ii) Tata Trust **has** announced **to** start **6** **cancer** hospitals **and** **to** lay **foundation** stone **for** **7<sup>th</sup>** **"new"** **cancer** hospital
- (iii) Indo-UK Institute **of** **health** **has** announced **at** Assam **investor** summit **to** start **medical** city **with** investments **for** **INR 1600** crore

## 22. What is Production Linked Incentive (PLI) Scheme?

- (i) Govt.'s **PLI** Scheme **is** performance **"linked"** incentives **scheme** available **for** companies **based** **on** their **"incremental"** sales **and** also **"incremental"** investments **"both"** **from** products **manufactured** **in** India
- (ii) **PLI** Scheme **is** introduced **for** boosting manufacturing **sectors** **and** also **to** reduce imports **"both"**
- (iii) **PLI** Scheme **is** encouraging **"foreign and Indian"** manufacturers **for** manufacturing **products** **in** India **and** also **to** exports **outside** India
- (iv) Govt. **has** allocated **INR 1.97** crore **under** **PLI** Scheme **for** **14** sectors **like**:
- (a) **Large-Scale** Mobile **and** also **specified** electronics manufacturing **"both"**
- (b) **Large-Scale** Critical Key Starting Materials, Drug **Intermediaries** **and** also **Active** Pharmaceutical Ingredients manufacturing **"all"**
- (c) **Large-Scale** Medical devices manufacturing
- (d) **Large-Scale** Automobiles **and** also auto components manufacturing **"both"**
- (e) **Large-Scale** Pharmaceuticals Drugs manufacturing
- (f) **Large-Scale** Specialty Steel manufacturing



- (g) Large-Scale Telecom and also Networking products manufacturing “both”
- (h) Large-Scale Electronic and also Technology products manufacturing “both”
- (i) Large-Scale White Goods i.e. **ACs** and also **LEDs** manufacturing “both”
- (j) Large-Scale Food Products manufacturing
- (k) Large-Scale Textile Products i.e. **MMF** segment and also **technical** textiles manufacturing “both”
- (l) Large-Scale High efficiency solar PV modules manufacturing
- (m) Large-Scale Advanced Chemistry Cell (**ACC**) Battery manufacturing
- (n) Large-Scale Drones and also Drone Components manufacturing “both”



### ● Chapter-III- Atmanirbhar Bharat Abhiyan (ABA) ●

#### 23. What is Introduction?

- (i) ABA is translated **as** Self-Reliant **India** associated **with** Prime Minister **Narendra Modi** **for** promoting “economic” self-sufficiency **and** also “national” development “both”.
- (ii) ABA is umbrella **for** **India’s** vision to become **more** efficient, **competitive** and resilient **for** expanding its role **in** “global” economy **by** transforming “India” **into** “global” supply chain hub.
- (iii) Prime Minister **Narendra Modi** had referenced **English** term “self-reliance” **in** **early 2014** **in** discussion **for** national security, **poverty**, alleviation **and** digital India initiatives “all”.
- (iv) Hindi phrase **ABA** **i.e.** Self-Reliant **India Mission** has gained prominence **during** announcement of **India’s** economic **stimulus** package **for** **COVID-19’s** pandemic

#### 24. What is History?

- (i) Minister of Home Affairs (**MHA**) **Amit Shah** has acknowledged **in 2022** about certain slogans like:
  - (a) Atmanirbhar Bharat Abhiyan (**ABA**)
  - (b) Make in India (**MII**)
  - (c) Vocal for Local (**VFL**)
- (ii) These slogans **were** adopted **from** **Mahatma** Gandhi’s efforts **for** Swadeshi movements
- (iii) These slogans **are** **now** revised **and** also adopted “both” to synergy “Pre-independence” aspirations

#### 25. What is Defence sector?

- (i) Indigenous **HAL’s** Tejas **and** Multirole Light Fighter (**MLF**) “both” **with** some imported technologies **have been** produced under ABA initiative
- (ii) Indigenous **HAL’s** Tejas **is** containing **59.7%** **in** value **and** **75.5%** **in** numbers



- (iii) India's defence sector *is* required self-sufficiency **for** military logistics *and also* food *during* emergencies "both".
- (iv) Ministry of Defence (**MoD**) *has* amended Defence Acquisition Procedure (**DAP**) *in 2020*
- (v) *Now* private sector *is* allowed *to form* Joint Ventures (**JVs**) **with** Public Sector Undertakings (**PSUs**) *in* India **with 51%** shareholding *in* JV
- (vi) Private sector *is* allowed to export *maximum* **25%** productions
- (vii) Indian Armed Forces *has* assured to purchase *products* manufactured **by** *these* JVs
- (viii) Indian multirole helicopter *is* **1<sup>st</sup>** "major" product manufacture **by** *these* JVs

## 26. What is Atmanirbhar Bharat Abhiyan (ABA)?

- (i) **1<sup>st</sup>** time Prime Minister Narender Modi *has* aggressively publicized ABA **during** Corona virus pandemic *in* India (2019 - 2022) due to "slow down" *in* India's economy *and also* pandemic's impacts "both"
- (ii) Govt. *has* issued "economic" package *which is commonly known as* ABA package
- (iii) Swaminathan Aiyar *has* written **for** Economic Times (**ET**) that ABA *can be* translated **as** self-reliance *and also* self-sufficiency "both"
- (iv) Prime Minister Narender Modi's policies *are* aiming to reduce imports *and also* to increase exports "both" simultaneously
- (v) ABA *is* "prominently" observed **during** Indo-China border conflicts *and also* India's economic dependence **on** China "both" **for** "several" sectors
- (vi) Govt. *has* given call to boycott "Chinese" products *and also* to promote ABA "both"

## 27. What is COVID-19 Pandemic Initiatives?

- (i) Research, development *and* manufacture *of* COVID-19 vaccinations *in* India *was* important **example for** ABA / MII.
- (ii) Govt. *has* announced **3** ABA packages *totalling to* INR **29.87** trillion **for** COVID-19 crisis under ABA / MII.





- (iii) Govt. *has* expanded definition *of* Small and Medium Sized Enterprises (**MSMEs**) *for* boosting “private” participation *in* several sectors *under* ABA / MII
- (iv) Govt. *has* increased limit *for* Foreign Direct Investments (**FDIs**) *in* defence sector *under* ABA / MII.
- (v) India’s Personal Protective Equipment (**PPE**) sector *has* increased *from* INR 100 billion *to* INR 120 billion *as* 2<sup>nd</sup> largest “after” China *under* ABA / MII.
- (vi) Ministry *of* Consumer Affairs, Food and Public distribution *has* issued statement *for* placing “food” rationing *in* Aug 2020 *for* migrant workers’ crisis *during* COVID-19 pandemic *under* ABA / MII.

## 28. What are other initiatives under ABA?

- (i) Importance *of* education *and* research *for* self-reliance *was* recognized *by* Prime Minister Narender Modi *through* his address *to* Visva-Bharati University’s students *under* ABA/MII.
- (ii) “New” National Education Policy (**NEP**) *was* connected *under* ABA/MII
- (iii) Prime Minister Narender Modi *has* advised students *for* creating surrounding *with* university *under* ABA/MII
- (iv) Prime Minister Narender Modi *has* stressed to develop “link” *between* education *and* ABA/ MII.
- (v) C. Raj Kumar, educationist and university administrator said *that* vision *of* “Atmanirbhar University” *is* combining vision *of* John Henry Newman’s work Idea *of* University *with* Humboldtian model *of* higher education *under* ABA / MII
- (vi) All India Council for Technical Education (**AICTE**) apex public education bodies *has* asked universities *for* using “Indian” books *where* efforts *are* existed to promote work *under* ABA / MII
- (vii) Home Minister Amit Shah *has* acknowledged “new” policy *and* also given *due* importance *to* svabhasha, Indian language *under* ABA / MII



- (viii) Prime Minister Narender Modi has said that his govt. was trying to take human capital flight and also had aims of engaging India's diaspora under ABA / MII.
- (ix) Indian National Space Promotion and Authorization Centre (**IN-SPACE**) was formed in space sector aiming to channel India's space talent under ABA / MII
- (x) Prime Minister Narender Modi has given emphasis to reduce "imports" dependence under ABA/MII for pharmaceutical sector where 53 raw materials were imported and 35 raw materials were produced in India up to March 2022.
- (xi) Defence Minister Rajnath Singh has addressed Atmanirbhar Bharat Defence Industry Outreach Webinar in August 2020 where govt. and also private defence leaders "both" have attended webinar.
- (xii) Defence Minister Rajnath Singh has announced that Defence Ministry is ready for big push through imposing imports' prohibitions on 101 military items in "next" 5 years under ABA / MII.
- (xiii) Minister of Defence (**MoD**) has announced "positive" indigenization lists and also "negative" imports lists under ABA/MII
- (xiv) MoD has increased India's self-reliance i.e. Indian Indigenously Designed, Developed and Manufactured (**Indian-IDDM**) is created
- (xv) MoD has reformed Ordnance Factory Board (**OFB**) and given "new" defence Public Sector Undertaking (**PSU**) "both" for providing "large" scale orders under ABA/MII
- (xvi) MoD has decided to spent minimum capital budget 65% on "domestic" procurements and also to increase self-reliance "both" for warships and submarines' constructions
- (xvii) Prime Minister Narender Modi has announced slogan "Vocal for local" in toy fair under ABA/MII.



**29. What are Slogans under ABA/MII?**

- Prime Minister Modi *has* announced *certain* slogans *like*:

- (i) Local **for** vocal
- (ii) Local **for** global
- (iii) Make **for** world
- (iv) Brain drains **to** brain gains

**30. What is Vocal for local under ABA/MII?**

- (i) Prime Minister Modi *has* given slogan “Vocal for local” **in** his Independence Day Speech **in 2020** *under* ABA/MII
- (ii) Prime Minister Modi *has* appreciated *that* local products *are required for* “Vocal for local” *under* ABA/MII.
- (iii) Prime Minister Modi *has* appreciated *that* local products *are required to* encourage *under* ABA/MII.
- (iv) Amul Managing Director (**MD**) RS Sodhi *has* said *that* “Vocal for local” *are required for* competitive *vis-à-vis* global brands

**31. What is Make for world under ABA/MII?**

- (i) Prime Minister *Narendra* Modi *has* said **in** his Independence Day Speech **in 2020** *that* Make for world *are required under* ABA/MII
- (ii) Niti Aayog’s Vice-Chairperson (**VC**) Arvind Panagariya *has* said *that* make for world *is* matter **for** optics *and* policy change “both” *under* ABA/MII.
- (iii) India *became* top “smart phone” exporters **to** US **in 2025** overtaking China *and also in* year-to-year **240%** growth “both” *under* ABA/MII.
- (iv) India *became* trusted “global manufacturing” hub **when** Apple *has* shifted “substantial” manufacturing **to** India *under* ABA/MII.



### 32. What is Domestic Commentary under ABA/MII?

- (i) Finance Minister (FM) Nirmala Sitharama has said that at least don't buy Ganesha idols **from** China "after" commenting on India's over-reliance on "non-essential" Chinese imports under ABA/MII.
- (ii) India's opposition parties have said that ABA/MII are re-packaged version of Make **in** India movement being used since its independence in 1947.
- (iii) India's opposition parties have said that India was "already" self-reliance **when** several works were carried since its independence in 1947 like:
  - (a) Formation of Steel Authority of India (SAIL) for steel production.
  - (b) Indian Institute of Technology (IIT) for domestic engineers
  - (c) All India Institutes of Medical Sciences (AIIMS) for medical science
  - (d) Defence Research and Development Organization (DRDO) for defence research
  - (e) Hindustan Aeronautics Limited (HAL) for aviation
  - (f) Space Research Organization (ISRO) for space research
  - (g) Central Coalfields (CCL) NTPC and GAIL "all" for energy

### 33. What are international reactions under ABA/MII?

- (i) Global policy experts and also "Indian" diaspora "both" have acknowledged in mid-2021 that ABA / MII is promising initiative
- (ii) Vinai Thummalapally, former US ambassador to Belize has said that India's "global" exports for manufacturing products are presently lower **but through** ABA/MII program, competitive and also valuable products "all" are to increase India's "export" growth
- (iii) Nisha Desai Biswal, American businesswoman has said that due to lack of clarity **about** definition of ABA/MII its likely to be counterproductive.
- (iv) Freddy Svane, Denmark's ambassador to India and also Himanshu Gulati Member of Parliament (MP) Norway "both" have said that Denmark and Norway can help in India's ABA/MII for energy-efficient technologies



- (v) UK-India Business Council *has* conducted survey *and also* found “both” in **June 2021** that most of companies *are* agreed **with** India’s growth *under* ABA/MII.
- (vi) Kenneth Juster, US ambassador to India *has* said in **January 2021** that India’s thinking **for** larger *economic* role **in** world *is not* compatible *under* ABA/MII.
- (vii) United States *Trade* Representative *has* written in **April 2022** in *his* report on foreign trade barriers **in** India that USA’s exporters *are* to encounter “significant” tariff barriers *and also* **non-tariff** barriers “both” **for** USA’s goods/services imports **in** India *under* ABA/MII.
- (viii) Govt. *has* pursued ongoing economic reform’s efforts **through** promoting *some* programs **for** increasing India’s self-sufficiency **by** promoting “domestic” industries, “reducing” reliance **on** “foreign” suppliers *and also* imported goods / services like:
  - (a) Make in India (**MII**) in 2014
  - (b) Atmanirbhar Bharat Abhiyan (**ABA**) in 2020
- (ix) Chief Executive of Lockheed Martin India *has* said in **July 2020** that companies *are* committed to support Prime Minister *Narender Modi’s* vision *under* ABA/MII.

## ● Chapter-IV- Production Link Incentive (PLI) Scheme ●

### 34. What is PLI scheme?

- (i) PLI Scheme is govt.'s initiative to boost "domestic" manufacturing by providing financial incentives to companies for their "incremental" sales from products manufactured in India.
- (ii) PLI scheme to include certain objects like:
  - (a) For attracting domestic and foreign "both" investments
  - (b) For encouraging "domestic" manufacturing
  - (c) For "increasing" exports
  - (d) For "decreasing" imports

### 35. What is PLI computation?

- PLI scheme is offering "financial" rewards to companies for "incremental" sales from "domestic" manufacturing

### 36. What is Attracting investments?

- PLI scheme is attracting "domestic and foreign" companies for setting and also expanding their manufacturing in India.

### 37. What is Encouraging local manufacturing?

- (i) PLI scheme is encouraging "domestic" manufacturing by providing "financial" rewards to companies for "incremental" sales from "domestic" manufacturing
- (ii) PLI scheme is encouraging for investing in "advanced" technologies, improving efficiencies and also achieving "volume" productions "all"

### 38. What is Enhancing exports?

- PLI scheme is enhancing India's manufacturing and also exports volumes "both" for strengthening India's ranking in global markets.



**39. What are financial incentives?**

- Companies *are permitted* to receive “financial” incentives **on** “incremental” sales **for 14** “eligible” products varying from **4%** to **7%**

**40. What are Eligible criteria?**

- Companies *are required* to satisfy “specific” criteria *like*:
  - (i) Investments’ amount
  - (ii) Productions’ quantity
  - (iii) Sales’ amount

**41. What is Project Management Agency (PMA)?**

- PLI scheme *is being* managed **by** designated PMAs **for** monitoring implementations *and also incentives* disbursements “both”

**42. What is Enhancing manufacturing capabilities?**

- PLI scheme *is* strengthening India's manufacturing ecosystem **by** encouraging investments *and also* “domestic” productions “both”

**43. What is Promoting Technological Advancements (PTAs)?**

- PLI scheme *is* encouraging innovations *like*:
  - (i) **For** creating environment
  - (ii) **For** encouraging developments
  - (iii) **For** implementing “new” ideas
  - (iv) **For** implementing “new” processes
  - (v) **For** implementing “new” products.
  - (vi) **For** nurturing mindset *about* embracing changes
  - (vii) **For** nurturing mindset *about* experimentations
  - (viii) **For** nurturing mindset *about* calculated risk-taking
  - (ix) **For** providing necessary resources / support *about* innovations

**44. What is Creating employment opportunities?**

- PLI scheme *is* generating employment opportunities **in** manufacturing sector





**45. What is Reducing import dependences?**

- PLI scheme is “decreasing” imports and “increasing” domestic productions “both”.

**46. What is Attracting Foreign investments?**

- PLI scheme is attracting “significant” FIs for manufacturing sector in India

**47. What is Enhancing global competitiveness?**

- PLI scheme is enhancing “global” competitiveness by volume / “mass” productions in India.



## ● Chapter-V-PLI Scheme by Ministry of Communications ●

### Chapter-V(A) - Introduction

#### 48. What is Background?

- (i) PLI Scheme *is* implemented **for** promoting Telecom *and* Networking Products manufacturing **in** India *notified vide* notification No. 13-01/2020-IC dated Feb 24, 2021.
- (ii) PLI Scheme's guidelines *are* formulated **in accordance** with clause 7 of notification No. 13-01/2020-IC dated Feb 24, 2021.
- (iii) PLI Scheme's guidelines *are* finalized "after" consultation *with* stakeholders **for** *certain* subjects *like*:
  - (a) Definitions
  - (b) Qualifications *and also* eligibilities "both"
  - (c) Investments **for** determining eligibility
  - (d) Applications *and also* online portal "both"
  - (e) Project Management Agency (**PMA**), Empowered Group of Secretaries (**EGoS**) *and also* Competent Authority "all"
  - (f) **PLI's** approval *and also* baseline's determination "both"
  - (g) Calculations *and also* incentives' **disbursement** "both"
- (iv) PLI Scheme *is* applicable from April 01, 2021.
- (v) PLI Scheme *is* applicable **for** investments *and also* sales "both" made **in accordance** with PLI Scheme guidelines **for** computing "eligible" PLI.

## Chapter-V(B) - Definitions

### 49. What are permitted applicants?

- (i) Applicants are to include “companies” incorporated in India under Companies Act (CA) 2013 for manufacturing goods covered under Scheme Target Segments (STSs)
- (ii) Applicants are required to make applications for approvals under PLI Scheme
- (iii) Applicants are permitted to setup “new” manufacturing units covered under STSs
- (iv) Applicants are permitted to use “existing” manufacturing units covered under STSs
- (v) Applicants are required to carry manufacturing at 1 or more than 1 location in India with intimation to Department of Tele-communication (DoT).

### 50. What are Not permitted applicants?

- (i) Applicants are not permitted those bank accounts are declared as Non-Performing Assets (NPAs) by banks / financial institutions / NBFCs / etc. in accordance with RBI's guidelines
- (ii) Applicants are not permitted those bank accounts are declared as wilful defaulters by banks / financial institutions / NBFCs / etc. in accordance with RBI's guidelines
- (iii) Applicants are not permitted those bank accounts are declared as frauds by banks / financial institutions / NBFCs / etc. in accordance with RBI's guidelines
- (iv) Applicants are not permitted those insolvency proceedings are admitted in National Company Law Tribunal (NCLT) / etc.

### 51. What are MSMEs?

- MSMEs to include “companies” those are registered as Micro, Small & Medium Enterprises (MSME) with Ministry of MSME, Government of India



**52. What are non-MSMEs?**

- Non-MSMEs to include “companies” those are **not** registered as MSME with Ministry of MSME, Government of India

**53. What are Domestic companies?**

- (i) Domestic companies to include “companies” those are owned **by** Resident Indian Citizens (RICs) and also owned more than **50%** capital **by** RICs “both”  
Or
- (ii) Owned **by** Indian Companies (ICs), “ultimately” owned and also controlled “all” **by** RICs in accordance with Govt.’s FDI Policy 2020.

**54. What are Global companies?**

- Global companies to include “companies” those are **not** domestic companies and also have business **in 1 / in** more than **1** countries **by** themselves / **by** group companies “both”

**55. What are applications?**

- Applications are required to submit under PLI Scheme **by** applicants to PMA/DoT in accordance with application form “specified” containing requisite information’s, supporting documents and also application fee “all”

**56. What are Applications’ acknowledgements?**

- PMA is required to mention dates as acknowledgements **for** application’s submission **by** applicants

**57. What are Applications’ approvals?**

- PMA is required to mention dates as approvals in accordance with approval issued **by** Competent Authority (CA)

**58. What are Applications’ windows?**

- (i) Application windows are required to open **for** applications **from** opening’s date as notified **by** DoT



- (ii) Application forms are required to submit **on** DoT's portal like <https://www.ph-telecom.udyamimitra.in>

**59. What is Base year?**

- (i) Financial year **ending on March 31, 2020** is required to treat **as** base year **for** computing "incremental" sales of goods manufactured **in** India "after" tax's deduction **i.e.** GST
- (ii) Baseline information's **for** "total" sales of goods manufactured **in** India are required to obtain **for** computing and also verifying "incremental" sales over and above base year "both"

**60. What is Competent Authority (CA)?**

- DoT is required to notify CA

**61. What are Eligible investments?**

- (i) Eligible investments are required **for** computing "incremental" investments made from **April 01, 2021 to March 31, 2025 (4 years)**
- (ii) Applicants are required to provide certificates as obtained **from** Statutory Auditors **in** "specified" format **for** investments made up to **March 31, 2021**

**62. What are Eligible products?**

- Applicants are required to manufacture "eligible" products **in** India **in** accordance with Annexure-1 of STSs and also approvals "both"

**63. What are employments?**

- (i) Applicants are required to compute employments **based on** Job created **by** them **in** India and those are "directly" involved **in** production process and involved **in** related "activities" commencing **from** material's entry point **for** production facilities and also ending **at** manufactured goods **leaving** production facilities "all"

(ii) Employments *are required* to include *certain* modes like:

- (a) Contractual *employees*
- (b) Apprentice *employees*
- (c) Outsourcing *employees*

**64. What are Empowered Group of Secretaries (EgoS)?**

- (i) EGoS *are* committee chaired **by** Cabinet Secretary *and* published **in** official gazette *of India* **by** Department for Promotion *and* Industry *and* Internal Trade *vide* ORDER No. **P 36017/144/2020**-Investment Promotion dated **June 10, 2020** “both”
- (ii) EGoS *are required* to monitor *PLI Scheme* *and* to undertake “periodic” reviews “both” **for** outgo *under PLI Scheme* *and* also to take “appropriate” actions **for** ensuring *that* expenditures *are within* “prescribed” outlay *as approved by* Govt.

**65. What is financial year?**

- Financial year *is commencing* from **April 01** *and also ending* to **March 31** *of following year* “both”.

**66. What are Force majeure?**

- Force majeure *are required for* computing days / periods involved **in** “extraordinary” events / circumstances **beyond** human control **i.e.** act of God / *certain* events like:
  - (i) Corona
  - (ii) War
  - (iii) Strike
  - (iv) Public health emergency
  - (v) Riots
  - (vi) Crimes



**67. What are Not force majeures?**

- Force majeure *are not required for* computing days / periods *not involved in “extraordinary” events / circumstances beyond human control i.e. act of God / certain events like:*
  - (i) Negligence
  - (ii) Wrong-doings
  - (iii) Predictable / seasonal rains
  - (iv) Other “if any”

**68. What are Global manufacturing revenues?**

- Global manufacturing revenues *are required to compute “Consolidated” manufacturing revenues in India and outside India for applicants and also group companies “all” from electronics, telecom and networking segments for base year i.e. from April 01, 2019 to March 31, 2020 (1 year)*

**69. What are Group companies?**

- Group companies *are treated when minimum 2 enterprises directly / indirectly are in position to exercise certain powers in other enterprise like:*
  - (i) Powers to exercise *minimum 26%* voting rights *in* other enterprise
  - Or*
  - (ii) Power to appoint *more than 50%* member of Board of Directors (**BoDs**) *in* other enterprise

**70. What are Investments?**

- Investments *are required to treat when investments for STSs and also capitalized in applicants’ books of accounts “both”*

**71. What are Capital expenditures?**

- Capital expenditures *are to include certain items like:*
  - (i) Plants
  - (ii) Machineries
  - (iii) Equipment



- (iv) Associated Utilities
- (v) Tools
- (vi) Dies
- (vii) Moulds
- (viii) Jigs
- (ix) Fixtures
- (x) Parts, accessories, components and also spares "all" used in items mentioned under para (i) to (ix)
- (xi) Designs used in manufacturing, assembly, testing, packaging and also processing "all" for goods covered under STSs
- (xii) Expenditures incurred on packaging, freight, transport, insurance, erection, commissioning for plant, machinery, equipment and also associated utilities "all"
- (xiii) Associated utilities to include captive power, effluent treatment plants, essential equipment required in operations areas i.e. clean rooms, air curtains, temperature, air quality control systems, compressed air, water & power supply and also control systems "all"
- (xiv) Associated utilities also to include IT, ITES infrastructure for manufacturing i.e. servers, software and also ERP solutions "all".
- (xv) Other expenditures to include civil works associated with installation, erection of plants, machineries, equipment and also associated utilities "all"
- (xvi) Expenditures are also to include 100% non-creditable taxes and also duties "both"

## 72. What is R&D expenditure?

- R&D expenditures are to include certain items like:
  - (i) Expenditures incurred in-house R&D and also within group entities "both"
  - (ii) Expenditures incurred attributable to goods covered under STSs
  - (iii) Expenditures incurred at 100% stages in complete value chain of goods for "proposed" manufacturing and also software integral to functioning "both"





- (iv) Expenditures *incurred on* testing, measuring *instruments and also* prototypes used **for**:
  - (a) Testing
  - (b) Design tools' purchases
  - (c) Software cost directly used **in** R&D
  - (d) License fees
  - (e) Expenditure **on** technology
  - (f) IPRs
  - (g) Patents
  - (h) Copyrights
- (v) 100% non-creditable taxes *and also* duties "*both*" are to include **for** eligible R&D expenditures
- (vi) Manpower expenses *are not* to include **for** eligible R&D expenditures
- (vii) Maximum expenses **for** R&D *are* limited **as** specified **in** *PLI* guidelines

### 73. What are Transfer of Technology (ToT) expenditures?

- (i) ToT expenditures *are* permitted **i.e. initial** technology's **cost** *and also* **initial** technology's purchases "*both*" **for** goods *covered under* STSs
- (ii) 100% non-creditable taxes *and also* duties "*both*" are to include **for** ToT
- (iii) Maximum expenses **for** ToT *are* limited **as** specified **in** *PLI* guidelines

### 74. What are Expenditures on land and building?

- (i) Expenditures **for** land *and also* building "*both*" are **not** permitted **for** computing investments **in** projects / *units under* *PLI* guidelines
- (ii) Expenditures **for** civil works *associated with* installations *and* erections **for** plants, *machineries*, equipment *and also* associated utilities "*all*" are permitted **for** computing investments **in** projects / *units under* *PLI* guidelines





### 75. What are Manufactures?

- (i) Manufactures **are** defined **in accordance with** Central Goods and Service Tax (CGST) Act, 2017
- (ii) Manufactures **are to include** processing **for** raw materials / inputs **for** converting into “new” products **with** distinct names, characters and also use “all”

### 76. What is Net “Incremental” Sales?

- (i) Net “incremental” sales **are** to include **differences between** sale **for** manufactures goods **in** India **under** STSs **and in** base year **i.e. March 31, 2020**
- (ii) Net “incremental” sales **are not** to include sale **for** “traded” goods **in** India

### 77. What are Net Sales?

- Net sales **are** to compute **based on certain** computations like:
  - (i) Gross sales –(minus) credit notes **as** defined **in** CGST Act, 2017 –(minus) taxes **as applicable for** goods manufactures **in** India **under** STSs **in accordance with** books of accounts prepared **and also** disclosed **to** GST authorities “both”
  - (ii) Gross sales **are not** to deduct **certain** discounts like:
    - (a) Cash discounts
    - (b) Volume discounts
    - (c) Target discounts
    - (d) Other discounts

### 78. What is Project Management Agency (PMA)?

- PMA **is** to include agency **as** appointed **by** DoT **for** acting **on** behalf of DoT **for** performing **certain** actions:
  - (i) Applications’ receiving **and also** appraising “both”
  - (ii) Baselines’ determinations
  - (iii) Eligibilities’ verifications
  - (iv) Disbursements’ verifications **through** “appropriate” methods / documents
  - (v) Monitoring **in accordance with** PLI guidelines



**79. What are Related Parties?**

- (i) RPs are defined in Accounting Standard (AS) 18 under head Related party disclosure
- Or
- (ii) RPs are defined in Indian Accounting Standard (Ind AS) 24 under head Related party disclosure as may be applicable to applicants being notified by Ministry of Corporate Affairs (MCA) / any other authority from time to time

**80. What are Scheme Target Segments (STSS)?**

- STSS are specified in Annexure-1 of PLI Scheme for Telecom and Networking Products

**81. What is Self-certified document?**

- To include documents as certified by designated signatory for applicant companies duly authorized by BoDs

**82. What is Successor-in-Interest?**

- To include new / re-organized entity formed "after" certain act where change in shareholding is directly / indirectly minimum for 10% in companies like:
  - (i) Applicant's merger
  - (ii) Applicant's demerger
  - (iii) Applicant's acquisition
  - (iv) Applicant's transfer of business
  - (v) Applicant's significant change in ownership

**83. What is Technical Committee?**

- To include committee as constituted by Competent Authority.

**84. What are Traded goods?**

- (i) To include goods where processing for raw materials / inputs is not carried and also treated as traded goods "both" by applicant companies
- (ii) To include goods were purchased and sold without value addition and also treated as traded goods "all" by applicant companies



## Chapter-V(C) - Eligibility criteria

### 85. What are Eligibility's criteria?

- (i) Govt. is permitted through certain Ministries for supporting to companies under PLI Scheme for manufacturing of goods in India
- (ii) PLI Scheme is permitted for Scheme Target Segments (STSS)
- (iii) FIs by Non-Residents (Non-RoI) are permitted in PLI's scheme through companies in accordance with PLI Scheme's guidelines for telecom and networking products based on FDI's policy 2020 as amended and also effective from time to time "both".
- (iv) Applicant companies are required to ascertain in accordance with qualification criteria for Global manufacturing companies' revenues as defined in PLI Scheme guidelines.

### 86. What are Global companies' criteria?

- (i) Global manufacturing companies' revenues are required to exceed INR 10,000 crore in base year i.e. financial year ending on March 31, 2020
- (ii) Global manufacturing companies are required to convert respective currencies into INR based on average of currencies "exchange" rates as on April 01, 2019 and March 31, 2020 where revenues for base year are not consolidated in INR.

### 87. What are Domestic companies' criteria?

- Domestic manufacturing companies' revenues are required to exceed INR 250 crore in base year i.e. financial year ending on March 31, 2020.

### 88. What are MSME companies' criteria?

- MSME manufacturing companies' revenues are required to exceed INR 10 crore in base year i.e. financial year ending on March 31, 2020.



**89. What is MCII?**

- (i) Applicant *manufacturing* companies *are required* to obey Eligibility Threshold Criteria's (ETCs) *for minimum Cumulative Incremental Investment (CII) during "current" year under consideration*
- (ii) Also required to obey *for "Incremental" sale against permissible manufactured goods covered under STSs over and above during "base" year i.e. financial year ending on March 31, 2020*

**90. What are Eligibility Threshold Criteria's (ETCs)?**

- (i) Applicant *manufacturing* companies *are required* to obey ETCs *for* PLI's disbursement *during "current" year under consideration*
- (ii) ETCs *are available in Annexure-2 of PLI guidelines*

**91. What is Not permitted?**

- Applicant *manufacturing* companies *are not permitted for PLI in* particular year *when ETCs are not satisfied in* particular year *in accordance with Annexure-2 of PLI guidelines*

**92. What is Carryover?**

- Applicant *manufacturing* companies *are not permitted to carryover PLI when* ETCs *are not satisfied in* particular year *in accordance with Annex-2 of PLI guidelines*

**93. What is Subsequent year?**

- Applicant *manufacturing* companies *are permitted for PLI in* subsequent year *when ETCs are satisfied in* subsequent year *in accordance with Annexure-2*

**94. What is Net "Incremental" investments?**

- (i) Applicant *manufacturing* companies *are required for* computing "cumulative" values *for* investments made *from April 01, 2021 to* last year *and also investments made in* current year *under consideration "both" for* determining "incremental" investments' eligibility *in* current year
- (ii) Applicant *manufacturing* companies *are permitted for* PLI "annually" beside 100%



committed investments *are* made *in* less than 4 years *based on* “annual” threshold investments communicated *in* approvals’ letters *issued by* govt. through ministry.

**95. What is Net “Incremental” sales?**

- (i) Applicant manufacturing companies *are* required *for* computing Net “Incremental” Sale (NIS) *for* manufacture goods *covered* under STSs *for* any year
- (ii) NIS *for* manufacture goods *covered* under STSs *are* considered *for* any 1 year over and above “base” year *i.e. financial year ending on March 31, 2020*

**96. What is Ineligible?**

- (i) Applicant manufacturing companies *are* treated ineligible *for* PLI Scheme *available* under Department of Telecommunication (DoT) *when they have already applied / availed* under “any other” PLI Scheme *implemented by* Central govt. of India
- (ii) Applicant manufacturing companies *are not* treated ineligible *for* PLI Scheme *available* under DoT *when they have applied / availed* under “any other” PLI scheme *implemented by* State / Union Territory (UT) Govts.

**97. What are Eligible MSMEs?**

- Applicant manufacturing companies *under* MSMEs *are* permitted *for* PLI Scheme *when* MSME manufacturing companies’ revenues *are* exceeding 10 crores.

**98. What is MSME’s status?**

- (i) Applicant manufacturing companies *are* required to accept MSME status *as* determined *at* selection’s time *by* govt. through *respective* ministry.
- (ii) MSME status *as* determined *at* selection’s time *by* govt. through *respective* ministry *is required* to continue *during* entire 5 years’ duration *for* PLI Scheme *beside* MSME *is* become non-MSME *during within* 5 years’ duration.

**99. What is DoT’s financial allocation for MSME?**

- DoT’s maximum financial allocation *for* 100% MSME categories *are* permitted INR 1000 crores *for* maximum 5 years.



## Chapter-V(D)- Eligible Investments

### 100. What are Eligible investments?

- (i) Eligible investments are defined in PLI Scheme's guidelines made on / after April 01, 2021.
- (ii) Not eligible investments are expenditures incurred on consumables and also raw materials "both" used for products' manufacturing.
- (iii) Eligible investments are treated from tax invoice's date for expenditures on investments.
- (iv) Eligible investments are treated when permissible head for investments is capitalized in books of accounts for claiming PLI in any 1 year.

### 101. What are Expenditures on plant, machinery and equipment?

- (i) Expenditure incurred on plants, machineries and also equipment "all" are defined in PLI Scheme's Guidelines for computing investments.
- (ii) Applicant companies are required to purchase / lease plants, machinery and also equipment "all" in their names
- (iii) (a) Applicant companies are required to have financial lease within meaning as defined in Accounting Standard (AS)-19 – Leases  
Or  
(b) Defined in Indian Accounting Standard (Ind AS) 116 – Leases
- (iv) Not eligible investments on plants, machineries and equipment are treated when these are obtained by applicant companies from group companies located in India and also their core business is not financing / equipment leasing
- (v) (a) Eligible investments on plants, machineries and also equipment are permitted when used / refurbished under Hazardous and Other Wastes (Management and Transboundary Movement) Amendment Rules, 2018 where minimum residual life is 5 years.





- (b) Value **for** plants, machineries and also equipment **are** required to consider **at** lower of cost / depreciated value computed **in accordance with** scale of depreciation fixed **by** Customs **beside** these **are** imported / **not** imported.
- (vi) (a) Applicant companies **are** required to obtain appropriate undertakings **from** person having custody of equipment / components and also valid legal agreements “both” **when** these **are** located **outside** premises
- (b) Applicant companies **are not** permitted custody of equipment / components located **outside** India
- (vii) Plant, machineries and also equipment **are** required to procure / lease **through** legally valid documents “after” payments of applicable taxes / levies.
- (viii) Plant, machineries and also equipment **are** required to use **for** manufacturing of goods under STSs duly approved **by** approval letter issued **by** PMA.
- (ix) Applicant companies **are** required to submit declaration **for** machinery’s uses **for** “each” year **when** claiming PLI **in accordance with** PLI Scheme’s guidelines.
- (x) PMA **is** permitted to rely **on** certificates issued **by** Chartered Engineer / valuer registered with Insolvency & Bankruptcy Board of India (IBBI) and also valuation considered **in accordance with** Customs Rules **when** these **are** applicable **for** determining cost’s reasonableness.

## 102. What is Research and Development (R&D)?

- (i) Eligible investments **are** treated **for** expenditures incurred **on** R&D as defined in PLI Scheme’s guidelines **for** determining eligible investments.
- (ii) Applicant companies **are** required to submit certificates obtained **from** Statutory Auditors **for** certain expenditures incurred **on** products’ manufacturing under PLI Scheme’s guidelines like:
  - (a) Cost of technology
  - (b) Intellectual Property Rights (IPRs)
  - (c) Patents and also copyrights “both”



- (iii) (a) *Eligible investments are treated for expenditures incurred on software associated with R&D procured / licensed through legally valid documents "after" payment of applicable taxes / duties.*
- (b) *Applicant companies are required to obtain certificates from Statutory Auditors for expenditures incurred on software associated with R&D*
- (iv) *Applicant companies are not permitted to incur expenditures on R&D when these are exceeding 15% of total committed investments under STSs*

### **103. What are Transfer of technology agreements?**

- (i) *Eligible investments are treated for expenditures incurred on Transfer of Technology (ToT) for computing eligible investments under PLI Scheme.*
- (ii) *Eligible companies are required to submit ToT agreements for computing eligible investments under PLI Scheme.*
- (iii) *Eligible companies are required to obtain certificates from Statutory Auditors for ToT's expenditures*
- (iv) *Eligible companies are not permitted to incur expenditures on ToT when these are exceeding 5% of total committed investments under STSs*

### **104. What are Associated utilities?**

- (i) *Eligible investments are treated for expenditures incurred on associated utilities for computing eligible investments under PLI Scheme*
- (ii) (a) *Eligible companies are not permitted to exceed rates specified in CPWD schedule for associated utilities "if available"*  
Or  
(b) *Eligible companies are not permitted to exceed valuations made by Chartered Engineer*
- (iii) *Eligible companies are required to obtain certificates from Statutory Auditors for expenditures incurred on associated utilities*





**105. What are Related party transactions?**

- (i) Eligible companies are required to carry 100% Related Party Transactions (RPTs) in accordance with Accounting Standard (AS) 18
- (ii) Eligible companies are also required to carry 100% RPTs in accordance with Arm Length Principle (ALP) as defined under Income Tax Act (ITA) 1961

**106. What is PMA's role?**

- (i) PMA is permitted to rely on certificates obtained from Statutory auditors / Chartered engineers / valuers / etc. and also submitted by applicant companies
- (ii) Eligible companies are required to borne cost for certificates and also claim processes "both"

## Chapter-V(E)- Applications

### 107. What is Introduction?

- (i) Applicant companies *are required* to submit *applications from* PLI Scheme opening's date *as notified by* DoT *on* <https://www.pli-telecom.udyamimitra.in>
- (ii) Competent Authority is *permitted* to accept applications *and also* to issue acknowledgement "*both*" *on* <https://www.pli-telecom.udyamimitra.in>

### 108. What is Competent authority's role?

- (i) Competent authority *is permitted* to invite **new** applications *anytime* during PLI Scheme's tenure.
- (ii) Applicant companies *are permitted* to submit applications **to** PMA **on** PLI Scheme's online portal.
- (iii) PMA *is required* to issue acknowledgement **for** applications' receipts
- (iv) PMA *is not* promising **for** PLI's *claim* acceptance "*after*" issuing acknowledgement **for** application's receipts
- (v) PMA *is permitted* to carry "*initial*" scrutiny "*after*" issuing acknowledgement **for** application's receipts **for** ascertaining *that* information's, documents, certificates *and also* proof **for** application fee's deposit "*all*" *are* submitted
- (vi) PMA *is permitted* to intimate **to** applicant companies **for** deficiency "*if any*" found "*after*" initial scrutiny **for** rectification **by** applicant companies *within* stipulated timeline.
- (vii) PMA *is permitted* to declare ineligible **for** PLI Scheme **when** deficiency *is not* rectified / removed *within* stipulated timeline.
- (viii) PMA *is required* to recommend **to** DoT **for** issuing approval **by** Competent Authority "*after*" initial scrutiny *and also* deficiency's rectification "*both*"
- (ix) PMA *is required* to ensure **for** committed investments *and also* estimated "Incremental" Net Manufacturing Sales



- (x) PMA is required to issue “approval” letters to applicant companies in accordance with specified format “after” receiving approval from DoT
- (xi) PMA is not required to refund application fee when application is rejected
- (xii) PMA is required to accept application fee electronically “only”

#### 109. What is Applicant companies’ role?

- (i) Applicant companies are permitted to submit 1 application for 1 product under STSs
- (ii) Applicant companies are “also” permitted to submit more than 1 applications for more than 1 products under STSs
- (iii) Applicant companies manufacturing with “domestic” technology are encouraged for applying under STSs
- (iv) Applicant companies are required to submit applications in specified format and also in accordance with process mentioned in PLI Scheme’s guidelines “both”
- (v) Applicant companies are not permitted to submit applications “after” application window’s closure except specifically permitted by Competent Authority

## Chapter-V(F)- Online Portal

### 110. What is Online portal?

- (i) 100% applications *are required* to submit **through** online portal **to** PMA
- (ii) PMA *is required* to issue *unique* application ID **to** *applicant* companies **for** 100% future's activities *and also future's* correspondence "*both*"
- (iii) DOT *is permitted* to issue *detailed* instructions **for** using online portal *under* PLI Scheme.

## Chapter-V(G)- Project Management Agency (PMA)

### 111. What is Introduction?

- (i) DoT *is permitted* to implement PLI Scheme **through** Project Management Agency (**PMA**). Hence DoT *is authorized* to appoint PMA.
- (ii) PMA *is required* **for** providing *certain* services *like*:
  - (a) Secretarial *services*
  - (b) Managerial *services*
  - (c) Implementing *services*
  - (d) Supporting *services*
  - (e) Carrying *services*

### 112. What is PMA's role?

- PMA *is responsible* **for** *certain* activities *like*:
  - (i) Issuing *applications receipt's* acknowledgements
  - (ii) Scrutinizing *applications within* stipulated timelines.
  - (iii) Ascertaining *baseline* **for** Net Sales of Manufactured Goods and Investments **for** *eligible* applicants *and also* making "*appropriate*" recommendations **to** Competent Authority "*all*"



- (iv) Verifying *thresholds* of committed investments **for** *determining* eligibility **for** *incentive's* disbursements.
- (v) Examining claims **for** *incentive's* disbursements *and also* making "appropriate" recommendations **to** Competent Authority "both".
- (vi) Verifying "reconciliation" of claims' disbursements **with** *specified* documents.
- (vii) Compiling data **for** progress *and* *PLI Scheme's* performance **through** Quarterly Review Reports (**QRRs**) *and also* **other** information's / documents "all".
- (viii) Deciding "eligibility" to receive *incentives* based **on** "incremental" investments *and* "Incremental" sales "both" **i.e.** document based verification *and also* *involving* selective physical verification / *inspection* **by** PMA / *suitable* agency **in accordance with** operating procedures *decided by* DoT / PMA

### 113. What is Additional information's?

- PMA is *permitted* **for** asking "additional" information's, details *and also* documents "all" **from** *applicant* companies **as** *considered* necessary.

## Chapter-V(H)- Empowered Group of Secretaries

### 114. What is Empowered Group of Secretaries?

- Empowered Group of Secretaries (EGoS) is permitted **for** monitoring *PLI Scheme*, undertaking “periodical” review **for** payments *made* under *PLI Scheme* *and also* taking “appropriate” actions “all” **for** expenditures *incurred within specified limit* approved **by** *govt. of India* like:
  - (i) EGoS *are permitted* **for** undertaking “periodical” review **for** *certain criteria* like:
    - (a) Investments made **for** availing *PLI Scheme*
    - (b) Employment generated **for** availing *PLI Scheme*
    - (c) Production made **for** availing *PLI Scheme*
    - (d) Value addition made **for** availing *PLI Scheme*
  - (ii) EGoS *are permitted* **for** revising *certain criteria / targets* like:
    - (a) Revising *PLI's rates*
    - (b) Revising **ceilings / limits**
    - (c) Revising Scheme Target Segments (**STSS**)
    - (d) Revising **eligible criteria**
  - (iii) EGoS *are permitted* **for** amending *certain criteria* **when** Force Majeure Event (**FME**) *is arises* like:
    - (a) Amending *PLI Scheme's clauses*
    - (b) Modifying *PLI Scheme's clauses*
    - (c) Withdrawing *PLI Scheme's clauses*

### 115. What is Competent Authority?

- (i) Competent Authority *is permitted* **for** considering applications recommended **by** PMA **for** approvals
- (ii) Competent Authority *is permitted* **for** seeking “additional” information’s *considered* necessary **for** approvals



- (iii) Competent Authority *is permitted* to carry amendments **in** PLI Scheme's guidelines
- (iv) Competent Authority *is permitted for* authorizing "any" other person / agency **for** considering application's approvals *and also* claim's approvals "both" **for** PLI.

### 116. What is Baseline information?

- (i) Baseline information's *as on March 31, 2021* are required **for** computing PLI *i.e.* Cumulative "incremental" investments *and also* Net "incremental" sale of goods manufactured **in** India like:
  - (a) Investments *as on March 31, 2021*
  - (b) Sales of goods manufactured **in** India covered under STS *i.e.* from April 01, 2019 to March 31, 2020 (1 year)
- (ii) (a) Eligible companies are required to submit information's / documents **at** their own cost **for** establishing baseline
  - (b) Establishing baseline *is not* limited to Statutory Auditor Certificate (SAC) *and also* returns furnished **to** several Ministries / Departments / Agencies / PMA "both"
- (iii) Competent Authority *is required* to consider applications **for** approvals based **on** baseline information's *like*:
  - (a) Cumulative "incremental" investments
  - (b) Net "incremental" sales of goods manufactured **in** India
  - (c) Cumulative "Committed" investments
  - (d) Maximum "eligible" sales made **during** PLI Scheme period **as** ascertain *and also* recommended **by** PMA "both".

### 117. What is PMA's role for approval under PLI?

- (i) PMA *is required* to scrutinize received applications "after" issuing acknowledgements
- (ii) PMA *is required* to carry "initial" scrutiny **against** received applications
- (iii) PMA *is required* to send recommendations **for** approvals **to** DoT **for** eligible companies **with** baseline information's *like*:



- (a) Cumulative “incremental” investments
- (b) Net “incremental” sales of goods manufactured in India
- (c) Cumulative “Committed” investments
- (d) Maximum “eligible” sales made during PLI Scheme period as ascertain and also recommended by PMA “both”.

### 118. What is DoT's role for approval under PLI?

- (i) DoT is required to carry “final” scrutiny and also to approve eligible companies’ applications “after” obtaining approval from department of respecting Minister in charge.
- (ii) (a) DoT is required to grant approvals to 10 eligible applications “each” from MSME and also non-MSME “both” categories
- (b) DoT is required to grant approvals to minimum 3 eligible “domestic” companies out of 10 applications for non-MSME category.

### 119. What is DoT's role for selection under PLI?

- DoT is required to select 1 application out of 2 applications when 2 applications are in excess of limit specified under PLI Scheme under certain criteria like:
  - (i) Highest to lowest based on committed “cumulative” investments in scheme period for MSMEs category
  - (ii) Highest to lowest based on committed “cumulative” investments in scheme period for non-MSMEs category
  - (iii) Highest to lowest based on committed “cumulative” investments in “global” manufacturing revenues when minimum 2 applicants are existed with “same” levels / figures
  - (iv) (a) DoT is required to grant approvals to 10 eligible applications “each” from MSME and also non-MSME “both” categories
  - (b) DoT is required to grant approval to minimum 3 eligible “domestic” companies out of 10 applications for non-MSME category.





- (v) (a) DoT is required to select 100% applicants based on total PLI for maximum eligible sales i.e. 12,195 crore in 5 years
- (b) DoT is required to reduce applicants' number when total PLI is exceeding 12,195 crore in 5 years for maximum eligible sales
- (vi) DoT is required to select "additional" applicants when total PLI is not exceeding 12,195 crore in 5 years for maximum eligible sales

### 120. What is PMA's role for selection under PLI?

- PMA is required to send letters for communicating to applicant companies "after" receiving approvals from DoT with certain information's like:
  - (i) Applicant's name
  - (ii) Applicant's category
  - (iii) Eligible Product(s)
  - (iv) Acknowledgement's date
  - (v) Approval's date
  - (vi) Thresholds for Committed "Cumulative" Investments and also Net "Incremental" Sales of Goods Manufactured in India "both" covered under STS for determining eligibility.
  - (vii) Baseline for eligible investments i.e. as on March 31, 2021
  - (viii) Baseline for Net Sales of Goods Manufactured in India covered under STS from April 01, 2019 to March 31, 2020 (1 year)
  - (ix) Total Ceiling for PLI for entire Scheme period i.e. 5 years
  - (x) Other information's / conditions "if any" stipulated by DoT

### 121. What is Companies' role for PLI's calculations?

- Eligible companies are required to compute PLI based on net "incremental" sales for eligible product(s) x (multiple) PLI's rate applicable for "respective" year like:
  - (i) When eligible product(s) are stated in approval letters.



- (ii) When net “incremental” sales **for** eligible product(s) are adjusted **with** sale returns **when** claims **for** sale returns / other matter **is** accepted **through** credit notes **issued in** current year / “next” year
- (iii) When annual ceiling **for** PLI **is** matched **with** PLI Scheme notified **on Feb 24, 2021**

## 122. What is Companies’ role for PLI’s disbursements?

- (i) Eligible companies **are required** to submit claims **for** PLI’s disbursements **to** PMA
- (ii) Eligible companies **are required** to ensure **that** claims **are** 100% complete **and** also supported **with** 100% documents “both” **required in accordance with** format **specified in** PLI Scheme
- (iii) Eligible companies **are required** to submit claims **for** PLI’s disbursements “after” end of financial year
- (iv) Eligible companies **are not permitted** to submit claims **for** PLI’s disbursements “after” 9 months **from** end of financial year **i.e. not permitted “after” Dec 31**
- (v) Eligible companies **are required** to submit “reconciliation” statements **in** specified format **as on March 31 “every” financial year in scheme period and** also to submit **maximum by Jan 15 “both” i.e. maximum permitted period to** submit **is in 9.5 months like:**
  - (a) Reconciliation statements **for** total “incremental” investments
  - (b) Reconciliation statements **for** net “incremental” sales **for** eligible goods manufactured **in** India.
- (vi) (a) Eligible companies **are required** to reimburse **to DoT for “excess” claims** disbursed **by** DoT
- (b) Eligible companies **are required** to pay interest **based on** 3 years MCLR prevailing rate **on** disbursement’s date **and also** to compound “annually” both
- (c) Eligible companies **are required** to pay interest **for** period **between** “excess” payment **and** refund’s date



### 123. What is PMA's role for PLI's disbursement?

- (i) PMA is required to examine **for** disbursing PLI's claims submitted **by** eligible companies
- (ii) PMA is required to verify **for** eligibility, assessing PLI payable **to** eligible companies **based on** methods prescribed **in** PLI Scheme's guidelines and also approval letters issued **by** DoT "all"
- (iii) PMA is permitted to verify 100% documents submitted **by** eligible companies
- (iv) PMA is **not** required to rely **on** SAC and also returns submitted **to** several ministries / departments / agencies **for** PLI's disbursements.
- (v) PMA is permitted to examine "end" realizations, settlements / payments **in accordance with** sales, investments **through** examining SAC, bank statements and also etc. "all" **when** considered necessary.
- (vi) PMA is permitted to refer **to** DoT **for** clarifying **when** observed **any** doubt **for** determining eligibility, PLI's amount, **any** other matter **for** discharging duties and also responsibilities "all"
- (vii) PMA is required to process **for** PLI disbursement's claims and also to make "appropriate" recommendations **to** DoT "both".
- (viii) PMA is required to verify "reconciliation" documents/certificates and also to recommend PLI's disbursements "both" **for** "balance" eligible PLI's claims **to** DoT
- (ix) PMA is required to furnish certain information's **to** DoT **on** "quarterly" basis like:
  - (a) Details **for** PLI's disbursement claims received
  - (b) Details **for** amount disbursed / recommended
  - (c) Details **for** reasons **for** rejections / delays **in** PLI's recommendations
- (x) PMA is required to submit "consolidated" budgetary requirements "annually" **to** DoT.
- (xi) (a) PMA / Competent Authority is permitted to ask eligible companies **for** refunding PLI, interest calculated **at** 3 years SBI MCLR prevailing **on**



disbursement *date and also* to compound “*annually*” all **when** satisfied that eligibility *under PLI scheme / PLI’s disbursements is obtained by eligible companies through* mis-representation **for** “*essential*” facts / *furnished false information’s*

(b) PMA *is required* to provide opportunity *of being* heard **to eligible** companies

#### 124. What is DoT’s role for PLI’s disbursement?

- (i) DoT *is permitted for* taking “*final*” decisions **when** PMA *has referred to* DoT **for** clarifying **when** observed *any doubt for determining* eligibility, PLI’s amount, *any other matter for discharging* duties *and also* responsibilities “*all*”
- (ii) DoT *is required* to consider **for** PLI disbursement’s *claims as* examined *and also* recommended “*both*” **by** PMA
- (iii) DoT *is required* to disburse amounts “*after*” completion **for** 100% “*pre-disbursal*” formalities **by eligible** companies *and also* approval **by** DoT “*both*”
- (iv) DoT *is permitted* to disburse *maximum 85% for* PLI disbursement claims **when** “*reconciliation*” certificates *are not* submitted.
- (v) DoT *is required* to disburse PLI’s claims *via* Direct Bank Transfer (**DBT**) **through** PEMS.
- (vi) DoT *is required* to disburse PLI’s “*balance*” claims **to eligible** companies *based on* Competent Authority’s approvals.
- (vii) DoT *is required* to make “*budgetary*” provisions **for** PLI’s disbursements.

#### 125. What is DoT’s role for review and monitoring?

- (i) DoT’s *constituted Steering Committee (SC)* *is required “periodically”* to review **for** monitoring progress *of eligible companies for* certain criteria *like:*
  - (a) Total “*incremental*” investments **in** India **by eligible** companies
  - (b) Net “*incremental*” employments *generations* **in** India **by eligible** companies
  - (c) Net “*incremental*” goods *manufactured* **in** India **by eligible** companies



- (d) Net “incremental” value additions under PLI Scheme in India by eligible companies
- (ii) (a) DoT’s constituted Technical Committee (TC) is required to provide “technical” assistance to PMA / DoT / EGoS for discharging their functions
- (b) DoT’s constituted TC is required to give comments on “technical” matters referred by PMA/DoT
- (iii) DoT is required to consider PLI’s claims when 100% QRRs for particulars financial year are submitted by eligible companies within prescribed timelines.

#### **126. What is Eligible companies’ role for review and monitoring?**

- Eligible companies are required to furnish “self-certified” Quarterly Review Reports (QRRs) in specified formats within 30 days from end of “each” quarter in format prescribed in PLI Scheme guidelines

## Chapter-V(I)- Conclusions

### 127. What is Eligible companies' role for change in criteria?

- (i) Eligible companies are **not permitted** to claim PLI **through** sales' diversion **from** group companies / existing units' closure **in** India **for** claiming "higher" PLI
- (ii) Eligible companies are required to submit "suitable" declarations **for not** claiming PLI **on** "same" manufactured items **through** more than **1** applicants
- (iii) Eligible companies are required to submit latest shareholding pattern **to** PMA and also "annual" PLI claimed "both" **when** changes are made **in** shareholding pattern during year "after" updating **with** Registrar of Companies (RoC)
- (iv) Eligible companies are required to submit 1<sup>st</sup> and 2<sup>nd</sup> undertakings based on CVC's suggestions duly signed **by** CEO / MD / Director along with designation and also authorizations to submit undertakings "all".

### 128. What is Competent Authority's role for change in criteria?

- (i) Competent Authority is required to receive details **from** PMA **for** considering PLI's disbursements **against** certain changes **in** shareholding pattern during PLI Scheme's tenure like:
  - (a) Change **in** shareholding pattern leading to successor - in - interest
  - (b) Change **in** shareholding pattern **from** domestic **to** global / vice-versa
- (ii) Competent Authority is required to determine eligibility **for** eligible companies **when** successor - in - interest / change **in** companies' nature i.e. **from** domestic **to** global / vice-versa is happened like:
  - (a) Total "incremental" investments **in** India **by** eligible companies
  - (b) Net "incremental" employments generations **in** India **by** eligible companies
  - (c) Net "incremental" goods manufactured **in** India **by** eligible companies
  - (d) Net "incremental" value additions under PLI Scheme **in** India **by** eligible companies



**129. What is Central vigilance Commission's role for malpractices?**

- Central Vigilance Commission (CVC) has suggested to adopt Integrity Pact (IP) for obtaining certain undertakings from eligible companies for avoiding malpractices in PLI's disbursements to eligible companies like:
  - (i) (a) Eligible companies are required to submit 1<sup>st</sup> undertaking for PLI's approvals / disbursements
  - (b) Eligible companies' claim applications are not processed / considered when 1<sup>st</sup> undertaking for PLI's approvals / disbursements are not submitted
  - (ii) (a) Eligible companies are required to submit 2<sup>nd</sup> undertaking for confirming compliances' integrity "after" submitting PLI's disbursements claims "before" PLI's funds releases
  - (b) Eligible companies' PLI's disbursements to withheld when 2<sup>nd</sup> undertaking for PLI's approvals / disbursements are not submitted

**130. What is DoT's role for PLI's scheme guidelines?**

- (i) DoT is permitted to perform 100% functions assigned to PMA
- (ii) DoT is required to specify "separate" dates and also timelines "both" for several activities



## ● Chapter-VI-PLI Scheme by Ministry of New and Renewable Energy ●

### 131. What is MNRE?

- (i) Ministry of New and Renewable Energy (**MNRE**) govt. of India is “implementing” Production Linked Incentive (**PLI**) Scheme
- (ii) PLI Scheme is National Programme **for** High Efficiency Solar (**HES**) PV Modules
- (iii) PLI Scheme is achieving manufacturing capacity of Giga Watt (**GW**) scale **in** HES PV modules **with** outlay **in** Trench-I **for** **INR 4,500** crore **and also in** Trench-II **INR 19,500** crore totalling **to 24,000** crore.
- (iv) HES PV modules manufacturers are selected through transparent selection process.
- (v) PLI Scheme is having provision **for** selected HES PV modules manufacturers
- (vi) PLI Scheme is available **for** 5 years “after” commissioning of manufacturing **and also** sale of HES PV modules “both”.

### 132. What are Objectives?

- PLI scheme is required to build ecosystem **for** manufacturing of HES PV modules **and also** to reduce “import” dependence **in** Renewable Energy (**RE**) “both” in India. There are certain other objectives **for** introducing PLI Scheme like:
  - (i) Building HES PV modules manufacturing capacity.
  - (ii) Bringing cutting-edge technology **for** manufacturing HES PV modules **in** India.
  - (iii) Allowing 100% technologies to obtain **better** HES PV modules’ performance.
  - (iv) Promoting setup of integrated plants **with** better quality control **and also** competitiveness “both”.
  - (v) Developing ecosystem to source “local” materials **for** HES PV modules manufacturing
  - (vi) Employing generation **and also** technological “self” sufficiency “both”.



### 133. What is Tranche-I?

- (i) Govt. of India has approved Tranche-I for National Programme on HES PV modules on April 07, 2021
- (ii) MNRE has issued PLI Scheme's on National Programme for HES PV Modules on April 28, 2021 with Tranche-I outlay for INR 4,500 crore.

### 134. What is Tranche-II?

- (i) Govt. of India has approved Tranche-II PLI Scheme for National Programme on HES PV Modules on Sep 21, 2022
- (ii) MNRE has issued PLI Scheme's on National Programme for Tranche-II for HES PV Modules on Sep 30, 2022 with Tranche-II outlay for INR 19,500 crore.
- (iii) Solar Energy Corporation of India (SECI) being implementing agency on behalf of MNRE for Tranche-II PLI Scheme has issued tender document for selection of HES PV Modules' manufacturers.
- (iv) SECI has issued Letters of Award (LoAs) to 11 bidders in April 2023 for setting 39,600 MW fully / partially integrated HES PV modules' manufacturing

### 135. What is 3 years' timelines?

- 3 years' timelines are permitted for commissioning of HES PV modules' manufacturing facilities from sanction's date like:
  - (i) Stage-1:
    - Manufacturing of Polysilicon from outsourced imported/domestic M.G. Silica
  - (ii) Stage-2:
    - Manufacturing of Ingots-Wafers from Stage-1 Polysilicon
  - (iii) Stage-3:
    - Manufacturing of solar cells from Stage-2 Wafers



**(iv) Stage-4:****(a) Manufacturing of Modules from Stage-3 Solar Cells**

or

**(b) Fully integrated manufacturing of Thin Film plant**

or

**(c) Fully integrated plant of other technology "if any"****136. What is 2 years' timelines?**

- 2 years' timelines are permitted for manufacturing of Ingots-Wafers from outsourced Polysilicon from sanction's date like:

**(i) Stage-2:**

- Manufacturing of Ingots-Wafers from outsourced Polysilicon

**(ii) Stage-3:**

- Manufacturing of solar cells from Stage-2 Wafers

**(iii) Stage-4:****(a) Manufacturing of Modules from Stage-3 Solar Cells**

Or

**(b) Similar level of integration "other" technology "if any"****137. What is 1.5 years' timelines?**

- 1.5 years' timelines are permitted for manufacturing of Ingots-Wafers from outsourced Polysilicon from sanction's date like:

**(i) Stage-3:**

- Manufacturing of solar cells from outsourced Wafers

**(ii) Stage-4:****(a) Manufacturing of Modules from Stage-3 Solar Cells**

Or

**(b) Similar level of integration "other" technology "if any"**

### 138. What are partial PLI?

- (i) Manufactures **are not** permitted to obtain PLI **until** they are able to overcome their deficiencies **when** they were failed to meet promised integration / capacity / minimum module performance “after” selection.
- (ii) Manufacturers **are** permitted to obtain PLI **from** next following month **when** they have achieved to meet promised integration / capacity / minimum module performance “after” selection
- (iii) (a) Manufacturers **are not** permitted to obtain PLI **for** “full” 5 years **when** they were failed to meet promised integration / capacity / minimum module performance “after” selection
- (b) PLI **for** “full” 5 years **are not** permitted due to interruption **for not** achieving to meet promised integration / capacity / minimum module performance “after” selection.
- (c) PLI **for** “balance” years **are** permitted due to interruption **for not** achieving to meet promised integration / capacity / minimum module performance “after” selection

### 139. What are Bank's guarantees?

- (i) Bidders-manufactures **are required** to submit Performance Bank Guarantees (PBGs) at time of signing contract agreement **with** Indian Renewable Energy Dev Agency Ltd (IREDA) **for failure to meet** promised integration / capacity / minimum module performance “after” selection
- (ii) PBGs **are required** to forfeit **by** IREDA **when** bidders-manufacturers have failed to meet promised integration / capacity / minimum module performance “after” selection
- (iii) “Proportionate” PBGs **are required** to release **by** IREDA **in** proportion to failures **by** bidders-manufacturers



### 140. What is Proportionate PLI?

- Bidders-manufactures are permitted to receive maximum 95% PLI when they have “actual” PLI’s requirements lower than quoted at time of submitting bids by them.

### 141. Who are successful bidders - Tranche-I?

S.No	Name of bidders-manufacturers	Extent of Integration	Manufacturing capacity (in MW)	Eligible Capacity (in MW)	PLI (In INR in crore)
(i)	Shirdi Sai Electricals Limited	(a) Polysilicon (b) Ingots-Wafers (c) Cells (d) Modules	4,000	2,000	1,875
(ii)	Reliance New Energy Solar Limited	--do--	4,000	2,000	1,917
(iii)	Adani Infrastructure Private Limited	--do--	737	368	663
<b>Total</b>			<b>8,737</b>	<b>4,368</b>	<b>4,455</b>

### 142. What is Basket-1’s Capacity - Tranche-II?

<b>For Polysilicon, Ingots-Wafers, Cells and Modules</b>				
Rank	Name of bidders-manufacturers	Manufacturing Capacity (in MW)	Eligible Capacity (in MW)	PLI allocated (in INR in Crore)
(i)	Indosol Solar Private Limited	6000	3000	3300
(ii)	Reliance New Solar Energy Limited	6000	3000	3098.04
(iii)	FS India Solar Ventures Private Limited	3400	1700	1177.573
<b>Total</b>		<b>15400</b>	<b>7700</b>	<b>7575.613</b>

### 143. What is Basket-2’s Capacity - Tranche-II?

<b>For Ingots-Wafers, Cells and Modules</b>				
Rank	Name of bidders-manufacturers	Manufacturing Capacity (in MW)	Eligible Capacity (in MW)	PLI allocated (in INR in Crore)
(i)	Waaree Energies Limited	6000	3000	1923.24
(ii)	Avaada Ventures Private Limited	3000	1500	961.62
(iii)	ReNew Solar (Shakti Four) Private Limited	4800	2400	1538.592
(iv)	JSW Renewable Technologies Limited	1000	500	320.54
(v)	Grew Energy Private Limited	2000	1000	566.71
<b>Total</b>		<b>16800</b>	<b>8400</b>	<b>5310.702</b>



### 144. What is Basket-3's Capacity - Tranche-II?

<b>For Cells and Modules</b>				
<i>Rank</i>	<i>Name of bidders-manufacturers</i>	<i>Manufacturing Capacity (in MW)</i>	<i>Eligible Capacity (in MW)</i>	<i>PLI allocated (in INR in Crore)</i>
(i)	Vikram Solar Limited	2400	1200	528.54
(ii)	AMPIN Solar One Private Limited	1000	500	139.72
(iii)	TP Solar Limited	4000	2000	383
<b>Total</b>		<b>7400</b>	<b>3700</b>	<b>1051.26</b>
<b>Total</b> PLI allocated under PLI Tranche-II			INR 13937.575 Cr.	
<b>Total</b> Manufacturing Capacity allocated under PLI Tranche-II			39600 MW	



## ● Chapter-VII - PLI Scheme's Statical data ●

### 145. What are Achievements?

- PLI Scheme *has* achieved *certain* parameters *up to Aug 2024* like:

- (i) Investments *are* realised *of* **INR 1.46** lac crore
- (ii) Productions *are* made *of* **INR 12.50** lac crore
- (iii) Employments *are* generated *of* **9.5** lac
- (iv) Exports *are* made *of* **INR 4** lac crore

### 146. What is Budget outlay?

- Govt. *of India* through *certain* Ministries *has* allotted budget outlay *like*:

S.No.	Sector's Name	Amount in INR in Crores	Time Duration in years
(i)	Large Scale Electronics Manufacturing ( <b>LSEM</b> )	<b>40,995</b>	<b>5</b>
(ii)	Auto components	<b>57,042</b>	<b>5</b>
(iii)	Renewable energies - solar PV	<b>4,500</b>	<b>5</b>
(iv)	ACC batteries	<b>18,100</b>	<b>5</b>
(v)	IT Hardware's	<b>5,000</b>	<b>4</b>
(vi)	Pharmaceutical manufacturing	<b>15,000</b>	<b>5</b>
(vii)	Telecoms <i>and also</i> Networking products " <i>both</i> "	<b>12,195</b>	<b>5</b>
(viii)	Food <i>and also</i> Allied sectors " <i>both</i> "	<b>10,900</b>	<b>6</b>
(ix)	Textiles	<b>10,683</b>	<b>5</b>
(x)	Bulk drugs	<b>6,950</b>	<b>10</b>
(xi)	Steels	<b>6,322</b>	<b>5</b>
(xii)	White goods	<b>6,238</b>	<b>5</b>
(xiii)	Medical devices	<b>3,420</b>	<b>8</b>
(xiv)	Drones <i>and also</i> drone components " <i>both</i> "	<b>120</b>	<b>3</b>
<b>Total</b>		<b>1,97,465</b>	





### 147. What are Large Scale Electronics Manufacturing (LSEM)?

- (i) LSEM has strengthened i.e. INR 40,995 crore are allotted for PLI Scheme
- (ii) LSEM has flourished i.e. India is become "net exporter" from "net importer" for mobile phones.
- (iii) Productions for mobile phones are increased "significantly" from 5.8 crore units in financial year ending March 31, 2015 to 33 crore units in March 31, 2024 (9 years)
- (iv) Imports for mobile phones are decreased "significantly".
- (v) Exports for mobile phones are increased "significantly" i.e. 5 crore units
- (vi) Foreign Direct Investments (FDIs) are increased "significantly" i.e. 254% from financial year ending on March 31, 2015 to March 31, 2024 (9 years).

### 148. What are Pharmaceuticals, Medical Devices and Bulk Drugs?

- (i) Pharmaceuticals, Medical Devices and also Bulk Drugs "all" have strengthened i.e. INR 15,000 crore are allotted for PLI Scheme
- (ii) Pharmaceuticals, Medical Devices and also Bulk Drugs "all" have strengthened i.e. India is become 3<sup>rd</sup> largest player in global market (in volumes).
- (iii) Productions for Pharmaceuticals, Medical Devices and also Bulk Drugs "all" are increased "significantly" like:
  - (a) Productions are increased "significantly" for key bulk drugs i.e. Penicillin G. Additionally
  - (b) Productions are increased "significantly" for global companies those have transferred their advanced medical device technology for enabling India to produce "critical" equipment i.e. CT scanners and also MRI machines "both" locally
- (iv) Exports for Pharmaceuticals, Medical Devices and also Bulk Drugs "all" are around 50% of total production in India



- (v) Imports **for** Pharmaceuticals, Medical Devices and also Bulk Drugs “all” are decreased “significantly”

#### 149. What are Automotive industries?

- (i) Automotive industries **have** strengthened i.e. INR 57,042 crore **are** allotted **for** PLI Scheme
- (ii) Investments **for** automotive industries **are** increased “significantly”
- (iii) Productions **for** high-tech automotive products **are** increased “significantly”
- (iv) Applications **for** PLI **are** increased “significantly” i.e. 115 companies **have** applied **and also** 85 companies **were** approved “both”
- (v) FIs **for** automotive industries **are** increased “significantly” i.e. 67690 crore received **beyond** fixed target

#### 150. What are Renewal energies and solar PV?

- (i) Renewal energy - solar PV **has** strengthened i.e. INR 4,500 crore **are** allotted **for** PLI Scheme
- (ii) Govt. **has** allotted **budget for** INR 4500 crore **for** PLI scheme **in** Tranche-I
- (iii) Govt. **has** allotted **budget for** INR 19500 crore **for** PLI scheme **in** Tranche-II
- (iv) Manufacturing capacities **are** increased “significantly” i.e. 65GW **for** fully/ partially integrated solar PV manufacturing **in** Tranche-II
- (v) Employments **are** increased “significantly”
- (vi) Imports **are** decreased “significantly”

#### 151. What are Telecoms and networking products?

- (i) Telecoms **and also** networking products “both” **have** strengthened i.e. INR 12,195 crore **are** allotted **for** PLI Scheme
- (ii) Imports **are** decreased “significantly” i.e. 60% import substitution **by** manufacturing **under** PLI Scheme



- (iii) Exports *are* increased “significantly” i.e. exports **for 4G and also 5G** “both” telecom equipment
- (iv) FIs *are* increased “significantly” i.e. major global “tech” companies *have* setup manufacturing units **in** India
- (v) Global supply chain *is* increased “significantly”

### **152. What are Drones and Drone components?**

- (i) Drones *and also* Drone components “both” *have* strengthened i.e. **INR 120 crore** *are* allotted **for** PLI Scheme
- (ii) Imports *are* decreased “significantly”
- (iii) Exports *are* increased “significantly”
- (iv) Productions *are* increased “significantly” i.e. increased **7 times** **from** financial year ending on **March 31, 2015 to March 31, 2024 (9 years)**
- (v) MSMEs *and also* start-ups “both” *have* participated “significantly”
- (vi) FIs *are* increased “significantly”

**File No. P-29014/101/2020-LEI  
Government of India  
Ministry of Commerce & Industry  
Department for Promotion of Industry and Internal Trade**

Dated: the 23<sup>rd</sup> October, 2023

**Guidelines for the Production Linked Incentive (PLI) Scheme for Promoting Domestic Manufacturing of White Goods (Air Conditioners and LED Lights)**

**1. Introduction**

- 1.1. “Production Linked Incentive Scheme (PLI) for White Goods (Air Conditioners and LED Lights) manufacturers in India” has been notified vide notification No. CG-DL-E-16042021-226671 dated 16.04.2021.
- 1.2. With due consultations with industry and other relevant stakeholders, these Scheme Guidelines are issued for effective operation and smooth implementation of the Scheme in pursuance of Clause 4.4 of the said notification.
- 1.3. The Empowered Group of Secretaries (EGoS) will monitor the Scheme, undertake periodic review of the outgo and take appropriate action to ensure that the expenditure is within the prescribed outlay. EGoS may carry out any amendments in the Scheme Guidelines to ensure uniformity of schemes and their successful implementation on ground.
- 1.4. The Scheme will be effective from the date of its notification. Eligible Investment made in terms of Scheme guidelines, on April 1, 2021 or thereafter, shall be reckoned for considering the incentive under the Scheme.
- 1.5. Based on stakeholder consultation, three corrigenda to the Scheme Guidelines were issued on August 16, 2021, February 24, 2022, and October 9, 2023.

**2. Definitions**

- 2.1 **Air conditioners:** Air conditioners for the purpose of the Scheme shall mean Air Conditioners viz., Room Air Conditioners (i.e. Split AC and Window AC) and Commercial Air conditioners [i.e. Ducted Air Conditioning System and Variable Refrigerant Flow (VRF) Air Conditioning System].
- 2.2 **Applicant:** Applicant for the purpose of the Scheme shall be any company incorporated in India under the provisions of the Companies Act 2013, to manufacture one or more eligible product(s) under the specified target segment(s) and making an application for seeking approval under the Scheme.
- 2.3 **Application:** Application submitted by an applicant within the application window to the Project Management Agency (PMA) as per the Application Form prescribed under these guidelines containing requisite information, supporting documents and application fee.
- 2.4 **Application submission date:** The date on which an application under the scheme is submitted by an applicant.
- 2.5 **Application Acknowledgement Date:** The date on which receipt of an application, completed in all respects, is acknowledged by the PMA.

- 2.6 **Application Approval Date:** The date on which approval letter under the Scheme is issued by the PMA.
- 2.7 **Application Window:** Time period allowed for filing of applications.
- 2.8 **Arm's Length Price:** A price which is applied or proposed to be applied in a transaction between persons other than associated enterprises, in uncontrolled conditions. However, the price of the Eligible product computed using Cost Plus method and also certified by a Cost Accountant in practice, who is a member of The Institute of Cost and Management Accountants of India shall constitute Arm's Length Price. *[Ref: Corrigendum dated 9<sup>th</sup> October 2023]*
- 2.9 **Base Year:** Financial Year 2019-20 shall be treated as the base year for computation of cumulative incremental investment and net incremental sales of eligible Product(s) as well as for financial attributes under pre-qualification criteria. However, for applicants meeting the pre-qualification criteria on the basis of financial attributes of audited financial statements for FY 2020-21, the computation of net incremental sale of eligible product shall be done on the basis of net sales turnover of eligible products in the base year or FY 2020-21, whichever is higher.
- Accordingly, for applicants meeting prequalification criteria on the basis of audited financial statements for FY 2020-21, the higher net sales turnover of eligible products in base year or FY 2020-21 shall be considered, in following clauses 2.39, 7.1, 11.1 (b), and 12.2. *[Ref: Corrigendum dated 16<sup>th</sup> August 2021]*
- 2.10 **Brownfield Project:** A project wherein committed investment is proposed to be made by the applicant under the Scheme in a new manufacturing facility(ies) for manufacturing of eligible product(s) under target segment in the premises of any existing manufacturing facility(ies). Separate records, physical identification and accounts shall however be maintained for the new manufacturing facility(ies) in the premises of an existing manufacturing facility(ies) for the purpose of the Scheme.
- 2.11 **Committed Investment:** The amount of cumulative investment committed by the applicant to set-up manufacturing facilities for manufacturing of eligible product(s).
- 2.12 **Committee of Experts:** A committee constituted by Department for Promotion of Industry & Internal Trade (DPIIT) comprising of experts in engineering, manufacturing, corporate or public finance.
- 2.13 **Date of Commercial production:** The date on which the applicant raises the first GST invoice for the sale of Eligible Product(s) manufactured by the applicant under the Scheme.
- 2.14 **Domestic Value Addition:** Domestic Value Addition shall be computed as (A) divided by (B), where:

(A): Net Sales Turnover minus value of non-originating material and services used in manufacturing either imported directly or through a domestic trader or intermediary.

(B) : Net Sales Turnover

- 2.15 **Eligible Product(s):** Eligible products shall be as detailed in **Appendix-II**. The list of eligible products may be revised over the period of implementation of the Scheme.
- 2.16 **Empowered Group of Secretaries (EGoS):** The Committee chaired by the Cabinet Secretary and published in Gazette of India by DPIIT vide order no. P 36017/144/2020-Investment Promotion dated June 10, 2020.
- 2.17 **Employment:** Jobs which are directly involved in the production process or with related activities beginning from entry of materials to a production facility and up until the resultant manufactured goods leaving the production facility. Such employment shall include on-roll, contractual and apprentice workforce in the country only.
- 2.18 **Financial Year:** Financial Year begins on 1<sup>st</sup> April of a calendar year and ends on 31<sup>st</sup> March of the following calendar year.
- 2.19 **Force Majeure:** Extraordinary events or circumstances beyond human control such as event described as an act of God (like a natural calamity) or events such as a war, strike, public health emergency, riots, crimes (but not including negligence or wrong-doing, predictable/ seasonal rain and any other events specifically excluded).
- 2.20 **Global Revenue:** Consolidated Revenue, both in India and overseas, in the audited financial statement In the Base Year i.e. 01 April 2019 to 31st March 2020 or FY 2020-21, as the case may be. In case of Group Companies of the applicant whose revenues for the base year have not been consolidated in Rupees, the revenue in the respective currency shall be converted to Rupees at an average of currency exchange rates as on 01/04/2019 and 31/03/2020 for the base year and at an average of currency exchange rates as on 01/04/2020 and 31/03/2021 for the FY 2020-21. **[Ref: Corrigendum dated 16th August, 2021]**
- 2.21 **Greenfield Project:** A project wherein committed investment is proposed to be made by the applicant under this Scheme in a new manufacturing facility(ies) for manufacturing of eligible product(s) under the target segments.
- 2.22 **Group Companies:** As defined in the FDI Policy Circular of 2020, Group Company(ies) shall mean two or more enterprises which, directly or indirectly, are in a position to:
- (i) Exercise twenty-six percent or more of voting rights in other enterprise; (or)
  - (ii) Appoint more than fifty percent of members of board of directors in the other enterprise.
- 2.23 **Gross Block:** Gross Value of Plant, Machinery and Equipment in the audited financial statements.
- 2.24 **Incentive:** Incentive is the financial benefit to be provided to each selected applicant under the scheme.
- 2.25 **Incremental Sales of Eligible Product(s):** Sales of eligible product(s) under target segment manufactured by the selected applicant during a financial year under consideration for computation of incentive **minus** the Sales of eligible

product(s) in the Base Year.

- 2.26 **Investment:** Investment shall include expenditure incurred on (i) New Plant, Machinery, Equipment and Associated Utilities, (ii) Research and Development (R&D), (iii) Transfer of Technology (ToT) relating to the facilities setup for the eligible products, as elaborated under paras 8.1, 8.2 and 8.3 respectively. \_
- 2.27 **Investment category-** There shall be the following investment categories under each target segment:
- (i) Large Investment
  - (ii) Normal Investment
- 2.28 **Initial Investment Period (Gestation Period):** An applicant may opt for any one of the following initial investment periods–
- i) 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022
  - ii) 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2023
- 2.29 **LED Lights:** LED Lights shall mean LED lamps; LED Downlights; Tubular LED and battens; and LED Street lights; and other LED luminaires.
- 2.30 **Manufacturing:** In accordance with Central Goods and Services Tax (CGST) Act, 2017, manufacturing shall mean processing of raw material or inputs in any manner that results in emergence of a new product having a distinct name, character and use and the term “manufacturer” shall be construed accordingly.
- 2.31 **Net Sales turnover:** Net Sales Turnover shall mean the Gross Sale Turnover of eligible product(s) under target segment manufactured by the selected applicant, net of credit notes (raised for any purpose), discounts (including but not limited to cash, volume, turnover, target or for any other purpose), net of traded goods and taxes applicable and expenses pertaining to advertisement and sales promotion and brand royalty.
- 2.32 **Net Worth:** “Net worth” means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation in the audited financial statement.
- 2.33 **Non-originating Material:** Material and Services having country of origin other than the country in which that material or service is used in manufacturing and any material or service whose origin cannot be determined.
- 2.34 **Project Management Agency (PMA):** Refers to the public financial institution appointed by Department for Promotion of Industry and Internal Trade (DPIIT) to act on its behalf for receipt and appraisal of applications, verification of eligibility and examination of disbursement claims through any method or document deemed appropriate and for managing the above-mentioned in accordance with these guidelines.
- 2.35 **Related Party(ies):** The term related party shall be as defined in Accounting



Standard-18: Related Party Disclosures or Indian Accounting Standard (Ind-AS)-24. Related Party Disclosure, as may be applicable to the applicant, as notified by Ministry of Corporate Affairs or any other appropriate authority from time to time.

2.36 **Selected Applicant:** An applicant selected under the Scheme.

2.37 **Successor-in-Interest:** Successor-in-Interest shall mean the new or re-organized entity formed after the merger, de-merger, acquisition, transfer of business or significant change in ownership of an applicant.

2.38 **Threshold Investment:** The amount of minimum cumulative investment to be made by the applicant in each financial year for respective target segment as specified in **Appendix-I**.

2.39 **Threshold Incremental Sale:** The amount of minimum net incremental sale of eligible Product(s) to be made by the selected applicant over the base year for being eligible for receiving incentive for respective target segment as specified in **Appendix-I** for applicants opting for initial investment period as 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022 or **Appendix-1A** for applicants opting for initial investment period as 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2023 respectively.

2.40 **Traded Goods:** Products where no processing of raw material or inputs in any manner are carried out by the Applicant Company and the product is purchased and sold without any value addition shall be treated as “traded goods”, for the purpose of the Scheme.

2.41 **Value-Added Resellers:** Value-added resellers (VAR), augmenting or incorporating features or services to original items or rebranding them under their own name or brand.

**3 Tenure of the Scheme:** The tenure of the Scheme shall be from Financial Year 2021-22 to Financial Year 2028-29.

#### **4 Quantum of Incentive**

4.1 The Scheme shall extend incentive ranging from 4% to 6% on net incremental sales of eligible Product(s) over the sale of eligible product(s) in the base year to the selected applicants conforming to eligibility as defined at para 7 below.

4.2 The Scheme is Fund Limited. The amount of incentive shall be capped on the following basis:

4.2.1 For Air Conditioners - net incremental sale of eligible product(s) upto 5 times of the cumulative threshold investment in the previous financial year.

4.2.2 For LED Lights - net incremental sale of eligible product(s) upto 6 times of the cumulative threshold investment in the previous financial year.

4.3 Over performance of any selected applicant shall not be incentivised and the amount of incentive arising out of underperformance of any selected applicant in any target segment shall not be disbursed to any other applicant.

#### **5 Pre-Qualification criteria**

5.1 The applicant should be a company incorporated in India under the provisions of the Companies Act, 2013.

- 5.2 Foreign (non-resident) investment in the Applicant Company shall be in compliance with the FDI Policy 2020, as amended from time to time.
- 5.3 An applicant must propose setting up of greenfield or brownfield project for manufacturing of one or more eligible product(s) under any investment category in the respective target segment as defined under these guidelines.
- 5.4 An applicant should commit for setting up manufacturing facilities to manufacture eligible product(s) along with appropriate quality and testing facilities conforming to prescribed Standards commensurate with committed incremental sales.
- 5.5 The minimum committed cumulative investment for respective Target Segment shall be as indicated in **Appendix- I or Appendix-IA** as the case may be.
- 5.6 The minimum amount of :-
- (i) Gross Block
  - (ii) Global Revenue
  - (iii) Net Worth

of the applicant and its group companies (Indian or overseas) as on 31 March 2020 or March 31, 2021, shall be as under :- **[Ref: Corrigendum dated 16th August, 2021]**

(Rs. in Crore)

S.No.	Target Segment	Large Investments			Normal Investments		
		Gross Block	Global Revenue	Net Worth	Gross Block	Global Revenue	Net Worth
1	AC (Components)	300	1500	180	150	600	90
2	AC (High Value Intermediaries)	200	1000	120	125	500	75
3	AC (Low Value Intermediaries)	50	250	30	25	100	15
4	LED (Core Components)	150	750	90	50	200	30
5	LED (Components)	12	60	7.5	5	20	3

- 5.7 Value-Added Resellers shall not qualify under the scheme.
- 5.8 The applicant and its group company(ies) should neither have been declared as bankrupt or wilful defaulter or defaulter or reported as fraud by any bank or financial institution or non-banking financial company.
- 5.9 An applicant availing benefits under any other PLI scheme of Government of India for the same product(s) shall not be eligible under this PLI scheme.
- 5.10 Government of India, on the recommendations of the Committee of Experts, may relax pre-qualification criteria specified at para 5.6 above for an applicant.

## **6 Selection Criteria:**

- 6.1 Mere assembly of finished goods shall not be incentivized.
- 6.2 Selection of companies for the Scheme shall be done so as to incentivize manufacturing of components or sub-assemblies which are not manufactured in India presently with sufficient capacity.
- 6.3 The actual number of beneficiaries within different target segments and different investment categories shall be decided so as to maximise gross value added to the economy and optimise available financial resources for the scheme.
- 6.4 Applicants proposing to manufacture more items deeper into the value chain of Eligible Products shall have higher priority in selection.
- 6.5 Within a target segment, 'Large Investment' category shall have a higher priority over 'Normal Investment' category.

## **7 Eligibility for incentive**

- 7.1 Eligibility shall be subject to achievement of thresholds of net incremental sales of Eligible Products for the respective financial year over the base year and cumulative incremental investment in the preceding financial year as detailed in **Appendix-I or Appendix-IA**, as the case may be.
- 7.2 In case an applicant does not meet criteria of threshold investment and threshold net incremental sales for any given year, the applicant shall not be eligible for disbursement of incentive for that particular financial year. However, the applicant will not be restricted from claiming incentive for subsequent years during the tenure of the Scheme, provided eligibility criteria of cumulative committed investment and threshold net incremental sales are met for such subsequent financial years.
- 7.3 The incremental sales of eligible products should be commensurate with created production capacity from investments committed under the scheme.
- 7.4 For the purpose of determining eligibility of an applicant with respect to incremental investment, the investment covered under any other PLI Scheme of Govt. of India of the Applicant shall not be considered for determining eligibility under this PLI Scheme and vice-versa.
- 7.5 In every financial year for which the incentive is claimed, the net sales turnover of eligible products of the selected applicant and its group companies shall not be less than the sum of their net sales turnover of eligible products manufactured in India in the base year for applicants meeting the pre-qualification criteria on the basis of financial attributes of base year and higher of net sales turnover of eligible products in the base year or FY 2020-21, for applicants meeting the pre-qualification criteria on the basis of financial attributes of FY 2020-21; along with the corresponding threshold incremental net sales turnover of the selected applicant as detailed in Appendix-1 or Appendix-IA, as the case may be. **[Ref: Corrigendum dated 16th August 2021]**

- 7.6 For applicants opting for initial investment period as 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2023, the first and last year of achieving the required corresponding threshold incremental sales for availing the PLI shall be FY 2023-2024 and FY 2027-28 respectively as detailed in **Appendix -IA**.

## **8 Investment for determining Eligibility**

### **8.1 Plant, Machinery and Equipment**

8.1.1 Investment in Plant, Machinery and Equipment under these guidelines shall include Investment on new plant, machinery, equipment, and associated utilities including **'Tool room'** as well as tools, dies, moulds, jigs, fixtures (including parts, accessories, components, and spares thereof) of the same, used in the design, manufacturing, assembly, testing, packaging or processing of any of the manufactured goods covered under the Target Segments. It shall also include expenditure on packaging, freight / transport, insurance, and erection and commissioning of the plant, machinery, equipment, and associated utilities. Associated utilities would include: Captive power and effluent treatment plants, essential equipment required in operations areas such as clean rooms, air curtains, temperature and air quality control systems, compressed air, water & power supply and control systems, IT and ITES infrastructure related to manufacturing including servers, software and ERP solutions. All non- creditable taxes and duties are included in such expenditure. Such investments shall be used for determining eligibility under the Scheme. ***[Ref: Corrigendum dated 9<sup>th</sup> October, 2023]***

8.1.2 The Plant, Machinery and Equipment should be purchased or leased in the name of the applicant. In cases where these are being leased, the lease should be in the nature of a financial lease within the meaning of Accounting Standard 19 – Leases or Indian Accounting Standard (Ind-AS) – 116 Leases, as may be applicable to the applicant, as notified by Ministry of Corporate Affairs or any other appropriate authority from time to time.

8.1.3 In such case that tools, dies, moulds, jigs, fixtures and parts, accessories, components and spares are located outside the premises of an applicant, appropriate undertaking(s) from the person having custody of these equipment or components along with valid legal agreement(s) for the said transaction(s) shall be obtained. These equipment/ components should not be located outside the country.

8.1.4 The Plant, Machinery and Equipment should be procured or leased through legally valid documents after payment of applicable taxes and duties.

8.1.5 The Plant, Machinery and Equipment of the Greenfield/Brownfield Project approved under the Scheme shall be used in regular course for manufacturing of the eligible Products under the Target Segments that are approved in the approval letter issued by PMA. This does not preclude the usage of such machinery for manufacturing of other goods.

## **8.2 Research and Development (R&D)**

- 8.2.1 Investment in Research and Development under these Guidelines shall include capital Investment on R&D and product development related to Target Segments and exclude the revenue expenditure. The term “related” here refers to all stages in the entire value chain of the Eligible Products proposed to be manufactured including software integral to the functioning of the same. Such investments shall also include expenditure on in-house and captive R&D directly attributable to Eligible Products covered under the Target Segments, including all stages in the entire value chain of the Eligible Products proposed to be manufactured including software integral to the functioning of the same. Such investment shall include purchase of test and measuring instruments, prototypes used for testing, purchase of design tools, software cost (directly used for R&D) and license fee, expenditure on technology, IPR, Patents and Copyrights for R&D. All-non-creditable taxes and duties shall be included. Such R&D expenditure shall be considered as Investment for determining eligibility under the Scheme.
- 8.2.2 The software associated with R&D should have been procured or licensed through legally valid documents after payment of applicable taxes and duties.
- 8.2.3 Investment in R&D shall not exceed 15% of the total committed investment.

## **8.3 Transfer of Technology**

- 8.3.1 Investment on account of Transfer of Technology shall include cost of technology and initial technology purchase relating to the Eligible Products. All non-creditable taxes and duties would be included. Such investments on account of Transfer of Technology upto 5% of the total committed investment shall be considered as Investment for determining eligibility under the Scheme.

## **8.4 Associated Utilities**

- 8.4.1 Use of associated utilities is permitted for an existing manufacturer, however, investment already made in them shall not be counted under the scheme.
- 8.4.2 Fresh investment in associated utilities commensurate with the manufacturing of eligible product(s) shall be considered as Investment for determining eligibility under the Scheme.

## **8.5 Investment in Land and Building not covered:**

- 8.5.1 Investment in land and building (including factory building or construction) required for the project or unit will **not** be covered under the Scheme and, therefore, shall **not** be considered for determining eligibility under the Scheme.

## **9 Application**

- 9.1 The application window for the Scheme shall be open for period from **15<sup>th</sup> June 2021 to 15<sup>th</sup> September, 2021 (inclusive)** on on-line portal having URL as <https://pliwhitegoods.ifcilttd.com/>. No application shall be accepted after the closure of the application window.
- 9.2 Applications may also be invited anytime during the tenure of Scheme for any

particular target segment, if required.

- 9.3 For applications invited under para 9.2 above, incentive shall be available only for the remaining tenure of the Scheme.
- 9.4 One entity may apply for any one category under one target segment only. However, separate Group companies may apply for different target segments.
- 9.5 An Applicant may apply for any one or more eligible products within a Target Segment as defined in **Appendix-II**.
- 9.6 The applicant, in its application, shall declare yearly plan, only for statistical purposes, for Domestic Value Addition, Employment Generation and Exports during the tenure of the scheme.
- 9.7 An Application shall be made in the format provided in **Appendix-III** of these guidelines through the on-line portal.
- 9.8 A non-refundable application fee, shall be paid electronically by the applicant as mentioned in **Annexure-I of Appendix-III**.
- 9.9 Upon successful submission of an application, acknowledgement with a unique Application ID number shall be communicated to the applicant over email as well as through SMS. This acknowledgement shall not be construed as approval under the Scheme.
- 9.10 In case an application is submitted on the last day of application window, the PMA shall inform about the deficiency in the application, if any, to the applicant within 15 days of submission, where after, the applicant must submit the application completed in all respect by last day of the month following date of application window closure. Acknowledgement will thereafter be issued by the PMA.
- 9.11 The net incremental sales of eligible products manufactured in the financial year following the investment period opted by the applicant shall be considered for incentive.

## **10 Approval under the Scheme**

- 10.1 The PMA will process the applications and make appropriate recommendations for approvals under the Scheme to DPIIT.
- 10.2 Applications as recommended by PMA shall be considered for approval by DPIIT. Sanctioning Authority of the selected applicants will be DPIIT with the approval of the Minister-in-Charge.
- 10.3 Deserving applicants may be waitlisted, if available, along with selected applicants for each target segment in each category.
- 10.4 Selection of applicants will be finalized within 60 days from the date of closure of application window.
- 10.5 After receiving approval from DPIIT, the PMA will issue communication with necessary details to the selected and waitlisted applicants within 5 working days.
- 10.6 Within two weeks of such communication, selected applicants shall submit a bank

guarantee along with undertakings in the formats as per Annexure II–A and Annexure II-B of Appendix-III of an amount equivalent to 0.5% of the committed investment in favour of Department for Promotion of Industry and Internal Trade (DPIIT), valid for 18 months from the proposed date of commercial production.

10.7 The bank guarantee shall be invoked if the actual commercial production is not achieved within 1 year of the original proposed date of commercial production.

10.8 \*[Deleted]

10.9 If a selected applicant is found to be ineligible at any stage, or if it has not complied with notifications, orders, guidelines etc. of the Scheme, or declines the offer of the approval under the Scheme at any stage, for any reason, the envisaged incentive claim of such selected applicant shall be withdrawn and the bank guarantee shall be invoked, and the approval issued to the applicant shall stand withdrawn. In such case, the offer may be extended to the waitlisted applicants.

10.10 For any modifications in the application post selection by a selected applicant, request shall be made by the applicant to the PMA, who in turn would forward the request with its recommendation to the DPIIT. DPIIT reserves the right to accept or reject the same. The decision of DPIIT in this matter would be final and shall be conveyed to the selected applicant through PMA. PMA may seek relevant additional details from the select applicant, if necessary. **[Ref: Corrigendum dated 24th February, 2022]**

10.11 The Bank Guarantee shall be rolled over before expiry of existing bank guarantee during the tenure of the scheme. **[Ref: Corrigendum dated 9<sup>th</sup> October, 2023]**

## **11 Calculation of Incentive**

11.1 The incentive applicable for a selected applicant shall be computed as follows:

**Net Incremental Sales of Eligible Product(s) x Rate of Incentive**

Where

- a) Eligible Product(s) shall be as defined in this scheme and stated in the approval letter issued to the selected applicant.
- b) Net Incremental Sales shall be Net Sales Turnover of the eligible product(s) manufactured by the applicant in the Greenfield or Brown field Project for the period of which claim for disbursement of incentive pertains minus the Net Sales Turnover of the eligible product(s) manufactured by the applicant in the base year.
- c) In case of captive consumption of eligible product(s) or sale of eligible product(s) by the selected applicant only to group companies, (related party as per Ind-AS-24/AS-18), the gross sales turnover of eligible product(s) shall be computed as under :-

Actual quantity of the eligible product(s) sold to group company(ies) or used for captive consumption multiplied by the lower of the Arm's length price of the said eligible product and a margin of 5%, as certified by a Cost Accountant in practice, who is a member of The Institute of Cost and



Management Accountants of India or the sale price offered to the group company(ies) shall be considered for determining total value of transaction between the related parties. **[Ref: Corrigendum dated 9<sup>th</sup> October, 2023]**

- d) In case a selected applicant is selling the eligible products to a group company and also to a non-group company, the gross sales turnover of eligible product(s) shall be computed as under:  
  
Actual quantity of the eligible product(s) sold to group company(ies) multiplied by the lower of the Arm's length price of the said eligible product and a margin of 5%, as certified by a Cost Accountant in practice, who is a member of The Institute of Cost and Management Accountants of India or the sale price offered to the group company(ies) for determining total value of transaction shall be considered for determining total value of transaction between the related parties. **[Ref: Corrigendum dated 9<sup>th</sup> October, 2023]**
- e) If the corresponding sales have been considered for claim processing for the earlier period, the sales return shall be adjusted with Gross Sales Turnover for the period in which the actual sales return takes place. The rate of "return of sales" for the last year of PLI disbursement shall be taken as the average of annual rate of "return of sales" for the previous four years.
- f) In case an applicant makes higher investment than the threshold investment, the threshold incremental sale to be achieved by the applicant for achieving eligibility for incentive shall remain same for respective target segment as specified in **Appendix-I or Appendix-IA**, as the case may be.
- g) At least 60% of the net incremental sales, including captive consumption, shall comprise of the Eligible Products used in the manufacturing of ACs and LED Lights. **[Ref: Corrigendum dated 16<sup>th</sup> August 2021]**

11.2 Verification of eligibility of claim and recommendation of disbursement of Incentive to be done by the PMA. **[Ref: Corrigendum dated 9<sup>th</sup> October 2023]**

## **12 Disbursement of Incentives**

12.1 For claiming incentive under the Scheme, applicants shall be required to submit claims for disbursement of incentive to the PMA on-line. Applicant must ensure that the claims are complete in all respects and are accompanied by all the required documents as per format prescribed in **Appendix-IV**.

12.2 Actual disbursement of PLI for a respective year will be subsequent to that year. For example, if the applicant chooses initial Investment period as 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022 then subject to fulfilling the conditions of cumulative threshold investment up to FY 2021-22 over base year and threshold incremental sales of manufactured goods over the base year in FY 2022-23, PLI will be disbursed in FY 2023-24. Likewise if the applicant chooses initial Investment period as 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2023 then subject to fulfilling the conditions of cumulative threshold

investment up to FY 2022-23 over base year and threshold incremental sales of manufactured goods over the base year in FY 2023-24, PLI will be disbursed in FY 2024-25.

12.3 An applicant shall submit a claim for disbursement of incentive on annual basis for the sales made in a financial year along with its audited financial statements. Claims shall be made only once, unless withdrawn, and no subsequent part claim shall be allowed for the said period.

12.4 Claim for disbursement of incentive shall be filed by the applicant latest by 15<sup>th</sup> January in the following financial year to which the claim pertains.

In the event of any discrepancy observed between Statutory Compliances and records provided at the time of filing of claim(s), the applicant shall refund the excess incentive availed along with the interest; the interest calculated at 3 years SBI MCLR prevailing on the date of disbursement, compounded annually for the period between excess payment and date of refund. **[Ref: Corrigendum dated 9<sup>th</sup> October, 2023]**

12.5 The PMA shall process claim for disbursement of incentive within 45 days from the date of receipt of such claim along with all supporting documents and make appropriate recommendations to DPIIT.

12.6 Upon approval of claims by DPIIT, the disbursement of incentive shall be done by PMA by way of Direct Bank Transfer through PFMS or through any other mechanism of adjustment in the name of applicant only.

12.7 In case of excess claims disbursed, the applicant shall reimburse DPIIT for any incentive amount refundable along with interest calculated at 3 years SBI MCLR prevailing on date of disbursement, compounded annually (for the period between excess payment and date of refund by the applicant).

### **13 Project Management Agency (PMA)**

13.1 The Scheme will be implemented through a Project Management Agency (PMA) which will be responsible for providing secretarial, managerial and implementation support and carrying out other responsibilities as assigned by DPIIT from time to time.

13.2 The PMA shall, inter alia, be responsible for :-

- i. To develop and maintain online web portal for submission of applications under the scheme and web based dashboard required to be commissioned for online monitoring of the progress of the implementation of the scheme.
- ii. Receipt of application, examination cum processing of applications and issuing acknowledgements.
- iii. Fortnightly submission of the status of applications received and

- processed under the Scheme to DPIIT.
- iv. Making appropriate recommendations for approval of applications under the Scheme.
- v. Verification of eligibility and claim and recommendation of disbursement of Incentive.
- vi. Submitting quarterly review reports as per prescribed format and other information/documents to DPIIT or as and when required.
- vii. Monitoring the progress and performance of the Scheme.

13.3 PMA shall monitor the progress of the project made by the selected applicant, as and when required, with respect to the committed Investment and may carry out physical inspections of an applicant's manufacturing units and offices as may be required. **Administrative Ministry may also visit manufacturing facilities to review the scheme's progress and directly solicit feedback from the industry.** *[Ref: Corrigendum dated 9<sup>th</sup> October, 2023]*

13.4 PMA shall monitor the rollover of the bank guarantees and shall take timely action for releasing / invoking the bank guarantees as per these guidelines.

13.5 The PMA shall submit budgetary requirements to DPIIT as a consolidated amount on a quarterly basis.

13.6 The PMA shall furnish information to DPIIT with details of disbursement claims received for incentives, amount disbursed, reasons for rejection/ delay in disbursement of the incentives and other information in a prescribed format on a quarterly basis and such other information as and when required.

13.7 In case of any doubt with respect to determining eligibility and incentive amount due, or any other matter in discharge of its duties and responsibilities, the decision of DPIIT shall be final in this regard.

## **14 General Terms and Conditions**

### **14.1 Expenditure and Investment:**

- 14.1.1 Expenditure on consumables and raw material used for manufacturing shall not be considered as Investment.
- 14.1.2 The date of capitalisation of the investment in the audited financial statements of the selected applicant shall be considered as the date of investment under the Scheme.
- 14.1.3 The heads of Investment, based on which eligibility is being determined, should be capitalized in the audited financial statement of the applicants as certified by the Statutory Auditor.
- 14.1.4 No second hand/ used/ refurbished plant, machinery, equipment, utilities shall be used to manufacture the eligible product.

**14.2 Insurance:** The applicant must ensure adequate insurance cover on all movable and immovable assets against natural or man-made disasters like floods, cyclones, earthquakes, tsunamis etc. have been taken or would be taken.

**14.3 Conformity to Quality Standards:** All eligible products manufactured by the selected Applicants shall be in conformity with applicable regulatory norms, quality standards and guidelines issued by the concerned authorities from time to time.

**14.4 Certifications:**

14.4.1 During the application and claim process, PMA will rely on, *inter alia*, various certificates to be submitted by the Applicant from Statutory Auditors, Chartered Engineers, Valuers, etc. as defined under the Scheme guidelines. The cost of such certificates as stipulated and to be submitted along with the application and claim process will be borne by the Applicant.

14.4.2 Apart from the above, any costs / expenses in respect of any professional expertise or obtaining documents / certificates / information for the purpose of appraisal or verification of an application, including but not limited to, costs of any Chartered Engineer, Chartered Accountant, Cost Accountant, Company Secretary, Lawyer, or any other professional, or due diligence through Ministry of Corporate Affairs (MCA) or equivalent or reports from CIBIL and/or Dun and Bradstreet and/or equivalent, and cost of inspections / site visit etc., shall be borne by the Applicant. In case any such costs are incurred by the PMA, then the same shall be reimbursed by the applicant to the PMA along with the applicable taxes.

14.4.3 The selected applicant shall furnish the following certificate from Statutory Auditor in respect of :-

- i. Investment relating to plant & machinery
- ii. Investment relating to Transfer of Technology Agreements.
- iii. Cost of technology, Intellectual Property Rights (IPRs), patents and copyrights along with purchase agreements
- iv. Investment related to associated utilities.

14.4.4 The selected applicant shall submit the following certificates from IEI – registered Chartered Engineer (CE), empanelled with the PMA :-

- i. Confirming utilization of the Plant, Machinery and Equipment for manufacturing of eligible product(s) under target segment for each financial year for which the applicant is claiming incentive under the Scheme.
- ii. Committed Investment made by the applicant–after carrying out the physical inspection of the manufacturing facilities

14.4.5 The selected Applicants shall be required to furnish self-certified Quarterly Review Reports (QRRs), in specified formats, within 30 days from the end of each quarter in the format provided in **Appendix V** of these guidelines. Incentive claims for a particular financial year shall be considered only if all QRRs for the period have been submitted by the Applicants within the prescribed timelines.

#### **14.5 Undertakings:**

14.5.1 The Applicant shall furnish undertakings w.r.t. Integrity Compliance duly signed by its authorised signatory as enclosed at **Annexure-III of Appendix III**.

14.5.2 As integral part of the claim filed for availing incentive, the selected Applicant shall furnish the undertaking w.r.t. Integrity Compliance signed by its authorised signatory as enclosed at **Annexure-III of Appendix-III** along with the Formats for Consent for Audit and Refund of incentive enclosed at **Annexure-IV of Appendix-III and Annexure-II of Appendix-IV** respectively.

#### **14.6 Change in Ownership:**

14.6.1 A selected applicant shall intimate the PMA of any change in the shareholding pattern during the tenure of the Scheme, after updating with the Registrar of Companies (RoC) and the resultant change in Successor-in Interest, if any shall be intimated by PMA for approval of DPIIT to consider disbursement of incentives.

14.6.2 In case of change in successor-in-interest, all Investments undertaken by the selected applicant shall be considered for determining eligibility of the successor-in-interest, subject to approval and compliance with any other condition stipulated by the DPIIT, as may be deemed appropriate.

**14.7 Time extension for the establishment of additional manufacturing facility:** The Selected applicants would be allowed to submit the details of additional location with all relevant documents within **three (3) years** of commencing commercial production during the tenure of the Scheme. *[Ref: Corrigendum dated 9<sup>th</sup> October, 2023]*

## 15. EXIT Clause

- 15.1 If any selected applicant declines the offer of approval under the Scheme at any stage or exits the scheme without making **total threshold investment** for reasons whatsoever, in such case,
- a) the bank guarantee furnished by the selected applicant shall be invoked as per the provisions of the clause 10.9 of the scheme guidelines and
  - b) the applicant shall have to refund the incentive availed by it under the scheme till such date along with interest calculated at the prevailing 3 year SBI MCLR compounded annually. **[Ref: Corrigendum dated 24<sup>th</sup> February, 2022].**

(Sanjiv)  
Joint Secretary to the Government of India  
Tel No. 011-2303 8743  
Email: [sanjiv.01@gov.in](mailto:sanjiv.01@gov.in)

Copy to:

1. All concerned Ministries / Departments of Government of India
2. All States / Union Territories
3. Cabinet Secretariat
4. PMO
5. NITI Aayog
6. Comptroller and Auditor General of India
7. AS&FA, Department of Pharmaceuticals
8. Industry Associations
9. Internal Circulation

**1. Eligibility Threshold Investment and Net Incremental Sale for Air Conditioners (ACs)  
for Applicants opting for initial investment period as 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022**

Rs. in Crore

Sl.	Target Segment	Year	PLI @	MINM. Cum. Incr. Investment	MIN. Net Incr. Sale	MINM. Cum. Incr. Investment	MIN Net. Incr. Sale
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
				<b>LARGE INVESTMENT</b>		<b>NORMAL INVESTMENT</b>	
1	<b>ACs (Components)</b>	2021-22		150		50	
		2022-23	6%	300	750	100	250
		2023-24	6%	400	1500	150	500
		2024-25	5%	500	2000	225	750
		2025-26	5%	600	2500	300	1125
		2026-27	4%		3000		1500
		2027-28					
		<b>Total</b>		<b>600</b>	<b>9750</b>	<b>300</b>	<b>4125</b>
2	<b>High Value Intermediaries of ACs</b>	2021-22		50		50	
		2022-23	6%	125	250	100	250
		2023-24	6%	200	625	150	500
		2024-25	5%	300	1000	200	750
		2025-26	5%	400	1500	250	1000
		2026-27	4%		2000		1250
		2027-28					
		<b>Total</b>		<b>400</b>	<b>5375</b>	<b>250</b>	<b>3750</b>
3	<b>Lower value intermediaries of ACs</b>	2021-22		20		10	
		2022-23	6%	40	100	20	50
		2023-24	6%	60	200	30	100
		2024-25	5%	80	300	40	150
		2025-26	5%	100	400	50	200
		2026-27	4%		500		250
		2027-28					
		<b>Total</b>		<b>100</b>	<b>1500</b>	<b>50</b>	<b>750</b>



**2. Eligibility Threshold Investment and Net Incremental Sale for LED Lights  
for Applicants opting for initial investment period as 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022**

Rs. in Crore

Sl.	Target Segment	Financial Year	PLI @	MINM. Cum. Incr. Investment	MIN Net. Incr. Sale	MINM. Cum. Incr. Investment	MIN. Net Incr. Sale
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
				<b>LARGE INVESTMENT</b>		<b>NORMAL INVESTMENT</b>	
1	<b>LED Lights (Core components)</b>	2021-22		100		20	
		2022-23	6%	150	600	40	120
		2023-24	6%	200	900	60	240
		2024-25	5%	250	1200	80	360
		2025-26	5%	300	1500	100	480
		2026-27	4%		1800		600
		2027-28					
		<b>Total</b>		<b>300</b>	<b>6000</b>	<b>100</b>	<b>1800</b>
2	<b>Components of LED Lights</b>	2021-22		5		2	
		2022-23	6%	10	30	4	12
		2023-24	6%	15	60	6	24
		2024-25	5%	20	90	8	36
		2025-26	5%	25	120	10	48
		2026-27	4%		150		60
		2027-28					
		<b>Total</b>		<b>25</b>	<b>450</b>	<b>10</b>	<b>180</b>

**1. Eligibility Threshold Investment and Net Incremental Sale for Air Conditioners (ACs)  
for Applicants opting for initial investment period as 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2023**

Rs. in Crore

Sl.	Target Segment	Year	PLI @	MINM. Cum. Incr. Investment	MIN. Net Incr. Sale	MINM. Cum. Incr. Investment	MIN Net. Incr. Sale
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
				<b>LARGE INVESTMENT</b>		<b>NORMAL INVESTMENT</b>	
1	<b>ACs (Components)</b>	2021-22					
		2022-23		150		50	
		2023-24	6%	300	750	100	250
		2024-25	6%	400	1500	150	500
		2025-26	5%	500	2000	225	750
		2026-27	5%	600	2500	300	1125
		2027-28	4%		3000		1500
		<b>Total</b>		<b>600</b>	<b>9750</b>	<b>300</b>	<b>4125</b>
2	<b>High Value Intermediaries of ACs</b>	2021-22					
		2022-23		50		50	
		2023-24	6%	125	250	100	250
		2024-25	6%	200	625	150	500
		2025-26	5%	300	1000	200	750
		2026-27	5%	400	1500	250	1000
		2027-28	4%		2000		1250
		<b>Total</b>		<b>400</b>	<b>5375</b>	<b>250</b>	<b>3750</b>
3	<b>Lower value intermediaries of ACs</b>	2021-22					
		2022-23		20		10	
		2023-24	6%	40	100	20	50
		2024-25	6%	60	200	30	100
		2025-26	5%	80	300	40	150
		2026-27	5%	100	400	50	200
		2027-28	4%		500		250
		<b>Total</b>		<b>100</b>	<b>1500</b>	<b>50</b>	<b>750</b>

## Appendix-IA

### 2. Eligibility Threshold Investment and Net Incremental Sale For LED Lights for Applicants opting for initial investment period as 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2023

Rs. in Crore

Sl.	Target Segment	Financial Year	PLI @	MINM. Cum. Incr. Investment	MIN Net. Incr. Sale	MINM. Cum. Incr. Investment	MIN. Net Incr. Sale
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
				<b>LARGE INVESTMENT</b>		<b>NORMAL INVESTMENT</b>	
1	<b>LED Lights (Core components)</b>	2021-22					
		2022-23		100		20	
		2023-24	6%	150	600	40	120
		2024-25	6%	200	900	60	240
		2025-26	5%	250	1200	80	360
		2026-27	5%	300	1500	100	480
		2027-28	4%		1800		600
		<b>Total</b>		<b>300</b>	<b>6000</b>	<b>100</b>	<b>1800</b>
2	<b>Components of LED Lights</b>	2021-22					
		2022-23		5		2	
		2023-24	6%	10	30	4	12
		2024-25	6%	15	60	6	24
		2025-26	5%	20	90	8	36
		2026-27	5%	25	120	10	48
		2027-28	4%		150		60
		<b>Total</b>		<b>25</b>	<b>450</b>	<b>10</b>	<b>180</b>

**1. Target Segment and Eligible Products – Air Conditioners**

Sl.	Target Segment	Large Investment	Normal Investment
		Eligible Products	
1.	<b>ACs (Components)</b>	(i)	High value Intermediaries of ACs
		(ii)	Low Value Intermediaries of ACs
		(iii)	A combination of (i) and (ii)
2.	<b>High Value Intermediaries of ACs</b>	(i)	Compressors including oil free and high capacity
		(ii)	Copper Tube (plain and/or grooved)
		(iii)	Aluminum Stock for Foils or Fins for heat exchangers
3.	<b>Low Value Intermediaries of ACs</b>	(i)	Control Assemblies for IDU or ODU or Remotes
		(ii)	Display Panels (LCD/LED)
		(iii)	Motors
		(iv)	Cross Flow Fan (CFF)
		(v)	Valves & Brass components
		(vi)	Heat exchangers
		(vii)	Sheet Metal components
		(viii)	Plastic Moulding components

**2. Target Segment and Eligible Products – LED Lights**

Sl.	Target Segment	Large Investment	Normal Investment
		Eligible Products	
1.	<b>LED (Core Components)</b>	(i)	LED Chip Packaging
		(ii)	Integrated Circuits (ICs)
		(iii)	Resistors
		(iv)	Fuses
		(v)	Large-scale investments in LED components
2.	<b>LED (Components)</b>	(i)	LED Chips
		(ii)	LED Drivers
		(iii)	LED Engines
		(iv)	LED Modules
		(v)	Printed Circuit Boards (PCB) including metal clad PCBs
		(vi)	Mechanicals- Housing
		(vii)	Wire Wound Inductors
		(viii)	Drum Cores
		(ix)	Heat Sinks
		(x)	Diffusers
		(xi)	Ferrite Cores
		(xii)	LED Light Management Systems (LMS)
		(xiii)	Resistors
		(xiv)	Fuses
		(xv)	Capacitors
		(xvi)	Led Transformers
		(xvii)	Laminate for Printed Circuit Boards (PCBs) and Metal Clad PCBs
		(xviii)	Metallized film for capacitors

***[Ref: Corrigendum dated 16th August 2021]***

**Application Form**

<b>1. Applicant details</b>	
Name of the Applicant	
Address of the Registered office	Location; City; State; PIN code
CIN Number	...../ Applied for
Date of Incorporation	DD/MM/YYYY/ Applied for
PAN	...../ Applied for
GSTIN	...../ Applied for
Importer Exporter Code (IEC) No.	...../ Applied for
Current Business Activity(ies)	Electrical/ Electronics/ Engineering Goods/ Others
Current Business Location(s)	Location; City; State; PIN code
Shareholding pattern (%)	Domestic: % Foreign: %
Statutory Auditor Details (Present & Base Year)	1. Name of the Firm 2. Firm Registration Number (FRN)

<b>2. Target Segment [In case of options drop down menu]</b>	
Industry Segment	Air Conditioners / LED Lights
Target Segment	a) ACs <ul style="list-style-type: none"> <li>• ACs components</li> <li>• High Value Intermediaries of ACs</li> <li>• Low value Intermediaries of ACs</li> </ul> b) LED Lights <ul style="list-style-type: none"> <li>• Core components of LED Lights</li> <li>• Components of LED Lights</li> </ul>
Investment category	Large/ Normal
Eligible Product (s) (Refer to Appendix-II)	1) 2)....
Type of investment	Greenfield/ Brownfield
Committed cumulative Investment :- i) Plant, Machinery & Equipments ii) R&D iii) Technology Transfer	Rs. in Crore
Proposed capacity eligible product-wise (Nos./Metric Tonne)	

Whether the Applicant is a beneficiary/ applicant of in any other PLI Scheme Govt. of India for the same product	YES/ NO
Type of Business Agreement(s)	Special Purpose Vehicle/Joint Venture/Technology Transfer Agreement/Contract Manufacturer/Other
Major Conditions of Business Agreement	<p>1) Details of whether proposed products shall be manufactured for</p> <p>a) Own brands or</p> <p>b) Whether under contract manufacturing or</p> <p>c) Any other brand licensing arrangement may be mentioned.</p> <p>2) Names of brands for which manufacturing is being done/ proposed to be done, may be indicated.</p> <p>3) Roles and Responsibilities of Applicant and Brand Owner(s) may be mentioned</p>
Proposed manufacturing Location(s)	<p>1.</p> <p>2.</p> <p>.....</p>
Address of the proposed manufacturing locations	<p>(1) Location; City; State; PIN code PI add details, if more than one location</p> <p>(2) ...</p>
IL/IEM/MSME Registration details indicating proposed manufacturing location and manufacturing capacity	PI upload the relevant document(s).

### 3. Board of Directors details of the Applicant Company (for each director)

Name	
Designation	
DIN No.	
Email	
Phone No.	

### 4. Key Management Personnel details of the Applicant Company (MD, CEO, Plant Head, Company Secretary and CFO)

Name	
Designation	
Email	
Phone No.	

## 5. Promoter Detail of the Applicant Company (As per Sec 2(69) of Companies Act, 2013)

Name	
Nationality/ Country	
Equity Shares %	
No. of Equity Shares	
Mobile No.	
Email	
Address	

## 6. Eligible Products and manufacturing process

Sl.	Eligible product	Inputs – Final Stage Components (A)	Inputs – Pre-final Components of A (B)	Inputs – Earlier Stage of B (C)	Inputs – Earlier to Stage C (D)	Upload write-up
1						
2.						
3						

Please attach manufacturing flow charts indicating inputs required for manufacturing the end product at each stage of manufacturing and plan to internalize the manufacturing of the same.

## 7. Committed investment and projected incremental sales

Financial Year	Committed Investment (Rs. in Crore)		Incremental Sales (Rs. in Crore)
	Annual	Cumulative	
2021-22			NIL
2022-23			
2023-24			
2024-25			
2025-26			
2026-27			
2027-28			
Total			



**8. Production Details**

<b>Financial Year</b>	<b>Eligible Products</b>		<b>Other Products</b>		<b>Total</b>	
	Qty of units produced	Gross sales Turnover (Rs. in Crore)	Qty of units produced	Gross sales Turnover (Rs. in Crore)	Qty of units produced	Gross sales Turnover (Rs. in Crore)
2021-22						
2022-23						
2023-24						
2024-25						
2025-26						
2026-27						
2027-28						
Total						

**9. Annual Plan for Domestic Value Addition, Exports, Employment Generation**

<b>Financial Year</b>	<b>Domestic Value Addition (%)</b>	<b>Exports (Rs in Crore)</b>	<b>Employment Generation (Nos.)</b>
2021-22	NIL	NIL	NIL
2022-23			
2023-24			
2024-25			
2025-26			
2026-27			
2027-28			

**10. Projected Revenue of Applicant (Rs. in Crore)**

<b>Financial Year</b>	<b>Eligible Products</b>	<b>Other Products</b>	<b>Total</b>
2021-22			
2022-23			
2023-24			
2024-25			
2025-26			
2026-27			
2027-28			
Total			

**11. Financial Attributes for Pre-Qualification as 31<sup>st</sup> March, 2020**

(including Indian or Overseas Group Companies proposed to be considered for pre-qualification)

	Figures in Rs. in Crore			
	<b>Applicant</b>	<b>Group-I</b>	<b>Group-II</b>	<b>Total</b>
<b>Name</b>				
<b>Gross block</b>				
<b>Global revenue</b>				
<b>Net worth</b>				

**12. Details of each Group Company (GC)**

<b>Attributes</b>	<b>Details</b>
Name of the Company	
Registered Address of the Company (Location; City; State; PIN code)	
CIN/Registration Number of the Company	
Relationship with the Applicant	
Nature of Business: Manufacturing or Trading or Other services	
Product(s) manufactured	
Annual revenue in FY 2019-20 (Rs. in Crore)#	
Annual Gross Block in Plant, Machinery and Equipments in FY 2019-20 (Rs. in Crore)#	
Net worth of the Company in FY 2019-20 (Rs. in Crore)#	
Whether the Company has been declared as bankrupt or wilful defaulter or defaulter or reported as fraud by any bank or financial institution or non- banking financial company (Yes/ No)	
Names of the common Board of Directors in the Applicant Company and the Group Company	
Credit History - Details of the Group Company's name if appearing in RBI's Defaulter and Willful Defaulter Lists, SEBI Debarred List and the company's CIBIL Rank and Company Credit Report.	

# In case of a foreign company, the applicable conversion rate shall be average of currency exchange rates as on 01/04/2019 and 31/03/2020.

**13. Authorized signatory details**

Name	
Designation	

Email	
Mobile No.	
Letter of Authorization	

#### **14. Application fee payment details**

Mode of Payment	NEFT/ RTGS
Name of the Bank	
IFSC Code of the Bank	
Bank Account Number of the Applicant	
Date of Transfer	

(Signature)  
(Authorized Signatory)

**Note:**

- a. If any document is required to be submitted along with the application is available on a government website, the website link where this document can be viewed may be provided. The responsibility of the correctness / veracity of contents rest with the applicant(s).
- b. All documents to be furnished shall be attested by Statutory Auditor / Company Secretary / Executive Director authorised for the purpose / Director authorised for the purpose.

**List of attachments in PLIWG application form**

- i. Certificate of Incorporation and Corporate Identification Number (CIN)
- ii. Memorandum of Association
- iii. Article of Association
- iv. IEM/IL/MSME certificate
- v. PAN Card
- vi. GSTIN Registration Certificate
- vii. Importer Exporter Code (IEC) Registration Certificate
- viii. Audited Financial Statement(s) of FY 2019-20
- ix. Audited Balance Sheet and Profit and Loss Statement of FY 2019-20
- x. Chartered Accountant Certificate for existing investment in plant & machinery (Gross Block), Net Sales Revenue and Net worth as on 31.03.2020
- xi. Shareholder Structure
- xii. Top 10 Shareholders list as on 31.03.2020
- xiii. Resolution from Board of Directors
- xiv. Letter authorizing the signing authority
- xv. Technology Transfer Agreement, if any
- xvi. Detailed manufacturing process note.
- xvii. Detailed Manufacturing Flow Chart with Inputs required in each stages in the process flow chart and the output at each stage of Manufacturing.
- xviii. Other business agreement(s).

\*\*\*\*\*

**Application Fee under the Scheme to be paid to DPIIT**

An application fee of INR 1,00,000/- (Rupees one lakh only) shall have to be paid electronically through NEFT / RTGS / to DPIIT. The details of bank account for fee payment shall be provided on the application portal.

**Bank Guarantee for availing incentive against Investment**  
**(From any scheduled commercial bank)**

This Deed of Guarantee executed on this \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_  
at \_\_\_\_\_ by \_\_\_\_\_ (from any scheduled commercial bank), having its Head Office  
/ Registered Office at \_\_\_\_\_ and inter-alia a Branch Office  
at \_\_\_\_\_ (hereinafter referred to as the Bank or 'the Guarantor',  
which expression shall unless it be repugnant to the subject or context hereof be deemed to  
include its successors and assigns).

In favour of The Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of  
Commerce and Industry, Government of India, Vanijya Bhawan, New Delhi  
110011 (hereinafter referred as "DPIIT") represented by <PMA Name>, having its registered  
office at \_\_\_\_\_, acting as the Project Management Agency (PMA) for Production Linked Incentive  
(PLI) Scheme for White Goods.

**WHEREAS**

- A. [.....], a company incorporated in India under the provisions of the Companies  
Act, 2013 and having its Registered Office at [-----] (herein after referred to  
us "the Applicant" which expression unless repugnant to the subject or context  
includes its successors. Legal representatives and permitted assigns) and has  
been awarded approval under the above scheme vide Letter Reference -----  
dated -----.
- B. In terms of the undertaking dated ----- and Clause ----- of the Guidelines  
Reference No. \_\_\_\_\_ dated \_\_\_\_\_, the Applicant has  
to ----- provide a Bank Guarantee for an amount equivalent to INR  
which is calculated in line with the undertaking.
- C. At the request of the Applicant, the Guarantor has agreed to provide this  
guarantee, being these presents, guaranteeing the due and punctual performance /  
discharge by the Applicant of its obligations.

**NOW THEREFORE THIS DEED WITNESSETH AS FOLLOWS**

- A. The Guarantor hereby irrevocably guarantees the due and compliance of terms  
by the Applicant of all its obligation under the said undertaking and approval letter, as  
amended from time to time.
- B. The Guarantor shall, without demur, pay to DPIIT sums not exceeding in aggregate ---  
----- (INR ----- ) within five (5) bank working days (as per the Reserve  
Bank of India) of receipt of a written demand thereof from DPIIT / <PMA Name> stating  
that the Applicant has failed to meet its obligations under the said undertaking. The  
Guarantor shall have not to go into the veracity of any breach or failure on the part of the  
Applicant or validity of the demand so made by DPIIT/<PMA Name> and shall pay the  
amount specified in the demand notwithstanding any direction to the contrary given  
or any dispute whatsoever raised by the Applicant or any other person. The Guarantor's

obligations hereunder shall subsist until all such demands are duly met and discharged in accordance with the provisions hereof;

- C. The Guarantor agrees that its liability under this guarantee shall in no manner be affected by any such variation, alteration, modification, waiver dispensation and that no further consent of the Guarantor is required for giving effect to any such variation, alteration, modification, waiver dispensation with or release of security;
- D. This Guarantee shall be irrevocable and shall remain in full force and effective till 31<sup>st</sup> December'2028.
- E. Until and unless discharged / released earlier by DPIIT / <PMA Name> in accordance with the provisions of the said undertaking, the Guarantor's liability in aggregate shall be limited to a sum of INR -----(INR----- )
- F. This Guarantee shall not be affected by any change in the constitution or winding up of the Applicant / Guarantor or and absorption, merger or amalgamation of the Applicant / Guarantor with any other person;
- G. The Guarantor has power to issue this Guarantee and discharge the obligations contemplated herein, and the undersigned is duly authorized to execute this Guarantee pursuant to the power granted under.

All future correspondence with reference to this Guarantee shall be made to.  
..... (Bank Name and Address).

The jurisdiction in relation to this Guarantee shall be the Courts at New Delhi and Indian Law shall be applicable.

**IN WITNESS WHEREOF THE GUARANTOR HAS SET ITS HANDS HEREUNTO ON  
THE: DAY, MONTH AND YEAR FIRST HEREINABOVE WRITTEN**

SIGNED AND DELIVERED by \_\_\_\_\_ Bank by the  
hand of \_\_\_\_\_ its \_\_\_\_\_ and authorized official.

**UNDERTAKING FOR BANK GUARANTEE AGAINST PROPOSED INVESTMENT***(Undertaking from the Applicant on the letterhead)*

1. We,....., hereby, acknowledge that the incentive that would / may be provided to us under the Production Linked Incentive (PLI) Scheme for White Goods, notified by Department for Promotion of Industry and Internal Trade(DPIIT) vide Gazette Notification no. \_\_\_\_\_ dated \_\_\_\_\_ in \_\_\_\_\_ of the Gazette of India (Extraordinary) and other relevant guidelines, communications, will be provided to us based on, and after relying upon, the information provided by us to avail the said incentive.
2. We hereby confirm that the information provided by us for availing the said incentive is true, correct and complete in all respects and that no material fact / information that may have an adverse impact on the information provided by us for availing the said incentive has been concealed.
3. In case of the Investment in the project, as per the approval letter, is to be made by us within a specified period from the date of approval letter.
4. With regard to the aforesaid transactions, we hereby undertake the following:

- A. We undertake to provide Bank Guarantee from a schedule commercial Bank for the amount which is mentioned below:

<b>S. No</b>	<b>Particulars</b>	<b>Details</b>
1.	Date of issuance of Approval Letter	
2.	Validity period of BG *	31 <sup>st</sup> December, 2028
3.	Amount of BG	(0.5% of the Committed Cumulative Investment)

\* valid for remaining tenure of the scheme from the proposed date of commercial production as per clause 10.11

Valid for remaining tenure of scheme from the date of issuance of Approval letter by the PMA and further roll over as per Clause 10.6 read with Clause 10.7, 10.8,10.9 and 10.11

- B. We understand and agree that, we are legally bound to renew the BG / issue fresh BG, failing which DPIIT may invoke the BG.
- C. In case of loss, mutilation, force majeure or any other eventualities, with respect to Original BG (favouring DPIIT, held at PMA), DPIIT / PMA will not be liable for the same and the onus would be with us to arrange for alternate / duplicate BG in place of the original BG.
- D. We also understand that the BG will be released to us in line with the new clause.

Date

*Signature*

*(Name & designation with address) Director / CEO / MD*



(at the time of application)

**Integrity compliance in Production Linked Incentive Scheme**

(To be signed by full time Director / CEO / MD of the company / firm duly depicting the designation and submitted on official stationery of the applicant along- with the authorization to do so)

1. Whereas, the applicant namely \_\_\_\_\_ (*company name*) has submitted an application under Production Linked Incentive Scheme (PLI) for Promoting Domestic Manufacturing of White Goods to Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industries, Government of India seeking incentives for the application pertaining to manufacturing of .....(Eligible Products) at the following locations:

- a) .....
- b) .....
- c) .....

2. Now, therefore, the applicant including its officers / representatives commits and undertakes that he will take all measures necessary to prevent corruption. He commits to observe the following principles during his association / engagement with DPIIT or its agencies or its consultants engaged with the process of appraisal and verification of application for the approval of application and disbursement of incentives under PLI.

- 2.1 The PLI applicant will not directly or through any other person or firm, offer, promise or give to any of the DPIIT's officer(s) or consultant or agency representative (appraisal / verification agency appointed by DPIIT to handle the application) involved in the process of dealing with application or to any third person any material or other benefit which he / she is not legally entitled to in order to obtain in exchange any advantage of any kind whatsoever before or during or after the process of the application for grant of approval or disbursement of incentives under PLI.
- 2.2 The PLI applicant will not commit any offence under the relevant IPC / PC Act. Further, the applicant will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the DPIIT.
- 2.3 The PLI applicant shall disclose the name and address of the duly authorized Agents and Representatives who will be dealing with DPIIT or its agencies and the remuneration of these agents or representatives shall not include any hidden amount or component to get the work done in undue manner or causing inducement of whatsoever nature whether in cash or kind to influence the normal process or practice of work.
- 2.4 The PLI applicant will disclose any and all payments he has made, is committed to or intends to make to agents, brokers or any other intermediaries, other than regular employees or officials of the applicant, in connection with the grant of approval or / and disbursement of incentives.

- 2.5 The applicant will not offer any illicit gratification to obtain unfair advantage.
- 2.6 The applicant will not collude with other parties to impair transparency and fairness.
- 2.7 The applicant will not give any advantage to anyone in exchange for unprofessional behavior.

3. The applicant declares that no previous transgressions occurred in the last 3 years with any other Company in any country conforming to the anti-corruption approach or with any other Public Sector Enterprises / Central or State Government or its any instrumentality in India.

4. The applicant agrees that if it is found that the applicant has made any incorrect statement on this subject, the application will be closed or rejected and DPIIT reserve the right to initiate legal action of whatsoever nature. In case if DPIIT has disbursed the incentives under PLI, the amount disbursed to applicant be recoverable along with interest calculated at 3 years SBI MCLR prevailing on the date of disbursement, compounded annually besides blacklisting of the applicant and initiation of legal action of whatsoever nature at the discretion of DPIIT.

5. In the event the selected applicant declines the offer of approval under the Scheme at any stage or exits the scheme without making **total threshold investment** for reasons whatsoever, in such case the applicant shall have to refund the incentive availed by it under the scheme till such date along with interest calculated at the prevailing 3-year SBI MCLR compounded annually.

The contents of the above undertaking have been gone through and after understanding the same is being executed / given on.....day of.....month. 20xx.

*For Company Name*

Name:

Designation: Director/CEO/MD

Place:

Date:

(at the time of claim)

**Annexure-III**

To,  
IFCI Ltd.

Date: Month xx, 20xx

Project Management Agency for PLI Scheme for white goods of DPIIT  
IFCI Tower, 61, Nehru Place  
New Delhi – 110019

**Reference:**

Approval letter issued by IFCI in favour of \_\_\_\_\_ (*company name*) under the Production Linked Incentive Scheme for White Goods vide letter no. IFCI/CASD/DPIIT/PLI - \_\_\_\_\_ dated \_\_\_\_\_ for application no \_\_\_\_\_ dated \_\_\_\_\_ filed online via portal for Category \_\_\_\_\_

Production Linked Incentive (PLI) Scheme for White Goods notified vide Gazette Notification No. CG-DL-E-16042021-226671 dated 16.04.2021 and PLI scheme Guidelines issued thereunder, as amended from time to time.

**Guidelines for the operation of Production Linked Incentive Scheme (PLI) for White Goods** as per File No. P-29014/101/2020-LEI-DPIIT issued by Department for Promotion of Industry and Internal Trade, White Goods division dated **4th June 2021**

<b>Gestation Period</b>		
<b>Committed Investment</b>		<b>Target Segment</b>
<b>Claim Period</b>		
<b>Eligible Product(s)</b>	1. 2. 3. <i>(Pl mention all the approved eligible product(s) )</i>	

**Subject: Integrity compliance in production Linked Incentive Scheme**

(To be signed by full time Director / CEO / MD of the company / firm duly depicting the designation and submitted on official stationery of the applicant along- with the authorization to do so)

1. Whereas, the applicant namely\_\_\_\_\_ (company name) has submitted an application under Production Linked Incentive Scheme (PLI) for Promoting Domestic Manufacturing of White Goods to Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industries, Government of India seeking incentives for the application pertaining to manufacturing of.....(Eligible Products) at the following locations:

- a) .....
- b) .....
- c) .....

2. Now, therefore, the applicant including its officers / representatives commits and undertakes that he will take all measures necessary to prevent corruption. He commits to observe the following principles during his association / engagement with DPIIT or its agencies or its consultants engaged with the process of appraisal and verification of application for the approval of application and disbursement of incentives under PLI.

2.1 The PLI applicant will not directly or through any other person or firm, offer, promise or give to any of the DPIIT's officer(s) or consultant or agency representative (appraisal / verification agency appointed by DPIIT to handle the application) involved in the process of dealing with application or to any third person any material or other benefit which he / she is not legally entitled to in order to obtain in exchange any advantage of any kind whatsoever before or during or after the process of the application for grant of approval or disbursement of incentives under PLI.

2.2 The PLI applicant will not commit any offence under the relevant IPC / PC Act. Further, the applicant will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the DPIIT.

2.3 The PLI applicant shall disclose the name and address of the duly authorized Agents and Representatives who will be dealing with DPIIT or its agencies and the remuneration of these agents or representatives shall not include any hidden amount or component to get the work done in undue manner or causing inducement of whatsoever nature whether in cash or kind to influence the normal process or practice of work.

2.4 The PLI applicant will disclose any and all payments he has made, is committed to or intends to make to agents, brokers or any other intermediaries, other than regular employees or officials of the applicant, in connection with the grant of approval or / and disbursement of incentives.

- 2.5 The applicant will not offer any illicit gratification to obtain unfair advantage.
- 2.6 The applicant will not collude with other parties to impair transparency and fairness.
- 2.7 The applicant will not give any advantage to anyone in exchange for unprofessional behavior.

3. The applicant declares that no previous transgressions occurred in the last 3 years with any other Company in any country conforming to the anti-corruption approach or with any other Public Sector Enterprises / Central or State Government or its any instrumentality in India.

4. The applicant agrees that if it is found that the applicant has made any incorrect statement on this subject, the application will be closed or rejected and DPIIT reserve the right to initiate legal action of whatsoever nature. In case if DPIIT has disbursed the incentives under PLI, the amount disbursed to applicant be recoverable along with interest calculated at 3 years SBI MCLR prevailing on the date of disbursement, compounded annually besides blacklisting of the applicant and initiation of legal action of whatsoever nature at the discretion of DPIIT.

5. In the event the selected applicant declines the offer of approval under the Scheme at any stage or exits the scheme without making **total threshold investment** for reasons whatsoever, in such case the applicant shall have to refund the incentive availed by it under the scheme till such date along with interest calculated at the prevailing 3-year SBI MCLR compounded annually.

The contents of the above undertaking have been gone through and after understanding the same is being executed / given on.....day of.....month. 20xx.

*For Company Name*

Name:  
Designation: Director/CEO/MD  
Place:

Date:

**Consent for audit of their manufacturing site / offices**

(To be signed by full time Director / CEO / MD of the company duly depicting the designation and submitted on official stationery of the applicant along- with the authorization to do so)

1. Whereas, the applicant namely *(name of applicant with address)* has submitted an application under Production Linked Incentive Scheme (PLI) for promoting domestic manufacturing of white goods to Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry, Government of India seeking incentives for the application pertaining to manufacturing..... (Eligible Products) at... (location(s)).

2. Now, therefore, the applicant or its agencies or its consultants engaged with the process of manufacturing of eligible products shall allow the PMA or any other authority as designated by DPIIT for verification of facility and documents submitted for the approval of application and disbursement of incentives under the PLI Scheme.

*Date*

*Signature*

*(Name & designation with address) Director / CEO / MD*

**Appendix-IV**

**Disbursement Claim Form: Production Linked Incentive Scheme (PLI) for White Goods  
(Mention Name of Target Segment –Air Conditioner and LED Lights)**

To,  
IFCI Limited,  
Project Management Agency for PLI Scheme for White Goods of DPIIT  
IFCI Tower,  
61 Nehru Place  
New Delhi: 110019

Date: Month xx, 202x

**Reference:**

**Approval letter issued by IFCI in favour of \_\_\_\_\_ (*company name*)  
under the Production Linked Incentive Scheme for White Goods vide letter no.  
\_\_\_\_\_ dated for application no \_\_\_\_\_ dated \_\_\_\_\_ filed online  
via portal for Category \_\_\_\_\_ ; Target Segment \_\_\_\_\_;and  
Eligible Products \_\_\_\_\_**

**Declaration**

This is to declare that :

1.	Incremental Investment and Net Incremental Sales of White Goods applicable for determining eligibility	
2.	Base year Sales of eligible products under Target Segment (Base Year) for which application was made.	
3.	Period for which Incentives is being claimed	

This declaration has been issued in requirement under the Disbursement claim form under the Guidelines for operation of Production Linked Incentive Scheme (PLI) for White Goods as per File No. P-29014/101/2020-LEIPart (1)-DPIIT issued by Department for Promotion of Industry and Internal Trade dated 4th June, 2021.

For Company name

Authorized Signatory

Place:

Date:

## **Appendix IV A - Independent Auditors' Certificate (Baselines Sales & Investment)**

To,  
IFCI Limited,  
Project Management Agency for PLI Scheme for White Goods of DPIIT  
IFCI Tower,  
61 Nehru Place  
New Delhi: 110019

Date: Month xx, 202x

1. We do hereby confirm that we are Independent Auditors of M/s \_\_\_\_\_ Limited (hereinafter referred to as "the company") for FY 2019-20 and F.Y 2020-21 Appointed under section 139 of the Companies Act, 2013.
2. This certificate is being issued in connection with determination of baseline sales of manufactured goods covered under Target Segment and investments for the company, under Production Linked Incentive Scheme (PLI) for White Goods notified vide notification No. CG-DL-E-16042021-226671 dated 4th June 2021 read with guidelines for the operation of PLI for White Goods dated 15<sup>th</sup> April 2021, as amended from time to time (hereinafter referred as 'the PLI Scheme').
3. It is confirmed that we have followed the relevant code of conduct issued by ICAI w.r.t. independence of Auditors and provisions of Companies Act, 2013. .... (name of statutory auditor's firm) or any of our associates or affiliate concerns/ entities are not engaged in providing any services to or business with, the applicant which may pose any potential 'conflict of interest' in submission of this certificate or non-compliance with the code of ethics issued by ICAI or provisions of Companies Act, 2013.
4. The accompanying Statement on appended at Annexure I to VIII (collectively referred to as 'the Statement') has been prepared by the Company for eligible products covered under the target segment goods (*please strike out whichever is not applicable*)) as defined under the PLI Scheme.

### **Management's Responsibility**

5. The accompanying Statement, including the creation and maintenance of all accounting and other records supporting its contents, is solely the responsibility of the Company's Management. The Company's Management is responsible for designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, applying an appropriate basis of preparation, and making estimates that are reasonable in the circumstances.
6. The Company's Management is also responsible for ensuring that the Company complies with the requirements of the PLI Scheme and for providing all relevant information to the Project Management Agency established under the PLI Scheme.



### **Auditor's Responsibility**

7. Pursuant to the requirements of the PLI Scheme, it is our responsibility to provide a certificate based on our examination of the information contained in the Statement with reference to the books of accounts and other records of the Company, on the matters listed under the head "Independent Auditor's Opinion".
8. Revenue from eligible products under the target segment so far as it relates to \_\_\_\_\_(other group company name, if applicable), have been reported by us based on Independent Auditors certificate prepared by independent auditors of \_\_\_\_\_(other group company name, if applicable) dated Month xx, 202x,/ Month xx, 202x & Month xx, 202x which have been furnished to us by the management and our opinion in respect of amount so far it relates to such revenue is based solely on the report of such other auditors and other procedures performed by us (*strike out, if not applicable*).
9. We have verified the fixed assets register, sales register, GST returns and all other relevant financial, secretarial, and statutory records of the company for the period from 1st April 2019 to 31st March 2020/ from 1st April 2019 to 31st March 2020 and 1st April 2020 to 31st March 2021 for the purpose of arriving at the baseline sales of Eligible Products manufactured by the company covered under target segment and base line Investment respectively.
10. (a) The financial statements of the Company for the year ended 31 March 2020 /for the year ended 31 March 2020 & for the year ended 31 March 2021 were audited by us on which we had issued an unmodified audit opinion vide our report dated Month DD, 202x /our report dated Month DD, 202x & dated Month DD, 202x. Our audit of these financial statements was conducted in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.  
  
b) The audit of internal financial controls with reference to financial statements of the Company as of 31 March 2020 /as of 31 March 2020 & as of March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date was performed by us in accordance with the criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, on which we had issued an unmodified opinion vide our report dated MMMM DD, 20YY /our report dated MMMM DD, 20YY & dated MMMM DD, 20YY.  
  
c) The Company's financial statements for the year ended 31<sup>st</sup> March 2020/

for the year ended 31<sup>st</sup> March 2020 & for the year ended 31<sup>st</sup> March 2021 was subject to audit as mentioned in para 10(a) above.

We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

11. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
12. Our engagement for this certificate includes performing procedures to obtain sufficient appropriate audit evidence on the applicable criteria mentioned in paragraph 6 above. The procedures selected depend on the auditor's judgment.

### **Independent Auditor's Opinion**

Based on our examination as stated above and based on the information and explanations given to us by the Company's management, we report that:

#### **I. General**

- a) The Company has considered the audited financial statements for the year ended 31 March 2020/ for the year ended 31 March 2020 & for the year ended 31 March 2021 prepared under Companies Act, 2013 for arriving at the information given in the accompanying Statement.
- b) The accounting policies, methods and assumptions of management's estimates used by the Company in the preparation of the financial statements and there have been no change in the said accounting policies, methods and assumptions during the year ended 31 March 2020/ the year ended 31 March 2020 & the year ended 31 March 2021. Further, the accounting policies, methods and assumptions of management's estimates used for preparation of financial statements have been applied for the preparation of information given in the Statement.

#### **II. Sales Eligible Products covered under the target segments manufactured by \_\_\_\_\_(company name).**

- c) the information relating to, (i) net sales of manufactured eligible products covered under the target Segments for the year ended 31<sup>st</sup> March 2020 /for the year ended 31<sup>st</sup> March 2020 & for the year ended 31<sup>st</sup> March 2021` and Annexure I & VII are in agreement with the books of accounts of the Company and Scheme Guidelines

- d) The baseline sales have been arrived after giving effect of sale returns, taxes, discounts, rebates, credit notes, claims if any. Further, there are no unsettled claims other than those which have already been provided for in the books of accounts and adjusted in the baseline sales and no disputed claims against the baseline sales of manufactured eligible products covered under target segment.
- e) The baselines sales of eligible products covered under the target segments has not been adjusted by the amount of sales returns, taxes, discounts, rebates and credit notes and claims & cost escalation pertaining to earlier years i.e. prior to 1<sup>st</sup> April 2019 / 1<sup>st</sup> April 2019 & 1<sup>st</sup> April 2020.
- f) There are no expenses pertaining to Advertisement and Sales Promotion and Brand Royalty in FY 2019-20/ FY 2019-20 & FY 2020-21, therefore no deduction required from baselines sales on account of these items OR the expenses pertaining to Advertisement and Sales Promotion and Brand Royalty has been deducted from the net sales of manufactured Target Segment goods and manufactured Eligible Product.
- g) The ageing of outstanding debtors as at 31 March 2020 / as at 31 March 2021 in connection with target segment Goods as provided in Annexure- IV to the Statement is in agreement with the books of accounts and appropriation policy followed by the Company on a regular basis.
- h) The sales amount of manufactured goods containing captive consumption of eligible products and eligible product under the target segment as per GST returns reconciles with sales of manufactured goods containing captive consumption of eligible products and eligible products as per books of account, as provided in Annexure - III to the Statement.
- i) The relevant compliances under Companies Act 2013, Indian Accounting Standard 24 and Income Tax Act 1961, have been made with respect to transaction with Related Parties.
- j) The sales amount of eligible product contains only sales of eligible product manufactured by the company in the Brownfield Project approved and setup under the Scheme Guidelines.
- k) For the purpose of Baseline, the Cost of Production in case of in-house consumption or sale to group company has been considered at invoice level. Accordingly, the sales of eligible product..... Eligible for incentive is Rs..... for captive consumption and the sales of eligible product..... Eligible for incentive is Rs..... for sale to group companies.
- l) The project set up by the company is Brownfield project as per clause 2.21 of the scheme guidelines and date of commercial operation is ..... As per clause 2.13 of the scheme guidelines.

- m) The consolidated global manufacturing revenue from target segment furnished by the company is Rs. \_\_\_\_\_ Crores for qualification criteria in the application for PLI Scheme of manufactured goods in the target segment / category in India, in the base year.

\*The manufacturing revenue of eligible goods covered under the target segments of the Company is INR \_\_\_\_\_ for the FY 2019-20 /for FY20-21.

### **III. Investment**

- n) The amounts relating to baseline for investment of Company as a whole as at 31 March 2020 as stated in Annexure V of the Statement are in agreement with books of accounts of the Company.

### **IV. Internal Controls**

- o) The Company has adequate internal controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020 based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.
- p) The internal control procedures on revenue recognition, allocation of sales consideration, pricing policy, settlement of discounts & rebates, capitalization of fixed assets and other areas relevant to determination of baseline sales and investment of manufactured eligible products under target segment is operating effectively.

### **Restriction on Use**

15. The certificate is being submitted to IFCI Limited (Project Management Agency) and at the request of Board of Directors of the Company solely for the purpose of Production Linked Incentive Scheme and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

# Annexure I

## Statement of Baseline Sales of Manufactured Target Eligible Products covered under target segments and Baseline Investment

<b>Name of applicant</b>	
<b>Product Applied for</b>	
<b>Application reference no.</b>	
<b>Target Segment</b>	
<b>Eligible Product</b>	

## Net Sales of eligible products covered under the target segment for F.y 2019-2020

<b>Particulars (in ₹)</b>	<b>FY 2019-2020</b>	<b>Cost of Production</b>	<b>Eligible sales</b>
	<b>Actual sales as per books of accounts for sales of eligible product or sales of finished products containing captive consumption of Eligible products</b>		
Baseline Sales of Manufactured Eligible products covered under Target Segment Goods – ( <i>company name</i> )-Sales to non group company			
Baseline Sales of Manufactured Eligible products covered under Target Segment Goods – ( <i>company name</i> )-Sales to group company			
Baseline Sales of Manufactured Eligible products covered under Target Segment Goods – ( <i>company name</i> )-captive consumption			
<b>Net Sales of eligible products</b>			
<b>Less:</b> Advertisement and sales Promotion			
<b>Less:</b> - Brand Royalty			

<b>Net Sales of eligible products manufactured under the target Segment goods (A)</b>			
<b>Net Sales of eligible products for applicant's group(B)</b>			
<b>Total=A+B</b>			

**Product wise Quantity sold and Weighted Average price per unit**

<b>Product Name</b>	<b>Quantity Sold</b>	<b>Weighted Average price Per unit</b>

**Net Sales of eligible product covered under the target segment for F.y 2020-21**

<b>Particulars (in ₹)</b>	<b>FY 2020-21 Actual sales as per books of accounts for sales of eligible products or sales of finished products containing captive consumption of Eligible products</b>	<b>Cost of Production</b>	<b>Eligible sales</b>
Baseline Sales of Manufactured Eligible products covered under Target Segment Goods – <i>(company name)-Sales to non group company</i>		NA	
Baseline Sales of Manufactured Eligible products covered under Target Segment Goods – <i>(company name)-Sales to group company</i>			

Baseline Sales of Manufactured Eligible products covered under Target Segment Goods – (company name)-captive consumption			
<b>Net Sales of eligible products</b>			
<b>Less:</b> Advertisement and sales Promotion			
<b>Less:-</b> Brand Royalty			
<b>Net Sales of eligible products manufactured under the target Segment goods (A)</b>			
<b>Net Sales of eligible products for applicant's group(B)</b>			
<b>Total=A+B</b>			

**Baseline Sales claimed by applicant.**

<b>Net sales of eligible products for 2019-2020 (A)</b>	
<b>Net sales of eligible products for 2020-21 (B)</b>	
<b>Net Baseline sales=Higher of A &amp; B</b>	

Note 1-Eligible sale in case of sale to group company will be lower of actual sale price offer to Group Company & cost of production plus marked up of 5% under the scheme.

**Note-2** Eligible sale in case of captive consumption will be cost of production plus marked up of 5% under the scheme.

**Reconciliation of Sales as per Books of Accounts and Annual GST Return**

Particulars		As per Audited Financials (Amt. in ₹) for FY 2019-20/F.Y 2019-2020
Revenue from operations		
Other Income		
<b>A</b>	<b>Total Turnover as per Audited Financials</b>	
<b>Reconciliation Adjustments:</b>		
(-) Interest Income not forming part of GSTR returns		
(+) Unadjusted Advances at the end of the Financial Year		
(-) Unadjusted Advances at the beginning of the Financial Year		
(+) Sales booked in April 2020 as per financials but invoice raised in FY 19-20 for GST purposes.		
(-) Sales booked in April 2019 as per financial, but invoice raised in FY 19-20 for GST purposes.		
(+) Export of Sales in March 2020 but revenue booked in April 2020		
(-) Export Sales in March 2019 but revenue booked in April 2019		
(+) Scrap Sales booked in Memo Account and Other GLs - Not part of financial statements		
(+) Deemed Supply in Schedule I		
(+) Credit Notes accounted for in the Annual Audited Accounts but are not permissible under GST (Commercial credit note for Rebate and Price Protection)		
(+) / (-) Misc. Income, claims and accrual not forming part of GST returns		
(+) / (-) Any other items, please add rows		
(+) / (-) Stock Transfer		
<b>B</b>	<b>Total Adjustment</b>	
<b>(A – B)</b>	<b>Total Sales as per GST Return</b>	

**Note:** In case of no figure please mention NIL



### Annexure III

#### **Reconciliation of Sales as per Books of Accounts and Annual GST Return for manufactured goods under Target Segment of the company**

Particulars (in ₹)		FY 2019-20/F.Y 2020-21
<b>Total Sales per GST Returns</b>		
<b>Less:</b>	Branch Transfer & Other Stock Transfer not considered as sales	
	Sales of products manufactured other than A.C & LED Lights	
	Sales of non-eligible products components.	
	Income from services provided*	
	Sale of eligible products in which investment are not made during the claim period	
	Services Covered under Reverse Charge Mechanism	
	Sales of Traded products	
<b>Sales of Manufactured Target Segment Goods as per GST Returns</b>		
<b>Add:</b> Adjustment carried out in the books of accounts, but not forming part of GST returns		
<b>1.</b>	Please specify broad nature of adjustment and give details	
<b>Less:</b> Adjustment not carried out in the books of accounts but forming part of GST returns.		
<b>2.</b>	Please specify broad nature of adjustment and give details	
<b>Sales of manufactured goods covered under Target Segment, as per Books of Accounts</b>		

**Debtors related to manufactured goods covered under Target Segment of the company:**

**Debtor appropriation policy:**

(Please provide a note on policy followed by applicant for appropriation of payment from debtors following by the Company and confirm whether the debtor aging has been arrived at using the same appropriation policy.)

## Annexure V

**Baselines for Investment of the company as at March 31, 2020:**

Heads of Investment (in ₹)	Gross Block	Accumulated Depreciation	Net Block
<b>(A) Property, Plant and Equipment</b>			
Land & Building			
Plant & Equipment			
Furniture and Fixtures			
Vehicles			
Office equipment			
Bearer Plants			
Others (Specify nature)			
Electric Installations			
Tools & Dies			
Computers			
Right of Use Assets - Leasehold Building			
<b>(B) Intangible Assets</b>			
Software			
License & Franchise	-	-	-
Brands or trademarks	-	-	-
Others (Specify nature)	-	-	-

## Annexure VI

### Format of Sales register of eligible products & finished product (Target segments) in which eligible products captive consumed for FY 2019-20

GSTIN/ UIN of Buyer		
Buyer's Name		
Related Party (Y/N)		
Invoice Number		
Invoice date		
Product Description (Model/ Make or Identification Number)		
HSN Code		
Quantity		
Domestic/ Export		
Foreign currency	USD/euro or any other	
Exchange rate as per books		
Exchange rate as per GST		
Invoice value		
Freight on Board (FOB) value of export sales		
Place Of Supply		
E-way Bill date		
E-way Bill No.		
Shipping bill no.		
Shipping bill date		
Applicable % of Tax Rate		
Invoice Type		
Value considered for PLI*		

\*This is the value net of credit notes, discounts, taxes and expenses pertaining to advertisement and sales promotion and brand royalty.

To be signed by the auditor.

**Format of Sales register of eligible products & finished products (Target segments) in which eligible products captive consumed for FY 2020-21**

<b>GSTIN/ UIN of Buyer</b>		
<b>Buyer's Name</b>		
<b>Related Party (Y/N)</b>		
<b>Invoice Number</b>		
<b>Invoice date</b>		
<b>Product Description (Model/ Make or Identification Number)</b>		
<b>HSN Code</b>		
<b>Quantity</b>		
<b>Domestic/ Export</b>		
<b>Forex currency</b>	<b>USD/euro or any other</b>	
<b>Exchange rate as per books</b>		
<b>Exchange rate as per GST</b>		
<b>Invoice value</b>		
<b>Freight on Board (FOB) value of export sales</b>		
<b>Place Of Supply</b>		
<b>E-way Bill date</b>		
<b>E-way Bill No.</b>		
<b>Shipping bill no.</b>		
<b>Shipping bill date</b>		
<b>Applicable % of Tax Rate</b>		
<b>Invoice Type</b>		
<b>Value considered for PLI*</b>		

\*This is the value net of credit notes, discounts, taxes and expenses pertaining to advertisement and sales promotion and brand royalty.

To be signed by the auditor.

## **Appendix IV B - Independent Auditors' Certificate (Incremental Sales & Investment)**

To,  
IFCI Limited,  
Project Management Agency for PLI Scheme for White Goods of DPIIT  
IFCI Tower,  
61 Nehru Place  
New Delhi: 110019

Date: Month xx, 20xx

1. We do hereby confirm that we are Independent Auditors of M/s \_\_\_\_\_ Limited (hereinafter referred to as "the company") for FY 202x-2x & F.Y 202x-2x / FY 202x-2x & F.Y 202x-2x & F.Y 202x-2x Appointed under section 139 of the Companies Act, 2013.
2. This certificate is being issued in connection with determination of incremental sales of manufactured goods covered under Target Segment and investments for the company, under Production Linked Incentive Scheme (PLI) for White Goods as notified vide notification No. P-29014/101/2020-LEI DPIIT dated 4th June 2021, 2021 read with guidelines for the operation of PLI for White Goods entities dated 4th June 2021 (F. No. P-29014/101/2020-LEIPart (1)-DPIIT), as amended from time to time (hereinafter referred as 'the PLI Scheme').
3. It is confirmed that we have followed the relevant code of conduct issued by ICAI w.r.t. independence of Auditors and provisions of Companies Act, 2013. Further, .....(name of statutory auditor's firm) or any of our associates or affiliate concerns/ entities are not engaged in providing any services to or business with, the applicant which may pose any potential 'conflict of interest' in submission of this certificate or could potentially result in non-compliance with the code of ethics issued by ICAI or provisions of Companies Act, 2013.
4. The accompanying statements appended at Annexure I to Annexure IX (collectively referred to as 'the Statements') have been prepared by the Company for eligible product under the target segment goods (i.e. Air Conditioners and LED Lights)(please strike out whichever is not applicable)) under the PLI Scheme.

### **Management's Responsibility**

5. The accompanying Statements, including the creation and maintenance of all accounting and other records supporting its contents, is solely the responsibility of the Company's Management. The Company's Management is responsible for designing, implementing, and maintaining internal control relevant to the

preparation and presentation of the Statement, applying an appropriate basis of preparation, and making estimates that are reasonable in the circumstances.

6. The Company's Management is also responsible for ensuring that the Company complies with the requirements of the PLI Scheme and for providing all relevant information to the Project Management Agency appointed under the PLI Scheme.

### **Auditor's Responsibility**

7. Pursuant to the requirements of the PLI Scheme, it is our responsibility to provide a certificate based on our examination of the information contained in the Statements with reference to the books of accounts and other records of the Company, on the matters listed under the head "Independent Auditor's Opinion".
8. Revenue from eligible products under the target segment so far as it relates to \_\_\_\_\_(other group company name, if applicable), have been reported by us based on Independent Auditors certificate prepared by independent auditors of \_\_\_\_\_(other group company name, if applicable) dated Month xx, 202x which have been furnished to us by the management and our opinion in respect of amount so far it relates to such revenue is based solely on the report of such other auditors and other procedures performed by us (strike out, if not applicable).
9. We have verified the fixed assets register, sales register, GST returns and all other relevant financial, secretarial, and statutory records of the company for the period from 1st April 202x to 31st March 202x for the purpose of arriving at the information contained in Annexure I to VII of this certificate.
10. (a) The financial statements of the Company for the year ended 31st March 202x & for the year ended 31st March 202x / for the year ended 31st March 202x & for the year ended 31st March 202x & for the year ended 31st March 202x were audited by us on which we had issued an unmodified audit opinion vide our report dated MMMM DD, 20YY & our report dated MMMM DD/ our report dated MMMM DD, 20YY & our report dated MMMM DD & our report dated MMMM DD, 20YY . Our audit of these financial statements was conducted in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.  
  
b) The audit of internal financial controls with reference to financial statements of the Company as of 31 March 202x in conjunction with our audit of the financial statements of the Company for the year ended on that date was performed by us considering the essential components of internal control stated in the

Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, on which we had issued an unmodified opinion vide our report dated MMMM DD, 20YY & our report dated MMMM DD, 20YY / our report dated MMMM DD, 20YY & our report dated MMMM DD, 20YY & our report dated MMMM DD, 20YY.

c) The Company's financial statements for the year ended 31<sup>st</sup> March 202x was subject to audit as mentioned in para 9(a) above.

We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

11. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
12. Our engagement for this certificate includes performing procedures to obtain sufficient appropriate audit evidence on the applicable criteria mentioned in paragraph 6 above. The procedures selected depend on the auditor's judgment.

### **Independent Auditor's Opinion**

Based on our examination as stated above and based on the information and explanations given to us by the Company's management, we report that:

#### **V. General**

- a) The Company has considered the audited financial statements for the year ended 31<sup>st</sup> March 202x & for the year ended 31<sup>st</sup> March 202x/ for the year ended 31<sup>st</sup> March 202x & for the year ended 31<sup>st</sup> March 202x & for the year ended 31<sup>st</sup> March 202x prepared under Companies Act, 2013 for arriving at the information given in the accompanying Statements.
- b) The accounting policies, methods and assumptions of management's estimates used by the Company has been applied consistently in the preparation of the financial statements and there has been no change in the said accounting policies, methods and assumptions during the year ended 31 March 202x & the year ended 31 March 202x/ the year ended 31 March 202x & the year ended 31 March 202x & the year ended 31 March 202x. Further, the accounting policies, methods and assumptions of management's estimates used for preparation of financial statements have been applied for the preparation of information given in the Statements.



**VI. Sales of Eligible Products manufactured under the Target segments by \_\_\_\_\_(company name).**

- c) the information relating to net sales of manufactured eligible products covered under the target segments for the period 1<sup>st</sup> April 202x to 31<sup>st</sup> March 202x and year ended 31<sup>st</sup> March 202x and Annexure I to VIII are in agreement with the books of accounts of the Company and Scheme Guidelines.
- d) The net sales has been arrived after giving effect of sale returns, taxes, discounts, rebates, credit notes, claims if any. Further, there are no unsettled claims other than those which have already been provided for in the books of accounts and adjusted in the sales and there are no disputed claims against the sales of manufactured goods covered under target segment.
- e) The Net sales of the manufactured Eligible Products under the target Segments for the company and its group company for the period from ..... to ..... over sales for the period from ..... to ..... is ₹ ..... crore. The consolidated sale of company and its group company has not less than net sales of manufactured eligible products under target segment goods applicable for applicant and its group company in base year and also achieved the threshold incremental sales of manufactured eligible products under target segment goods applicable for Year x i.e. FY 202x-2x.
- f) The incremental sales of the manufactured Eligible Products under the target Segments for the period from ..... to ..... over sales for the period from ..... to ..... is ₹ ..... crore. The company has achieved the threshold incremental sales of manufactured eligible products under target segment goods applicable for Year x i.e. FY 202x-2x.
- g) There are no expenses pertaining to “Advertisement and Sales Promotion and Brand Royalty” in FY 202x-2x, therefore no deduction required from sales on account of these items OR the expenses pertaining to Advertisement and Sales Promotion and Brand Royalty has been deducted from the net sales of manufactured eligible products under target segment goods
- h) The ageing of outstanding debtors as at 31 March 202x in connection with Eligible Products under Target segment as provided in Annexure- II to the Statement is in agreement with the books of accounts and appropriation policy followed by the Company on a regular basis.
- i) The sales amount of manufactured goods containing captive consumption of eligible products and eligible products as per GST returns reconciles with sales of manufactured goods containing captive consumption of eligible products and eligible products as per books of account, as provided in Annexure – III.

- j) The relevant compliances under Companies Act 2013, Indian Accounting Standard 24 and Income Tax Act 1961, have been made with respect to transaction with Related Parties.
- k) The sales amount of eligible product contains only sales of eligible product manufactured by the company in the Brownfield/Greenfield Project approved and setup under the Scheme Guidelines.
- l) For the purpose of Incentive, the Cost of Production in case of in-house consumption or sale to group company has been considered at invoice level. Accordingly, the sales of eligible product..... Eligible for incentive is Rs..... for captive consumption and the sales of eligible product..... Eligible for incentive is Rs..... for sale to group companies.
- m) The project set up by the company is Brownfield/Greenfield project as per clause 2.21 of the scheme guidelines and date of commercial operation is ..... As per clause 2.13 of the scheme guidelines.

## **VII. Investment**

- n) The Company has applied for the gestation period 1<sup>st</sup> April 2021 to 31<sup>ST</sup> March 2022/1<sup>st</sup> April 2021 to 31<sup>ST</sup> March 2023
- o) The company has committed investment of ₹ \_\_\_\_\_ for the period from \_\_\_\_\_ to \_\_\_\_\_ and the Threshold investment criteria has been complied with for the financial year under consideration.
- p) There is a total amount of ₹ ..... crore capitalised in the audited financial statement during the period from ..... To ....., out of which investment of ₹ ..... has been considered as eligible under PLI Scheme. Details of head wise assets is attached as **Annexure IV** and individual assets register is attached at **Annexure VI**.
- q) Entire investment of ₹ ..... claimed under the Scheme are eligible for capitalisation as per relevant provision of Companies Act, 2013 and relevant Accounting Standards followed by the Company. Therefore, considered as eligible for capitalisation in the audited financial statement.
- r) The date of capitalisation of the investment on after 01/04/2021 in the audited financial statements of the selected applicant has been considered as the date of the investment under the scheme.
- s) The investments which are yet to be capitalised (CWIP) as of the date of claim period have not been considered while calculating the investment for the year of claim.

- t) No second hand / used/ refurbished plant, machinery, equipment, utilities or research and development equipment, used to manufacture the eligible product.
- u) With reference to clause 8.4.1 of the Scheme Guidelines, the amount of Associated Utilities claimed under eligible investment is .....
- v) The investment claimed as eligible under the Scheme is not subject to any other Govt. Incentive.
- w) No expenses have been allocated to the capex claim under the Scheme Guidelines except purchase price, non-creditable duties & taxes, packaging, insurance, freight, and expenses on 'erection & commissioning' of machinery/ equipment purchased during the period from 1st April 202x to 31st March 202x.
- x) Investments on account of Transfer of Technology include cost of technology and initial technology purchased relating to the eligible product. The investment on account of Transfer of Technology include does not exceed 5% of the total committed investment cost and amounts to Rs. \_\_\_\_\_ which is \_\_\_\_\_ % of the total committed investment approved under the scheme. Further the cost incurred is inclusive of all non-creditable taxes and duties.
- y) The Software associated with R&D relating to the manufacturing of eligible products under the PLI-WG scheme has been procured / licensed (**strikeout whichever is applicable**) through legally valid documents after payment of applicable taxes and duties The Investments on account of R&D does not exceed 15% of the total committed investment cost and is amounting to Rs. \_\_\_\_\_ which is \_\_\_\_\_ % of the total committed investment approved under the scheme. Further the cost incurred is inclusive of all non-creditable taxes and duties.
- z) The relevant compliances under Companies Act 2013, Indian Accounting Standard 24 (may change the reference to relevant accounting standard if company is following I GAAP) and Income Tax Act 1961, have been made with respect to transaction with Related Parties.

### **Internal Controls**

- a) The Company has adequate internal controls with reference to financial statements and such internal financial controls were operating effectively as at 31<sup>st</sup> March 202x & as at 31<sup>st</sup> March 202x / at 31<sup>st</sup> March 202x & as at 31<sup>st</sup> March 202x & as at 31<sup>st</sup> March 202x considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.
- b) The internal control procedures on classification of trading & manufacturing revenue, identification of manufactured Target Segment goods in the books of

accounts, revenue recognition, allocation of sales consideration, pricing policy, settlement of discounts & rebates, capitalisation of property, plant and equipment and other areas relevant to determination of sales and investment of manufactured target segment goods is operating effectively.

### **Restriction on Use**

a). The certificate is being submitted to IFCI Limited (Project Management Agency) and at the request of Board of Directors of the Company solely for the purpose of Production Linked Incentive Scheme and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

## Annexure I

### Statement of Sales of Manufactured Target Segment Goods and Eligible Products

<b>Name of applicant</b>	
<b>Product Applied for</b>	
<b>Application reference no.</b>	
<b>Target Segment</b>	
<b>Eligible Product</b>	

#### A. Net Sales of Eligible products for applicant and its group company

<b>Particulars (in ₹)</b>	<b>Actual sales as per books of accounts for sales of eligible products or sales of finished products containing captive consumption of Eligible products</b>	<b>Cost of Production</b>	<b>Eligible sales</b>
Baseline Sales of Manufactured Eligible products covered under Target Segment Goods – ( <i>company name</i> )-Sales to non group company		NA	
Baseline Sales of Manufactured Eligible products covered under Target Segment Goods – ( <i>company name</i> )-Sales to group company			
Baseline Sales of Manufactured Eligible products covered under Target Segment	N.A		

Goods – (company name)-captive consumption			
<b>Net Sales of eligible products</b>			
<b>Less:-Advertisement and sales Promotion</b>			
<b>Less:-Brand Royalty</b>			
<b>Net Sales of eligible products manufactured under the target Segment goods (A)</b>			
<b>Net Sales of eligible products for applicant's group(B)</b>			
<b>Total=A+B</b>			

**Product-wise Quantity sold and Weighted average price per unit**

Product Name	Quantity Sold	Weighted average price Per unit

**Net Sales of Eligibles products based on incremental capacity certify by Chartered Engineer.**

<b>Particulars</b>	<b>Amount (in Rs)</b>
<b>Incremental Sales of Eligible products in claim year base on incremental capacity certify by Chartered engineer (D) before adjustment</b>	
Less:advertisement and sales promotion	
Less:Brand Royalty	
<b>Incremental Sales of Eligible products in claim year base on incremental capacity certify by Chartered engineer</b>	

#### **Net Incremental sales**

<b>Particulars</b>	<b>Amount (in Rs)</b>
Net Sales of eligible products in base year for applicant only(A)	
Net Sales of eligible products in claim year for applicant only(B)	
<b>Net Incremental Sales of Eligible products in claim Year(B-A)=C</b>	
<b>Net Incremental Sales of Eligible products in claim year based on incremental capacity certify by Chartered engineer (D)</b>	
Sales not meeting incremental capacity E=C-D	

Note 1-Eligible sales in case of sales to group company will be lower of actual sales price offer to group company & cost of production plus marked up of 5% under the scheme.

Note-2 Eligible sales in case of captive consumption will be cost of production plus mark up of 5% under the scheme.

**Annexure II**

**Reconciliation of Sales as per Books of Accounts and GST Return for manufactured goods under Target Segment of the company**

Particulars (in ₹)		FY 202x-2x
<b>Total Sales per GST Returns</b>		
<b>Less</b>	Branch Transfer & Other Stock Transfer not considered as sales	
:		
	Sales of products manufactured products and not containing captive consumption of eligible product.	
	Income from services provided	
	Sales of Non-eligible components.	
	Sales of eligible products in which investment are not made during the claim period	
	Services covered under 'Reverse Charge Mechanism'	
	Sales of traded products	
<b>Sales of Manufactured Target Segment Goods as per GST Returns</b>		
<b>Add:</b> Adjustment carried out in the books of accounts, but not forming part of GST returns		
<b>1.</b>	Please specify broad nature of adjustment and give details	
<b>Less:</b> Adjustment not carried out in the books of accounts, but forming part of GST returns.		
<b>1.</b>	Please specify broad nature of adjustment and give details	
<b>Sales of manufactured eligible goods covered under Target Segment, as per Books of Accounts</b>		



## Annexure III

**Debtors related to manufactured goods covered under Target Segment & finished products in which eligible products captively consumed of the company:**

[illegible]

### Debtor appropriation policy:

(Please provide a note on policy followed by applicant for appropriation of payment from debtors following by the Company and confirm whether the debtor aging has been arrived at using the same appropriation policy.)

## Annexure IV

Particulars	Gross Block as on 01/04/2021 ((Refer Note)	Gross Block as on 31/03/2022(Refer Note)	Additions from 01/04/2021 to 31/03/2022 (Refer Note)	Deletions from 01/04/2021 to 31/03/2022 (Refer Note)	Additions considered for PLI Scheme (Refer Note)	Additions not considered in the eligible assets (Refer Note)
<b>(A) Property, Plant and Equipment</b>						
Land & Building						
Plant & Equipment						
Furniture and Fixtures						
Vehicles						
Office equipment						
Bearer Plants						
Others (Specify nature)						
Electric Installations						
Tools & Dies						
Computers						
Right of Use Assets - Leasehold Building						
<b>(B) Intangible Assets</b>						
Software						
License & Franchise						
Brands or trademarks						
Others (Specify nature)						

Note:-Figure should be for two years i.e. 1<sup>st</sup> April 2021 to 31<sup>st</sup> march 2022 for the applicant which applied for gestation Period for two year ie 1<sup>ST</sup> April 2021 to 31<sup>st</sup> March 2023.

**Annexure V**

**Format for Sales Register of eligible products and finished products in which eligible products captive consumed.**

<b>GSTIN/ UIN of Buyer</b>		
<b>Buyer's Name</b>		
<b>Related Party (Y/N)</b>		
<b>Invoice Number</b>		
<b>Invoice date</b>		
<b>Product Description (Model/ Make or Identification Number)</b>		
<b>HSN Code</b>		
<b>Quantity</b>		
<b>Domestic/ Export</b>		
<b>Forex currency</b>	<b>USD/euro or any other</b>	
<b>Exchange rate as per books</b>		
<b>Exchange rate as per GST</b>		
<b>Invoice value</b>		
<b>FOB value of export sales</b>		
<b>Place Of Supply</b>		
<b>E-way Bill date</b>		
<b>E-way Bill No.</b>		
<b>Shipping bill no.</b>		
<b>Shipping bill date</b>		
<b>Applicable % of Tax Rate</b>		
<b>Invoice Type</b>		
<b>Value considered for PLI*</b>		

\*This is the value net of credit notes, discounts, taxes, and expenses pertaining to advertisement and sales promotion and brand royalty.

To be signed by auditor.

## Format for Capex Register

<b>S. No.</b>		
<b>Asset description Capex item as per Invoice/ applicant</b>		
<b>Capex item as per Fixed Assets Register (FAR)</b>		
<b>Fixed Asset Code or Asset ID OR Fixed Asset Register (FAR) reference No. for capitalisation</b>		
<b>Location (please mention name of third party, where assets are lying) <i>if applicable</i></b>		
<b>Related Transaction</b>	<b>Party (Yes / No)</b>	
<b>Old/ Refurbished / New</b>		
<b>Lease or Purchase (please mention nature of lease operating/ finance)</b>		
<b>Vendor code</b>		
<b>Name of the Vendor</b>		
<b>Bill/ Invoice Number</b>		
<b>Bill date</b>		
<b>Place of Supply</b>		
<b>Currency</b>		
<b>Base value</b>		
<b>Exchange Rate</b>		
<b>Total INR</b>		
<b>Goods Receipt Slip</b>	<b>GR Number</b>	
	<b>GR Date</b>	
	<b>Quantity</b>	
<b>Bill of Entry (BOE) (in case of imported Plant &amp; Machinery)</b>	<b>Reference No</b>	
	<b>BOE Date</b>	
<b>Imported Items</b>	<b>Foreign Currency (Base Price)</b>	
	<b>Exchange Rate (ER)</b>	
	<b>Total (INR)</b>	
<b>Domestic Items</b>	<b>Amount (INR) - Base cost</b>	

<b>Non - Creditable Duties &amp; Taxes (specify nature)</b>	<b>Custom duty and cess</b>	
<b>Creditable Duties &amp; Taxes (specify nature)</b>	<b>Import IGST</b>	
<b>Freight</b>		
<b>Insurance</b>		
<b>Other Exp. (please specify nature)</b>		
<b>Total</b>		
<b>Final asset no</b>		
<b>Amount Capitalised (INR)</b>		
<b>Capitalisation date</b>		
<b>Manufacturing process where used (Mfg./R&amp;D/ Packing and any other</b>		
<b>GL code (where capitalised )</b>		
<b>GL Name</b>		
<b>Classification of P&amp;M as per PLI Scheme like (moulds, jigs, process machinery, dies)</b>		

To be signed by auditor .

**Related Party – Transaction Details**

All transactions with Related Parties will be subject to provisions of relevant statutes and Accounting Standard-18 as amended from time to time.

Description	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Key Management Personnel	Relatives of Key Management Personnel	Total
Purchases of goods							
Sales of goods							
Purchase of fixed assets							
Sales of fixed assets							
Rendering of services							
Receiving of services							
Agency arrangement							
Leasing or hire purchase arrangements							
Transfer of research and development							
Licence agreements Finance (including loans and equity contributions in cash or in kind)							
Guarantees and collaterals							

Management contracts including for deputation of employees							
--	--	--	--	--	--	--	--

## Annexure VIII

S. No.	Particulars	Unit	FY 2019-20	Period of Claim
1	<b>Investment Actualized (Cumulative)</b>	INR Crore		
	a) Equity			
	b) Debt			
	c) Internal Accrual			
2	<b>Employment as on Date of Filing Claim (Cumulative)</b>	Numbers		
3A	<b>Revenue from Operations —Domestic Sales</b> <b>[net of credit notes, discounts, and taxes applicable and expenses pertaining to advertisement and sales promotion, and brand royalty]</b>	INR		
	a) Manufacturing Activity			
	i. Eligible Products			
	ii. Finished Goods – Target segment (at least 60% of eligible product captively consumed in finished product)			
	iii. Finished Goods – Non-Target segment (maximum 40% of eligible product captively consumed in finished product)			
	iv. Other Goods			
	b) Trading Activity			
	c) Services Activity			

3B	<b>Revenue from Operations — Exports</b> <b>[net of credit notes, discounts, and</b> <b>taxes applicable and expenses</b> <b>pertaining to advertisement and sales</b> <b>promotion, and brand royalty]</b>			
	a) Manufacturing Activity			
	i. Eligible Products			
	ii. Finished Goods – Target segment (at least 60% of eligible product captively consumed in finished product)			
	iii. Finished Goods – Non-Target segment (maximum 40% of eligible product captively consumed in finished product)			
	iv. Other Goods			
	b) Trading Activity			
	c) Services Activity			
3C	<b>Total Revenue from Operations</b> <b>(Domestic Sales &amp; Exports)</b>			
4	<b>Sales Quantity</b> <b>[net of credit notes, discounts, and</b> <b>taxes applicable and expenses</b> <b>pertaining to advertisement and sales</b> <b>promotion, and brand royalty]</b>	Numbers		
	a) Manufacturing Activity			
	i. Eligible Products			
	ii. Finished Goods – Target segment (at least 60% of eligible product captively consumed in finished product)			
	iii. Finished Goods – Non-Target segment (maximum 40% of eligible product captively consumed in finished product)			
	iv. Other Goods			
	b) Trading Activity			



5	Details of Import	INR		
	<b>CIF plus non-creditable taxes / duties</b>			
	a) Raw Material / Parts / Components used for manufacturing			
	i. Eligible Products			
	ii. Other Goods in Target Segment			
	iii. Other Goods			
	b) Spare Parts			
	i. Eligible Products			
	ii. Other Goods in Target Segment			
	iii. Other Goods			
	c) Finished Goods			
	i. Eligible Products			
	ii. Other Goods in Target Segment			
	iii. Other Goods			
	d) Capital Goods			
	i. Target Segment			
	iii. Other Goods			
	e) Import of Services — Target Segment			

**Annexure-IX**

Quantity Detail of captive consumption of eligible product during the year ended 31<sup>st</sup> march 202X

Eligible Product Name	Opening Quantity	Quantity Produced during the year	Quantity consumed in finished product produced during the year	Quantity consumed in finished product sold during the year	Closing quantity

**1. Certificates / undertakings stating / covering the following:**

1.1. No deviation in Eligible Product(s)

**2. Certificate(s) from Company Secretary stating:**

2.1. All clearances required by law like statutory clearances, environmental clearances etc. have been obtained.

**3. Certificate(s) from Statutory Auditor stating / covering:**

3.1. Committed annual and cumulative Incremental Investment applicable has been achieved for the year in consideration

3.2. Details of Incremental Investment till date

3.3. Capitalization of Investment in the audited financial statement of the applicant is in line with the relevant accounting standards issued by ICAI

3.4. Investment has been made in accordance with Scheme Guidelines and approval accorded by DPIIT

3.5. Threshold of Incremental Sales of Eligible Products applicable has been achieved for the year in consideration

**4. Documents / certificates from Chartered Engineer:**

4.1. Certificate stating that the plant, machinery & equipment have been installed, the price is reasonable, as per the market value and the same are being used exclusively for manufacturing of approved Target Segment.

**5. List of documents to be submitted post approval of claim**

5.1. An undertaking from the applicant as per format given in **Annexure-I of Appendix-IV**.

5.2. An agreement / indemnity bond on prescribed formats as per **Annexure-II of Appendix-IV** from the applicant that if at a later stage its claim is found to be false or excessive it would be liable to return the amount disbursed with interest calculated at 3 years SBI MCLR prevailing on the date of disbursement, compounded annually.

5.3. Board resolution to the effect that the applicant agrees by the terms and conditions as laid down in the PLI Scheme and Guidelines while securing the incentive amount.

To,  
IFCI Ltd.  
Project Management Agency  
IFCI Tower, 61, Nehru Place  
New Delhi - 110019

Date: Month xx, 20xx

**Reference:**

Approval letter issued by IFCI in favour of \_\_\_\_\_ (*company name*) under the Production Linked Incentive Scheme for White Goods vide letter no. \_\_\_\_\_ dated \_\_\_\_ for application no \_\_\_\_\_ dated \_\_\_\_\_ filed online via portal for Category \_\_\_\_\_

**Production Linked Incentive (PLI) Scheme for White Goods notified vide Gazette Notification No. CG-DL-E-16042021-226671 dated 16.04.2021 ,and PLI scheme Guidelines issued thereunder, as amended from time to time.**

**Guidelines for the operation of Production Linked Incentive Scheme (PLI) for White Goods as per File No. P-29014/101/2020-LEI-DPIIT issued by Department for Promotion of Industry and Internal Trade, White Goods division dated 4th June 2021.**

<b>Gestation Period</b>		
<b>Committed Investment</b>		<b>Target Segment</b>
<b>Claim Period</b>		
<b>Eligible Product(s)</b>	1. 2. 3. <i>(Pl mention all the approved eligible product(s) )</i>	

**Subject: Integrity Compliance in Production Linked Incentive Scheme**

1. Whereas, the applicant namely (*name of company with address*) has submitted an application under Production Linked Incentive Scheme (PLI) for white Goods to Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industries, Government of India seeking incentives for the application pertaining to manufacturing ..... (Eligible Product) at ..... (location(s)).
2. And Whereas, the applicant has submitted an undertaking for observance and commitment for Integrity vide Undertaking dated..... given under the signatures / authority of applicants ..... (name and designation) to DPIIT in respect of aforesaid application.
3. And whereas, the applicant including its officers / representatives gives commitment and undertake that he / she will take all measures necessary to prevent corruption and that he / she will not directly or through any other person or firm, offer, promise or give to any of the DPIIT's officer(s) or consultant or agency representative(PMA) (appraisal or / and verification agency appointed by DPIIT to handle the application) involved in the process of dealing with application or to any third person any material or other benefit which he / she is not legally entitled to in order to obtain in exchange any advantage of any kind whatsoever before or during or after the process of the application for grant of approval or disbursement of incentives under PLI.
4. And whereas, the application submitted by the applicant has been given the approval by DPIIT vide its communication no.....dated.....
5. And whereas, the applicant has submitted a claim for disbursement of incentive dated ....to the PMA for claiming incentives of INR.....
6. And whereas, the PMA has considered the claim for disbursement of incentive and is in the process of disbursement / release of incentives on the claim dated.....
7. Now, therefore, We hereby confirm the compliance thereof with the Integrity Undertaking submitted to DPIIT duly certifying that there is no breach to the same and requests that eligible incentives under PLI be released to applicant and the amount of incentives be credited in the bank account of applicant.
8. The contents of the above Undertaking have been gone through and after duly understanding the same, is being executed / given on..... day of..... (month / year).

*Signature (Name & designation with address) Director / CEO/MD*

*Date :*

*Place:*

## **Annexure-II**

To,

Date: Month xx, 20xx

IFCI Ltd.  
Project Management Agency  
IFCI Tower, 61, Nehru Place  
New Delhi - 110019

### **Reference:**

Approval letter issued by IFCI in favour of \_\_\_\_\_ (*company name*) under the Production Linked Incentive Scheme for White Goods vide letter no. \_\_\_\_\_ dated \_\_\_\_ for application no \_\_\_\_\_ dated \_\_\_\_\_ filed online via portal for Category \_\_\_\_\_

Production Linked Incentive (PLI) Scheme for White Goods notified vide Gazette Notification No. CG-DL-E-16042021-226671 dated 16.04.2021 ,and PLI scheme Guidelines issued thereunder, as amended from time to time.

**Guidelines for the operation of Production Linked Incentive Scheme (PLI) for White Goods** as per File No. P-29014/101/2020-LEI-DPIIT issued by Department for Promotion of Industry and Internal Trade, White Goods division dated **4th June 2021**.

<b>Gestation Period</b>		
<b>Committed Investment</b>		<b>Target Segment</b>
<b>Claim Period</b>		
<b>Eligible Product(s)</b>	1. 2. 3. <i>(Pl mention all the approved eligible product(s) )</i>	

## **UNDERTAKING**

1. We, ....., hereby, acknowledge that the incentives that would / may be provided to us under the Production Linked Incentive Scheme (PLI) for white Goods, notified by the Department for Promotion of Industry and Internal Trade vide **Gazette Notification no. - CG-DL-E-16042021-226671** dated **-16.04.2021** will be provided to us based on, and after relying upon, the information provided by us to avail the said incentives.
2. We hereby confirm that the information provided by us for availing the said incentives is true, correct, and complete in all respects and that no material fact / information that may have an adverse impact on the information provided by us for availing the said incentives has been concealed. We acknowledge and confirm that the foregoing averment is on an on-going basis and further undertake to immediately apprise the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industries about any change in the status of the information provided by us to avail the said incentives.
3. We further undertake that in the event of (i) any of the information provided by us to avail the said incentives being found false, incorrect or incomplete, or (ii) in the event of the undertakings and confirmations stated at para 2 above being found false, incorrect, incomplete or breached; we will (a) refund the entire amount of incentives availed by us along with interest calculated at 3 years SBI MCLR prevailing on the date of disbursement, compounded annually, for the period between excess payment and date of refund.
4. In the event the selected applicant declines the offer of approval under the Scheme at any stage or exits the scheme without making total threshold investment for reasons whatsoever, in such case the applicant shall have to refund the incentive availed by it under the scheme till such date along with interest calculated at the prevailing 3-year SBI MCLR compounded annually
5. We acknowledge that the remedies provided in para 3 & para 4 above are not the exclusive remedies available with the Department for Promotion of Industry and Internal Trade and are without prejudice to any legal remedies available with Department for Promotion of Industry and Internal Trade for events mentioned in para 3 & para-4

*For company name*

**Authorized Signatory**

**Place:**

**Date:**

**Format for Undertaking Management Certificate Undertaking for refund of Incentive  
(Provisional GST Reconciliation) Annexure-III**

**Claim Submission**

To,  
IFCI Ltd.  
Project Management Agency,  
PLI-White Goods, Floor No: 15,  
IFCI Tower, 61, Nehru Place  
New Delhi – 110019.

Date: Month xx, 20xx

**UNDERTAKING**

I/we, \_\_\_\_\_, S/o or D/o of Shri \_\_\_\_\_, and \_\_\_\_\_, S/o or D/o of Shri \_\_\_\_\_, do hereby solemnly affirm/declare/agree and undertake as follows

2. That I/we, am/are \_\_\_\_\_, \_\_\_\_\_ <Designation in the Company> of M/s \_\_\_\_\_ <Name of the Company>; and \_\_\_\_\_ <Designation in the Company> of M/s \_\_\_\_\_ <Name of the Company> having its registered office at \_\_\_\_\_ and having Investment under the PLI Scheme for White Goods, for the Target Segment of <\_\_\_\_\_> and Eligible Product(s) \_\_\_\_\_ <Eligible Product(s)> at the following Manufacturing Plant(s)/Location(s):-

- (i) **<Plant Name 1>, Location, (Address)**
- (ii) **<Plant Name 2>, Location, (Address)**
- (iii)

3. That M/s \_\_\_\_\_, were issued approval letter No. \_\_\_\_\_ Dated \_\_\_\_\_ by Department for Promotion of Industry and Internal Trade(DPIIT) through the PMA under Production Linked Incentive Scheme(PLI) for White Goods(herein referred to as PLIWG), notified by DPIIT vide Gazette Notification No. CG-DL-E - 16042021-226671 dated 16.04.2021 and PLI Scheme Guidelines issued thereunder and as amended from time to time.

4. That I have been duly authorized by the Board of said Company to affirm this undertaking for the purpose of filings related to Baseline determination and Claim and other matters relating to the PLIWG.

5. That M/s \_\_\_\_\_ (**Company Name**) hereby, acknowledges that the incentive that would be provided to the company under PLIWG, notified by Department for Promotion of Industry and Internal Trade shall be provided to them is based on, and after relying upon information, documents and other certificates provided by the Company to the satisfaction of PMA to avail the said incentives.

6. That the GST annual returns has been filed and its reconciliation for the Target Segment goods in the books of accounts has not been completed and hence the company is issuing a Management Certificate pending the GST reconciliation for the target segment of goods and eligible products under the PLIWG and its certification by the Statutory Auditor.



7. That the management certificate issued in lieu of Statutory Auditor's certificate on GST reconciliation of GSTR Return with books of accounts for target segments goods and eligible product(s) manufactured and sold under the PLIWG Scheme for availing the incentive are reasonable and adequate and that no material fact/information that may have an adverse impact on the claim being assessed for availing the said incentives has been concealed.

8. That it is acknowledged and confirmed that the foregoing averment is on an ongoing basis and further undertake to immediately apprise the Department for Promotion of Industry and Internal Trade and the PMA, IFCI about any change in the status of information provided by the company to avail the said incentives.

9. That in the event of any of the information and calculations provided by the company as part of the aforesaid certificate to avail the said incentives is found to deviate from that provided by the statutory auditor certificate for GST reconciliation with GSTR annual return with books of account for target segments goods and eligible product resulting in excess payment of incentive. The company shall refund the excess amount of incentives availed by them along with interest calculated based on three-year SBI MCLR prevailing on the date of disbursement of the claim, compounded annually for the period between excess payment and date of refund.

10. This Undertaking is binding on the Applicant, its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this undertaking on behalf of the Applicant.

**Authorised Signatory(ies)**

**Name :**  
**Designation:**

**Quarterly Review Report**

An applicant shall be required to provide the following information (self-certified) for quarterly review within 30 days from the end of each quarter:

<b>1. Name of Applicant</b>
<b>2. Target Segment</b>
<b>3. Eligible Product(s)</b>
<b>4. Application Acknowledgement Date</b>
<b>5. Application Approval Date</b>
<b>6. Manufacturing Location(s)</b>
<b>7. Customer List – (details to be sought along with claim)</b>
<b>8. Investment Actualized for Manufacturing of Eligible Product(s) (amount in INR)</b>
<i>Source of Funding (Equity, Debt, Internal Accrual etc.)</i>
<b>9. Employment as on date (in numbers)</b>
<i>On-roll labor / employees</i>
<i>Contractual</i>
<i>Apprentice</i>
<b>10. Installed Production Capacity for Eligible Product(s) under respective Target Segment</b>
<b>11. Net Sales turnover- Domestic</b> <b>[net of credit notes, discounts, and taxes applicable]</b>
<b>a) Manufacturing Activity</b>
Eligible Product
i. Other Goods in Target Segment
ii. captive consumption
<b>b) Trading Goods</b>
Target Segment
i. Other Goods
ii. captive consumption
<b>c) Services Activity</b>

<b>12. Net Sales turnover – Exports</b> <b>[net of credit notes, discounts, and taxes applicable]</b>
<b>a) Manufacturing Activity</b>
i. Eligible Product
ii. Other Goods in Target Segment
iii. Other Goods
<b>b) Trading Activity</b>
i. Target Segment
ii. Other Goods
<b>c) Services Activity</b>
<b>13. Total Revenue from Operations</b>
<b>14. Details of Import– CIF value of Imported Goods at the Importation</b>
<b>a) Raw Material / Parts / Components</b>
i. Eligible Product
ii. Other Goods in Target Segment
iii. Other Goods
<b>b) Spare Parts</b>
i. Eligible Product
ii. Other Goods in Target Segment
iii. Other Goods
<b>c) Finished Goods</b>
i. Eligible Product
ii. Other Goods in Target Segment
iii. Other Goods
<b>d) Capital Goods</b>
i. Target Segment
iii. Other Goods
<b>e) Import of Services pertaining to Target Segment</b>
<b>f) Expenses for Advertisement and Sales</b>
<b>g) Brand Royalsty of Products</b>
<b>h) Goods Returned</b>

## 154. Guidelines by Ministry of Civil Aviation

F. No. AV-29017/37/2021-SDIT-MOCA-Part(4)

Government of India  
Ministry of Civil Aviation

\*\*\*\*\*

'B' Block, Rajiv Gandhi Bhawan, New Delhi - 110003

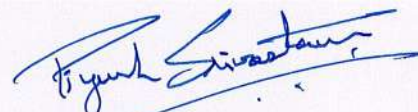
29 November 2022

Subject: Operational Guidelines of the Production Linked Incentive (PLI) scheme for drones and drone components – regarding.

The Government has approved the Production Linked Incentive (PLI) scheme for drones and drone components for implementation during 2022-23 to 2024-25 with an outlay of Rs 120 crores. The scheme is being implemented by Ministry of Civil Aviation

2. Based on the consultations/ meetings with the stakeholders, including the industry representatives and the concerned departments, the operational guidelines of PLI scheme for drones and drone components have been finalised.

3. These operational guidelines are hereby notified for the information of all the stakeholders and general public.



(Piyush Srivastava)

Senior Economic Adviser to the Govt. of India

Tel:011-24629322



**File No. AV-29017/37/2021-SDIT-MOCA-Part(4)**  
**Government of India**  
**Ministry of Civil Aviation (MoCA)**  
**(SDIT Section)**

Dated: 29/11/2022

**Subject: Guidelines for the Operation of Production Linked Incentive Scheme (PLI) for Drones and Drone Components**

**1. Introduction**

**1.1. Objective** – The objective of this scheme is to incentivise manufacturing of drones and drone components in India so as to make them self-sustaining and globally competitive. In order to make India a global hub for the research and development, testing, manufacturing and operation of drones under the Atmanirbhar Bharat Abhiyan, the liberalised Drone Rules, 2021 were released to create a growth-oriented regulatory framework for drones. To facilitate further growth, the Government has approved Production Linked Incentive (PLI) Scheme for Drones and Drone Components in India.

**1.2.** The Production Linked Incentive Scheme (PLI) for Drones and Drone Components (hereinafter referred to as 'Scheme') has been notified vide notification No. CG-DL-E-30092021-230076 dated 30/09/2021 in the Gazette of India. The Scheme has come into effect from the date of its Gazette Notification.

**1.3.** In pursuance of Para 11 of said notification and for the effective operation and smooth implementation of the Scheme, the following Guidelines are being laid down that are to be read along with the Scheme. In case of any inconsistency between the Scheme and the Guidelines, the provisions of the Scheme shall prevail.

**1.4.** These Guidelines have been prepared after detailed consultations with industry and other relevant stakeholders. The Scheme Guidelines inter-alia cover the following:

1.4.1. Definitions

1.4.2. Qualification and Eligibility

1.4.3. Application and Online Portal

1.4.4. Project Management Agency (PMA), Empowered Group of Secretaries (EGoS) and Competent Authority



1.4.5. Approval under PLI and Determination of Baseline

1.4.6. Calculation and Disbursement of Incentives

## 2. Definitions

**2.1. Applicant:** An Applicant for the purpose of the Scheme are the companies registered in India that are manufacturing –

**a.** Drones, and/or,

**b.** Drone Components

The aforesaid manufacturing can be carried out at one or more locations in India.

**2.2. Target Segment –** Target Segment covers the drones and drone components. The Target Segment / Eligible Products shall mean drones and drone components under the Scheme. The drone components include-

2.2.1. Airframe, propulsion systems (engine and electric), power systems, batteries and associated Components, launch and recovery systems;

2.2.2. Inertial Measurement Unit, Inertial Navigation System, flight control module, ground control station and associated components;

2.2.3. Communications systems (radio frequency, transponders, satellite-based etc.);

2.2.4. Cameras, sensors, spraying systems and related payload etc.;

2.2.5. 'Detect and Avoid' system, emergency recovery system, trackers etc. and other components critical for safety and security.

2.2.6. Software for drone and drone components.

The list of eligible drones and drone components may be modified by the Central Government from time to time.

**2.3. Application:** An application submitted/ to be submitted by an applicant along with supporting documents and application fee.

**2.4. Application Acknowledgement Date:** The date on which an application is acknowledged by MoCA after carrying out initial scrutiny in this regard.

**2.5. Application Approval Date:** The date on which, based on an application, approval under the Scheme is issued by the Project Management Agency (PMA)/MoCA.





**2.6. Project Management Agency (PMA):** Refers to the Financial Institution(s) or any other authority(ies) appointed by MoCA for secretarial, managerial and implementation support and carry out other responsibilities, as assigned by MoCA from time to time.

**2.7. Empowered Group of Secretaries (EGoS):** EGoS is the Committee chaired by the Cabinet Secretary (constituted by the Cabinet vide Gazette notification dated 10/06/2020). The EGoS will monitor the Scheme, undertake periodic reviews of the outgo under the Scheme and take appropriate action to ensure that the expenditure is within the prescribed outlay as approved by the Cabinet.

**2.8. Eligible Sales Turnover:** Total sales turnover achieved in a financial year (net of GST) from the sale of drones and drone components as stated in such manufacturer's GST returns. Such turnover should be net of credit notes (raised for any purpose), discounts (including but not limited to cash, volume, turnover, target or for any other purpose), taxes applicable, returns and write-offs.

**2.9. Financial Year:** Financial Year begins on the 1<sup>st</sup> of April of a year and ends on 31st March of the following year.

**2.10. Eligible Purchase Cost:** Total cost (net of GST) incurred in a financial year for purchase of items used in the manufacturing of drones and drone components as stated in such manufacturer's GST returns. Such purchase cost should be net of debit notes (raised for any purpose), discounts (including but not limited to cash, volume, turnover, target or for any other purpose), taxes applicable and expenses pertaining to freight, etc.

**2.11. Manufacturing:** In accordance with Central Goods and Services Tax (CGST) Act, 2017; manufacturing shall mean processing of raw material or inputs in any manner that results in emergence of a new product having a distinct name, character, HSN and use and the term "manufacturer" shall be construed accordingly.

**2.12. Employment:** Jobs which are directly involved in the production process or with related activities beginning from when materials enter a production facility and up until the resultant manufacturing good leaves the production facility. Such employment shall include on-roll, contractual and apprentice workforce in the country only.

**2.13. Non-Originating Material and Services:** Material and Services whose country of origin is other than the country in which that material /



service is used in manufacturing and any material / service whose origin cannot be determined.

**2.14. Eligible Value Addition in India:** Eligible Value Addition in India shall be computed by subtracting Eligible Purchase Cost (net of GST) from Eligible Sales Turnover (net of GST).

**2.15. Successor-in-Interest:** Successor-in-Interest shall mean the new or re-organized entity formed after the merger, demerger, acquisition, transfer of business or significant change in ownership of an applicant.

**2.16. Related Party(ies):** The term related party shall be as defined in Accounting Standard 18/ Ind-AS-24 Related Party Disclosure, as may be applicable to the applicant, as notified by Ministry of Corporate Affairs or any other appropriate authority from time to time.

**2.17. Force Majeure:** Extraordinary events or circumstances beyond human control such as an event described as an act of God (like a natural calamity) or events such as a war, strike, public health emergency, riots, crimes (but not including negligence or wrong-doing, predictable / seasonal rain and any other events specifically excluded).

**2.18. Competent Authority:** Competent Authority under the Scheme shall be defined as per OM F.No. 32(03)/PF-II/2020 dated 01.10.2020 issued by Department of Expenditure, Ministry of Finance, or any subsequent modifications thereof.

**2.19. Group Company(ies):** Group Company(ies) shall mean two or more enterprises which, directly or indirectly, are in a position to:

- i. Exercise twenty-six percent or more of voting rights in other enterprise; or
- ii. Appoint more than fifty percent of members of board of directors in the other enterprise.

As defined in the FDI Policy Circular of 2020.

**2.20. Startups - 'Startups'** shall mean organisations that possess a valid Certificate of Recognition issued by the Department for Promotion of Industry and Internal Trade.

**2.21. MSME - 'MSME'** shall mean organisations that are registered as Micro, Small & Medium Enterprises ('MSME') with the Ministry of MSME, Government of India under the MSMED Act, 2006 read with relevant rules and regulations.



**2.22. Trading** - Trading shall mean sale of goods that have been sold without any value addition or processing or any manufacturing activity. This shall, however, not include loose spare parts included as part of a drone package; provided that the total value of such loose spare parts does not exceed 5% of the invoice value of the drone package.

**2.23. Tenure of the scheme:**

- i. The tenure of this shall be 3 years starting from the financial year 2021-22.
- ii. The PLI for a particular financial year will be claimed and disbursed in the subsequent financial year.
- iii. An approved applicant shall be eligible for benefits for 3 consecutive financial years but not beyond financial year 2023-24.

**3. Qualification and Eligibility**

**3.1.** Support under the Scheme shall be provided only to companies engaged in manufacturing of drones and drone components in India. The drone components are mentioned in Para 2.2 above.

**3.2.** Eligibility shall be subject to qualification criteria as under:

Minimum annual sales turnover for claiming PLI			
Indian MSME and startups		Indian Non-MSME	
Drone (Rs. in crore)	Component (Rs. in crore)	Drone (Rs. in crore)	Component (Rs. in crore)
2	0.5	4	1

**3.3.** In terms of Clause 3.7 of the Scheme Notification, the component manufacturers shall have to provide self-certificates that the drone components for which PLI is being claimed is used solely in the manufacturing of a drone. The certificate shall also be obtained from the Statutory Auditor of the selected applicant and MD of the selected applicant.

**3.4.** If the Applicant is MSME as per the definition above, they need to provide Udyam Aadhar Certificate.

**3.5.** As per Para 6.5 of the Scheme Notification dated 30/09/2021, "Multiple claims by a manufacturer under different PLI schemes of Government of India may lead to disqualification of such manufacturer, in



addition to legal action as applicable under the law.” The Applicants need to submit an undertaking that they are not claiming incentives or benefits under any other PLI schemes of GoI for the same products or any of its components.

**3.6.** Developers of software for drones and drone components are also eligible for the PLI, subject to the eligibility norms and guidelines of the Scheme.

**3.7.** The total financial outlay during three years of the PLI Scheme for drones and drone components is capped at Rs. 120 crore. In case the calculated incentive payout under this scheme exceeds the budget for a particular year it will be reduced on pro-rata basis for each applicant.

**3.8.** The administrative expense for the scheme will be absorbed within the overall limit of Rs.120 crore.

**3.9.** Total PLI per manufacturer is capped at Rs.30 crore which is 25% of the total financial outlay of Rs.120 crore.

#### **4. Related Party Transactions**

All transactions with Related Parties will be subject to provisions of relevant statutes and Accounting Standard 18/ Ind AS 24 as amended from time to time.

#### **5. Application**

**5.1.** The Scheme may be reopened for applications anytime during its tenure as notified by MoCA from time to time.

**5.2.** An application under the Scheme can be made to MoCA / Project Management Agency (PMA) by any company registered in India.

**5.3.** The number of applications allowed per applicant for support under the Scheme shall be restricted to one (1).

**5.4.** PMA shall appraise the applications received as prescribed in the format in **Annexure-1** of these Guidelines.

**5.5.** The application fee as mentioned in **Annexure-2** of these Guidelines, shall be accepted electronically and shall be non-refundable.

**5.6.** PMA may ask for desired information to carry out the Appraisal. PMA would provide recommendation to MoCA for final selection of Applicant and issuance of Letter of Approval by PMA.



## **6. Online Portal**

**6.1.** All applications received/to be received will be through an online portal maintained by MoCA/PMA. In case the online portal is not functional, the same may be obtained in offline mode till such time the portal is fully operational.

**6.2.** Upon successful submission of an application, MoCA/PMA shall issue a unique Application ID to the applicant for all future activities pertaining to the Scheme. All applicants may refer to this unique ID for any future correspondence on the subject.

## **7. Project Management Agency (PMA)**

**7.1.** The Scheme will be implemented through a Nodal Agency as mentioned in Para 7 of the Scheme Notification dated 30/09/2021. Such nodal agency shall act as a Project Management Agency (PMA) and be responsible for providing secretarial, managerial and implementation support and carrying out other responsibilities as assigned by MoCA from time to time.

**7.2.** The PMA would be responsible for inter-alia:

7.2.1. Appraisal of applications and verification of eligibility;

7.2.2. Examination of claims eligible for disbursement of PLI;

7.2.3. Compilation of data regarding progress and performance of the scheme, including incremental investment and incremental sales and purchase of drones and drone components;

7.2.4. To keep a check on any diversions arising out of any change in accounting policy or duplication of benefits on account of the same activity under different PLI schemes.

**7.3.** The PMA may request for additional information, details, undertakings, certificates and documents from the applicant as deemed necessary.

**8. Audit** – The scheme shall have a provision for audit by an external auditor (Chartered Accountant or Cost Accountant) appointed by PMA/ MoCA. Cost to be borne by selected Applicant under the Scheme.

## **9. Empowered Group of Secretaries (EGoS)**

**9.1.** An Empowered Group of Secretaries (EGoS) has been constituted by the Central Government vide Order No. P 36017/144/2020-Investment



Promotion published in the Gazette of India. The composition of the EGoS is as follows:

- (i) Cabinet Secretary, **Chairperson**
- (ii) CEO, NITI Aayog
- (iii) Secretary, Department for Promotion of Industry and Internal Trade, **Member Convenor**
- (iv) Secretary, Department of Commerce
- (v) Secretary, Department of Revenue
- (vi) Secretary, Department of Economic Affairs
- (vii) Secretary, Ministry of Civil Aviation

**9.2.** The Empowered Group of Secretaries (EGoS) chaired by Cabinet Secretary will monitor the Scheme, undertake periodic review of the outgo under the scheme and take appropriate action to ensure that the expenditure is within the prescribed outlay as approved by the Cabinet.

**9.3.** The EGoS will conduct periodic reviews of eligible companies with respect to their investments, employment generation, production, and value addition under the Scheme.

**9.4.** The EGoS may revise incentive rates, ceilings, target segment(s) and eligibility criteria as deemed appropriate during the tenure of the Scheme.

#### **10. Competent Authority/ Committee at MoCA:**

**10.1.** Competent Authority for exercising the financial powers under the Scheme shall be defined as per OM F.No. 32(03)/PF-II/2020 dated 01.10.2020 issued by Department of Expenditure, Ministry of Finance, or any subsequent modifications thereof.

**10.2.** The MoCA will constitute a committee as mentioned hereunder for selection of Applicants, Sanctions and release of funds:

- i. Secretary, MoCA (Chairperson)
- ii. Senior Economic Advisor/ Joint Secretary in charge of drones, MoCA
- iii. Joint Secretary & Financial Adviser, MoCA
- iv. Deputy Secretary, SDIT, MoCA (Member Secretary)

**10.3.** The Committee at MoCA will consider applications, as recommended by the PMA for approval under the Scheme. The Committee may seek such additional information, as necessary for approval.





10.4. The Committee at MoCA will consider claims for disbursement, as examined, and recommended by the PMA, for disbursement of incentive.

10.5. In case of a Force Majeure event, the Committee at MoCA may amend, modify, or withdraw any clauses under the Scheme Guidelines.

10.6. The Committee at MoCA will also be authorized to carry out any amendments in Scheme Guidelines.

## **11. Approval under PLI**

11.1. The Project Management Agency (PMA) appointed by MoCA, will appraise the applications, as received. The PMA shall accordingly make appropriate recommendations to the Competent Authority/MoCA for approvals under the Scheme.

11.2. After receiving approval from the Competent Authority, the PMA/MoCA shall issue a letter to the applicant within 10 working days of approval by the Approval Committee of MoCA, communicating approval under the Scheme. The approval letter shall clearly state the following:

11.2.1. Name of the Applicant

11.2.2. Category

11.2.3. Target Segment

11.2.4. Proposed Product(s) to be manufactured

11.2.5. Proposed Investment

11.2.6. Minimum/ Threshold Net Sales

11.2.7. Proposed Net Sales of drones or drone components, over the Scheme Period

11.2.8. Plan for Eligible Value Addition during the tenure of the Scheme

11.2.9. Plan for Employment Generation in India during the tenure of the Scheme.

11.2.10. Plan for Proposed Export of Drones and Drone Components, over the Scheme Period.

11.3. The aforesaid approval letter shall not be construed as a guarantee for disbursement of incentive as the same will be dependent upon verification of eligibility after submission of disbursal claim and other criteria defined in these Guidelines.





## 12. Calculation of Incentive

12.1. The incentive applicable for an approved applicant shall be computed as follows:

Eligible Value Addition (EVA) \* 20%

Where

- i.  $EVA = \text{Eligible Sales Turnover (net of GST)} - \text{Eligible Purchase Cost (net of GST)}$
- ii. EVA should be at least 40% of the eligible sales turnover for the year
- iii. In case of return of sales, the Gross Sales shall be reduced by the amount corresponding to such return of sales. If the corresponding sales have been considered for claim processing for the earlier period, the sales return shall be adjusted with Gross Sales for the period in which the actual sales return takes place.
- iv. In case a manufacturer fails to meet the threshold for the eligible value addition in India for a particular financial year, he shall not receive any PLI for the said financial year. He will however be eligible to receive the said PLI in the subsequent year subject to him making up the said shortfall in rupee terms in the subsequent year.
- v. The total financial outlay of the PLI scheme for drones and drone components is Rs.120 crore, inclusive of the administrative expenses. The total financial outlay during three years of the PLI scheme for drones and drone components is capped at Rs.120 crore. In case the calculated incentive payout under this scheme exceeds the budget for a particular year, it will be reduced on pro-rata basis for each applicant. The total incentive per manufacturer under the Scheme is capped at Rs.30 crore which is 25% of the total financial outlay of Rs.120 crores.
- vi. **Excess incentive paid to any applicant (due to any reason, like sales return in the subsequent year or some other reason) will be adjusted in the incentives payable in the next year(s). If there are no incentives payable in the next year(s), the applicant has to return the incentive along with interest calculated at 3 years SBI MCLR prevailing on the date of disbursement, compounded annually, for the number of days of holding the excess incentive.**



### **13. Approval and Disbursement of Incentives**

**13.1.** Claim for disbursement of incentive shall be filed on an annual basis by the applicant within twelve months from the end of the financial year for the claims pertaining to FY 2021-22 and within six months from the end of the financial year to which the claim pertains for remaining tenure of the Scheme.

**13.2.** For claiming incentives under the Scheme, applicants will be required to submit claims for disbursement of incentive to the PMA. Applicants must ensure that the claims are complete in all respects and are accompanied by all the documents required as per format prescribed in **Annexure-3** of these Guidelines.

**13.3.** Claims for any period shall be made only once, unless withdrawn, and no subsequent part claims shall be allowed for the said period.

**13.4.** The PMA will examine the disbursement claims as submitted by an applicant. The PMA shall verify eligibility and assess incentive payable to an applicant based on the method laid down in these Guidelines and the approval letter issued to the applicant.

**13.5.** The PMA will have the right to verify any document(s) in relation to the claim for incentives including but not limited to statutory auditor certificates / chartered engineer certificates and returns furnished to various Ministries / Departments / Agencies. The PMA shall also have the right to examine the end realization and settlement / payments corresponding to sales and investment respectively by way of auditor's certificate, bank statements etc. to the extent deemed necessary.

**13.6.** In case of any doubt with respect to determining eligibility and incentive amount due, or any other matter in discharge of its duties and responsibilities, the PMA may refer to MoCA for clarification. The decision of MoCA will be final in this regard.

**13.7.** The PMA shall process claims for disbursement of incentive and make appropriate recommendations to the Competent Authority.

**13.8.** The Competent Authority will consider claims for disbursement, as examined, and recommended by the PMA, for disbursement of incentive.

**13.9.** The PMA shall disburse funds after completion of all pre-disbursal formalities by the applicant and approval from Competent Authority.





**13.10.** The disbursement of incentives may be in the form of Direct Bank Transfer, or through any other mechanism of adjustment in the name of the applicant only.

**13.11.** The PMA shall verify the aforesaid reconciliation. In case of excess claims disbursed, the applicant shall reimburse MoCA for any incentive amount refundable along with interest calculated at 3 years SBI MCLR prevailing on the date of disbursement, compounded annually (for the period between excess payment and date of refund by the applicant).

**13.12.** If the PMA or MoCA is satisfied that eligibility under the Scheme and / or disbursement of incentives have been obtained by misrepresentation as to an essential fact or furnishing of false information, MoCA may ask the applicant to refund the incentives along with interest calculated at 3 years SBI MCLR prevailing on the date of disbursement, compounded annually, after giving an opportunity to the applicant of being heard, subject to satisfaction of MoCA.

**13.13.** MoCA shall make budgetary provisions for disbursal of incentives by the PMA under the Scheme. The PMA will submit budgetary requirements to MoCA as a consolidated amount on a quarterly basis.

**13.14.** The PMA shall furnish information to MoCA with details of disbursement claims received for incentives, amount disbursed, reasons for rejection / delay in disbursement of the incentives on a quarterly basis.

#### **14. Review**

**14.1.** Periodic reviews will be undertaken by the Empowered Group of Secretaries (EGoS) to conduct a periodic review of eligible companies with respect to their investments, employment generation, production, and value addition under the Scheme.

**14.2.** All approved applicants shall be required to furnish self-certified Quarterly Review Reports (QRRs) within 30 days from the end of each quarter in the format provided in **Annexure-4** of these Guidelines.

#### **15. Residual:**

**15.1.** An applicant shall intimate the PMA of any change in the shareholding pattern during the tenure of the Scheme, after updation with the Registrar of Companies (RoC).

**15.2.** Any change in the shareholding pattern or ownership of an applicant leading to a successor-in-interest or having the effect of change in nature of





company or nature of partnership during the tenure of the Scheme, shall be intimated by PMA for approval of the Competent Authority to consider for disbursal of incentives.

**15.3.** In case of a successor-in-interest or having the effect of change in category, all Incremental Investment undertaken by the applicant to whom approval was accorded under the Scheme, would be considered for determining eligibility, subject to approval and compliance with any other condition stipulated by the Competent Authority, as may be deemed appropriate.

**15.4.** To obviate any malpractices in the financial matters where disbursements are made to industry by the Government, it has been decided to provide a deterrent against corrupt practices for promotion of transparency and equity. Therefore, keeping in view the sensitivities involved in the process and taking cue from the instructions of the Central Vigilance Commission regarding adoption of an Integrity Pact in the matter of procurement, it has been decided to obtain undertaking(s) from applicants under the Scheme.

**15.5.** Two formats of undertakings are enclosed as Format-A and Format-B in **Annexure-5**. These undertakings are to be furnished by applicants, duly signed by CEO / MD / Director, and depicting the designation along with authorization to do so.

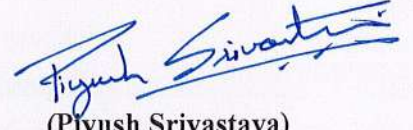
**15.6.** The first undertaking (Format-A) shall be provided by all applicants whose applications or claims are under consideration for approval or disbursement of incentives. The applications or claims of those applicants who do not submit the undertaking shall not be processed and considered. The second undertaking (Format-B) for confirming the compliance of integrity will be provided by applicants after the submission of claims for disbursement of incentive and in any case before release of funds. The release of incentives shall be withheld until the above-mentioned undertaking is provided.

**15.7.** These Guidelines may be amended/ modified at any time during the continuance of the scheme and such amendment/ modifications shall be bunding to all the applicants including selected applicants during the tenure of the scheme.

**15.8.** Any dispute arising out of any conditions stipulated in the Guidelines, selection of proposals and issues arising during implementation



under the scheme will be subject to Courts/ Tribunals having jurisdiction over Delhi.



(Piyush Srivastava)


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New Delhi, Dated:

Copy to:

1. All Concerned Ministries / Departments of Government of India
2. All States / Union Territories
3. Cabinet Secretariat
4. PMO
5. NITI Aayog
6. Comptroller and Auditor General of India
7. AS&FA, Ministry of Civil Aviation
8. Industry Associations
9. Internal circulation



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**Annexure-1**

**Criteria: Documents / Information to be checked for preliminary assessment of application**

1. Submission of prescribed Application Fee.
2. Products proposed are covered under the Target Segment.
3. Qualification and Eligibility of Applicant
4. Proposed Sales of Manufactured Goods (covered under the Target Segment)

**Note:** It may be noted that acknowledgement based on above does not qualify an applicant for claiming incentives under the Scheme. The applicant would be eligible for incentives after approval, baseline determination and achieving eligibility as per procedure defined in the Scheme Guidelines



**Application Fee for Application under PLI:**

An amount of Rs. 10,000/- (Rupees Ten thousand only) is hereby notified under Para 5.5 of the said Guidelines as application fees, which shall be paid electronically through NEFT / RTGS to the MoCA / PMA.



**Annexure-3**

**Disbursement Claim Form: Production Linked Incentive Scheme (PLI) for  
Drones and Drone Components**

1. Name of Applicant
2. Category
3. Target Segment
4. Product(s)
5. Date of Acknowledgement
6. Ref. No. and Date of Approval
7. Yearly Sales of Manufactured Goods (covered under the Target Segment)
8. Period for which Incentives are being sought
9. Applicable Ceilings as per Approval Letter
10. **Certificate from Statutory Auditor covering details in the format below:**

S. No.	Particulars	Unit	FY 2021-22	Period of Claim
1	<b>Investment Actualized (Cumulative)</b>	<i>Rs. in Crore</i>		
	a) Land			
	b) Building			
	c) Plant, Machinery, Equipment & Associated Utilities			
	d) Transfer of Technology			
	d) Others			
2	<b>Employment as on Date of Filing Claim (Cumulative)</b>	<i>Numbers</i>		
	a) On-roll labour / employees			
	b) Contractual			
	c) Apprentice			
3A	<b>Revenue from Operations –Domestic Sales</b> [net of credit notes, discounts, and taxes applicable and expenses pertaining to advertisement and sales promotion, and brand royalty]	<i>Rs. in crore</i>		
	a) Manufacturing Activity			



	i. Eligible Products			
	ii. Other Goods in Target Segment			
	iii. Other Goods			
	b) Trading Activity			
	i. Target Segment			
	ii. Other Goods			
	c) Services Activity			
3B	<b>Revenue from Operations – Exports</b> [net of credit notes, discounts, and taxes applicable and expenses pertaining to advertisement and sales promotion, and brand royalty]			
	a) Manufacturing Activity			
	i. Eligible Products			
	ii. Other Goods in Target Segment			
	iii. Other Goods			
	b) Trading Activity			
	i. Target Segment			
	ii. Other Goods			
3C	c) Services Activity			
	<b>Total Revenue from Operations (Domestic Sales &amp; Exports)</b>			
4	<b>Sales Quantity</b> [net of credit notes, discounts, and taxes applicable and expenses pertaining to advertisement and sales promotion, and brand royalty]	Numbers		
	a) Manufacturing Activity			
	i. Eligible Products			
	ii. Other Goods in Target Segment			
	iii. Other Goods			
	b) Trading Activity			
5	<b>Details of Purchase Cost (net of GST)</b>	Rs. in crore		
	a) Raw Material / Parts / Components			

	i. Eligible Products			
	ii. Other Goods in Target Segment			
	iii. Other Goods			
	b) Spare Parts			
	i. Eligible Products			
	ii. Other Goods in Target Segment			
	iii. Other Goods			
	c) Finished Goods			
	i. Eligible Products			
	ii. Other Goods in Target Segment			
	iii. Other Goods			
	d) Capital Goods			
	i. Target Segment			
	iii. Other Goods			
	e) Import of Services – Target Segment			
6	Eligible Value Addition (%) As per definition in Para 2.14			

**11. Certificates / undertakings stating / covering the following:**

- No deviation in the product(s) manufactured as per Eligible Product and Target Segment

**12. Certificate(s) from Company Secretary stating:**

- All clearances required by law like statutory clearances, environmental clearances etc. have been obtained

**13. Certificate(s) from Statutory Auditor stating / covering:**

- Value addition of Net Sales of Manufactured Goods (covered under the Target Segment) applicable has been achieved for the year in consideration

**14. List of documents to be submitted post approval of claim**

- An undertaking from the applicant as per format given in Appendix
- An agreement / indemnity bond on prescribed formats from the applicant that if at a later stage its claim is found to be false or excessive it would be liable to return the amount disbursed with interest calculated at 3 years SBI MCLR prevailing on the date of disbursement, compounded annually.





- Board resolution to the effect that the applicant agrees by the terms and conditions as laid down in the PLI Scheme and Guidelines while securing the incentive amount





**FORMAT OF UNDERTAKING**

**(Undertaking from the Applicant on letterhead)**

1. We, ....., hereby, acknowledge that the incentives that would / may be provided to us under the Production Linked Incentive Scheme (PLI) for Drones and Drone Components, notified by Ministry of Civil Aviation vide Notification X, will be provided to us based on, and after relying upon, the information provided by us to avail the said incentives.
2. We hereby confirm that the information provided by us for availing the said incentives is true, correct, and complete in all respects and that no material fact / information that may have an adverse impact on the information provided by us for availing the said incentives has been concealed. We acknowledge and confirm that the foregoing averment is on an on-going basis and further undertake to immediately apprise the Ministry of Civil Aviation about any change in the status of the information provided by us to avail the said incentives.
3. We further undertake that in the event of (i) any of the information provided by us to avail the said incentives being found false, incorrect or incomplete, or (ii) in the event of the undertakings and confirmations stated at para 2 above being found false, incorrect, incomplete or breached; we will (a) refund the entire amount of incentives availed by us along with interest calculated at 3 years SBI MCLR prevailing on the date of disbursement, compounded annually, for the period between excess payment and date of refund.
4. We acknowledge that the remedies provided in para 3 (i) and 3 (ii) above are not the exclusive remedies available with the Ministry of Civil Aviation and are without prejudice to any legal remedies available with Ministry of Civil Aviation for events mentioned in Para 3 (i) and (ii) above.



**Quarterly Review Report**

An applicant shall be required to provide the following information (self-certified) for quarterly review within 30 days from the end of each quarter:

<b>1. Name of Applicant</b>
<b>2. Category</b>
<b>3a. Target Segment</b>
<b>3b. Product(s)</b>
<b>4. Date of Acknowledgement</b>
<b>5. Date of Approval</b>
<b>6. Manufacturing Location(s)</b>
<b>7. Investment Actualized for Manufacturing of Target Segment (amount in Rs.)</b>
<i>Land/ Building/ Plant, Machinery, Equipment &amp; Associated Utilities/ Transfer of Technology/ Others</i>
<b>8. Employment as on date (in numbers)</b>
<i>On-roll labour / employees</i>
<i>Contractual</i>
<i>Apprentice</i>
<b>9. Installed Production Capacity for Target Segment / Eligible Product (in numbers)</b>
<b>10. Revenue from Operations – Domestic Sales</b> [net of credit notes, discounts, and taxes applicable and expenses pertaining to advertisement and sales promotion, and brand royalty]
a) Manufacturing Activity
i. Eligible Products
ii. Other Goods in Target Segment
iii. Other Goods
b) Trading Activity
i. Target Segments
ii. Other Goods
c) Services Activity
<b>11. Revenue from Operations – Exports</b> [net of credit notes, discounts, and taxes applicable and expenses pertaining to advertisement and sales promotion, and brand royalty]



a) Manufacturing Activity
i. Eligible Products
ii. Other Goods in Target Segment
iii. Other Goods
b) Trading Activity
i. Target Segment
ii. Other Goods
c) Services Activity
<b>12. Total Revenue from Operations</b>
<b>13. Details of Purchase Cost (net of GST)</b>
a) Raw Material / Parts / Components
i. Eligible Products
ii. Other Goods in Target Segment
iii. Other Goods
b) Spare Parts
i. Eligible Products
ii. Other Goods in Target Segment
iii. Other Goods
c) Finished Goods
i. Eligible Products
ii. Other Goods in Target Segment
iii. Other Goods
d) Capital Goods
i. Target Segment
iii. Other Goods
e) Import of Services pertaining to Target Segment
14. Eligible Value Addition (%) (As per definition in Para 2.14)



**Subject: Proforma for Integrity compliance in PLI - Initial Undertaking(s)**

(To be signed by full time Director / CEO / MD of the company / firm duly depicting the designation and submitted on official stationery of the applicant along- with the authorization to do so)

**FORMAT-A**

1. Whereas, the applicant namely (*name of company with address*) has submitted an application under Production Linked Incentive Scheme (PLI) for Drones and Drone Components to Ministry of Civil Aviation (MoCA), Government of India seeking incentives for the application pertaining to manufacturing..... (Eligible Product) at.....(location(s)).

2. Now, therefore, the applicant including its officers / representatives commits and undertakes that he / she will take all measures necessary to prevent corruption. He / She commits to observe the following principles during his / her association / engagement with MoCA or its agencies or its consultants engaged with the process of appraisal and verification of application for the approval of application and disbursement of incentives under PLI.

2.1 The PLI applicant will not directly or through any other person or firm, offer, promise or give to any of the MoCA's officer(s) or consultant or agency representative (appraisal or / and verification agency appointed by MoCA to handle the application) involved in the process of dealing with application or to any third person any material or other benefit which he / she is not legally entitled to in order to obtain in exchange any advantage of any kind whatsoever before or during or after the process of the application for grant of approval or disbursement of incentives under PLI.

2.2 The PLI applicant will not commit any offence under the relevant IPC / PC Act; Further, the applicant will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the MoCA.

2.3 The PLI applicant shall disclose the name and address of the duly authorized Agents / Representatives who will be dealing with MoCA or its agencies and the remuneration of these agents or representatives shall not include any hidden amount or component to get the work done in undue manner or causing





inducement of whatsoever nature whether in cash or kind to influence the normal process or practice of work.

- 2.4 The PLI applicant will disclose any and all payments he / she has made, is committed to or intends to make to agents, brokers or any other intermediaries, other than regular employees or officials of the applicant, in connection with the grant of approval or / and disbursement of incentives.
- 2.5 The applicant will not offer any illicit gratification to obtain unfair advantage.
- 2.6 The applicant will not collude with other parties to impair transparency and fairness.
- 2.7 The applicant will not give any advantage to anyone in exchange for unprofessional behaviour.

3. The applicant declares that no pervious transgressions occurred in the last 3 years with any other Company in any country conforming to the anti-corruption approach or with any other Public Sector Enterprises / Central or State Government or its any instrumentality in India.

4. The applicant agrees that if it is found that the applicant has made any incorrect statement on this subject, the application will be closed or rejected and MoCA reserve the right to initiate legal action of whatsoever nature. In case if MoCA has disbursed the incentives under PLI, the amount disbursed to applicant be recoverable along with interest calculated at 3 years SBI MCLR prevailing on the date of disbursement, compounded annually besides blacklisting of the applicant and initiation of legal action of whatsoever nature at the discretion of MoCA.

The contents of the above undertaking have been gone through and after understanding the same is being executed / given on.....day of ..... (month / year)

*Signature*

*(Name & designation with address)*  
Director / CEO / MD





**Subject: Proforma for Integrity compliance to be furnished by PLI Applicants before  
Release of Incentives**

(To be signed by full time Director / CEO / MD of the company / firm duly depicting the designation and submitted on official stationery of the applicant along- with the authorization to do so)

**FORMAT- B**

1. Whereas the applicant namely (name of company with address) has submitted an application under Production Linked Incentive Scheme (PLI) for Drones and Drone Components to Ministry of Civil Aviation (MoCA), Government of India seeking incentives for the application pertaining to manufacturing ..... (Eligible Product) at..... (location(s)).
2. And Whereas, the applicant has submitted an undertaking for observance and commitment for Integrity vide Undertaking dated.....given under the signatures / authority of applicants ..... (name and designation) to MoCA in respect of aforesaid application.
3. And whereas, the applicant including its officers / representatives gives commitment and undertake that he / she will take all measures necessary to prevent corruption and that he / she will not directly or through any other person or firm, offer, promise or give to any of the MoCA's officer(s) or consultant or agency representative (appraisal or / and verification agency appointed by MoCA to handle the application) involved in the process of dealing with application or to any third person any material or other benefit which he / she is not legally entitled to in order to obtain in exchange any advantage of any kind whatsoever before or during or after the process of the application for grant of approval or disbursement of incentives under PLI.
4. And whereas, the application submitted by the applicant has been given the approval by MoCA vide its communication no.....dated.....
5. And whereas, the applicant has submitted a claim for disbursement of incentive dated .... to the PMA for claiming incentives of Rs. ..../-
6. And whereas, the PMA has considered the claim for disbursement of incentive and is in the process of disbursement / release of incentives on the claim dated.....
7. Now, therefore, We hereby confirm the compliance thereof with the Integrity Undertaking submitted to MoCA duly certifying that there is no breach to the same and requests that eligible incentives under PLI be released to applicant and the amount of incentives be credited in the bank account of applicant.
8. The contents of the above Undertaking have been gone through and after duly understanding the same, is being executed / given on..... day of..... (month / year).

*Signature*

*(Name & designation with  
address) Director / CEO / MD*



**File No. 12015/03/2020-IT**  
**Government of India**  
**Ministry of Textiles**

Dated: 28<sup>th</sup> December, 2021

**Operational Guidelines for Production Linked Incentive (PLI) Scheme for Textiles for Promoting MMF and Technical Textiles segments in terms of Para 8 of the Notification dated 24.09.2021.**

**1. Introduction**

- 1.1. **Objective:** The PLI Scheme is intended to promote production of MMF Apparel & Fabrics and Technical Textiles products in the country to enable textile industry to achieve size and scale; to become globally competitive and a creator of employment opportunities for people. The scheme is to support creation of a viable enterprise and competitive textile industry.
- 1.2. Production Linked Incentive (PLI) Scheme for Textiles has been Notified vide Notification No. 12015/03/2020-IT dated 24.09.2021 and published on 27.09.2021 in the Gazette of India. This scheme envisages incentive for production of MMF Apparel, MMF Fabrics and Technical Textiles Products manufactured in India. The list of Notified Product(s) is at **Appendix-IA, IB and IC**. The Scheme has come into effect from the date of its Gazette Notification.
- 1.3. After having due consultations with all stakeholders including DPIIT, NITI Aayog, Department of Commerce, Department of Expenditure, Department of Revenue, Export Promotion Councils and Trade bodies, these Scheme Guidelines are being issued for effective operation and smooth implementation in pursuance of Para 8 of the said Notification.
- 1.4. Empowered Group of Secretaries (EGoS), as constituted and Notified vide gazette Notification No. P 36017/144/2020-Investment & Promotion dated 10.06.2020 by the DPIIT will monitor the implementation of the scheme. The composition of the EGoS for monitoring of PLI for Textiles will be as under:
  1. Cabinet Secretary, Chairperson
  2. CEO, NITI Aayog, Member
  3. Secretary, Department for Promotion of Industry and Internal Trade, Member Convenor
  4. Secretary, Department of Commerce, Member



5. Secretary, Department of Revenue, Member
6. Secretary, Department of Economic Affairs, Member
7. Secretary, Ministry of Textiles, Member

The EGoS chaired by the Cabinet Secretary will monitor the progress of this PLI scheme; undertake periodic review of the outgo under the Scheme; ensure uniformity with other PLIs and take appropriate action to ensure that the expenditure is within the prescribed outlay. EGoS is also empowered to make any changes in the modalities of the scheme, and address any issue related to genuine hardship that may arise during the course of implementation, within the overall financial outlay of ₹10,683 crore.

## 2. Definitions

- 2.1. **Applicant:** Means any person including a company/firm/LLP/trust incorporated in India and interested in operating under the Scheme. The Applicant once selected under the scheme shall be required to form a new/separate company under Companies Act, 2013, and the new entity will be known as **Participant**.
- 2.2. **Application:** Means an application submitted by an applicant on the Ministry's PLI portal developed for this purpose in the prescribed format.
- 2.3. **Application Approval:** Means the approval by the Ministry of Textiles(MoT) selecting the eligible entity under the scheme.
- 2.4. **Auditor's Certificate:** Means the certificate issued by Statutory Auditor to verify the correctness of turnover declared, products manufactured, taxes paid, refund claimed and input tax credit availed, and to assess all required compliances.
- 2.5. **Consumption and inventory Register:** Means register for maintaining inventory and consumption of inputs and output records by the Participant;
- 2.6. **Capital Goods:** Mean, Goods the value of which is capitalised in the books of account of the Participant and which are used or intended to be used in the course or furtherance of business;
- 2.7. **Chartered Accountant (CA):** Means CA as defined in clause (b) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949;
- 2.8. **Cost Accountant:** Means cost accountant as defined in clause (b) of sub-section (1) of section 2 of the Cost and Works Accountants Act, 1959;
- 2.9. **Company Secretary:** Means Company Secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries



Act, 1980;

- 2.10. **Date of Commercial production:** Means the date on which the Participant raises the first GST invoice for the sale of Notified Product(s) manufactured by the participant under the Scheme.
- 2.11. **Financial Year:** Means a year that begins on 1<sup>st</sup> April of a year and ends on 31<sup>st</sup> March of the following year.
- 2.12. **Gestation Period:** Means period allowed to the participating company for establishing the manufacturing and for commencement of production of Notified Products by investing minimum prescribed investment as declared in the application. Under the Scheme FY: 2022-23 to FY: 2023-24 will be the gestation period for Part-1 and Part-2.
- 2.13. **Group Companies:** As defined Companies Act, 2013.
- 2.14. **Incentive:** Means incentive to be provided to Participants under the Scheme as per the notified rates.
- 2.15. **Input: Means** any goods other than capital goods used or intended to be used for manufacturing of resultant notified products;
- 2.16. **Investment:** Means an amount of total investment in plant, machinery, equipment and civil works excluding land and administrative building cost, to be made by participant for setting up factory for manufacturing of Notified Products.
- 2.17. **Letter of Approval:** Means a letter issued by MoT for authorizing investment and commencement of production under the Scheme.
- 2.18. **Manufacturing:** In accordance with Central Goods and Services Tax (CGST) Act, 2017, manufacturing shall mean processing of raw material or inputs in any manner that results in emergence of a new product having a distinct name, character and use and the term "manufacturer" shall be construed accordingly. Trading/job-working shall not fall under the definition of manufacturing.
- 2.19. **Notified Product(s):** Specified HS lines of Manmade Fibre (MMF) Apparel and MMF Fabrics at 8 digits and products of Technical Textiles as detailed in **Appendix-IA, IB and IC which are eligible for incentive under the scheme.**
- 2.20 **Person:** Both natural and legal and includes an individual, firm, LLP, society, company, corporation or any other legal person;
- 2.21 **Performance Year:** Means the year in which minimum/threshold turnover or incremental turnover is achieved. 1<sup>st</sup> Performance year is FY 2024-2025; 2<sup>nd</sup> is 2025-2026; 3<sup>rd</sup> is 2026-2027, 4<sup>th</sup> is 2027-2028; and 5<sup>th</sup> is 2028-2029.
- 2.22 **Project Management Agency (PMA):** Means an agency appointed by Ministry of Textiles for assistance/support in implementation of the

scheme.

**2.23 Related Party(ies):** Means as defined u/s 2(84) of the GST Act.

**2.24 Minimum Investment:** Means a threshold prescribed investment as per the Scheme.

**2.25 Minimum Turnover:** Means a threshold prescribed turnover for Performance Year 1.

**2.26 Minimum Incremental turnover:** Means a prescribed 25% incremental turnover over immediate preceding year from Performance Year 2 onwards. in the subsequent year.

**2.27 Value-Addition formula:**

$$VA = \frac{A-B}{B} \times 100$$

A= Products sale value declared in GST Invoice excluding GST

B= Purchase value of Inputs/raw materials excluding Duties/Tax/Cess

**2.28 Raw material:** Means input(s) required/used for manufacturing of Notified finished Products. These inputs may either be in a raw/ natural / unrefined/ unmanufactured or manufactured state;

**2.29 Signatory:** Means a person authorized to sign an application.

**2.30 Minimum Value Addition:** For the purpose of this Scheme, minimum value addition means 60% value addition in India for integrated or fibre/ yarn to fabric or fabric to garment; and technical textiles. However, for independent fabrics processing industry (dyeing and printing etc.) the required minimum value addition is 30%.

**2.31 Turnover:** Means sale turnover of a Company certified by the Statutory Auditor net of taxes. Value of products cleared under GST Invoices through normal banking channel from the sale of Notified Products would be taken into account for the purpose of this scheme. The Auditor certified turnover will have to be reconciled with audited balance sheet before end of 12 months for the year under audit.

### **3. Duration of the Scheme:**

3.1 The Scheme is in operation from 24.09.2021 (Date of Notification) to 31<sup>st</sup> March 2030 and the incentive under the Scheme will be payable for a period of 5 years only.

Table1: Scheme Part-1 &amp; Part - 2

Year	Gestation Period	Performance year	Incentives claim year
*	FY 2022-2023		
*	FY 2023-2024	Optional*	Optional*
1		FY 2024-2025	FY 2025-2026
2		FY 2025-2026	FY 2026-2027
3		FY 2026-2027	FY 2027-2028
4		FY 2027-2028	FY 2028-2029
5		FY 2028-2029	FY 2029-2030

- 3.2 In case of fast paced investment when threshold investment and threshold turnover is achieved by FY 2023-24, incentive may be payable in FY 2024-25 itself. However, in such cases, benefits of the Scheme shall be available upto FY 2027-28 only i.e. a total of 5 years only.

#### 4 Scheme Details

- 4.1 **Scheme Part- 1:** Any person including Company/Firm/LLP/Trust willing to create a separate manufacturing company under Companies Act 2013, and invest minimum ₹300 Crore (excluding land and administrative building cost) to manufacture Notified Products. Such company will be eligible to get incentive when they achieve a minimum of ₹600 Crore turnover by manufacturing and selling the Notified products by the first Performance Year.
- 4.2 **Scheme Part- 2:** Any person including Company/Firm/LLP/Trust willing to create separate manufacturing company under Companies Act 2013, and invest minimum ₹100 Crore (excluding land and administrative building cost) to manufacture Notified Products. Such company will be eligible to get incentive when they achieve a minimum of ₹200 Crore turnover by manufacturing and selling the Notified products by the first Performance Year.
- 4.3 The Participant shall be eligible for the incentives on achieving threshold investment and threshold/incremental turnover.
- 4.4 Incentive shall be calculated on achieving threshold turnover as mentioned above in para 4.1/ 4.2 under the respective scheme in the first Performance Year. In case the prescribed conditions are not met in time, the incentive will be available from the year these are met, for a lesser number of years but rate of incentive applicable will be as prescribed to first year of the scheme and so on for remaining period.

- 4.5 Manufacture and sale of textile Products will be considered as permitted activities. However, turnover /sale of only Notified Products shall be considered for computation and availing incentive under the scheme. Account for both Notified and non-Notified Products will be maintained separately.

## 5. Incremental turnover and Incentive Rate:

- 5.1 Incentive under the Scheme will accrue on fulfilling conditions of minimum investment and minimum turnover
- 5.2 Rate of Incentives for a particular performance year are as indicated in Table 2.
- 5.3 Incentives in a particular year will be provided on achieving turnover as prescribed in Table 2 below for that year and, 25% additional incremental turnover over the immediate preceding year's turnover, subject to a cap of maximum 35% admissible incremental turnover.
- 5.4 In case the participant company fails to achieve the prescribed turnover or 25% increase in turnover over immediate preceding year's turnover, they will not get any incentive under this scheme for that year.
- 5.5 Such participants will get incentive only when they achieve both, i.e. the prescribed turnover target for the year and 25% increase in turnover over immediate preceding year's turnover, in subsequent year for reduced number of years.

Table 2: Prescribed Turnover and Rate of incentive

Year	Gestation Period	Performance year	Incentives claim year	Scheme Part 1		Scheme Part 2	
*	FY 2022-2023			Minimum Prescribed Turnover	Rate of incentive	Minimum Prescribed Turnover	Rate of incentive
*	FY 2023-2024	Optional*	Optional*				
1	Year 1	FY 2024-2025	FY 2025-2026	600 Cr	15%	200 Cr	11%
2	Year 2	FY 2025-2026	FY 2026-2027	750 Cr	14%	250 Cr	10%
3	Year 3	FY 2026-2027	FY 2027-2028	937.5 Cr	13%	312.5 Cr	9%

4	Year 4	FY 2027-2028	FY 2028-2029	1171.87 Cr	12%	390.63 Cr	8%
5	Year 5	FY 2028-2029	FY 2029-2030	1464.84 Cr	11%	488.2 Cr	7%

5.6 Illustrative but not exhaustive, examples are at Appendix III for ease of understanding and implementation.

## **6 Maximum Cap on incentive:**

6.1 There will be a provision of cap of 10% over and above the prescribed minimum incremental turnover growth of 25% for the purpose of calculation of incentives from Year 2 onward. Turnover achieved beyond that cap will not be taken into account for calculation of incentive. However, for Year 1 the cap of 10% will be applied over and above turnover of two times of the investment made under the Scheme up to 2024-25. Turnover achieved beyond two times of investment + 10% shall not be accounted for calculation of incentives in Year 1. This shall apply to both Schemes Part 1 & 2.

6.2 Indicative illustrations are at Appendix III:

## **7. General conditions**

- 7.1 The Applicant once selected under the Scheme shall form a new company under the Companies Act, 2013 before commencement of investment. This new company will be called "Participant" under the Scheme.
- 7.2 Investment made in anticipation from the date of Scheme Notification shall also be accounted for calculation of threshold investment provided their proposal is approved for participation under the Scheme. In case the required investment is not completed in gestation period then, balance committed investment can be made during first performance year, provided the required turnover is achieved simultaneously in the same year.
- 7.3 There will be no restriction for making higher investment for enhancing manufacturing capabilities and achieving growth target.
- 7.4 If multiple applications are filed by the same group companies, the entity will have to indicate their preference for proposal to be taken forward at the time of selection. Only one project under PLI will be approved for any group of companies.
- 7.5 The Applicant should have PAN/GST/DIN.
- 7.6 Participating company shall have to do minimum value addition as required under the scheme, in their own registered factory premises.
- 7.7 The Applicant shall declare the Notified ITC HS lines/ Technical

Textiles Products as applicable they shall manufacture in the new participant company. Lines/Products once selected should be adhered to till Scheme duration. In case of any changes, prior approval of MoT will be required.

- 7.8** Turnover achieved from trading and job work will not be accounted for incentives under the Scheme.
- 7.9** Notified goods/Products manufactured by the registered company under the Scheme shall be eligible for the incentives. In other words, goods/Products manufactured by a company other than registered one, even of same group shall not be accounted for calculation of incremental turnover.
- 7.10** Notified Products sold under GST Invoice indicating 8 digit HS code shall only be taken into account for calculation of threshold/incremental turnover.
- 7.11** Participants are eligible to apply for other applicable Schemes administered by Government of India or the State Governments for example, duty remission, duty exemptions, duty drawback etc..
- 7.12** Foreign (non-resident) investment in the Participant's Company shall be in compliance with the norms delineated under the Consolidated FDI Policy 2020, as amended from time to time.
- 7.13** Participant should commit for setting up of manufacturing facilities to manufacture Notified Product(s) along with appropriate quality and testing facilities having conformity to prescribed BIS Standards or any other International Standard.
- 7.14** The Participant, while dispatching Notified Products out of factory, shall ensure to put "Made in India" tag on each product.
- 7.15** The Applicant and its group company(ies) should neither have been declared as bankrupt or defaulter or reported any fraud by any bank or financial institution or non-banking financial company or placed under black list/denied entity list by any state or central Government department/agencies.
- 7.16** The sample scrutiny of claims of accounts and cost audit of companies (if required) shall be done by Ministry of Textiles through cost auditor. The Consent for audit of their manufacturing site/offices has to be submitted by the company.
- 7.17** The Participant shall maintain consumption and inventory register for inputs and use of raw materials for manufacturing Notified Products. The records shall be preserved for five years after availing incentive for each year or till audit is completed by Ministry, whichever is later.

**7.18** The Participant shall indicate proper value of the product in the GST invoice on the basis of prevailing market value of the same products. Over-invoicing of products for gaining undue advantage of the Scheme would be viewed seriously and appropriate penalty will be imposed.

**7.19** The Participant shall submit an undertaking duly Affirmed and Notarized while making application for incentives that statement and documents submitted are true and genuine.

## **8 Selection Criteria:**

**8.1** Ministry of Textiles shall invite applications from industry for selecting Participants for the Scheme. After screening of the applications, MoT shall publish the list of selected entities on the basis of recommendation of a Selection Committee under the Chairmanship of Secretary Textiles.

**8.2** For examination of the application for selection, following grading system will be adopted by the Selection Committee:

Table-3

SL No	Criteria	Grading		Marks for Preference
1.	Financial Capacity of the Applicant	Based on Turnover and Reserves & Surplus in the balance sheet (50:50%)		0 to 10
2.	Relevant Experience & Technical Capacity of the Applicant	Based on Experience in MMF, Technical Textiles, Weaving/Processing/Garmenting etc and General Technical Capacity (50:50%)		0 to 10
3.	Location of the Manufacturing Activity. (#)	Preference to Investment in Aspirational Districts and Category "C" cities, as Notified by Ministry of Housing & Urban Affairs, (*)		0 to 15
		Category A		05
		Category B		10
		Category C & Aspirational District		15
4.	Investment	Part-1	Part-2	
		300-400	100-200	10
		401 and above	201 and above	20
5.	Additional Direct Employment in 1 <sup>st</sup> Performance Year	500 – 2500		5
		2501-5000		10
		5001-7500		15
		7501 – 10000		20

	onward	Above 10000	25
6.	Product line	Single segment investment only (such as only MMF Apparel or only MMF Fabrics or only Technical Textiles)	10
		investment in Integrated Weaving & Processing or Fabrics to garmenting	20
	Total Maximum		100

# Change in location from Category A will be allowed to Category B or C and applicant in Category B will be allowed to change to Category C only and not vice-versa. However, if any proposed unit desires to shift the location of their investment in upcoming PM-MITRA Park, then that will be permitted under this Scheme without any change in time period under the Scheme. The participant is required to seek prior permission of MoT before changing the location.

\* Category of Cities are as under:

Group 'A' cities	Group 'B' cities	Group 'C' cities
1. Greater Mumbai	1. Ahmedabad	All other cities in India except Group A & B Cities
2. Delhi NCR	2. Bhubaneswar	
3. Kolkata	3. Chandigarh	
4. Chennai	4. Coimbatore	
5. Bengaluru	5. Indore	
6. Hyderabad	6. Jaipur	
7. Pune	7. Kochi	
	8. Lucknow	
	9. Madurai	
	10. Mangalore	
	11. Nagpur	
	12. Thiruvananthapuram	
	13. Tiruchirappalli	
	14. Vadodara	
	15. Vishakhapatnam	

**8.3** "Letter of Approval" will be issued to the participant only after forming new company, as prescribed in para 7.1. and it is not transferable.

## **9. Selection Committee:**

The Selection Committee will have the authority to select the applicants eligible to be the participants under the scheme. The Selection Committee will have the final authority in taking a decision on admissible turnover and



eligibility for incentives or any other issue arising during the implementation of the Scheme

The composition of Selection Committee shall be as under:

1. Secretary Textiles-Chairman
2. Additional Secretary, Ministry of Textiles - Member
3. Additional Secretary and Financial Advisor-Member
4. Representative from NITI Aayog - Member
5. Representative DPIIT at the level of JS - Member
6. Trade Advisor-Member Secretary
7. Economic Advisor-Member

## **10 Condition of Investment**

- 10.1 Plant, Machinery and Equipment:** Investment in Plant, Machinery and Equipment under these guidelines shall include Investment on new plant, machinery, equipment and associated utilities as well as tools, dies, molds, jigs, fixtures (including parts, accessories, components, and spares thereof) of the same, used in the design, manufacturing, assembly, testing, packaging or processing of any of the manufactured Notified Product(s). It shall also include expenditure on packaging, freight / transport, insurance, and erection and commissioning of plant, machinery, equipment, and associated utilities. Associated utilities would include captive power and effluent treatment plants, essential equipment required in operations areas such as Water & Power supply and control systems. Associated utilities would also include Information Technology (IT) and Information Technology enabled Services (ITeS) infrastructure related to manufacturing including servers, software and ERP solutions. Such investments shall be used for determining eligibility under the Scheme.
- 10.2** The Plant, Machinery and Equipment should be purchased or leased in the name of the Participant. In cases where these are being leased, the lease should be in the nature of a financial lease within the meaning of Accounting Standard 19 - Leases or Indian Accounting Standard (Ind-AS)-116 Leases, as may be applicable to the Participant, as Notified by Ministry of Corporate Affairs or any other appropriate authority from time to time.
- 10.3** The Plant, Machinery and Equipment should be procured or leased through legally valid documents after payment of applicable taxes and duties.
- 10.4** The Plant, Machinery and Equipment of the Project approved under the Scheme shall be used in regular course for manufacturing of the Notified Product(s) that are approved in the "Letter of Approval" issued by MoT. This does not preclude the usage of such machinery for manufacturing of other goods.

- 10.5 Building and Civil Construction:** Investment made in construction of factory building (except Administrative building and residential building) connecting road inside factory etc. shall be taken into account for calculation of investment threshold.
- 10.6** Participant Company can set up more than one manufacturing unit for production of Notified Products under this Scheme. They will have to declare intent in the application.
- 10.7 Investment in R&D and Testing Laboratory:** Investment upto 10% of total project cost in R&D and Testing laboratory for development of Notified Products and maintaining quality shall be allowed and accounted for threshold investment. The software associated with R&D should have been procured or licensed through legally valid document after payment of applicable taxes and duties.

## **11. Associated Utilities**

- 11.1** Use of existing associated utilities is permitted. However, investment already made in such existing utilities shall not be counted under the Scheme for threshold investment.
- 11.2** Fresh investment in associated utilities commensurate with the manufacturing of Notified Product(s) shall be considered as investment for determining eligibility under the Scheme.

## **12. Ineligible investment:**

Investments in land and administrative building e.g. office and guest house building will not be covered under the Scheme.

## **13. Time schedule for Application for selection procedure**

- 13.1** Application window for registration under the Scheme shall be opened for the period from 1<sup>st</sup> January, 2022 to 31<sup>st</sup> January, 2022 (inclusive) on on-line portal. No application shall be accepted after the closure of the application window. However, in case of insufficient number of eligible applications, application window for selecting new applicants will be re-opened.
- 13.2** The applicant, in its application, shall declare and inform the PMA/MoT regarding their Annual Investment Plan, expected Sales Turnover & expected Employment Generation and Exports during the tenure of the Scheme.
- 13.3** An Application shall be made through the on-line portal <http://PLI.texmin.gov.in> and in the format provided therein. The Applicant has to submit the Undertaking as prescribed.

- 13.4** A non-refundable application processing fee Rs 50,000/= shall be paid electronically by the applicant.
- 13.5** Upon successful submission of an application, acknowledgement with a unique Application ID number shall be communicated to the applicant over email as well as through SMS. This acknowledgement shall not be construed as approval under the Scheme. In case documents are found to be incomplete or deficient, MoT/PMA will issue query letter within 10 days from the date of online application and the applicant must submit required information/documents within 10 days from the date of receipt of such queries. In case the applicant fails to provide such information/documents in time, the application may be liable to be treated as rejected.

Table-4 Schedule for receipt of application

Opening of PLI Application window	Last date for application	Last date for raising query	Last date for compliance
01.01.2022	31.01.2022	10 days from the date of on line submission of application	10 days from the date of receipt of queries through email

#### **14. Procedure for selection under the Scheme**

- 14.1 The applications will be appraised as per the provisions of the Scheme guidelines.
- 14.2 Selection Committee constituted by MoT for this purpose will consider applications for approval as per the criteria and budgetary limitations.
- 14.3 Selection of applicants will be finalized within 60 days from the date of closure of application window.
- 14.4 After receiving approval, MoT will issue communication with necessary details to the selected and waitlisted applicants within 5 working days from the date of finalization of the list of selected applicants.
- 14.5 Only the selected Participants will be issued a “Letter of Approval” as per **Appendix-II** and other eligible applicants will be waitlisted.
- 14.6 If a selected applicant is found to be ineligible at any stage, or if it has not complied with provisions of notifications, orders, guidelines or their own commitments made during application process of the Scheme, or declines the offer under the Scheme at any stage for

any reason, the envisaged incentive claim of such selected applicant shall be withdrawn, and the approval issued to the applicant shall be liable to be cancelled. In such a case, the offer may be extended to the waitlisted applicants.

**15 Application fee:**

- 15.1 Applicant shall pay Rs. 50,000/- (Rupees Fifty Thousand) for registration under the Scheme.
- 15.2 Application fee once paid shall be non-refundable.
- 15.3 Fee shall be paid through NEFT/RTGS/Credit Card/Debit Card/UPI in the head of Account of MoT. The details of Bank Account for fee payment shall be provided on the PLI portal <http://PLI.texmin.gov.in>.

**16. Eligibility criteria and conditions for claiming incentive**

- 16.1 Selected participants meeting the criteria of threshold investment and threshold/ incremental turnover, as prescribed, shall be eligible to claim incentive. The Application Form for disbursement of Incentives is specified on the portal <http://PLI.texmin.gov.in>. The participant shall also furnish all prescribed information.
- 16.2 In case any Participant fails to achieve threshold incremental turnover for any given year, the Participant shall not be eligible for claiming incentive for that particular financial year. However, the Participant will not be restricted from claiming incentive for subsequent years up to Performance Year 5 and for performance up to FY: 2028-29, provided prescribed and incremental turnover targets are achieved in subsequent financial years.
- 16.3 The incremental turnover of Notified Product(s) should be commensurate with created production capacity under the Scheme.

**17 Criteria for Calculation of Incentive**

- 17.1 The incentive shall be computed as follows:

**Net Incremental Sales within cap of Notified Product(s) excluding taxes x Rate of Incentive in percentage for the Performance Year**

Where,

- (i) Notified Product(s) shall be as defined in this Scheme and stated in the "Letter of Approval" issued to the selected Participant.
- (ii) Net Incremental Sales shall be Turnover of the Participant in the Notified Product(s) manufactured by the Participant company minus the Turnover for Notified Products of the Participant in the

immediate preceding year during Scheme period.

- (iii) In case of captive consumption of Notified Product(s) or sale of Notified Product (s) by the applicant to group companies, the gross turnover of Notified Product(s) shall be computed as under:
  - (a) Notified Products invoiced as per GST rules for sale shall only be considered for incremental turnover. In case of captive consumption of upstream products manufactured by the Participant, no incentive will be payable.
  - (b) In case a Participant is selling the Notified Products to a group company and also to a non-group company, sale price offered to group or non-group company, whichever is lower, shall be considered for determining total value of transaction between the related parties.
- iv. Invoices generated from 1<sup>st</sup> April to 31<sup>st</sup> March of Performance Years shall be taken into account for the calculation of incentives for that Financial Year.
- v. The onus of realization of sales' proceeds through normal banking channels shall be with the Participant. Ministry of Textiles reserves the right to verify the documents evidencing realization of sale proceeds which will be counted for computing Participant's turnover and incentives, and take suitable recovery and penal action in case of any default on realization of sale proceeds.

## **18. Procedure and time schedule for Disbursement of Incentives**

- 18.1** An Application for claiming incentives complete in all respect shall be filed online by the applicant by 31<sup>st</sup> December of immediate subsequent financial year of the Performance Year. The Participant shall file its claim along with account details audited by Statutory Auditor of the Company. For example: For Performance Year 2024-2025, application for claim of incentive shall be made by 31.12.2025.
- 18.2** The applicant shall submit a claim for disbursement of incentive on annual basis for the sales made in a performing financial year along with its audited financial statements.
- 18.3** The PMA shall process claim for disbursement of incentive within 45 days from the date of receipt of such claim along with all supporting documents and will make appropriate recommendations to MoT.
- 18.4** Upon approval of claims by Sanctioning Authority, the disbursement of incentive shall be done by way of Direct Bank Transfer through PFMS or through any other mechanism of adjustment in the account of Participant Company only by Pay and Account Officer (PAO) within 15

days from the date of approval of the competent authority.

**18.5** In case of excess claims disbursed inadvertently, the applicant shall suo-moto refund the same to MoT immediately. In case the Participant fails to refund the excess amount then he will be liable for refund along with 15% simple interest per annum to be calculated from the date of disbursement of incentive and up to actual date of refund by the Participant. The payment shall be made in the head of account of MoT. The details of Bank Account shall be provided on the PLI portal.

**18.6** The company shall furnish the Output-Outcome details as per prescribed format on the PLI portal <http://PLI.texmin.gov.in>.

## **19. Project Management Agency (PMA)**

The Scheme will be implemented with the assistance of a Project Management Agency (PMA) which will be responsible for providing secretarial, managerial and implementation support and carrying out responsibilities as assigned by MoT from time to time.

## **20. General Terms and Conditions of investment**

### **20.1 Expenditure and Investment:**

- (I) Expenditure on consumables and raw material used for manufacturing shall not be considered as Investment.
- (II) The date of capitalization of the investment in the audited financial statement of the selected applicant shall be considered as the date of investment under the Scheme.
- (III) The heads of Investment, based on which eligibility is being determined, should be capitalized in the audited financial statement of the applicants as certified by the Statutory Auditor.
- (IV) No second hand/ used/ refurbished plant, machinery, equipment, utilities shall be allowed under threshold investment.

**20.2 Insurance:** The Participants are advised to secure adequate insurance cover on all movable and immovable assets against natural or man-made disasters like floods, cyclones, earthquakes, tsunamis etc. MoT will not be liable to compensate for any losses in such situation.

**20.3 Conformity to Quality Standards:** All Notified Products manufactured by the Participants shall be in conformity with applicable regulatory norms, quality standards and guidelines issued by the concerned authorities from time to time. If Ministry of Textiles may deem necessary, it may ask for quality reports from the internationally accredited laboratories and testing centers.

## **21. Certifications:**

- 21.1 During the application and claim process, PMA will rely on, *inter alia*, various certificates to be submitted by the Participants from Statutory Auditors, Chartered Engineers, valuer, Chartered Accountant etc. as defined under the Scheme guidelines. The cost of such certificates as stipulated and to be submitted along with the application and claim process will be borne by the Participants.
- 21.2 Apart from the above, any costs / expenses in respect of any professional expertise or obtaining documents / certificates / information for the purpose of appraisal or verification of an application, including but not limited to, costs of any Chartered Engineer, Chartered Accountant, Cost Accountant, Company Secretary, Lawyer, or any other professional, or due diligence through Ministry of Corporate Affairs (MCA) or equivalent or reports from CIBIL and/or Dun and Bradstreet and/or equivalent, and cost of inspections / site visit etc., shall be borne by the Participant. In case any such costs are incurred by the PMA, then the same shall be reimbursed by the Participant to the PMA along with the applicable taxes.
- 21.3 The Participant shall furnish the following certificate from Chartered Engineer in respect of:
- i. Investment relating to plant & machinery
  - ii. Investment relating to Transfer of Technology Agreements.
  - iii. Cost of technology, Intellectual Property Rights (IPRs), patents and copyrights along with purchase agreements
  - iv. Investment related to associated utilities.
- 21.4 The Participant shall submit the following certificates from Institution of Engineers India (IEI) registered Chartered Engineer (CE):
- (i) Confirming utilization of the Plant, Machinery and Equipment for manufacturing of Notified Product(s) under target segment for each financial year for which the applicant is claiming incentive under the Scheme.
  - (ii) Committed Investment made by the applicant- after carrying out the physical inspection of the manufacturing facilities
- 21.5 The selected Applicants shall be required to furnish self-certified Quarterly Review Reports (QRRs), within 30 days from the end of



each quarter in the specified format provided on the PLI portal <http://PLI.texmin.gov.in>. Incentive claims for a particular financial year shall be considered only if all QRRs for the period have been submitted by the Applicants within the prescribed timelines.

## **22. Undertakings:**

The Applicant/ Participant shall furnish undertakings as prescribed alongwith the application for selection as well as for claiming benefits duly signed by its authorised signatory.

## **23. Change in Ownership:**

- 23.1 A Participant shall intimate the PMA of any change in the shareholding pattern during the tenure of the Scheme, after updating with the Registrar of Companies (RoC) and the resultant change in Successor-in Interest, if any shall be intimated by PMA for approval of MoT to consider disbursal of incentives.
- 23.2 In case of change in successor-in-interest, all Investments undertaken by the Participant shall be considered for determining eligibility of the successor-in-interest, subject to approval and compliance with any other condition stipulated by the MoT, as may be deemed appropriate. Achievement of prescribed incremental turnover after completion of benchmark investment will determine the eligibility under the Scheme for the successor company.

## **24 Risk Management System (RMS) and Internal Audit Mechanism**

- 24.1 **Risk Management System:** A Risk Management System shall be put in place by MoT. MoT will create a team of officers for inspection of Participant companies as and when required. The teams will conduct inspection on random basis as per computer generated list of the Participants.
- 24.2 **Recovery mechanism and penal provision:**

An internal Audit mechanism shall be put in place. On scrutiny of documents under post audit mechanism, if it is found that excess claim has been made and/ or excess payments has been made to the Participant, MoT will raise demand on the Participant for the recovery. The Participant shall be liable to refund the same within 30 days from the date of receipt of the demand Notice failing which 15% simple interest per annum will be charged from date of disbursement.

If it is established at later stage that claim under the Scheme has been availed by mis-declaration or by submitting fabricated documents, Joint Secretary/Trade

Advisor will adjudicate such cases after issuing Show Cause Notice to the Participant company following the Principles of Natural Justice. The Participant in such cases shall be liable for penal action and amount of penalty shall not be less than the excess payment made and may go up to 5 times of excess claim value. Other action as deemed appropriate under laws of the land will also be taken in such cases.

Penalty amount shall be deposited in the Consolidated Fund of India account. In case the penalty amount is not paid, the same shall be recovered as an arrear of land revenue through respective District Collector and Magistrate under whose jurisdiction the entity falls.

- 25 Appellate Authority and dispute redressal:** An appeal against the order passed by Joint Secretary/Trade Advisor shall be placed before the Appellate Committee to be constituted under the Chairmanship of Secretary Textiles with Additional Secretary, Additional Secretary & Financial Adviser as members.

(Vijoy Kumar Singh)

Additional Secretary to the Government of India

Tel No. 011-23010494

Email: vk.singh90@ias.gov.in

**New Delhi**

**Dated:**

Copy to:

1. All concerned Ministries / Departments of Government of India
2. All States/ Union Territories

<b>Product List of MMF Apparels</b> <b>(Products will be primarily identified at 8 digits HS code)</b>				
SI No	6 digit HS code	Product description	8 digit HS code	Product description
1	611030	Jerseys, pullovers, cardigans, waistcoats and similar articles, of man-made fibres, knitted ...	61103010	JERSEYS ETC OF SYN FIBRES
			61103020	JERSEYS ETC OF ARTIFICIAL FIBRES
2	620193	Men's or boys' anoraks, windcheaters, wind jackets and similar articles, of man-made fibres ...	62019300	OTHER SMLR ARTCLS OF MAN-MDE FBRS
3	620293	Women's or girls' anoraks, windcheaters, wind jackets and similar articles, of man-made fibres ...	62029310	WIND AND SKI-JACKETS, WIND CHEATERS
4	620343	Men's or boys' trousers, bib and brace overalls, breeches and shorts of synthetic fibres (excluding ...	62034300	TROUSERS,BIB AND BRACE,OVERALLS,BREECHES AND SHORTS OF SYNTHETIC FIBRS,MENS OR BOYS
5	610463	Women's or girls' trousers, bib and brace overalls, breeches and shorts of synthetic fibres, ...	61046300	TROUSERS,BIB AND BRACE OVERALLS,BREECHES AND SHORTS OF SYNTHETIC FIBRES
6	620463	Women's or girls' trousers, bib and brace overalls, breeches and shorts of synthetic fibres ...	62046300	TROUSERS,BIB AND BRACE OVERALLS, BREECHES AND SHORTS OF SYNTHETIC FIBRES
7	620213	Women's or girls' overcoats, raincoats, car	62021300	OVERCOATS,RAINCOATS,CAR COATS,CAPES,CLOAKS AND

		coats, capes, cloaks and similar articles, of man-made ...		SIMILAR ARTICLES OF MAN MADE FIBRES
8	610443	Women's or girls' dresses of synthetic fibres, knitted or crocheted (excluding petticoats)	61044300	DRESSES OF SYNTHETIC FIBRES
9	611596	Full-length or knee-length stockings, socks and other hosiery, incl. footwear without applied ...	61159600	OTHER HOSIERY GOODS OF SYNTHETIC FIBRES
10	620433	Women's or girls' jackets and blazers of synthetic fibres (excluding knitted or crocheted, ...	62043300	JACKETS OF SYNTHETIC FIBRES
11	610343	Men's or boys' trousers, bib and brace overalls, breeches and shorts of synthetic fibres, knitted ...	61034300	TROUSERS, SHORTS ETC OF SYNTHETIC FIBRES
12	611241	Women's or girls' swimwear of synthetic fibres, knitted or crocheted	61124100	WOMENS/GIRLS SWIMWEAR OF SYNTHETIC FIBRES
13	611430	Special garments for professional, sporting or other purposes, n.e.s., of man-made fibres, ...	61143010	OTHER GARMENTS OF SYNTHETIC FIBRES
			61143020	OTHER GARMENTS OF ARTIFICIAL FIBRES
14	610822	Women's or girls' briefs and panties of man-made fibres, knitted or crocheted	61082210	BRIEFS AND PANTIES OF SYNTHETIC FIBRES
			61082220	BRIEFS AND PANTIES OF ARTIFICIAL FIBRES
15	620333	Men's or boys' jackets and blazers of synthetic fibres (excluding knitted or crocheted, and ...	62033300	JACKETS AND BLAZERS OF SYNTHETIC FIBRES

16	621133	Men's or boys' tracksuits and other garments, n.e.s. of man-made fibres (excluding knitted ...	62113300	OTHR GRMNTS OF MAN-MDE FBRS FR MENS/BOYS
17	620113	Men's or boys' overcoats, raincoats, car coats, capes, cloaks and similar articles, of man-made ...	62011310	RAINCOATS OF MAN-MADE FIBRES
18	620453	Women's or girls' skirts and divided skirts of synthetic fibres (excluding knitted or crocheted ...	62045300	SKIRTS AND DIVIDED SKIRTS OF SYNTHETIC FIBRS
19	610230	Women's or girls' overcoats, car coats, capes, cloaks, anoraks, incl. ski jackets, windcheaters, ...	61023010	OVRCOAT ETC OF SYNTHETIC FIBRES
			61023020	OVRCOT ETC OF ARTIFICIAL FIBRES
20	620530	Men's or boys' shirts of man-made fibres (excluding knitted or crocheted, nightshirts, singlets ...	62053000	MENS OR BOYS SHIRTS OF MAN-MADE FIBRES
21	610832	Women's or girls' nightdresses and pyjamas of man-made fibres, knitted or crocheted (excluding ...	61083210	NIGHTDRESSES AND PYJAMAS OF SYN FIBRES
			61083220	NIGHTDRESSES AND PYAJAMAS OF ARTIFICIAL FIBRES
22	610620	Women's or girls' blouses, shirts and shirt-blouses of man-made fibres, knitted or crocheted ...	61062010	BLOUSE ETC OF SYNTHETIC FIBRES
			61062020	BLOUSE ETC OF REGNRTD FBRS(RAYON ETC)

23	610444	Women's or girls' dresses of artificial fibres, knitted or crocheted (excluding petticoats)	61044400	DRESSES OF ARTIFICIAL FIBRES
24	610433	Women's or girls' jackets and blazers of synthetic fibres, knitted or crocheted (excluding ...	61043300	JACKETS OF SYNTHETIC FIBRES
25	621430	Shawls, scarves, mufflers, mantillas, veils and similar articles of synthetic fibres (excluding ...	62143000	SHWLS,SCRVS,MUFFLERS ETC OF SYNTHTC FBRS
26	610892	Women's or girls' négligés, bathrobes, dressing gowns, house jackets and similar articles of ...	61089210	NEGLIGES ETC OF SYNTHETIC FIBRES
			61089220	NEGLIGES, BATHROBES ETC OF ARTIFICIAL FIBRES
27	611521	Pantyhose and tights of synthetic fibres, knitted or crocheted, measuring per single yarn <...	61152100	PANTY HOSE AND TIGHTS OF SYNTHTC FIBRES MSRNG PER SINGLE YRN LESS THN 67 DECITEX
28	610130	Overcoats, car coats, capes, cloaks, anoraks, incl. ski jackets, windcheaters, wind-jackets ...	61013010	OVRCOAT ETC OF SYNTHETIC FIBRES
			61013020	OVRCOT ETC OF ARTIFICIAL FIBRES
29	610712	Men's or boys' underpants and briefs of man-made fibres, knitted or crocheted	61071210	UNDERPANTS AND BRIEFS OF SYN FIBRES
			61071220	UNDERPANTS AND BRIEFS OF ARTIFICIAL FIBRES
30	611693	Gloves, mittens and mitts, of synthetic fibres,	61169300	OTHER GLOVES ETC OF SYNTHETIC FIBRES

		knitted or crocheted (excluding impregnated, ...		
31	610453	Women's or girls' skirts and divided skirts of synthetic fibres, knitted or crocheted (excluding ...	61045300	SKIRTS AND DIVIDED SKIRTS OF SYNTHETIC FIBRES
32	621111	Men's or boys' swimwear (excluding knitted or crocheted)	62111100	SWIMWEAR FOR MENS OR BOYS
33	620312	Men's or boys' suits of synthetic fibres (excluding knitted or crocheted, tracksuits, ski suits ...	62031200	SUITS OF SYNTHETIC FIBRES
34	611212	Track-suits of synthetic fibres, knitted or crocheted	61121200	TRACK SUITS OF SYNTHETIC FIBRES
35	620930	Babies' garments and clothing accessories of synthetic fibres (excluding knitted or crocheted ...	62093000	BABIES' GARMENTS AND CLOTHING ACCESSORIES OF SYN FIBRE
36	620892	Women's or girls' singlets and other vests, briefs, panties, negligés, bathrobes, dressing ...	62089210	DRESSING GOWNS AND BATHROBES
37	611522	Pantyhose and tights of synthetic fibres, knitted or crocheted, measuring per single yarn $\geq$ ...	61152200	PANTY HOSE AND TIGHTS OF SYNTHETIC FIBRES MEASURING PER SINGLE YARN $\geq$ 67 DECITEX OR MORE
38	610722	Men's or boys' nightshirts and pyjamas of man-made fibres, knitted or crocheted (excluding ...	61072210	NIGHTSHIRTS AND PYJAMAS OF SYNTHETIC FIBRES
			61072220	NIGHTSHIRTS AND PYJAMAS OF ARTIFICIAL FIBRES
39	611231	Men's or boys' swimwear of synthetic fibres, knitted or	61123100	MENS/BOYS SWIMWEAR OF SYNTHETIC FIBRES



		crocheted		
40	621112	Women's or girls' swimwear (excluding knitted or crocheted)	62111200	SWIMWEAR FOR WOMENS OR GIRLS

Product List of MMF Fabrics (Products will be primarily identified at 8 digit HS Code)				
SI No.	6 digit HS code	Product Description	8 digit HS Code	Product description
1	540752	Woven fabrics of yarn containing $\geq 85\%$ by weight of textured polyester filaments, incl. monofilament ...	54075210	POLYESTER SHIRTINGS
			54075220	POLYESTER SIUTINGS
2	600632	Dyed fabrics, knitted or crocheted, of synthetic fibres, of a width of $> 30$ cm (excluding warp ...	60063200	OTHR KNITD OR CROCHETD FBRCS OF SYN FIBRS, DYED
3	540761	Woven fabrics of yarn containing $\geq 85\%$ by weight of non-textured polyester filaments, incl. ...	54076110	POLYESTER SHIRTINGS
			54076120	POLYESTER SUITINGS
4	600192	Pile fabrics of man-made fibres, knitted or crocheted (excluding "long pile" fabrics)	60019200	OTHER PILE FABRICS OF MAN-MADE FIBRES
5	540754	Woven fabrics of yarn containing $\geq 85\%$ by weight of textured polyester filaments, incl. monofilament ...	54075420	POLYESTER SHIRTING
6	580632	Narrow woven fabrics of man-made fibres, with a width of $\leq 30$ cm, n.e.s.	58063200	OTHER NARROW WOVEN FBRCS OF MAN-MADE FIBRE
7	551511	Woven fabrics containing predominantly, but $< 85\%$ polyester staple fibres by weight, mixed ...	55151110	FBRC OF POLSTR,MXD WTH VISCOS RYON,UNBLCHD
			55151120	FBRC OF POLSTR,MXD WTH VISCOS RYON,BLCHD
			55151130	FBRC OF POLSTR,MXD WTH VISCOS RYON,DYED
			55151140	FBRC OF POLSTR,MXD WTH VISCOS RYON,PRINTD

8	600537	Dyed warp knit fabrics of synthetic fibres "incl. those made on galloon knitting machines", ...	60053700	OTHER, DYED
9	551614	Woven fabrics containing >= 85% artificial staple fibres by weight, printed	55161410	SPUN RAYON PRINTED SHANTUNG
			55161420	SPUN RAYON PRINTED LINEN
10	540742	Woven fabrics of filament yarn containing >= 85% nylon or other polyamides by weight, incl. ...	54074210	NYLON BRASSO
			54074220	NYLON GEORGETTE
			54074230	NYLON TAFETTA
11	551219	Woven fabrics containing >= 85% polyester staple fibres by weight, dyed, made of yarn of different ...	55121910	OTHR WOVN FBRCS, DYED CNTNG POLYETR >= 85%
			55121920	OTHR WOVN FBRCS,PRINTD CNTNG POLYETR> =85%
12	540710	Woven fabrics of high-tenacity yarn, nylon, other polyamides or polyesters, incl. monofilament ...	54071013	UNBLECHD NYLON FURNISHG FBRCS
			54071015	UNBLECHD OTHR NYLON/ POLYAMIDE FBRCS (FILAMENT )
			54071016	UNBLECHD POLYESTER SUITINGS
			54071019	UNBLECHD OTHR POLYESTER FABRICS
			54071023	BLECHD NYLON FURNISHN FBRCS
			54071025	BLECHD OTHR NYLON/POLYAMIDE FBRCS ( FILAMENT )
			54071026	BLECHD POLYESTER SUITNGS
			54071033	DYED NYLON FURNISHG FBRCS
			54071035	DYED OTHR NYLON/POLYAMIDE FBRCS

				( FILAMENT )
			54071036	DYED POLYESTER SUITNGS
			54071043	PRINTED NYLON FURNISNG FBRCS
			54071045	PRINTED OTHR NYLON/POLYAMIDE FBRCS ( FILAMENT )
			54071046	PRINTED POLYESTER SUITNGS
			54071049	PRINTED OTHR POLYESTER FBRCS
			54071093	OTHR NYLON FURNISNS FBRCS
			54071096	OTHR POLYESTER SUITNGS
			54071099	OTHR POLYESTER FBRCS NES
13	540720	Woven fabrics of strip or the like, of synthetic filament, incl. monofilament of $\geq 67$ decitex ...	54072010	UNBLECHD WVEN FBRCS FROM STRIP/THE LIKE
			54072020	BLECHD WVEN FBRCS FROM STRIP/THE LIKE
			54072030	DYED WVEN FBRCS FROM STRIP/THE LIKE
			54072040	PRINTED WVEN FBRCS FROM STRIP/THE LIKE
14	540769	Woven fabrics of yarn containing $\geq 85\%$ by weight of mixtures of textured and non-textured ...	54076900	WOVN FBRCS CONTNNG 85% OR MORE BY WT OF OTHR THN NN-TXTRD POLYSTR FLMNTS

**Product List of Technical Textiles Products with HSN code**

In case of some products HSN Code is under development and, Product Description as indicated will be used for Application and Selection

<b>S.No.</b>	<b>Segment</b>	<b>Name of the product</b>	<b>HSN Code</b>	<b>Description</b>
1	Geotextiles	Geo-grids		To be notified
		Geo-nets		
		Geo-membranes		
		Geo-tubes/Geo-bags		
		Geo-textiles made from natural fibres		
2	Agro-textiles	Shade-nets		To be notified
		Mulch-mats		
		Anti-hail/Anti-bird/Anti-fog protection nets		
		Fishing nets		
		Crop covers		
		Turf protection nets		
3	Medical / Hygiene Textiles	Body Diapers, Adult Diapers, Incontinence Diapers, Sanitary Napkins	96190010	Sanitary towels (pads) or sanitary napkins
			96190020	Sanitary towels (pads) and tampons, napkins and napkin liners for babies and similar articles, of any material : Tampons
			96190030	Sanitary towels (pads) and tampons, napkins and napkin liners for babies and similar articles, of any material : Napkins and Napkin liners for babies
			96190040	Clinical Diapers
			96190090	Sanitary towels (pads) and tampons, napkins and napkin liners for babies and similar articles, of any

				material : Other
		Surgical Dressings, Bandages, wound care products	59061000	Adhesive Tape Of A Width Not Exceeding 20 cm.
			30051010	Adhesive Gauze Bandage
			30051020	Adhesive Tape (Medicinal)
			30059010	Cotton Wool, Medicated
			30059030	Medicated Lint (Lint, medicated)
			30059040	Bandages Without Adhesive Layer
			30059050	Burn Therapy Dressing Soaked In Protective Gel
			56012200	Wadding; Other Articles Of Cotton Wadding: Other (Of man-made fibres)
		Compression stockings for varicose veins	61151000	Panty hose, tights, stockings, socks and other hosiery, including graduated compression hosiery (for example, stockings for varicose veins) and footwear without applied soles, knitted or crocheted : Graduated compression hosiery (for example, stockings for varicose veins)
		Surgical Sutures	30061010	Sterile, surgical catgut and similar sterile suture materials(including sterile absorbable surgical or dental yarns) and sterile tissue adhesives for surgical wound closure
4	Defence Textile	Bullet Proof Jackets, Vests and Uniforms	62104010	Bullet proof jacket, bomb disposal jacket and the like
		Nuclear,		To be notified

		Biological and Chemical Warfare Suits		
		High visibility clothing and Infra-red clothing for military use		
		High Altitude clothing		
		Fighter Aircraft Clothing		
		Sub-marine clothing		
		Tents, Parachutes, collapsible textiles housing for military use.	54071041	Woven Fabrics of synthetic filament yarn, including woven fabrics obtained from materials of heading 5404. 54071041 - Printed Parachute Fabrics 54071042 - Printed Tent Fabrics 54071091 - Other Parachute Fabrics 54071092 - Other Tent Fabrics
			54071042	
			54071091	
			54071092	
		Special masks including Gas masks	90200000	Other Breathing Appliances And Gas Masks, Excluding Protective Masks Having Neither Mechanical Parts Nor Replaceable Filters
		Helmets and safety equipment (textile component) for military use	To be notified	
5	Mobile Textile s:	Safety airbags for automobiles	87089500	Parts and accessories of the motor vehicles of headings 8701 to 8705 - other parts and accessories -- safety airbags with inflater system; parts thereof
		Automobile Tyre cords	56041000	Rubber Thread And Cord, Textile Covered
			56075020	Nylon Tyre Cord



			56075030	Viscose Tyre Cord
			59021010	Tyre Cord Fabric Of High Tenacity Yarn Of Nylon Or Other Polyamides: Impregnated With Rubber
			59021090	Tyre cord fabric Of nylon or other polyamides: Others
			59022010	Tyre Cord Fabric Of Polyester: Impregnated With Rubber
			59022090	Tyre cord fabric Of polyesters: Others
			59029010	Tyre Cord Fabric Of Others: Impregnated With Rubber
			59029090	Tyre cord fabric of high tenacity yarn of nylon or other polyamides, polysters or viscose rayon: Others
		Seat webbing for automobiles and aircrafts	87082100	Parts and accessories of the motor vehicles of headings 8701 to 8705 : Other parts and accessories of bodies (including cabs) : Safety seat belts
		Air and oil filters for automobiles, railways coach, aircraft	84212300	Centrifuges, Including Centrifugal Dryers; Filtering Or Purifying Machinery And Apparatus, For Liquids Or Gases Filtering Or Purifying Machinery And Apparatus For Liquids: Oil Or Petrol- Filters For Internal Combustion Engines
6	Sports Textiles	Parachute fabrics/Balloon ing fabric for sports use	54071011	Unbleached Parachute Fabrics
			54071021	Bleached Parachute Fabrics
			54071031	Dyed Parachute Fabrics

			54071041	Printed Parachute Fabrics
			54071091	Other Parachute Fabrics
		Sailing cloth	63061990	Other Tarpaulins, Awnings And Sunblinds; Tents; Sails For Boats, Sailboards Or Landcraft; Camping Goods
		Protective equipment for cricket, boxing and other sports ( Leg guard, Batting gloves, Thigh pad)	95069110	Articles And Equipment For General Physical Exercise, Gymnastics Or Athletics: Boxing Equipment
			95069920	Articles And Equipment For General Physical Exercise, Gymnastics, Athletics, Other Sports: Other : Leg Pads And Bats For Cricket
			95069990	Articles and equipment for general physical exercise, gymnastics, athletics, other sports (including table- tennis) or Out-door games, not specified or included elsewhere in this chapter; swimming pools and paddling pools - other : - other : other
7	Protective Textiles (other than defence textiles):	Personal Protective Equipment for medical use	To be notified	
		Fire retardant/Fire protection clothing		
		Chemical/ Petrochemical protection clothing		
		Electric Arc protection clothing		
		Fire retardant fabrics		
		Industrial gloves, Industrial		

		protection clothing including high visibility clothing for non-military use		
		N-95 and N-99 Masks (FFP-2 and FFP-3 masks).	N-95 and N-99 masks (FFP-2 & FFP-3) masks To be notified.	
		Gas Masks	90200000	Apparatus: Other breathing appliances and gas masks, excluding protective masks having neither mechanical parts nor replaceable filters.
8	Building/Constructi on Textiles:	Architectural Membranes	To be notified	
		Wall coverings	59050090	Textile Wall Coverings: Other
			59050010	Textile Wall Coverings: Fixed On The Backing Of Any Material
		Awnings & canopy	63061200	Tarpaulins, Awnings and Sunblinds etc.: Of Synthetic Fibres
			63061920	Tarpaulins, awnings and sunblinds; tents; sails for boats, sailboards or landcraft; camping goods tarpaulins, awnings and sunblinds :of other textile materials: blinds or awnings of coir
		Floor coverings for special purposes such as fire retardant, fire resistant, chemical resistant, anti –static and dust resistant/and composite board for train coaches.	To be notified	
9	Specialty Fibres &	Carbon Fibre	To be notified	
		Aramids, Meta		

	Composites	Aramids, Para-Aramids, Kevlar	
		Nylon 66	
		Glass Fibres, Basalt Fibres	
		Ultra High Molecular Weight Polyethylene	
		Composites made out of all above fibres (i) to (v)	
10	Smart Textiles embedded with active devices for medical, defence and special uses.		To be notified

## **Appendix -II**

Ministry of Textiles  
Udyog Bhawan, New Delhi  
Note: Please refer Clause 8.3 of the Guidelines

### **Letter of Approval**

This is certified that the Participant namely, M/s.....is eligible for participation in 'PLI Scheme for Textiles" Notified vide Notification No 12015/03/2020/-IT dated 24.09.2021 for producing Notified Product(s), as per the list attached. Investment made from the date of Notification of the Scheme, shall be accounted for calculating threshold investment. However, eligibility for incentive will depend upon meeting the required level of performance both in terms of threshold investment and threshold turnover/incremental turnover as prescribed in the Scheme guidelines.

This certificate is issued on the basis of prescribed documents submitted by the applicant. This Approval shall be liable to be cancelled, if any information furnished by the applicant is found to be incorrect or misleading.

The Participant shall submit quarterly investment/progress/production report positively by end of the immediate next month of relevant quarter (April-June, July-September, Oct-December and January- March) by uploading the same on portal of MoT in prescribed format.

List of Notified Products to be manufactured by the Participant is attached.

Date:

Name and designation

Place:

Office seal

## Appendix III

These are some of the case scenarios for computing incentives. These are only illustrative and not exhaustive.

### Principle Applicable to both Part 1 and Part 2(with applicable rates of incentive)

**Case Scenario 1:** Unit of turnover is ₹ in crore

Performance Year	Scheme Part-1		Scheme Part-2	
	Threshold/ incremental turnover (In crores)	25% Incentive = eligible turnover* rate	Prescribed threshold/ 25% incremental turnover (in Rs. Crores)	Incentive =eligible turnover* rates
Year 1	600	600*15%	200	200*11%
Year 2	750	150*14%	250	50*10%
Year 3	937.5	187.5*13%	312.5	62.5*9%
Year 4	1171.875	234.4*12%	390.63	78.13*8%
Year 5	1464.84	292.97*11%	488.28	97.65*7%

**Case Scenario 2:** Unit of turnover is ₹ in crore

Performance Year	Scheme Part-1 Investment of ₹ 350 crore		Scheme Part-2 Investment of ₹ 150 crore	
	Prescribed Turnover with cap of 10%	Incentive=admissible turnover*rate	Admissible Turnover with cap of 10%	Incentive=admissible turnover*rate
Year 1	770	770*15%	330	330*11%
Year 2	1039.50	269.50*14%	445.5	115.5*10%
Year 3	1403.33	363.83*13%	601.42	155.93*9%
Year 4	1894.49	491.16*12%	811.92	210.50*11%
Year 5	2557.56	663.07*11%	1096.09	284.17*7%

**Case Scenario 3:** Unit of turnover is ₹ in crore

Investment of ₹ 300 crore			
Performance Year	Minimum Prescribed Turnover	Actual turnover (₹ crore)	Admissible Incentive (₹ crore)
Year 1	600	660 (600-660)	660*15%= 99
Year 2	750	750 (825-891)	No incentive will be paid for the year as 25% incremental growth over the immediate preceding year turnover is not met.
Year 3	937.50	937.5 (937.5-1012.5)	(937.5-750)*14%=26.25 Incentive will be paid for the year as both the incremental target of 25% over immediate preceding year turnover and prescribed turnover for the year i.e. 937.50 are met.
Year 4	1171.88	800 (1171.88-1265.63)	No incentive will be paid for the year as both the targets are not met.
Year 5	1464.84	1200 (1000-1080)	No incentive will be paid for the year as minimum prescribed turnover for the year is not met.



**Case Scenario 4:** Unit of turnover is ₹ in crore

Investment of ₹ 400 crore			
Performance Year	Minimum Prescribed Turnover	Actual turnover ( ₹ crore)	Admissible Incentive (₹ crore)
Year 1	600.00	700 (600-880)	$700 \times 15\% = 105$
Year 2	750.00	891 (875-945)	$(891-700) \times 14\% = 26.74$
Year 3	937.50	1202.85 (1113.75-1202.85)	$(1202.85-891) \times 13\% = 40.54$
Year 4	1171.88	1700 (1503.56-1623.85)	$(1623.85-1202.85) \times 12\% = 50.52$
Year 5	1464.84	2300 (2125-2295)	$(2295-1700) \times 11\% = 65.45$

**Case scenario 5 :** Unit of turnover is ₹ in crore

Investment of ₹ 500 crore			
Performance Year	Minimum Prescribed Turnover	Actual turnover ( ₹ crore)	Admissible Incentive (₹ crore)
Year 1	600.00	900 (600-1100)	$900 \times 15\% = 135$
Year 2	750.00	800 (1125-1215)	No incentive will be paid for the year as the incremental target of 25% over the immediate preceding year turnover i.e. 1125 is not met.
Year 3	937.50	1050 (1000-1080)	$(1050-800) \times 14\% = 35$ Incentive will be paid for the year as both the targets are met.
Year 4	1171.88	1100 (1312.5-1417.50)	No incentive will be paid as both the targets are not met.
Year 5	1464.84	1500 (1375-1485)	$(1485-1100) \times 13\% = 50.05$ Incentive will be paid as both the targets are met and cap of 35% is invoked.

## 156. Guidelines by Ministry of Steel, Govt. of India

File No. S-21018/1/2020-TRADE-TAX-Part(1)  
Government of India  
Ministry of Steel

Dated, the 20<sup>th</sup> October, 2021

### Subject: Guidelines for Production Linked Incentive (PLI) Scheme for Specialty Steel

#### 1. Background

- 1.1. The Cabinet has approved the Production Linked Incentive (PLI) Scheme for Specialty Steel (hereinafter referred as PLI scheme) in India to be implemented over FY 2023-24 to FY 2029-30 with a budgetary outlay of ₹ 6,322 Crore. The PLI scheme has been notified vide Gazette notification No. S-21018/1/2020-TRADE-TAX-PART(1) dated 29<sup>th</sup> July, 2021.
- 1.2. The objective of the PLI scheme for specialty steel is to promote manufacturing of such steel grades within the country and help the Indian steel industry mature in terms of technology as well as move up the value chain.
- 1.3. For an effective operation and smooth implementation of PLI Scheme, the following guidelines are being laid down that must be read in conjunction with the various provisions of the PLI Scheme document. In case of any discrepancy, the intent reflected in the PLI scheme document shall prevail over the scheme guidelines.
- 1.4. **Target Segments:** The scheme shall be applicable for the following five (05) indicative product categories called “Target segments” (Refer **Annexure-I**).

##### 1.4.1. Coated/Plated Steel Products -

- Galvannealed/Galvanized Iron-Auto Grade;
- Tin mill Products;
- Al-Zn Coated;
- Colour Coated;
- Coated/Plated products of Metallic/Non-Metallic Alloys

##### 1.4.2. High Strength/Wear Resistant Steel -

- Hot Rolled Coil, Sheets and Plates of American Petroleum Institute (API) Gr 52 $\leq$ X $\leq$ 70;
- HR Coil, Sheets and Plates API Gr >X-70;
- High Tensile Sheets, Coil, and Plates (YS $\geq$ 450Mpa);
- High Tensile Auto Gr Steel including Advanced High Strength Steel (AHSS) (Cold Rolled Closed Annealed);
- Boiler Grade/Pressure Vessels grade steel;
- QT/Abrasion Resistant and Wear Resistant steel.

##### 1.4.3. Specialty Rails-

- Asymmetric rails;



- Head Hardened rails

#### **1.4.4. Alloy Steel Products and Steel Wires -**

- Tool & Die Steel;
- Valve steel;
- Bearing steel;
- Precipitation Hardened Stainless Steel;
- Automotive Power train Component grades of steel;
- Tyre Bead wire;
- C' Class Zinc Coated Wire;
- Zinc - Aluminium Coated Wire;
- Tyre Cord (Brass Coated);
- Oil Tempered Spring Steel Wire.

#### **1.4.5. Electrical Steel -**

- Cold Rolled Grain Oriented (CRGO) steel;
- Cold Rolled Non-Grain Oriented (CRNO).

The steel products under the target segments which come under the quality control order (QCO), shall have to necessarily comply with Indian Standards. Other steel products covered under the targeted segments should comply with acceptable relevant National/ International standards (IS/ BS/ ASTM/ ISO/ DIN, JIS, etc.).

**1.5.** These guidelines have been prepared after detailed consultation with the industry and other relevant stakeholders. The PLI scheme guidelines, inter-alia, cover the following:

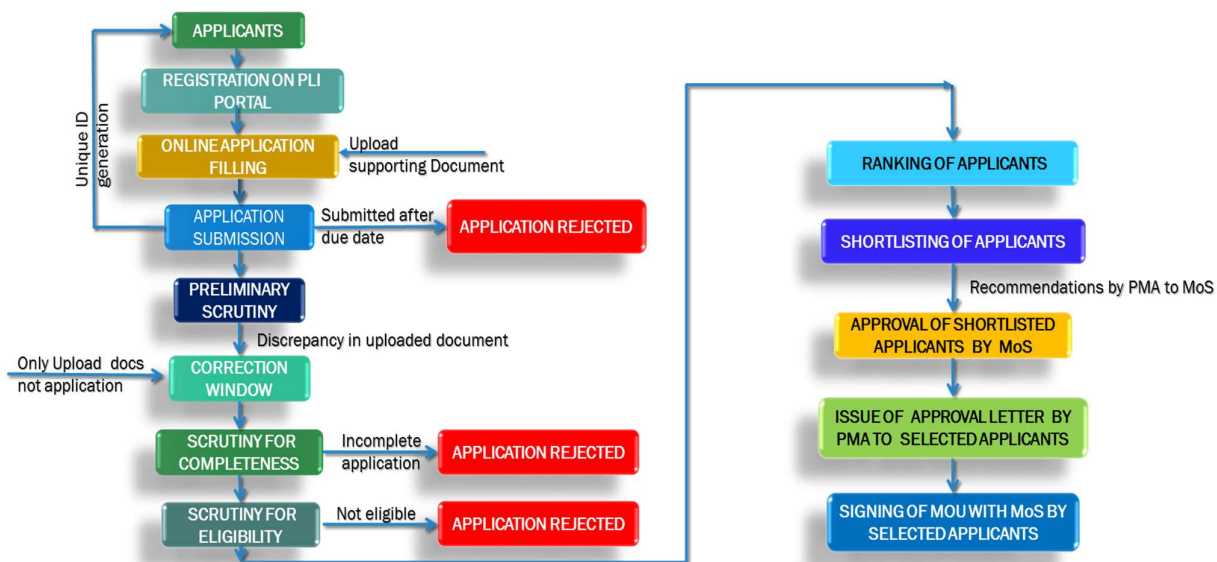
- Definitions
- Tenure of scheme
- Qualification, Eligibility and Selection
- Application and online portal
- Project Management Agency (PMA), Empowered Group of Secretaries (EGoS) and Competent Authority
- Approval under PLI Scheme
- Calculation & Disbursement of Incentive

## **2. Definitions**

**2.1 Applicant:** Applicant for the purpose of the Scheme is a company registered in India under the Companies Act 2013, including JV companies, proposing to manufacture goods covered under target segment, as defined in para 1.4 and making an application seeking approval under the scheme.

An applicant whose accounts are declared as Non-performing assets (NPA) as per RBI guidelines or willful defaulter or reported as fraud by any bank, financial institution or non-banking financial company etc. would be considered as ineligible. Further, there should not be any insolvency proceedings admitted against the Applicant in the National Company Law Tribunal (NCLT).

- 2.2 Application:** Refers to the Application Form prescribed in **Annexure-II** of the Guidelines to be duly filled-in online. Before securing access to fill-up the application form online, the applicant needs to register itself by undertaking a process of registration. The filled-in application need to be submitted by an applicant to the PMA containing the requisite information along with supporting documents and application fee.
- 2.3 Application Acknowledgement with Date:** Immediately on submission of filled-in application, an acknowledgement with unique application ID no. with date shall be generated by the online portal managed by PMA. For all future correspondences, this unique ID need to be referred by the applicant.
- 2.4 Application Scrutiny:** Following receipt of application, it shall be examined for its completeness, particularly with respect to sufficiency/adequacy of supporting documents. Status of completeness/incompleteness shall be notified on the portal within 15 working days of the date of submission of application. No correction shall be permitted on the main application form. However, one time opportunity shall be provided for addressing/correcting the incompleteness of supporting documents.
- 2.5 Application Flow:** Flow of application through the various stages of selection shall be as follows:



- 2.6 Application Approval with Date:** The date on which, based on an application, communication of approval/selection under PLI Scheme is issued to the applicant.
- 2.7 Application Fees:** A non-refundable and one-time application fees of Rs 1 lakh (plus applicable GST) for each application needs to be paid as per the prescribed mode of payment, without which no application shall be evaluated.

- 2.8 Application Window:** A time period of 90 days shall be allowed for the filing of an application from the date as may be notified separately.
- 2.9 Authorized Signatory:** refers to a designated person of the company having power of attorney delegated vide letter of Authorization by Board of Directors or Managing Director or Equivalent.
- 2.10 Base Year:** Financial Year 2019-20 shall be treated as the Base Year.
- 2.11 Competent Authority:** Shall be Minister of Steel or as delegated by him.
- 2.12 Committed investment:** by an applicant against manufacturing of a particular product sub-category, should be  $\geq$  (equal to or more than) the specified unit investment given in **Annexure-III**.
- 2.13 Commissioning Year / Month:** refers to the commencement of production from the unit in a particular year / month. Commissioning year and year of commencement of production are one and same and have been used interchangeably. The date of commencement of production shall refer to the date on which the applicant raises the first GST invoice for the sale of eligible product(s) manufactured under the scheme.
- 2.14 Domestic Company(ies):** Domestic Company(ies) shall be defined as per Section 2(26) of the Income Tax Act. A company formed and registered as per the Companies Act 2013, provided that the registered or the Principal business office is in Indian territory. Further, as per FDI Policy 2020, a company is considered as "Owned" by resident Indian citizens if more than 50% of the capital in it is beneficially owned by resident Indian citizens and/or Indian companies, which are ultimately "owned" and "controlled" by resident Indian citizens.
- 2.15 Eligible Company:** refers to applicant company, that satisfies the eligibility criteria.
- 2.16 Eligible Product:** Goods manufactured in India and covered under Target Segments fulfilling the investment and incremental production during PLI Scheme period as applicable and annexed as **Annexure-I** of the guidelines.
- 2.17 Empowered Group of Secretaries (EGoS):** An Empowered Group of Secretaries (EGoS) headed by the Cabinet Secretary will monitor the PLI scheme, ensure uniformity of all PLI schemes, undertake periodic review of the outgo under PLI Scheme and take appropriate action to ensure that the expenditure is within the prescribed outlay.
- 2.18 Financial Year:** Financial Year begins on the 1<sup>st</sup> of April of a year and ends on 31<sup>st</sup> March of the following year.
- 2.19 Force Majeure:** Extraordinary events or circumstances beyond human control such as an event described as an act of God (like a natural calamity) or events such as a war, strike, public health emergency, riots, crimes (but not including negligence or wrong doing, predictable/seasonal rain and any other events specifically excluded).
- 2.20 Foreign company:** As per the provisions of the Companies Act 2013, a foreign company is defined as any company or body corporate incorporated outside India which –
- (a) has a place of business in India whether by itself or through an agent, physically or through electronic mode; and
  - (b) conducts any business activity in India in any other manner.
- 2.21 Gazette Notification of PLI Scheme:** refers to the date of the gazette notification of PLI Scheme for Specialty Steel i.e. July 29, 2021.

- 2.22 Group Company(ies):** Group Company(ies) shall mean two or more enterprises which, directly or indirectly, are able to:
- Exercise 26% or more of voting rights in other enterprises; or
  - Appoint more than 50% of members of the Board of Directors in the other enterprise, as defined in FDI policy circular of 2017.
- 2.23 Incremental Production:** Production derived from sales over a given period minus the production derived from sales in the previous year over the corresponding period.
- 2.24 Incremental Sales:** Sales over a given period minus the sales in the previous year over the corresponding period.
- 2.25 Joint Venture:** As per the provisions of the Companies Act 2013, a joint venture is defined as a joint arrangement, whereby the parties that have joint control of the arrangement, have the rights to its net assets.
- 2.26 Limiting investment:** The concept shall be applicable only to qualify at the time of incentive calculation. However, at the time of application, committed investment must equal or exceed unit investment.
- It is defined as the following for a particular sub-category:
- Case-1:** Applicant has applied for single unit for a particular product sub-category  
80% of committed investment, or unit investment as given in Annexure-III, whichever is lower
- Case-2:** Applicant has applied for two simultaneous units, at the same location, for a particular product sub-category  
80% of committed investment, or 1.8 x unit investment as given in the Annexure-III, whichever is lower
- Case-3:** Applicant has applied for three simultaneous units, at the same location, for a particular product sub-category  
80% of committed investment, or 2.5 x unit investment as given in the Annexure-III, whichever is lower
- 2.27 Limiting incremental production rate:** It is defined as the following:  
80% of the committed annual incremental production rate or Threshold annual incremental production rate as given in Annexure-III, whichever is higher.
- 2.28 Manufacturing:** In accordance with Central Goods and Services Tax (CGST) Act, 2017; manufacturing shall mean processing of raw material or inputs in any manner that results in the emergence of a new product having a distinct name, character and use and the term “manufacturer” shall be construed accordingly.
- 2.29 Memorandum of Understanding (MoU) with Ministry of Steel:** MoU with Ministry of Steel is a binding document required to be signed by the selected Company with the Ministry of Steel, Govt. of India for each applied product sub-category.
- 2.30 Net sales turnover:** Net sales turnover shall mean the Gross Sale turnover net of credit notes (raised for any purpose), discounts (including but not limited to cash, volume, turnover, target or for any other purpose) and taxes applicable.



- 2.31 Net Worth:** Net worth would comprise of paid-up capital plus free reserves including share premium but excluding Revaluation Reserves, plus credit balance in Profit & Loss Account, less debit balance in Profit & Loss Account and Accumulated losses.
- 2.32 Permissible Investments:** Investment made after the date of the gazette notification of PLI Scheme (July 29, 2021) in equipment/technology, etc. as per the list of permissible investments for each sub-category (Refer **Annexure – IV**).
- 2.33 Project Management Agency (PMA):** Project Management Agency (PMA) is a Nodal Agency appointed by Ministry of Steel for executing the PLI scheme.
- 2.34 Related Party(ies):** The term Related Party shall be as defined in Accounting standard-18: Related Party Disclosures or Indian Accounting Standard (IND-AS-24) Related Party Disclosure, as may be applicable to the applicant, as notified by Ministry of Corporate Affairs or any other appropriate authority from time to time.
- 2.35 Selected Company:** refers to eligible company / companies, after approval of Competent Authority, as shall be notified.
- 2.36 Successor-in-Interest:** Successor-in-Interest shall mean the new or re-organized entity formed after the merger, demerger, acquisition, transfer of business or significant change in ownership of an applicant.
- 2.37 Third Party:** refers to a business entity other than applicant company.
- 2.38 Unit Capacity:** refers to rated capacity of the plant to produce eligible product(s) of a given product sub-category.
- 2.39 Unit Investment:** refers to investment commensurate with unit capacity.
- 2.40 Value addition:** Value Addition shall be the net selling price (invoiced price excluding net taxes and duties) minus the landed cost of all inputs at the manufacturing plant in India (including all non-creditable taxes & duties) as a proportion of the net selling price, in percent.
- 2.41 Weighted Average Sales Price:** Weighted average sales price is the price used in calculating the incentive over a particular financial year. The sales price shall be ex-works basis, i.e. net of any applicable taxes, freight & insurances and discounts etc. The manufacturer needs to submit all the sales & price data related to a particular sub-category product in a financial year for which incentive is being claimed. These data shall be subject to verification through verifiable invoices.
- 2.42 Year:** shall mean financial year, unless otherwise qualified.

### **3. Tenure of PLI Scheme:**

- 3.1** Incentive under PLI Scheme shall be provided for a maximum period of five (05) years. The period of five (5) years shall commence from FY 2022-23 (incentive to be released from FY 2023-24). The initial year may, however, be deferred by up to two (02) years in case of specific product categories within the overall budgetary allocation. The release of incentive will be from FY 2023-24 to 2027-28 (FY 2025-26 to 2029-30, in case of deferment by two years) based on the achievements made by different companies in keeping with the details given in the guidelines.



	<b>Tenure for Production year</b>	<b>Tenure for Incentive disbursement year</b>
As per Scheme	FY 2022 – 23 to FY 2026-27	FY 2023 – 24 to FY 2027-28
In case of deferment by two (2) years	FY 2024 – 25 to FY 2028-29	FY 2025 – 26 to FY 2029 – 30

- 3.2 If considered necessary, due to any special/adverse circumstances (Force majeure condition), the selected company(ies) may be allowed to avail the incentive within an extended period of up to one (01) year by allowing deferment of the initial year (FY2022-23) with PLI payable in FY2023-24 by one year i.e. to FY2023-24 (with PLI payable in FY 2024-25) but the overall period for availing incentive being limited to a maximum Period of five (05) years with the approval of Empowered Group of Secretaries (EGoS).

#### **4. Qualification and Eligibility**

- 4.1. Incentives under the PLI scheme shall only be provided to companies registered under the Companies Act 2013, which qualifies through the application process given in the guidelines and achieves committed incremental production for each product sub-category (listed under target segments, **Annexure-I**). The company (applicant) shall make an investment (listed under **Annexure-III**) in creating new capacity for manufacturing of the applied sub-category product.

##### **4.2. Eligibility Criteria**

- 4.2.1. Company / Group companies registered in India under the Companies Act 2013, desirous of manufacturing identified specialty steel grades, shall be eligible to apply for incentive under the scheme. The company shall ensure end-to-end manufacturing of applied product sub-category domestically, where the input material is melted and poured within the country using iron ore/scrap/sponge iron/pellets, etc.
- 4.2.2. Joint ventures are also eligible to participate in the scheme.
- 4.2.3. It would be permissible to undertake a maximum 20% of the total value-addition through third parties (outside the group companies or JVs), the incentive in such cases can however only be claimed by the company that has manufactured the end product sub-category that is eligible under the PLI scheme.
- 4.2.4. The net worth of the company (including that of the group companies)/JV shall not be less than 30% of the total committed investment. The audited net worth of the company as reported in the immediate preceding financial year of the date of application submission shall be considered.

In case of new company/group companies/JV incorporated after 31/03/2021 i.e. in FY22, net worth for such company(ies) shall not be less than 30% of the total committed investment prior to the date of filing of application.

In case applicant applies in multiple product sub-categories under target segments, then net worth criteria shall be checked with respect to total committed investment across all applied product sub-categories.

Each applicant shall submit the following for satisfying eligibility criteria:

- 4.2.4.1 Annual incremental production rate:** Each applicant shall submit annual incremental production rate (%) year-wise along with production quantity over the scheme period against each applied product sub-category. The committed annual incremental production rate must be equal to or more than the respective threshold incremental production rate mentioned in Annexure-III for each product sub-category.
- 4.2.4.2 Unit Capacity :** Each applicant shall submit unit capacity to be installed against each applied product sub-category. Each applicant needs to commit minimum unit capacity as per **Annexure-III**.
- 4.2.4.3 Committed investment:** Each applicant shall commit investment against each applied product sub-category during PLI Scheme period after the date of the gazette notification along with year-wise phasing of investment. The committed investment by applicant against a particular sub-category has to be equal or more than the minimum unit investment specified in **Annexure-III**.
- In case an applicant applies for more than one unit (say, 2 units or 3 units, etc.) at the same location for simultaneous installation, the following criteria need to be fulfilled for committed investment:-
    - For simultaneous installation of two units with single combined investment, the committed investment by the applicant has to be equal or more than the 1.8 times of unit investment specified in the scheme document.
    - For simultaneous installation of three units with single combined investment, the committed investment by the applicant has to be equal or more than the 2.5 times of unit investment specified in the scheme document.
  - In case an applicant applies for more than one unit (say, 2 units or 3 units, etc.) at different locations, each unit shall be treated independently.

**Annexure-III** lists the minimum qualifying threshold values of annual incremental production rate, unit capacity and investment against each product sub-category for purpose of eligibility.

**Annexure-IV** details the List of permissible investments.

- 4.2.5.** An eligible company availing benefit under the PLI scheme of Ministry of Steel may avail benefit under other scheme such as the Remission of Duties and Taxes on Exported products (RoDTEP) or those of the State Governments.
- 4.2.6.** An eligible company availing benefit under the PLI scheme of Ministry of Steel is not barred from availing benefits under PLI schemes of other Ministries / Departments for products other than those identified under the PLI Scheme for 'Specialty Steel'. However, the eligible investments / sales

considered for benefits under this scheme shall not be considered for fiscal benefits under PLI schemes of other Ministries / Departments.

## 5. Application

The application process is as follows.

- 5.1. Applicants desirous of participating in the scheme for claiming Production-linked incentive can join the scheme by applying in the prescribed format.
- 5.2. Application form as enclosed in **Annexure –II**, shall be submitted to the PMA through **an online portal** within a time period of 90 days from the date, as may be notified separately. No application shall be received after expiry of the due date so fixed.
- 5.3. A one time correction window of fifteen days (15 days) after close of the application submission window shall be available for completeness of supporting documents only, uploaded along with the application form. However, no change in the main application form will be permitted.
- 5.4. Applications are considered incomplete if an application has not been submitted in full or if one or more of enclosures are found missing or not meeting the intended requirement. *Incomplete applications after the lapse of correction window period shall be summarily rejected.*
- 5.5. Only those applications which satisfy the criteria in **Para 4** of this guideline document shall be considered for further evaluation.
- 5.6. An applicant may apply in multiple sub-categories and would be eligible to enter multiple MoUs with the Ministry of Steel. However, the incentive payable shall be capped at Rs.200 Crore per company (including that of group companies / JV) per year across all product categories.
- 5.7. In case of the same company applying for multiple categories or sub-categories, the investments shall also be distinct amongst sub-categories.
- 5.8. In absence of sufficient / desired number of applicants in a product sub-categories, the application window may be reopened, for the respective product sub-category, with the approval of the competent authority.
- 5.9. Shortlisted eligible companies, after approval of the competent authority, shall be notified as the Selected Companies by the Ministry of Steel / PMA.
- 5.10. Selected companies under the PLI scheme shall have to sign a MoU with the Ministry of Steel with validity till the final year of PLI disbursal adhering to the commitments given at the time of selection.
- 5.11. Performance security of 0.5 % of the committed investment shall be submitted along with MoU.
- 5.12. Each selected company shall submit an undertaking consenting audit of its manufacturing facility(ies) or offices for verification of information/data submitted along with the application.

## 6. Online Portal

- 6.1. All applications shall be submitted along with uploading of the supporting documents (**Refer Appendix-1 of Annexure –II**) through an online portal to the Project Management Agency (PMA).

A physical copy of the submitted application duly signed by the authorized signatory along with all supporting documents needs to be submitted at the address, (which will be notified separately), within 10 days of the submission of on-line form.

- 6.2. Detailed instructions for online filling-up of the application form are given in **Annexure- II**.
- 6.3. Upon submission of an application, a unique Application ID no. shall be generated by the portal. The applicant shall refer to this ID for all future correspondences and references pertaining to the Scheme.
- 6.4. Application(s) can be made on the online portal. (URL of online portal will be notified separately).

## 7. Selection

- 7.1. A transparent selection process to shortlist eligible companies / JVs registered in India under the Companies Act 2013 (Hereinafter referred to as eligible company / companies) shall be followed.
- 7.2. Investment which has been made by the eligible companies, after the date of gazette notification of the scheme, will be considered eligible investment under the PLI scheme subject to the condition that these investments are from among the list of permissible investments for the relevant product category / sub-category.
- 7.3. Preference shall be given to eligible companies committing to front load their investment during the scheme period. The investment commitment shall be evaluated based on Net Present Value (NPV) discounted at the rate keeping in view the prevailing Bank Rate (RBI rate).
- 7.4. All eligible companies shall be ranked based on the points obtained in the evaluation criteria as follows –
- 7.4.1. Committed annual incremental production during scheme period: 50% weightage
- 7.4.2. Committed Investment as per the list of permissible investments: 50% weightage
- 7.5. The eligible company securing highest points shall be **Ranked 1** followed by the eligible company securing second highest points and so on. The selection of the eligible companies shall be in the order of their ranks.
- 7.6. In cases where the same rank has been secured by the eligible companies, the final selection shall be based on the following rules (in the following descending order)
- 7.6.1. An eligible company committing to upfront investments shall be given priority as indicated in the PLI Scheme document.
- 7.6.2. Eligible company who has applied first shall be given priority over others, all else being equal.

- 7.7. The number of selected applicants in each product sub-category shall be limited by the cumulative unit capacity during PLI Scheme period by the eligible candidates to match the projected production at the end of the final year of the scheme.

## **8. Project management agency (PMA)**

- 8.1. The Scheme will be implemented through a Nodal Agency referred as Project Management Agency (PMA) which will be responsible for providing secretarial, managerial and implementation support and carrying out other responsibilities as assigned by Ministry of Steel from time to time.
- 8.2. Roles and responsibilities of the PMA shall be as under:
- 8.2.1. Creation and maintenance of an online system/ portal for receipt of applications
- 8.2.2. Receipt of application, generation of unique application ID no. as acknowledgement, examination and processing of applications and issuing acknowledgement.
- 8.2.3. Making appropriate recommendations to the Competent Authority for approval of applications under the PLI Scheme after verifying eligibility and carrying out the ranking of applicants as per the selection criteria.
- 8.2.4. Examination of claims for disbursement of incentive and making appropriate recommendations to the Competent Authority.
- 8.2.5. Verification of the reconciliation of disbursement claims with prescribed documents.
- 8.2.6. Submission of quarterly progress reports on the progress and performance of the PLI Scheme to the competent authority.
- 8.2.7. PMA may request for additional information, details and documents from the applicants, if necessary. PMA may carry out physical inspection of an applicant's manufacturing units and offices through site visits, if required. It will be incumbent upon the applicant to extend all support in facilitating the above.

## **9. Empowered Group of Secretaries (EGoS) and competent authority**

### **9.1. Empowered Group of Secretaries (EGoS)**

- 9.1.1. An Empowered Group of Secretaries (EGoS) shall be constituted to monitor the PLI scheme. The EGoS shall be headed by the Cabinet Secretary.
- 9.1.2. The EGoS shall meet to ensure uniformity of all PLI schemes, undertake periodic review of the outgo under PLI Scheme and take appropriate action to ensure that the expenditure is within the prescribed outlay.
- 9.1.3. The EGoS shall ensure that the total amount of incentive payable does not exceed the financial outlay as indicated in Para 11 of the PLI Scheme document irrespective of the number of Applicants under different Target Segments.
- 9.1.4. If considered necessary, any changes in the broad categories, sub-categories, eligibility criteria, PLI rate, etc. or any further modification(s) in the Scheme may be carried out, as may be decided by Ministry of Steel with the approval of EGoS.
- 9.1.5. In case of a Force Majeure event, the EGoS may amend, modify, or withdraw any clauses under PLI Scheme.



## **9.2. Competent authority**

- 9.2.1.** The Competent Authority shall be the Minister of Steel or as delegated by him.
- 9.2.2.** The Competent Authority will consider list of applicants as per the category/sub-category under targeted segments with the rankings as recommended by the PMA for approval of the selected candidates under the PLI Scheme. The Competent Authority may seek such additional information as necessary for approval.
- 9.2.3.** The Competent Authority will consider and accord approval to claims for disbursement, as examined, and recommended by the PMA, for the disbursement of incentive. The disbursement of incentive to the claimant shall be directly made by Ministry of Steel.

## **10. Approval under PLI Scheme**

- 10.1.** The PMA will scrutinize the applications, as received. The PMA shall accordingly make appropriate recommendations of the eligible companies to the Ministry of Steel for approval under PLI Scheme.
- 10.2.** After receiving the list of selected companies from the Ministry of Steel, the PMA shall issue a letter to the each selected company within fifteen (15) days, communicating approval under PLI Scheme. The letter shall clearly state the following:
  - 10.2.1.** Name of Selected Company
  - 10.2.2.** Target Segment
  - 10.2.3.** Eligible product
  - 10.2.4.** Committed Unit Capacity to be installed
  - 10.2.5.** Committed Investment under applied product sub-category along with its phasing during various years
  - 10.2.6.** Year wise committed production
  - 10.2.7.** Committed rate of Incremental production of steel product (%) under applied product sub-category.
  - 10.2.8.** Plan for employment generation in India during the tenure of PLI Scheme.

The details of the selected company shall be also displayed on the online portal.

- 10.3.** The aforesaid letter shall not be construed as a guarantee for disbursement of incentive as the same will be dependent upon verification of eligibility after submission of disbursement claim and other criteria defined in these Guidelines.

## **11. Eligibility for claiming Incentive**

- 11.1.** Committed investment is a condition to be fulfilled prior to commencement of production and claiming incentive.

- 11.2. In case the actual permissible investment made by each selected company as per **Annexure – IV**, is less than the limiting investment for a product sub-category, the selected company shall not be eligible for any incentive.

In case the selected company has applied for more than one unit, at the same location, in a particular product sub-category,

- In case of two units, 50 % of the limiting investment should be fulfilled on the ground prior to claiming the incentive for production from the first unit.
- In case of three units, 33 % of the limiting investment should be fulfilled on the ground prior to claiming the incentive for production from the first unit.
- Similarly, production from the last unit shall be eligible for claiming the incentive provided 100% of limiting investment has been achieved before commencement of production from the last unit.

- 11.3. However, payments scheduled, after commencement of production, as per contract shall be considered as deemed investment (such as on account of commissioning, Performance Guarantee test, Final Acceptance Certificate etc.) and shall be added to the investment already made.
- 11.4. PLI calculation in the year of commencement of production shall be based on actual production in that year, subject to achievement of 80 % of the committed production in that year, derived from net sales value (in Rs.) or else the actual production shall not qualify for incentive in the first year of commencement of production.
- 11.5. As the scheme would be fund limited, in case a company fails to meet the limiting incremental production rate in a year, no incentive shall be payable to the respective company in that year. However, it shall still be eligible to claim the PLI benefit under the scheme in the subsequent years, if it meets the year-on-year limiting incremental production rate for that year.

## 12. Calculation of Incentive

- 12.1. Incentive per eligible company (including that of group companies / JVs) will be applicable on incremental production of manufactured steel grades year on year worked out with reference to production in the previous year or the base year, whichever is higher subject to the annual ceiling of Rs 200 crores. In case baseline production is nil, production target for the first year will be arrived at by working backwards from the production target at the end of five years at the projected CAGR. For the purpose of calculating incentive, incremental production figure shall be derived from audited annual sales data submitted by the applicant and divided by the weighted average sales price (net of taxes) for the current year for which incentive is being claimed. The incremental production figures thus derived would be multiplied by average per ton sales price(net of taxes) for the current year or the base year (2019-20) whichever is less and multiplied by PLI rate (as applicable) to calculate the payable incentive. The incentive shall be calculated as per the formula given below :

Incentive = (A/B) x (B or C or D, whichever is lowest) x (PLI rate as applicable)/100



A = Incremental sales in current year#

B = Weighted Average sales price of the applicant in current year

C = Weighted Average sales price in base year (Refer **Annexure – V**)

D = Weighted Average sale price in current year \$

# **Current year**: means year for which PLI has been claimed

\$ To be worked out by JPC and notified by PMA every year

- 12.2. PLI rate for each product sub-category year-wise is listed in the PLI scheme document and is reproduced below.

PLI Slab	2022-23	2023-24	2024-25	2025-26	2026-27
PLI-A	4%	5%	5%	4%	3%
PLI-B	8%	9%	10%	9%	7%
PLI-C	12%	15%	15%	13%	11%

### 13. Disbursement of Incentive

- 13.1. The scheme is fund limited; as the incentive payable shall not exceed the budgeted allotment for the scheme. Further, the annual incentive payable shall be capped at Rs 200 crores per eligible company (including that of group companies / JVs) across all product categories.
- 13.2. For claiming incentives under the PLI Scheme, Selected companies will be required to submit claims for disbursement of incentive to the PMA. Selected companies must ensure that the claims are complete in all respects and are accompanied by all the documents required as per the format prescribed in **Annexure – VI** of the Guidelines.
- 13.3. Claims for disbursement of incentive shall be filed by the selected companies within 7 months from the end of the financial year to which the claim pertains. For example, claim for say, FY23-24 has to be submitted within 31<sup>st</sup> October, 2024.
- 13.4. The PMA will examine the disbursement claims as submitted by the selected companies. The PMA shall verify eligibility and assess incentive payable to an applicant based on the method laid down in the scheme document and guidelines and recommend the same to the competent authority.
- 13.5. The PMA will have the right to verify any document(s) in relation to the claim for incentives including but not limited to statutory auditor certificates and returns furnished to various Ministries / Departments/ Agencies.
- 13.6. The Competent Authority will examine the claims for approval of incentive disbursement.
- 13.7. After approval for disbursement of incentive by competent authority, the same will be disbursed by the Ministry of Steel under intimation to PMA.

- 13.8. If the PMA or Ministry of Steel, at any stage, finds or comes to know and become satisfied that eligibility under the Scheme and / or disbursement of incentives have been obtained by manipulation or misrepresentation or by furnishing of false information, Ministry of Steel may ask the applicant to refund the incentives along with interest calculated at twice the rate of 3 years SBI MCLR prevailing on the date of disbursement, compounded annually, after giving an opportunity to the applicant of being heard by the competent authority.
- 13.9. The PMA shall furnish information to Ministry of Steel with details of disbursement claims received for incentives, amount disbursed, reasons for rejection / delay in disbursement of the incentives on a quarterly basis, as part of progress reporting.
- 13.10. The distribution of incentive under different situation shall be as per the following:
- **Scenario 1:** If the annual cumulative calculated incentives for all companies in a given product sub-category exceeds the budgeted value, then incentive distribution shall be made proportionately.
  - **Scenario 2:** If the annual cumulative calculated incentives for all companies in a given product sub-category is less than the budgeted value, then the incentive distribution shall be done as per eligible amount to respective companies and the balance fund will lapse.
  - **Scenario 3:** In case the cumulative incentive of a company over entire applied product category/ sub-categories exceeds the ceiling of Rs. 200 Cr., the incentive distribution among different sub-categories shall be made proportionately such that the ceiling value is not crossed. For example : If cumulative incentive over entire applied sub-categories in a year, say comes out to be Rs. 250 Cr, then incentive distribution among different sub-categories shall be obtained by multiplying the incentive calculated against each sub-category with a factor (200/250 i.e. = 0.8).

#### 14. **Certifications:**

- 14.1. During the application and claim process, PMA will rely on, inter alia, various certificates to be submitted by the Applicant from Statutory Auditors, Chartered Engineers, etc. The cost of such certificates will be borne by the Applicant/ Selected company.
- 14.2. Apart from the above, any costs / expenses in respect of any professional expertise or obtaining documents /certificates /information for the purpose of application and claim process, including but not limited to, costs of any Chartered Engineer, Chartered Accountant, Cost Accountant, Company Secretary, Lawyer, or any other professional, and cost of inspections /site visit etc., shall be borne by the Applicant/ Selected company. In case any such costs are incurred by the PMA, then the same shall be reimbursed by the applicant/ selected company to the PMA along with the applicable taxes.
- 14.3. The selected company shall furnish the following certificate from the Statutory Auditor in respect of :-
- 14.3.1. Investment made in accordance with Scheme Guidelines.
  - 14.3.2. Committed Investment, as applicable, has been achieved before commencement of production

**14.3.3.** Capitalization of Investment in the books of accounts of the selected company is in line with the relevant accounting standards issued by ICAI.

**14.4.** The selected company shall submit the following certificates from Statutory Auditor / Chartered Engineer (CE):

**14.4.1.** Confirming that the plant, machinery & equipment have been installed against the Committed Investment, the price is reasonable as per the market value and the same are being used for manufacturing of eligible product(s) (in the applied product sub-category), after carrying out the physical inspection of the manufacturing facilities.

**14.4.2.** Confirming utilization of the Plant, Machinery and Equipment for manufacturing of eligible product(s), production and sales quantity under target segment for each financial year for which the selected company is claiming incentive under the Scheme.

## **15. Review**

**15.1.** Periodic reviews will be undertaken by the Empowered Group of Secretaries (EGoS) of eligible companies with respect to their investments, employment generation, production, and value addition under the Scheme.

**15.2.** All selected applicants shall be required to furnish a self-certified Quarterly Review Reports (QRRs) within 30 days from the end of each quarter till the complete tenure of the scheme in the format provided in **Annexure-VII** of the Guidelines.

## **16. Residual**

**16.1.** All documents including application, annexures, undertaking submitted by the applicant have to be signed/self-certified through the authorized signatory having power of attorney.

**16.2.** An applicant shall intimate the PMA of any change in the shareholding pattern during the tenure of the Scheme, after updating with the Registrar of Companies(RoC).

**16.3.** Any change in the shareholding pattern of an applicant leading to a successor-in-interest during the tenure of the Scheme, shall be intimated by PMA to the Competent Authority.

**16.4.** In case of a successor-in-interest or having the effect of change in nature of the company, all investment undertaken by the Applicant to whom approval was accorded under the Scheme, would be considered for eligibility, subject to approval and compliance with any other condition stipulated by the Competent Authority, as may be deemed appropriate. The baseline applicable for the Successor-in-interest will be the same as determined for the Applicant to whom approval was accorded under the Scheme.

**16.5.** The successor-in-interest shall in writing express willingness to the competent authority to comply and adhere to all the terms & conditions of the MoU signed by the previous applicant.

**16.6.** The application of successor-in-interest shall be examined by the competent authority and approval may be accorded. After getting the approval, the successor-in-interest shall have to sign a fresh MoU with Ministry of Steel agreeing to all terms & conditions as accepted by the previous applicant. His

Integrity Pact in the matter of procurement, it has been decided to obtain undertaking(s) from applicants under the Scheme. In this regard, the format of undertakings as given in **Annexure-VIII** of the guidelines needs to be furnished by the selected companies.

- 16.9.** Each applicant shall submit a general undertaking in the prescribed format, **Annexure-IX**.
- 16.10.** The decision of the competent authority regarding selection of companies, claim & disbursement of incentive, amount of incentive etc. shall be final & binding.
- 16.11.** Ministry of Steel (MoS) shall constitute and notify a “**Grievance Redressal Committee**” to oversee the complaints/ grievances arising out of the PLI scheme at any stage of the scheme.
- 16.12.** In case required, Ministry of Steel reserves the right to issue addendum containing further instructions / changes with regard to various provisions, to be notified as part of scheme guidelines.

## **17. Audit**

- 17.1.** Ministry of Steel shall be empowered to conduct a financial, functional, and technical audit of the selected company / companies who have signed MoU for claiming incentive under the scheme.
- 17.2.** The statutory audit shall be conducted by CAG.



(Rasika Chaube)

Additional Secretary to the Government of India

### **Copy to:**

1. All concerned Ministries / Departments of Government of India
2. All States / Union Territories
3. Cabinet Secretariat
4. Prime Minister's Office
5. NITI Aayog
6. Comptroller and Auditor General of India
7. AS&FA, Ministry of Steel
8. Industry Associations
9. Internal Circulation

## List of Annexures

1. **Annexure – I:** Product Category&sub-category of specialty steel, baseline production (FY20), Projected production (FY27), import & export (FY20), projected import & export (FY27), expected total investment, indicative PLI rate, and PLI amount covered under the PLI Scheme
2. **Annexure – II:** Application form
3. **Annexure – III:** Minimum investment, and installed unit capacity covered for each product category/ sub-category covered under the PLI Scheme for eligibility
4. **Annexure – IV:** List of permissible investments
5. **Annexure – V:** Reference weighted price for Base year 2019-20
6. **Annexure – VI :** Disbursement claim form
7. **Annexure – VII:** Quarterly review report
8. **Annexure – VIII:** Proforma for integrity compliance to be furnished by applicant before release of incentives.
9. **Annexure – IX:** Format of undertaking by Applicant

## Abbreviations

AHSS	: Advanced High Strength Steel
API	: American Petroleum Institute
ASTM	: American Society for testing & materials
BS	: British Standard
Bank Rate	: Interest rate RBI charges to its domestic banks
CAGR	: Compounded Annual Growth Rate
CE	: Chartered Engineer
CGST	: Central Goods & Services Tax
CRGO	: Cold rolled grain oriented steel
CRNO	: Cold rolled Non-grain oriented steel
DIN	: German Standard
EGoS	: Empowered Group of Secretaries
FDI	: Foreign Direct Investment
FY	: Financial Year
IS	: Indian Standards
ISO	: International Standard Organization
JIS	: Japanese standard
JPC	: Joint Plant Committee under Ministry of Steel
JV	: Joint Venture between two or more companies

MCLR	: Marginal cost of Funds based Lending Rate
MoS	: Ministry of Steel
MoU	: Memorandum of understanding
NCLT	: National Company Law Tribunal
NPA	: Non-Performing Assets
NPV	: Net Present Value
PLI	: Production Linked Incentive
PMA	: Project Management Agency
QCO	: Quality Control Order
QRR	: Quarterly Review Report
QT	: Quenched & Tempered
RoC	: Registrar of Companies
RoDTEP	: Remission of Duties and taxes on exported products
t/T	: Metric tonne
YS	: Yield Strength

# Annexure-I

**Product Category & sub-category of specialty steel, baseline production (FY20), Projected production (FY27), import & export (FY20), projected import & export (FY27), expected total investment, indicative PLI rate, and PLI amount covered under the PLI Scheme**

Broad category	Sl. No.	Sub-category	Baseline production (FY 2019-20)	Projected Production (FY 2026-27)	Import (FY 2019-20)	Projected Import (FY 2026-27)	Export (FY 2019-20)	Projected Exports (FY 2026-27)	Expected Total Investment	Indicative Rate of PLI	Indicative PLI
			1	3	4	5	6	7	8	9	10
			(in '000 Tonnes)						(₹-Cr)		(₹-Cr)
Coated/Plated Steel Products	1	Galvanneal/GI-Auto-Gr	550	1072	249	19	10	120	700	PLI - A	92
	2	Tin mill Products	512	1447	280	41	67	235	3000	PLI - B	387
	3 (a) *	Coated/Plated products of Metallic/Non-Metallic alloys	3972	5972	380	122	583	876	5200	PLI - A	408
	3 (b)	Al-Zn coated (Galvalume)	1024	5457	83	40	101	468		PLI - A	783
	4	Colour Coated	2260	6387	195	31	201	886	5100	PLI - A	835
High Strength/Wear resistant Steel	5 (a)	HR Coil, Sheets and Plates API Gr 52<=X<=70	1254	5341	523	63	75	485	5500	PLI - A	688
	5 (b)	HR Coil, Sheets and Plates API Gr >X-70	0	358	151	77	0	42		PLI - B	115
	5 (c)	High Tensile Sheets, Coil, Plates, YS>=450	5364	8613	473	113	417	1250		PLI - A	421
	6	Auto Gr Steel AHSS (CRCA)	485	1007	225	32	10	87	1000	PLI - B	186
	7 (a)	Boiler Quality, Pressure Vessels	470	1176	130	14	60	230	2500	PLI - B	362
	7 (b)	QT / Abrasion Resistance and Wear Resistance	60	371	40	9	10	160		PLI - B	148
Specialty Rails	8 (a)	Asymmetric Rails	0	182	21	0	0	100	350	PLI - A	38
	8 (b)	Head Hardened rails	0.61	805	50	0	0	0		PLI - A	171



Broad category	Sl. No.	Sub-category	Baseline production (FY 2019-20)	Projected Production (FY 2026-27)	Import (FY 2019-20)	Projected Import (FY 2026-27)	Export (FY 2019-20)	Projected Exports (FY 2026-27)	Expected Total Investment	Indicative Rate of PLI	Indicative PLI
			1	3	4	5	6	7	8	9	10
			(in '000 Tonnes)						(₹-Cr)		(₹-Cr)
Alloy Steel Products and Steel wires	9(a)	Alloy Steel: Tool and Die Steel	52	175	30	0	0	45	350	PLI - B	158
	9(b)	Alloy Steel: Valve Steel	17	42	1	14	10	30		PLI - B	24
	10	Alloy Steel: Bearing Steel	463	1089	50	8	13	65	1050	PLI - A	123
	11	Automotive power train steel	376	644	65	14	69	193	700	PLI - B	99
	12	Precipitation Hardened Stainless Steel	1	5	2	1	0	0	100	PLI - B	7
	13	Tyre Bead wire	86	274	34	20	3	129	600	PLI - B	98
	14	C' Class Zinc Coated Wire	0	75	12	7	0	26	300	PLI - B	45
	15	Zinc - Aluminium Coated Wire	0	65	12	7	0	26	300	PLI - B	46
	16	Tyre Cord (Brass Coated)	85	271	90	83	0	0	1445	PLI - B	240
	17	Oil Tempered Spring Steel Wire	2	15	4	2	0	26	30	PLI - B	12
Electrical Steel	18	CRGO	27	507	218	104	6	13	10000	PLI - C	688
	19	CRNO	563	904	440	115	25	75	1400	PLI - B	121
<b>Total</b>			<b>17624</b>	<b>42254</b>	<b>3758</b>	<b>936</b>	<b>1660</b>	<b>5567</b>	<b>39625</b>	<b>-</b>	

1. \*Product sub-category 3(a) shall include coated/plated metallic/ Non-metallic alloy products that are not covered in sub-category 1,2, 3(b), and 4 covered under product category Coated/ Plated Steel Products
2. For subcategories 5(a), 5(b), 5(c): 7(a), 7(b); 9(a), 9(b): , the applicant can apply for one, two or all the three sub-categories. However, the investment required to be made will be the same in all the three cases, i.e., the single minimum investment prescribed therein. Further, the selected company has to enter MoU with Ministry of Steel separately for each sub-category.

**Application Form- Production Linked Incentive Scheme (PLI) for Specialty Steel Products****1.1 Company Overview****Full Name of the Company :****Company intends to apply as**☐

Individual

☐

Group company

☐

JVs

*Please Tick whichever applicable:*

Registered Office Address with complete contact details	Address: City- State- Pin Code- Office telephone no(STD) Office fax no(STD) Mob No.- Email-
Corporate Office Address with complete contact details	Address: City- State- Pin Code- Office telephone no(STD) Office fax no(STD) Mob No.- Email-
Website	
CIN No	
PAN No	

In case of JVs/ group companies, details of companies including address with whom applicant has tied- up business for incentive :

	Company Name	CIN No	Address
Company 1	<input type="text"/>	<input type="text"/>	<input type="text"/>
Company 2	<input type="text"/>	<input type="text"/>	<input type="text"/>
Company 3	<input type="text"/>	<input type="text"/>	<input type="text"/>

## 1.2 Product against which PLI is applied :

Sl. No	Broad Category	Sl. No	Sub-category	Tick on applied product sub-categories
A	<b>Coated/ Plated Steel Products</b>	1	Galvanneal/ GI-Auto-Gr	
		2	Tin mill Products	
		3 (a)	Coated/ Plated products of Metallic/ Non-	
		3 (b)	Al-Zn coated (Galvalume)	
		4	Colour Coated	
B	<b>High Strength/ Wear resistant Steel</b>	5 (a)	HR Coil, Sheets and Plates API Gr 52= $X \leq 70$	
		5 (b)	HR Coil, Sheets and Plates API Gr $>X-70$	
		5 (c)	High Tensile Sheets, Coil, Plates, YS $\geq 450$	
		6	Auto Gr Steel AHSS (CRCA)	
		7 (a)	Boiler Quality, Pressure Vessels	
		7 (b)	QT/ Abrasion Resistance and Wear	
C	<b>Specialty Rails</b>	8 (a)	Asymmetric Rails	
		8 (b)	Head Hardened rails	
	<b>Alloy Steel Products and Steel wires</b>	9 (a)	Alloy Steel: Tool and Die Steel	
		9 (b)	Alloy Steel: Valve Steel	
		10	Alloy Steel: Bearing Steel	
		11	Automotive Powertrain steel	
		12	Precipitation Hardened Stainless Steel	
		13	Tyre Bead wire	
		14	C- Class Zinc Coated Wire	
		15	Zinc- Aluminium Coated Wire	
		16	Tyre Cord (Brass Coated)	
		17	Oil Tempered Spring Steel Wire	
E	<b>Electrical Steel</b>	18	Cold Rolled Grain Oriented ( <b>CRGO</b> )	
		19	Cold Rolled Non-Grain Oriented ( <b>CRNO</b> )	

(to be available in drop down menu in the web based application form)

(All fields are mandatory)

### 2.1 Authorised Signatory

Name	Designation	PAN	Email	Mobile No.	Address

Upload Authorization Letter to be uploaded in Document Uploads section

### 2.2 Statutory Auditor Details

Name of the Firm

FRN Number

Financial Year Employed

### 2.3 Current Manufacturing Facilities in India

Location with address	GSTN no	Saleable Steel products	Annual capacity (in Metric Tonne/yr)	Major plant facilities

**Note :**

1. Upload GST Registration Certificates

## 3.0 Details of eligibility condition

1. I agree to produce applied product under PLI Scheme through Individual/JVs company/companies that is engaged in end-to-end manufacturing of steel products where the input materials melted/made and cast within the country using iron ore/iron ore pellets/sponge iron/steel scrap ☐
2. Value addition through third party : Y/N  
If yes,% of value addition  (Allowed up to 20%)
3. Net-worth of the company at the end of preceding financial year w.r.t year of filling application
4. No. of proposed plant units for the Applied Product Sub Category :  
Single unit :   
Multiple units :  (Please tick on appropriate boxes)
5. Basic details of proposed plant units for the applied product sub category :

a) For Single unit

Unit No.	Unit Location	Unit Capacity (in Metric Tonne per Year)	Year of Commissioning

b) For Multiple units

i) units located at same locations

Unit No.	Unit Location	Unit Capacity (in Metric Tonne per Year)	Year of Commissioning

*Note: unit located at same location means unit installed at same plant premises.*

ii) units located at different locations

Unit No.	Unit Location	Unit Capacity (in Metric Tonne per Year)	Year of Commissioning

6. Committed rate of annual incremental production (unit wise) :

(in Metric tonne)

Production Year	Committed Production (Qty) of steel product under Target Segment	Committed rate of annual Incremental production (%)
Unit No. :		
2022-2023		
2023-2024		
2024-2025		
2025-2026		
2026-2027		
2027-2028		
2028-2029		

Note :

- a. The aforementioned committed rate of incremental production will be binding for the applicant and shall be used for Ranking among the all eligible bidders based on the relevant provision of scheme & guidelines.
- b. For specific product categories/sub-categories, the first year for incentives calculation will start from FY 24-25 .

7. Committed investment details- unit wise (for the proposed plant units for the applied product sub category)

**Unit No :**

**Summary of investment for the project:**

In Rs Cr.

Sl. No	Item description	Investment made before date of Notification of scheme (i.e 29 <sup>th</sup> July 2021)	Investment proposed to be made after date of Notification of scheme	Total investment	Remarks
I	II	III	IV	V = III + IV	VI
<b>A</b>	<b>Main Technological facilities</b>				
1.	Facility 1	xxx	Xxx	xxx	
2.	Facility 2	xxx	Xxx	xxx	
3.	....	.....	.....	....	
	<b>Sub-total of Main facilities</b>				
<b>B</b>	<b>Auxiliary/Supporting facilities</b>				
1.	Power Distribution, Shop electrics & illumination				
2.	Gas and fuel facilities				
3.	Water supply facilities				
4.	Material Handling facilities				
5.	Compressed air station				
6.	Pollution control facilities				
7.	Lab facilities				
8.	Repair Shop				
9.	Infrastructure facilities ( Railway lines, Road etc.)				
10.	Other Misl. Facilities (if any)				

	<b>Sub-total of Auxiliary/ Supporting facilities</b>				
<b>C</b>	<b>Building &amp; Civil works</b>				
1	Factory buildings				
2	Non-factory buildings				
	<b>Sub-total of Building &amp; Civil works</b>				
<b>D</b>	Design Engineering consultancy & Project management.				
<b>E</b>	Research & Development and Transfer of Technology				
<b>F</b>	<b>Total investment excl. Land, preliminary &amp; preoperative expenses and Interest during construction</b>				
G	Land cost (if any)				
H	Preliminary & preoperative expenses	xxx	Xxx	xxx	
I	Interest during construction	xxx	Xxx	xxx	
<b>J</b>	<b>Total investment incl. preliminary &amp; preoperative expenses and Interest during construction</b>	<b>xxx</b>	<b>Xxx</b>	<b>xxx</b>	

**Note :**

- The above details is required to be furnished unit-wise
- In case of an on-going project, investment made before date of Notification of scheme shall be furnished. However, investments made after the date of Gazette notification regarding the scheme shall only be considered under permissible investment.
- For permissible investment, refer Annexure-IV of PLI Scheme Guidelines.



**Year wise phasing of investment**

(made after date of notification of scheme)

**In Rs Cr**

Year	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29	Total
Unit No. :									
Value of Investment									
Unit No. :									
Value of Investment									
Grand Total :									

Note :

All Investments must be completed before commencement of production except the investment on account of payment scheduled after commissioning as per contract agreements (such as payment against commissioning, payment on establishment of PG parameter & issue of PG certificate, Issue of final acceptance certificate (FAC))

#### 4.1 Details of proposed plant to be set up under targeted segment

1. Unit No. :
2. Unit Location
3. Location details.

Village  
Block  
Dist.  
State  
Pin

4. Whether land is acquired.: Yes / No  
If Yes, Land details :
5. Whether statutory clearances are taken.: Yes / No  
If yes, details of statutory clearance (Like EC clearance, Water linkage, Power linkage, Factory clearance etc.)
6. What are major units of the proposed plant?  
( Please mention in max. 1000 words)

7. Implementation period with start date of the project :
8. Expected month along with year of commissioning of plant :
9. Whether any feasibility report of the project is prepared? : Yes / No  
If yes, please submit the feasibility report.
10. Whether Financial closure for the proposed project is occurred : Yes / No  
If yes, Details of source of fund :

in Rs Cr

Equity	
Debt	
<b>Total</b>	

#### 11. Proposed Plan for Employment Generation from the Project.

Cumulative Employment	FY21-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
On-roll labour/ employees								
Contractual								
Apprentice								
Total Cumul. Employment								

Note : Cumulative employment to be given from the start of the project

## 4.2 Historical Data for Net Sales of all saleable products (incl. Target segments of products as applicable)

Sl. No. for sub-category	Sub-category	Export Sales		Domestic Sales		Total Sales	
		Qty (t)	Value (Rs Cr.)	Qty (t)	Value (Rs Cr.)	Qty (t)	Value (Rs Cr.)
A	Target segment of products						
1	Galvanneal/ GI-Auto-Gr						
2	Tin mill Products						
3 (a)	Coated/ Plated products of Metallic/ Non-Metallic alloys						
3 (b)	Al-Zn coated (Galvalume)						
4	Colour Coated						
5 (a)	HR Coil, Sheets and Plates API Gr 52<=X<=70						
5 (b)	HR Coil, Sheets and Plates API Gr>X-70						
5 (c)	High Tensile Sheets, Coil, Plates, YS>=450						
6	Auto Gr Steel AHSS (CRCA)						
7 (a)	Boiler Quality, Pressure Vessels						
7 (b)	QT/ Abrasion Resistance and Wear Resistance						
8 (a)	Asymmetric Rails with end forging						
8 (b)	Head Hardened rails						
9 (a)	Alloy Steel: Tool and Die Steel						
9 (b)	Alloy Steel: Valve Steel						

10	Alloy Steel: Bearing Steel						
11	Automotive Powertrain steel						
12	Precipitation Hardened Stainless Steel						
13	Tyre Bead wire						
14	C- Class Zinc Coated Wire						
15	Zinc- Aluminium Coated Wire						
16	Tyre Cord (Brass Coated)						
17	Oil Tempered Spring Steel Wire##						
18	Cold Rolled Grain Oriented (CRGO)						
19	Cold Rolled Non-Grain Oriented (CRNO)						
	<b>Sub-total- Target segments of products (A)</b>						
B	<b>Other products</b>						
	Product 1						
	Product 2						
	.....						
	<b>Sub-total: other products (B)</b>						
	<b>Total (A+B)</b>						

Note :

- The above historical data has to be furnished separately for the FY 18-19, FY 19-20 & FY 20-21
- Net Sales means Gross Sales net of credit notes (raised for any purpose), discounts (including but not limited to cash, volume, turnover, target or for any other purpose), taxes, freight & insurances as applicable.

### 5.1 Bank Details of applicant:

Account holder Name	
Account No.	
Type of Account	
Name of the Bank	
Branch Code	
Branch IFSC Code	
Branch MICR Code	
Branch Name	
Branch Address	
Telephone/Fax nos. of Bank	
Email address:	

### 5.2 Application Fee Payment Details

Payment Date	Payment Reference No.	Bank Name	Amount(Rs.)

Payment shall be made through PMA's payment gateway system.

### 6 Declaration

The data, documents, declaration and any other information submitted in this application form is based on the latest information available with the company and, true and correct to the best of my knowledge & belief and nothing has been concealed there from. I have read and understood the provisions of the Production Linked Incentive Scheme (PLI) for manufacture of Specialty Steel Products as notified vide notification no. CG-DL-E-29072021-228562 dated July 29 2021 and relevant guidelines thereto and have submitted all information, data, documents and declaration in accordance with the same. I abide by the decision of Ministry of Steel with respect to acceptance of the application, eligibility under the Scheme, and any other related matter and the same will be final and binding on me. I/applicant shall be solely responsible in case application is rejected due to incomplete information and I am aware that no claim in this regard shall be entertained.

Auth. Signatory  
Full Name:

Place: Designation:  
Date:

**List of Documents to be uploaded along with application form:**

1. Certificate of Incorporation (Issued by ROC)
2. Memorandum & Articles of Association (Submitted to ROC)
3. PAN Card
4. Business Agreement: JV (if applicable)
5. Letter of Authorization by Board of Directors or Managing Director or Equivalent
6. GST Registration No.
7. Annual Report of Applicant company: FY 2018-19, FY 2019-20 & FY 2020-21
8. Feasibility report of the project (if available)
9. Application Fee Payment Proof
10. Integrity Undertaking (Format A) of Annexure-VIII
11. Any other relevant documents

## **INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM (ANNEXURE-II)**

### **General Instructions:**

1. Application form shall be filled only in English language.
2. All monetary figures should be provided only in INR.
3. All the information has to be provided and no input should be left blank.
4. Documents should be uploaded in pdf format as per the appendix of the Annexure-II
5. All the documents before uploading has to be self-certified with seal of the company
6. Please check your eligibility as given in the scheme document and PLI Scheme guidelines before filling up the application form.
7. After successful submission of the application form (Annexure-II) along with all uploaded documents, applicant should take print of all the documents, duly signed (Authorised signatory) and send the full set to PMA within 15 days of the online application submission.

### **Point wise instruction:**

#### **1.1 Company Overview**

Provide full legal name of the company applying under PLI Scheme (Only this company can claim the PLI incentive).

Tick the suitable box applicable – Applying as individual/ group company/ JVs

#### **1.2 Only one product sub-category per application is permitted. For applying in more than one sub-category, submit separate application form for each selected product sub-category.**

#### **2.1 Provide details of the Authorised signatory**

#### **2.2 Provide details of the Statutory Auditors**

#### **2.3 Provide details of the current manufacturing facilities**

- GST Registration Certificates to be uploaded in Document Uploads section
- Applicant is requested to furnish the details of product category/sub category-wise annual capacity & sales qty. If the applicant is already producing the target Segment of product sub categories as indicated in scheme document/guideline, then those sub-category-wise required information is requested to furnish.

#### **3.0 Provide details to meet the eligibility condition as per the PLI scheme& guidelines:**

- Check the box to ensure that end-to-end steel manufacturing is within India.
- Select yes/No as applicable : in case of there is any value addition expected from third party in order to produce the selected product sub-category



- Provide % value addition, as applicable
  - Provide Net-worth of the company on the preceding year of the applying this application
  - Provide No. of proposed plant units for the Applied Product Sub Category, along with its location, capacity (in Metric tonne) & year of commissioning.
  - Committed incremental production details : Applicant shall submit the committed the unit-wise value of incremental production for the Target Segment of products as a part of eligibility requirement in the format as given in the application.
  - Investment details: Summary of unit-wise estimated investment for the project has to be furnished in the format as given in application form.
    - In case of an on-going project, investments made before and after the date of Gazette notification of the PLI scheme shall be separately indicated in the format as given in application form
    - Investments made after the date of Gazette notification regarding the scheme shall only be considered under permissible investment.
    - In case of investment catering to target segment of products and other products, then such investment shall be suitably apportioned to derive the value of permissible investment. Basis of such apportioned shall be furnished by the applicants.
  - Provide unit-wise phasing of the investment in the given format.
- 4.1 Details of proposed plant to be set up under targeted segment.
- Under expected date of commissioning of plant, month & year of commissioning of the plant to be indicated.
- 4.2 Provide historical Data for Net Sales of all saleable products (incl. Target segments of products as applicable): Net Sales means Gross Sales net of credit notes (raised for any purpose), discounts (including but not limited to cash, volume, turnover, target or for any other purpose), taxes, freight & insurances as applicable.
- 5.1 Provide bank details of applicant
- 5.2 Provide details of application fee payment
- 6 Read the declaration carefully and sign the print version of the application.

### Annexure-III

#### Minimum Qualifying Eligibility Thresholds to be committed by the applicants for each product sub-category covered under the scheme for eligibility under the PLI scheme

Broad category	Sl. No.	Sub-category	Minimum unit capacity to be installed by each applicant for PLI eligibility	Nos. of unit proposed	Minimum investment by each applicant for PLI eligibility	Expected total investment	Minimum year-on-year incremental production rate for PLI eligibility
			(in*000 tonne)	(in nos.)	(in ₹ Cr)	(in ₹ Cr)	(in %)
<b>Coated/Plated Steel Products</b>	1	Galvanneal/GI-Auto-Gr	400	1	700	700	10
	2	Tin mill Products	200	5	600	3000	20
	* 3 (a)	Coated/Plated products of Metallic/Non-Metallic alloys	250	8	200	5200	10
	3 (b)	Al-Zn coated (Galvalume)	250	18	200		30
	4	Colour Coated	250	17	300	5100	20
<b>High Strength/ Wear resistant Steel</b>	5 (a)	HR Coil, Sheets and Plates API Gr 52<=X<=70	4500	2	2750	5500	25
	5 (b)	HR Coil, Sheets and Plates API Gr>X-70					20
	5 (c)	High Tensile Sheets, Coil, Plates, YS>=450					10
	6	Auto Gr Steel AHSS (CRCA: Cold rolled closed annealed)	900	1	1000	1000	15
	7 (a)	Boiler Quality, Pressure Vessels	1200	1	2500	2500	15
	7 (b)	QT / Abrasion Resistance and Wear Resistance					30
<b>Specialty Rails</b>	8 (a)	Asymmetric Rails	-	1	350	350	20
	8 (b)	Head Hardened rails	-				40
<b>Alloy Steel Products and Steel wires</b>	9 (a)	Alloy Steel: Tool and Die Steel	80	4	100	350	20
	9 (b)	Alloy Steel: Valve Steel					15
	10	Alloy Steel: Bearing Steel	80	11	100	1050	15
	11	Automotive powertrain steel	80	7	100	700	10
	12	Precipitation Hardened Stainless Steel	1	1	100	100	30
	13	Tyre Bead wire #	30	6	100	600	20
	14	C' Class Zinc Coated Wire ##	30	3	100	300	10
	15	Zinc - Aluminium Coated Wire ##	30	3	100	300	10

Broad category	Sl. No.	Sub-category	Minimum unit capacity to be installed by each applicant for PLI eligibility	Nos. of unit proposed	Minimum investment by each applicant for PLI eligibility	Expected total investment	Minimum year-on-year incremental production rate for PLI eligibility
			(in*000 tonne)	(in nos.)	(in₹ Cr)	(in₹ Cr)	(in %)
	16	Tyre Cord (Brass Coated) ###	30	2	600	1445	20
	17	Oil Tempered Spring Steel Wire	7	1	30	30	30
	18	CRGO	200	2	5000	10000	40
<sup>2</sup> Electrical Steel	19	CRNO	200	2	700	1400	10

**Notes:-**

1. \*Product sub-category 3(a) shall include coated/plated metallic/ Non-metallic alloy products that are not covered in sub-category 1,2, 3(b), and 4 covered under product category Coated/ Plated Steel Products
2. For subcategories 5(a), 5(b), 5(c): 7(a), 7(b); 9(a), 9(b): , the applicant can apply for one, two or all the three sub-categories. However, the investment required to be made will be the same in all the three cases, i.e., the single minimum investment prescribed therein. However, the selected company has to enter MoU with Ministry of Steel separately for each sub-category.

**List of permissible investments**

**1. General Terms and Conditions**

- Investments made after the date of Gazette notification regarding the scheme shall only be considered.
- Investments made towards the setting up plant facilities required to produce target segment of product(s) shall only be considered under permissible investment.
- Input material(s) to produce each product sub-category has been defined in table-1 of this annexure.
- Investment made in downstream facilities of input material to produce specified product sub-category(ies) under the target segment shall only be considered under permissible investment. No investment in upstream facilities to produce input material shall qualify under permissible investment.
- Expenditure on consumables and raw material used for manufacturing shall not be considered as Investment
- The date of payment made would be considered as the date of investment under the scheme. All Investments must be completed before commencement of production except the investment on account of payment scheduled after commissioning as per contract agreements such as payment on establishment of performance guarantee (PG) parameter, issue of PG certificate, and issue of final acceptance certificate (FAC).
- In case of ongoing expansion project, payment made after the date of notification of scheme shall only be considered under permissible investment.
- Investment made in refurbishing/ relocation of existing plant & equipment within India shall not be permitted under permissible investment.
- Plant and equipment brought from abroad and installed in India to create additional new capacity, shall be permitted under permissible investment.

- The head of investment, based on which eligibility is being determined, must be capitalized in the books of accounts of the applicants.
- In case of new investment in common facilities/ auxiliary/ utility facilities/ equipment catering to the applied product sub-category and other products, such investment shall be suitably apportioned to derive the value of permissible investment for the applied product sub-category.

## **2. Plant, Machinery, and Equipment**

- The cost of Plant & Machinery shall include cost of equipment & technological structure pertaining to the facilities as required to produce target segment of product(s). It shall also include the cost of auxiliary and supporting facilities like Power distribution, Shop electric & illumination, utilities, Pollution control facilities, Firefighting facilities, Material handling facilities, laboratory facilities, roll & repair shop, etc. pertaining to the main equipment/facilities as required to produce target segments of products. It shall also include expenditure on packaging, freight / transport, insurance, design & engineering, erection & commissioning & spares etc. of the plant, machinery, equipment, and auxiliary & supporting facilities. All non-creditable taxes and duties would be included in such expenditure.
- Plant, machinery, and equipment shall be procured through legally valid documents after payment of applicable taxes and duties.
- Plant, machinery, and equipment must be purchased / leased in the name of the applicant. In cases where these are being leased, the lease should be in the nature of a financial lease within the meaning of Accounting Standard 19 - Leases or Indian Accounting Standard (Ind-AS) - 116 Leases, as may be applicable to the applicant, as notified by Ministry of Corporate Affairs or any other appropriate authority from time to time.

## **1. Research and Development (R&D)**

- Expenditure incurred on Research and Development (R&D) shall include expenditure on IPR, patents, Royalty and copyrights for R&D etc. required

to produce target segment of product(s). If royalty is being paid as one-time payment for patented products and is capitalized in books of account then the same shall be considered under investment whereas royalty paid as recurring nature, shall be considered as revenue expenditure (not as capital investment). All non-creditable taxes and duties would be included in such expenditure.

- The applicant shall provide a statutory auditor certificate and purchase agreements in respect of cost of technology, IPRs, patents, royalty and copyrights.

## **2. Transfer of Technology (ToT)**

- Expenditure incurred on Transfer of Technology documents shall include cost of technology and initial technology purchase required to produce target segments of products. All non-creditable taxes and duties would be included in such expenditure.
- The applicant shall provide a statutory certificate in respect of expenditure related to Transfer of Technology Agreements.

## **3. Building & Civil works:**

- The expenditure incurred towards construction of buildings and civil works (including works buildings, welfare buildings etc.) required to produce target segments of products shall be considered under permissible investment categories.
- All non-creditable taxes and duties would be included in such expenditure

## **4. Land & infrastructure :**

- The expenditure incurred towards Land & construction of infrastructure (road and railway network line, external water supply, external power supply etc.) required to produce target segments of products shall be considered under permissible investment categories.

- In case of brownfield project, Investment towards augmentation of existing infrastructure, utilities, and auxiliary facilities, to cater to the needs of new facilities created through new investment for production of a particular product sub-category under target segments, shall be considered but limited to a max. of 15 % of the committed investment.
- All non-creditable taxes and duties would be included in such expenditure

**5. Preliminary & Pre-operative expenses and Interest during construction (IDC) :**

- The expenditure incurred towards Preliminary & Pre-operative expenses and Interest during construction required to produce target segments of products shall be considered under permissible investment categories.
- Preliminary & Pre-operative expenses includes cost of studies (like preparation of prefeasibility report on any type of report prepared for the project) and investigation (viz. Soil Testing, Testing of Materials, Site Survey, Geological Surveys etc.), establishment charges, start-up expenses etc.

**6. Broad and Indicative list of technological facilities for permissible investment**

The broad and indicative list of technological facilities specific to each product sub-category is given below in table-1 along with starting material for production. In addition to these specific permissible investment under each sub-categories, general investment shall also be permissible such as mentioned above – investment in auxiliary and supporting facilities (quality control & quality assurance, pollution control, fire fighting, etc.), Research & Development, transfer of technology, Building & Civil works, Land & Infrastructure (only related to manufacturing of applied sub-category products), and preliminary expenses including IDC.



**Table - 1<sup>SS</sup>**

**Indicative list of major technological facilities considered under permissible investment specific to each product sub-category**

Sl. No.	Broad category	Sl. No.	Sub-category	Input material	Permissible investment in major technological facilities <sup>S</sup>
<b>A</b>	<b>Coated/Plated Steel Products</b>	1	Galvanneal / GI-Auto-Gr	CR Coil	HDGL line comprising of Entry Side Equipment, Electrolytic Cleaning Facility, Welder, Entry & Exit Looper, Furnace Equipment, Zinc pot, Cooling section, Galvanneal Furnace (for GA), Skin Pass Mill, Tension Leveler, Exit Side Equipment, Coil Transfer System, Weighing & Packaging line Associated electrics and automation
		2	Tin mill	CR Coils/TMBP	Annealing line, Double Cold Reduction mill, Coil Preparation Line, Electrolytic Tinning line, Coil Transfer System, Weighing & Packaging line Associated electrics and automation
		3(a)	Coated / Plated products of Metallic & Non-metallic alloys	CR Coils/ CRCA / Galvanised coils	Color coating line, Processing units, Inspection units, packaging line, etc. It may also have facilities listed in Sl. No. 1/2/3(b)/4.
		3(b)	Al –Zn coated (Galvalume)	CR Coils	Entry Side Equipment, Electrolytic Cleaning Facility, Welder, Entry & Exit Looper, Furnace Equipment, Galvalume pot, Cooling section, Skin Pass Mill, Tension Leveler, Exit Side Equipment, Coil Transfer System, Weighing & Packaging line Associated electrics and automation
		4	Colour coated	Galvanised/ Galvalume or any other coated coils	Color coating line (comprises of Entry Side Equipment, Welding Line, Cleaning Section, Entry & Exit Looper, Colour Processing units, Exit Side Equipment,

Sl. No.	Broad category	Sl. No.	Sub-category	Input material	Permissible investment in major technological facilities <sup>\$</sup>
					Weighing & packaging line, Coil Transfer System Associated electrics and automation
<b>B</b>	<b>High Strength / Wear resistant Steel</b>	5(a)	HR Coil, Sheets and Plates API Gr 52 <= X <= 70	Cast Slabs	Reheating furnace, Conventional Hot Strip mill, Weighing & packaging line, Coil Transfer System Associated electrics and automation
		5(b)	HR Coil Sheets and Plates API		
		5(c)	High Tensile Sheets, Coil, Plates YS >= 450 Mpa		
		6	Auto Gr Steel AHSS (CRCA)	HR coils	Pickling Line & Tandem Cold Mill, Annealing line, Skin pass mill, Weighing & packaging line, Coil Transfer System, Acid regeneration plant Associated electrics and automation
		7(a)	Boiler Quality, Pressure Vessels	Cast Slabs	Reheating Furnaces, Plate mill, Inspection unit, Normalising Furnace, Weighing & packaging line Associated electrics and automation
		7(b)	QT / Abrasion Resistance and Wear Resistance		
<b>C</b>	<b>Speciality Rails</b>	8(a)	Asymmetric Rails	-	-
		8(b)	Head Hardened rails	Rails	Rail handling facility, Feeding Table, Induction Heating, Head hardening unit, rail transfer system, Cold Saw, Gag Press, Inspection Unit  Associated electrics and automation
<b>D</b>	<b>Alloy steel Products and Steel wires</b>	9(a)	Alloy Steel : Tool and Die Steel	Scrap/Sponge iron	Steelmaking (EAF/IF), secondary refining, Reheating furnace, Forging unit, Rolling mill, processing unit, heat treatment furnace, Inspection and packaging line  Associated electrics and automation
		9(b)	Alloy Steel : Valve Steel		

Sl. No.	Broad category	Sl. No.	Sub-category	Input material	Permissible investment in major technological facilities <sup>s</sup>
		10	Alloy Steel : Bearing Steel	Billets/ bloom	Reheating furnace, Rolling mill, Packaging unit  Associated electrics and automation
		11	Automotive power train steel	Billet/ bloom	Reheating furnace, Rolling mill, Processing units, heat treatment furnace, Inspection and packaging line  Associated electrics and automation
		12	Precipitation Hardened Stainless	Billet/ bloom	Reheating furnace, Rolling mill, Processing units, heat treatment furnace, Inspection and packaging line  Associated electrics and automation
		13	Tyre Bead wire	Billets	Reheating furnace, wire rod mill, drawing unit, Patenting, coating line, Packaging unit  Associated electrics and automation
		14	C – Class Zinc Coated Wire	Wire rods	Heat treatment units, hot dip galvanizing/ Zinc coating, Inspection unit, Packaging unit  Associated electrics and automation
		15	Zinc – aluminium coated Wire	Wire rods	Heat treatment unit, processing units, hot dip galvanizing, hot dip ZA alloy fluxing, Inspection unit, Packaging unit  Associated electrics and automation
		16	Tyre cord (Brass Coated)	Billets	Reheating furnace, Wire rod mill, coarse drawing, patenting, intermediate drawing, final patenting. Brass plating, wet drawing, filament, stranding, tire cord making unit, Packaging unit  Associated electrics and automation

Sl. No.	Broad category	Sl. No.	Sub-category	Input material	Permissible investment in major technological facilities <sup>§</sup>
		17	Oil Tempered Spring Steel Wire	Spring steel wire rods	Cleaning unit, Heat Treatment furnace, processing unit, Quenching and tempering furnace, Inspection unit, Packaging unit  Associated electrics and automation
E	Electrical steel	18	CRGO	Hot metal/ Scrap	Steelmaking (EAF/BOF), Secondary refining (LF/VD/ VOD), Caster, Hot Strip Mill, Annealing, Pickling,, Cold Rolling Mill, Decarburization Line, MgO Coating Line, High Temperature Annealing line, Thermal Coating, Laser Scribing, Inspection, Packaging unit  Associated electrics and automation
		19	CRNO	HR Coil	Pickling line, Annealing line, Cold Rolling Mill, Decarburization Line, Annealing Line, Insulation Coating line, Drying, Slitting. Inspection, Packaging unit  Associated electrics and automation

**§** In addition to the Technological equipment / facility, investment in the following major associated facilities for respective unit shall also be considered under the permissible investment:

- Civil Works
- Building & Technological Structure
- Lubrication & Hydraulic System
- Pneumatic System
- Shop Electrics
- Power Distribution System
- Fire Detection & Alarm System (FDA)
- Tele-communication & CCTV System
- Illumination System
- Material Handling System ( Overhead crane, jib crane, fork lifter, hoist )
- Fluid System ( water, gas, fuel, steam, compressed air)
- ACVS System

- Fire fighting system
- Interconnecting Piping
- Effluent Treatment Plant (ETP), Zero Liquid Discharge (ZLD), Sewerage Treatment Plant (STP)
- Shop drainage system
- Laboratory
- Roll shop & Workshop

**Reference weighted price for Base year 2019-20**

<b>Sl. No.</b>	<b>Product Sub-Category</b>	<b>Average Baseline price, Rs/ t</b>
1	Galvanneal / GI-Auto-Gr	55,000
2	Tin mill Products	60,000
3(a)	Coated/Plated products of Metallic/Non-Metallic alloys	65,000
3(b)	Al-Zn (Galvalume)	51,000
4	Colour coated	60,875
5(a)	HR Coil, Sheets and Plates API Gr 52<=X<=70	49,250
5(b)	HR Coil, Sheets and Plates API Gr >X-70	62,000
5(c)	High Tensile Sheets, Coil, Plates , YS>=450Mpa	41,000
6	HT : Auto Gr Steel incl. AHSS (CRCA)	53,000
7(a)	Boiler Quality, Pressure Vessels	75,000
7(b)	QT / Abrasion Resistance and Wear Resistance	65,000
8(a)	Asymmetric Rails	85,000
8(b)	Head Hardened Rails	65,000
9 (a)	Alloy Steel : Tool & Die Steel	1,87,500
9 (b)	Alloy Steel : Valve Steel	1,50,000
10	Alloy Steel : Bearing Steel	60,000
11	Automotive power train	56,000
12	Precipitation Hardened SS	2,50,000
13	Tyre Bead Wire	75,000
14	C' Class Zinc Coated Wire	2,21,700
15	Zinc - Aluminium Coated Wire	2,58,650
16	Tyre Cord (Brass Coated)	1,84,750

17	Oil tempered Spring Steel Wire	1,33,020
18	CRGO	1,16,000
19	CRNO	54,000



Disbursement Claim Form

1. Name of Applicant :
2. Target segment of Product Category/sub-category:  
(Fill separate Annexure-VI for each product sub-category)
3. Unique ID no. :
4. Ref. No. and Date of Approval :
5. Period for which Incentives are being sought :
6. Certificate from Statutory Auditor covering details in the format below:

## i. Investment description

Table-1

Sl. No	Item description for which investment is made	Total committed investment (made after date of Notification of scheme i.e 29 <sup>th</sup> July 2021)	Investment made (after date of Notification of scheme i.e 29 <sup>th</sup> July 2021 till the date of commencement of commercial production)	Investment proposed to be made after commencement of commercial production.	Remarks
I	II	III	IV	V	VI
<b>A</b>	<b>Main Technological facilities</b>				
1.	Facility 1	xxx	xxx	xxx	
2.	Facility 2	xxx	xxx	xxx	
3.	....	.....	.....	....	
	<b>Sub-total of Main facilities</b>				
<b>B</b>	<b>Auxiliary/Common facilities</b>				
1.	Power Distribution, Shop electrics & illumination				
2.	Gas and fuel facilities				
3.	Water supply facilities				

Sl. No	Item description for which investment is made	Total committed investment (made after date of Notification of scheme i.e 29 <sup>th</sup> July 2021)	Investment made (after date of Notification of scheme i.e 29 <sup>th</sup> July 2021 till the date of commencement of commercial production)	Investment proposed to be made after commencement of commercial production.	Remarks
I	II	III	IV	V	VI
4.	Material Handling facilities				
5.	Compressed air station				
6.	Pollution control facilities				
7.	Lab facilities				
8.	Repair Shop				
9.	Infrastructure facilities ( Railway lines, Road etc.)				
10.	Other Misl. Facilities (if any)				
	<b>Sub-total of Auxiliary /Common facilities</b>				
<b>C</b>	<b>Building &amp; Civil works</b>				
1	Factory buildings				
2	Non-factory buildings				
	<b>Sub-total of Building &amp; Civil works</b>				
<b>D</b>	Design Engineering consultancy & Project management.				
<b>E</b>	Research & Development and Transfer of Technology				
<b>F</b>	<b>Total investment excl. Land, preliminary &amp; preoperative expenses and Interest during construction</b>				
G	Land cost (if any)				
H	Preliminary & preoperative	xxx	xxx	xxx	

Sl. No	Item description for which investment is made	Total committed investment (made after date of Notification of scheme i.e 29 <sup>th</sup> July 2021)	Investment made (after date of Notification of scheme i.e 29 <sup>th</sup> July 2021 till the date of commencement of commercial production)	Investment proposed to be made after commencement of commercial production.	Remarks
I	II	III	IV	V	VI
	expenses				
I	Interest during construction	xxx	xxx	xxx	
J	Total investment incl. preliminary & preoperative expenses and Interest during construction	xxx	xxx	xxx	

**Note:**

1. The total committed investment in the. above table (shown under column no- III against Sl No-J) should match with the committed investment furnished by the applicant in the application form

ii. Sales details for the Target segment of Product Category/sub-category

**Table-2**

Sl. No	Grade of Steel under target segment of Product Category/sub-category	Sales in the immediate previous year for which claim is made		Sales in the year for which claim is made	
		Qty(t)	Value (Rs Cr.)	Qty(t)	Value (Rs Cr.)
1.					
2.					
3.					
	<b>Total</b>				

**Note:**

1. Sales in the immediate previous year for which claim is made means: For example if the claim is made for the incremental sales in FY 2024-25, then Net Sales of FY 2023-24 is required to be furnished. Similarly, Net Sales in the year for which claim is made i.e. net sales figure of FY 2024-25 is required to be furnished. The difference between the two (i.e. net sales of FY25 - net sales of FY24) shall be the incremental sales

**A. List of documents to be submitted along with the claim Disbursement Form**

**I. Certificate(s) from Statutory Auditor stating/covering:**

- a. Details of Investment made showing broad facility description, Purchase order (P.O.) no, P.O descriptions, P.O value, Payment made against each P.O as per the following formats.

**Table-3**

Sl. No	Item description for which investment is made	P.O no	P.O descriptions	P.O value	Payment made against each P.O ( after date of Notification of scheme i.e 29 <sup>th</sup> July 2021 till the date of commencement of commercial production)
I	II	III	IV	V	VI
<b>A</b>	<b>Main Technological facilities</b>				
1.	Facility 1	xxx	xxx	xxx	
		xxx	xxx	xxx	
2.	Facility 2	xxx	xxx	xxx	
		xxx	xxx	xxx	
	<b>Sub-total of Main facilities</b>				
<b>B</b>	<b>Auxiliary/Common facilities</b>				
1.	Power Distribution, Shop electrics & illumination				
2.	Gas and fuel facilities				
3.	Water supply facilities				
4.	Material Handling facilities				
5.	Compressed air station				
6.	Pollution control facilities				
7.	Lab facilities				
8.	Repair Shop				
9.	Infrastructure facilities ( Railway lines, Road etc.)				
10.	Other Misl. Facilities (if any)				
	<b>Sub-total of Auxiliary / Common facilities</b>				

Sl. No	Item description for which investment is made	P.O no	P.O descriptions	P.O value	Payment made against each P.O ( after date of Notification of scheme i.e 29 <sup>th</sup> July 2021 till the date of commencement of commercial production)
I	II	III	IV	V	VI
<b>C</b>	<b>Building &amp; Civil works</b>				
1	Factory buildings				
2	Non-factory buildings				
	<b>Sub-total of Building &amp; Civil works</b>				
<b>D</b>	Design Engineering consultancy & Project management.				
<b>E</b>	Research & Development and Transfer of Technology				
<b>F</b>	<b>Total investment excl. Land, preliminary &amp; preoperative expenses and Interest during construction</b>				

**Note:** Figures of “Investment made after date of Notification of scheme and till the date of commissioning” against each items (SL No-A to SL No-F) as shown under column No-III of Table-1, *should match with the figure of* “Payment made against each P.O after date of Notification of scheme till the commencement of commercial production” *as* shown under column No-VI (SL No-A to SL No-F) of Table-3

b. Capitalization of above Investment in the books of accounts of the applicant is in line with the relevant accounting standards issued by ICAI.

Certified copy of relevant documents viz. asset register shall be furnished.

c. Investment has been made in accordance with Scheme Guidelines and approval accorded by Ministry of Steel.

II Certificates from Statutory Auditor /Chartered Engineer (CE)-

a. Confirming that the plant, machinery & equipment have been installed against the Committed Investment, the price is reasonable as per the market value and the same are being used for manufacturing of eligible product(s) (in the applied product sub-category), after carrying out the physical inspection of the manufacturing facilities

- b. Confirming utilization of the Plant, Machinery and Equipment for manufacturing of eligible product(s), production and sales quantity under target segment for each financial year for which the selected company is claiming incentive under the Scheme.

**B. List of documents to be submitted post approval of claim**

- a. An undertaking from the applicant as per Format-B of **Annexure-VIII**
- b. An agreement / indemnity bond on prescribed formats from the applicant that if at a later stage its claim is found to be false or in excess it would be liable to return the amount disbursed with interest calculated at twice the rate of 3 years SBI MCLR prevailing on the date of disbursement, compounded annually.
- c. Board resolution to the effect that the applicant agrees by the terms and conditions as laid down in the **PLI Scheme and Guidelines** while securing the incentive amount

**Quarterly review report**

1. Name of Applicant:
2. Target segment of Product Category/ sub-category:
3. Year & Qtr :

## A. Project implementation stage:

## i. Investment description

<b>Sl. No</b>	<b>Item description</b>	<b>Total committed investment (Investment proposed to be made after date of Notification of scheme)</b>	<b>Investment made for the Qtr (Rs. In Cr)</b>	<b>Cumulative investment till the current Qtr (Rs. In Cr.)</b>	<b>Progress in %</b>
<b>a</b>	<b>b</b>	<b>C</b>	<b>d</b>	<b>e</b>	<b>f = (e/c)%</b>
<b>A</b>	<b>Main Technological facilities</b>				
1.	Facility 1	xxx	Xxx	xxx	
2.	Facility 2	xxx	Xxx	xxx	
3.	....	.....	.....	....	
	<b>Sub-total of Main facilities</b>				
<b>B</b>	<b>Auxiliary/Supporting facilities</b>				
1.	Power Distribution, Shop electrics & illumination				
2.	Gas and fuel facilities				

<b>Sl. No</b>	<b>Item description</b>	<b>Total committed investment (Investment proposed to be made after date of Notification of scheme)</b>	<b>Investment made for the Qtr (Rs. In Cr)</b>	<b>Cumulative investment till the current Qtr (Rs. In Cr.)</b>	<b>Progress in %</b>
<b>a</b>	<b>b</b>	<b>C</b>	<b>d</b>	<b>e</b>	<b>f = (e/c)%</b>
3.	Water supply facilities				
4.	Material Handling facilities				
5.	Compressed air station				
6.	Pollution control facilities				
7.	Lab facilities				
8.	Repair Shop				
9.	Infrastructure facilities ( Railway lines, Road etc.)				
10.	Other Misl. Facilities (if any)				
	<b>Sub-total of Auxiliary/ Supporting facilities</b>				
<b>C</b>	<b>Building &amp; Civil works</b>				
1	Factory buildings				
2	Non-factory buildings				
	<b>Sub-total of Building &amp; Civil works</b>				
<b>D</b>	Design Engineering consultancy & Project management.				
<b>E</b>	Research & Development and Transfer of Technology				
<b>F</b>	<b>Total investment excl. Land, preliminary &amp; preoperative expenses</b>				



Sl. No	Item description	Total committed investment (Investment proposed to be made after date of Notification of scheme)	Investment made for the Qtr (Rs. In Cr)	Cumulative investment till the current Qtr (Rs. In Cr.)	Progress in %
a	b	C	d	e	f = (e/c)%
	<b>and Interest during construction</b>				
G	Land cost (if any)				
H	Preliminary & preoperative expenses	xxx	Xxx	xxx	
I	Interest during construction	xxx	Xxx	xxx	
<b>J</b>	<b>Total investment incl. preliminary &amp; preoperative expenses and Interest during construction</b>	<b>xxx</b>	<b>Xxx</b>	<b>xxx</b>	

***Note :** The total committed investment in the above table should match with the committed investment furnished by the applicant in the application form*

- ii. Physical progress of following facilities is required to be furnished.  
(in nos./ tonnages etc. as applicable)

Sl. No	Item description	For the Qtr	Cumulative till the current Qtr	Remarks
<b>A</b>	<b>Main Technological facilities</b>			
1.	Facility 1	Xxx	xxx	
2.	Facility 2	Xxx	xxx	
3.	....	.....	....	

Sl. No	Item description	For the Qtr	Cumulative till the current Qtr	Remarks
<b>B</b>	<b>Auxiliary/Supporting facilities</b>			
1.	Power Distribution, Shop electrics & illumination			
2.	Gas and fuel facilities			
3.	Water supply facilities			
4.	Material Handling facilities			
5.	Compressed air station			
6.	Pollution control facilities			
7.	Lab facilities			
8.	Repair Shop			
9.	Infrastructure facilities ( Railway lines, Road etc.)			
10.	Other Misl. Facilities (if any)			
<b>C</b>	<b>Building &amp; Civil works</b>			
1	Factory buildings			
2	Non-factory buildings			

iii. Brief delay analysis w.r.t schedule plan

B. Production stage

iii. Sales details for the Target segment of Product Category/ sub-category

Sl No	Grade of Steel	For the Qtr.		Cumulative till the current Qtr	
		Qty (t)	Value (Rs Cr.)	Qty (t)	Value (Rs Cr.)

**Proforma for Integrity compliance in PLI - Initial Undertaking(s)**

(To be signed by fulltime Director/ CEO/ MD of the company/ firm duly depicting the name designation and submitted on official stationery of the applicant along-with the authorization to do so)

**FORMAT-  
A**

1. Whereas, the applicant namely (*name of company with address incl. CIN, GSTIN, etc.*) has submitted an application under Production Linked Incentive Scheme (PLI) for speciality steel products to Ministry of Steel (MoS), Government of India seeking incentives for the application pertaining to manufacturing .....(Eligible Product) .....at..... (location(s)).
2. Now, therefore, the applicant including its officers / representatives commits and undertakes that he/ she will take all measures necessary to prevent corruption. He/ She commits to observe the following principles during his/ her association/ engagement with Ministry of Steel or its agencies or its consultants engaged with the process of appraisal and verification of application for the approval of application and disbursement of incentives under PLI.
  - 2.1 The PLI applicant will not directly or through any other person or firm, offer, promise or give to any of the Ministry of Steel's officer(s) or consultant or agency representative (appraisal or/ and verification agency appointed by Ministry of Steel to handle the application) involved in the process of dealing with application or to any third person any material or other benefit which he/ she is not

legally entitled to in order to obtain in exchange of any advantage of any kind whatsoever before or during or after the process of the application for grant of approval or disbursement of incentives under PLI.

- 2.2 The PLI applicant will not commit any offence under the relevant IPC / PC Act; Further, the applicant will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the Ministry of Steel.
- 2.3 The PLI applicant shall disclose the name and address of the duly authorized Agents /Representatives who will be dealing with Ministry of Steel or its agencies and the remuneration of these agents or representatives shall not include any hidden amount or component to get the work done in undue manner or causing inducement of whatsoever nature whether in cash or kind to influence the normal process or practice of work.
- 2.4 The PLI applicant will disclose any and all payments he/she has made, is committed to or intends to make to agents, brokers or any other intermediaries, other than regular employees or officials of the applicant, in connection with the grant of approval or / and disbursement of incentives.
- 2.5 The applicant will not offer any illicit gratification to obtain unfair advantage.
- 2.6 The applicant will not collude with other parties to impair transparency and fairness.
- 2.7 The applicant will not give any advantage to anyone in exchange for unprofessional behaviour.

3. The applicant declares that no pervious transgressions occurred in the last 3 years with any other Company in any country conforming to the anti- corruption approach or with any other Public Sector Enterprises / Central or State Government or its any instrumentality in India.
4. The applicant agrees that if it is found that the applicant has made any incorrect statement on this subject, the application will be closed or rejected and Ministry of Steel reserve the right to initiate legal action of whatsoever nature. In case if Ministry of Steel has disbursed the incentives under PLI, the amount disbursed to applicant be recoverable along with interest calculated at twice the rate of 3 years SBI MCLR prevailing on the date of disbursement, compounded annually besides blacklisting of the applicant and initiation of legal action of whatsoever nature at the discretion of Ministry of Steel.

The contents of the above undertaking have been gone through and after fully understanding the same is being executed / given on..... day of..... (month/year)

*Signature*

*(Name & designation with address)*

Director/CEO/MD/Authorised signatory having power of attorney

**Subject: Proforma for Integrity compliance to be furnished by  
PLI Applicants before Release of Incentives**

(To be signed by full time Director /CEO /MD of the company /firm duly depicting the name, designation and submitted on official stationery of the applicant along- with the authorization to do so)

#### **FORMAT-B**

1. Whereas the applicant namely (*name of company with address incl. CIN, GSTIN, etc.*) has submitted an application under Production Linked Incentive Scheme (PLI) for Speciality steel products to Ministry of Steel (MoS), Government of India seeking incentives for the application pertaining to manufacturing ..... (Eligible Product) at.. (location( s)).
2. And Whereas, the applicant has submitted an undertaking for observance and commitment for Integrity vide Undertaking dated.....given under the signatures /authority of applicants.....(name and designation) to Ministry of Steel in respect of aforesaid application.
3. And whereas, the applicant including its officers / representatives gives commitment and undertake that he/ she will take all measures necessary to prevent corruption and that he/ she will not directly or through any other person or firm, offer, promise or give to any of the Ministry of Steel's officer(s) or consultant or agency representative (appraisal or/ and verification agency appointed by Ministry of Steel to handle the application) involved in the process of dealing with application or to any third person any material or other benefit which he/she is not legally entitled to in order to obtain in exchange of any advantage of any kind whatsoever before or during or after the process of

the application for grant of approval or disbursement of incentives under PLI.

4. And whereas, the application submitted by the applicant has been given the approval by Ministry of Steel vide its communication no. dated .....
5. And whereas, the applicant has submitted a claim for disbursement of incentive dated to the PMA for claiming incentives of INR .....
6. Now, therefore, We hereby confirm the compliance thereof with the Integrity Undertaking submitted to Ministry of Steel duly certifying that there is no breach to the same and requests that eligible incentives under PLI be released to applicant and the amount of incentives be credited in the bank account of applicant.
7. The contents of the above Undertaking have been gone through and after duly understanding the same, is being executed/ given on .....day of.....(month/year).

*Signature*

*(Name & designation with address)*

Director/CEO/MD/Authorised signatory having power of attorney



**FORMAT OF UNDERTAKING**

**(Undertaking from the Applicant on company letterhead)**

1. We ..... hereby, acknowledge that participation in Production Linked Incentive Scheme (PLI) for speciality steel notified by Ministry of Steel vide Notification no.F.No.S-21018/1/2020-TRADE-TAX-PART(1) dated 29<sup>th</sup> July, 2021, will be accorded to us based on, and after relying up on, the information provided by us to avail the benefits under the scheme.
2. We hereby confirm that the information provided by us for availing the said benefits is true, correct, and complete in all respects and that no material fact / information that may have an adverse impact on the information provided by us for availing the said incentives has been concealed. We acknowledge and confirm that the foregoing averment is on an on-going basis and further undertake to immediately apprise the Ministry of Steel about any change in the status of the information provided by us to avail the said incentives.
3. We hereby give our consent to the competent authority or any agency delegated by Ministry of Steel for audit/ visit of the manufacturing facility/ factory/ works related to the production of the applied product sub-category.
4. We hereby undertake that the production of applied product sub-category shall comply to end-to-end manufacturing i.e. any input steel used in the production of applied product sub-category shall be melted and poured within India.
5. We further undertake that in the event of (i) any of the information provided by us to avail the said incentives being found false, incorrect or incomplete, or (ii) in the event of the undertakings and confirmations stated at para 2 above being found false, incorrect, incomplete or breached; we will (a) refund the entire amount of incentives availed by us along with interest calculated at twice the rate of 3 years SBI MCLR prevailing on the date of disbursement, compounded annually, for the

period between excess payment and date of refund.

6. We acknowledge that the remedies provided in para 5 above are not the exclusive remedies available with the Ministry of Steel and are without prejudice to any legal remedies available with Ministry of Steel for events mentioned in Para 5 (i) and (ii) above.

**Place :**

**Date :**

**Authorised signatory with seal of the  
company, name &  
designation**

## ***157. Guidelines by Ministry of Heavy Industries***

### **MINISTRY OF HEAVY INDUSTRIES**

#### **NOTIFICATION**

New Delhi, the 23rd September, 2021

**SUBJECT: GUIDELINES FOR THE PRODUCTION LINKED INCENTIVE (PLI) SCHEME FOR AUTOMOBILE AND AUTO COMPONENT INDUSTRY**

#### **S.O. 3947(E).—1. Background**

- 1.1** The Production Linked Incentive (PLI) scheme for Automobile and Auto components (herein after referred to as “Scheme”) has been notified vide notification S.O. No. 3946(E) dated 23.09.2021.
- 1.2** In pursuance of Para – 7 of said notification and for the effective operation and smooth implementation of the Scheme, the following guidelines are being laid down that are to be read along with the scheme. In case of any inconsistency between the scheme and the guidelines, the provisions of the scheme shall prevail.
- 1.3** The automotive industry is a major economic contributor in India. The sector is responsible for ~ 35% of India’s manufacturing GDP and has been a key growth driver for the economy. Today, many component makers are Tier 1 suppliers to global auto OEMs and several India-manufactured motor vehicles make their way to international markets. This demonstrates that the Indian automotive sector has been an adopter of global technological changes and other global standards.
- 1.4** The Production Linked Incentive (PLI) Scheme for Automobile and Auto components proposes financial incentives to boost domestic manufacturing of Advanced Automotive Technology products and attract investments in the automotive manufacturing value chain. Its prime objectives include overcoming cost disabilities, creating economies of scale and building a robust supply chain in areas of Advanced Automotive Technology products. It will also generate employment. This scheme will facilitate the Automobile Industry to move up the value chain into higher value added products.
- 1.5** These guidelines are being issued for effective and smooth implementation of the Scheme. These guidelines cover, inter alia, the following:
  - Definitions
  - Tenure
  - Eligibility
  - Application and Online Portal
  - Project Management Agency (PMA) and Empowered Committee (EC)
  - Approval under the Scheme
  - Calculation and disbursement of incentive

## 2. Definitions

- 2.1. Applicant:** An applicant for the purpose of the Scheme should be a company or its Group Company(ies) incorporated under The Companies Act in India, engaged in automotive and/or auto component manufacturing sector or **New Non-Automotive Investor company or its Group Company(ies) (who are currently not in automobile or auto component manufacturing business) meeting the eligibility criteria specified under the scheme** and making an application for seeking approval under the Scheme.
- 2.2. Application:** Application submitted by an applicant to the Ministry of Heavy Industries (MHI) as per the Application Form prescribed under these guidelines containing requisite information, along with supporting documents and application fee. The Application Form shall be notified separately in due course of time.
- 2.3. Application Approval Date:** The date on which approval letter under the Scheme is issued by the MHI.
- 2.4. Application Window:** Applications will be invited within 60 days of notification of this scheme. The window for receiving applications through the Notice Inviting Applications will be for a period of 60 days.
- 2.5. Approved Applicant/Company:** The eligible company or its Group company(ies) who has been approved by MHI under the Scheme.
- 2.6. Automotive OEM:** The original manufacturer of a vehicle, including tractor and automobile meant for military use and/or vehicle aggregates.
- 2.7. Base Year:** Financial Year 2019-20 for calculation of eligible sales value (not applicable for New Non-Automotive investors).
- 2.8. Completely Built-in Unit (CBU):** This is a vehicle that is in a completely assembled form.
- 2.9. Completely Knocked Down (CKD):** A vehicle as a Completely Knocked Down(CKD) kit containing all the necessary parts for assembling a complete vehicle with chassis, engine, gearbox, transmission mechanism not in a pre-assembled condition.
- 2.10. Eligible Product:**
- Pre-approved Advanced Automotive Technology Vehicles and pre-approved Advanced Automotive Technology Components of all vehicles, CKD/SKD kits, Vehicle aggregates of 2-Wheelers, 3-Wheelers, passenger vehicles, commercial vehicles and tractors including automobile meant for military use.
  - The list of Advanced Automotive Technology Vehicles and Advanced Automotive Technology Components will be prescribed and can be amended by MHI from time to time depending upon technological developments.
- 2.11. Eligible Sales Value and Determined Sales Value under the Scheme:**
- Eligible Sales Value for Vehicle Segment:** Total sales (Net of GST) for eligible vehicles.
  - Eligible Sales Value for Component Segment:** Total sales (Net of GST) for eligible components **Or** apportioned value of eligible component as determined by Testing Agency of MHI.
  - Determined Sales Value for Vehicle Segment:** (Eligible Sales Value for Vehicle Segment for a particular year) minus (Eligible Sales Value for Vehicle Segment for Base year).
  - Determined Sales Value for Component Segment :**( Eligible Sales Value for Component Segment for a particular year) minus (Eligible Sales Value for Component Segment for Base year).
- 2.12. Empowered Group of Secretaries (EGoS):**As approved by the Cabinet on 11th November 2020, the Empowered Group of Secretaries (EGoS) chaired by Cabinet Secretary (constituted by the

Cabinet vide Gazette notification dated 10.06.2020) will monitor the PLI scheme, undertake periodic review of the outgo under the scheme, ensure uniformity of all PLI Schemes and take appropriate action to ensure that the expenditure is within the prescribed outlay. In addition, any changes required in the modalities of the scheme mentioned in the Draft Cabinet Note, subject to the condition that the overall financial outlay remains within ₹ 25,938crore, will be placed for consideration of EGoS.

- 2.13 Financial Year:** Financial Year begins on the 1<sup>st</sup> April of a year and ends on 31<sup>st</sup> March of the following year.
- 2.14 Fixed Assets:** Fixed asset is an asset held with the intention of being used for the purpose of producing or providing goods or services and is not held for sale in the normal course of business e.g., Property, plant and equipment etc.
- 2.15 Force Majeure:** Extraordinary events or circumstances beyond human control, such as event described as an act of God (like a natural calamity) or events such as a war, strike, public health emergency, riots, crimes (but not including negligence or wrong-doing, predictable/ seasonal rain and any other events specifically excluded).
- 2.16 Global Group Revenue:** Total revenue of the group companies from global operations (from automotive and auto component manufacturing in a given year).
- 2.17 Group Companies<sup>2</sup>:** Group Company(ies) shall mean two or more enterprises which, directly or indirectly, are in a position to:
- Exercise twenty-six percent or more of Voting rights in the other enterprise;
- Or
- Appoint more than fifty percent of members of Board of Directors in the other enterprise (As defined in the FDI Policy Circular of 2020).
- 2.18 Global Net Worth:** It refers to the Gross Net worth of a company or its Group company(ies) from all operations i.e. Domestic as well as Foreign, of all assets (Domestic plus Foreign) less all liabilities (Domestic plus Foreign).
- 2.19 Investment-** “Investment” as mentioned in Para -3.2(c) of the scheme shall mean:
- 2.19.1** Expenditure incurred on Plant, Machinery, Equipment and Associated Utilities: This shall include expenditure on plant, machinery, equipment and associated utilities as well as tools, dies, moulds, jigs, fixtures (including parts, accessories, components and spares thereof) of the same, used in the design, manufacturing, assembly, testing, packaging or processing of any of the eligible products under the scheme. It shall also include expenditure on packaging, freight/transport, insurance, and erection and commissioning of the plant, machinery, equipment, and associated utilities. Associated utilities would include captive power and effluent treatment plants, essential equipments required in operations area such as clean rooms, air curtains, temperature and air quality control systems, compressed air, water and power supply, and control systems. Associated utilities would also include IT and ITES infrastructure related to manufacturing including servers, softwares, and ERP solutions. All non-creditable taxes and duties would also be included in such expenditure.
- 2.19.2** Expenditure incurred on Land and Building: The expenditure incurred on land will not be considered for meeting the threshold criteria of Cumulative Minimum Domestic Investment. However, buildings of the main plant and utilities will be considered as part of the investment provided it does not exceed 10% of Minimum Cumulative Domestic Investment defined for a segment.
- 2.20 Incentive:** Incentive is the financial benefit to be provided to the selected applicants.
- 2.21 Manufacturing:** In accordance with Central Goods and Services Tax (CGST) Act, 2017, manufacturing shall mean processing of raw material or inputs in any manner that results in

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<sup>2</sup> FDI policy circular, 2020

emergence of a new product having a distinct name, character and use and the term “manufacturer” shall be construed accordingly.

- 2.22 Net Sales:** Net sales are the sum of a company’s gross sales minus its returns, allowances, and discounts.
- 2.23 New Non-Automotive Investor company or its Group company(ies):** New Non-Automotive Investor company or its Group company(ies) will be defined as those who have no revenue from manufacturing of Automobile or auto components as on 31.03.2021.
- 2.24 Project Management Agency (PMA):** Refers to the financial institution(s) or any other authority(ies) appointed by MHI to act on its behalf for receipt and appraisal of applications, verification of eligibility and examination of disbursement claims through any method / document deemed appropriate and for managing the above-mentioned in accordance with these guidelines.
- 2.25 Semi-Knocked down Unit (SKD):** Semi-Knocked Down (SKD) is a vehicle as a knocked down kit containing all the necessary parts, sub-assemblies for assembling a complete vehicle with engine, gearbox, transmission in pre-assembled condition but not mounted on a chassis or a body assembly.
- 2.26 Value Addition:** The term “Value addition” will be construed as the percentage of manufacturing activity being undertaken in that referred part of the supply chain. % domestic value addition= [(Ex-factory price of the product (net of GST) – (minus) Import content i.e. sum of FOB value of all imported components or materials in the final product including import duties) / Ex-factory price of the product (net of GST)] x 100. It will be certified by Testing agency of MHI.
- 2.27 Vehicle Aggregates:** Vehicle aggregate is a sub-assembly / combination of different components for a defined vehicle model that are combined to provide a specific functionality to the vehicle. Aggregates of a vehicle typically include body shell / chassis, engine, transmission, suspension, steering systems, wheel assemblies, brake systems, seats etc.
- 3. Tenure of the Scheme:** Incentive under the scheme will be applicable, starting from the Financial Year 2022-23 which will be disbursed in the following Financial Year i.e. 2023-24 and so on for a total of five (05) consecutive Financial Years.

#### 4. Eligibility

- 4.1. Eligibility:** The applicant company or its Group company(ies) will need to meet the following common criteria to qualify and receive benefits under the Scheme:

##### Basic Eligibility Criteria:

- (a) For company or its Group company(ies) with existing presence in India or globally in the Automotive vehicle and components manufacturing business:

Eligibility Criteria	Auto OEM	Auto-Component
Global group* Revenue (from automotive and/or auto component manufacturing)	Minimum ₹ 10,000 crore.	Minimum ₹ 500 crore.
Investment	Global Investment of Company or its Group* Company(ies) in fixed assets (gross block) of ₹ 3,000 crore.	Global Investment of Company or its Group* Company(ies) in fixed assets (gross block) of ₹150 crore.

*\*Group Company(ies) shall mean two or more enterprises which, directly or indirectly, are in a position to:*

*Exercise twenty-six percent or more of voting rights in the other enterprise;*

**Or**

*Appoint more than fifty percent of members of Board of Directors in the other enterprise  
(As defined in the FDI Policy Circular of 2020).*

**Note:** i. Above Eligibility criteria to be met based on audited financial statements for year ending March 31, 2021.

i. An applicant company or its Group company(ies) must satisfy the entire eligibility criteria to be eligible under the scheme.

**(b)** For new non-automotive investor company or its Group company(ies) that may want to participate in this scheme:

<b>Eligibility Criteria</b>	<b>New Non-Automotive investor company or its Group company(ies) (who are currently not in automobile or auto component manufacturing business)</b>
Global net worth	₹ 1000crorebased on audited financial statements for year ending March 31, 2021.
Committed investment in India over five year period	As per Minimum New Domestic Investment Conditions mentioned in para – 4.1(c) below.

**Note :**

- Non-Automotive company or its Group company(ies) can qualify for this scheme provided they present a clear business plan to invest in India and generate revenues from Advanced Automotive Technology vehicles or Advanced Automotive Technology components manufacturing.
- The applicant new Non-Automotive Investor company or its Group company(ies) will be eligible to claim incentive subject to meeting cumulative minimum new domestic investment to be achieved for a particular year. The applicant will also have to meet the % Year on Year growth criteria from the minimum threshold fixed from the first year.
- New Non-Automotive Investor company or its Group company(ies) will be defined as those who have no revenue from manufacturing of Automobile or automobile components as on 31<sup>st</sup> March 2021.
- An applicant new Non-Automotive Investor company or its Group company(ies) must satisfy the entire eligibility criteria.

**(c) Minimum New Domestic Investment Conditions:**

Cumulative New Domestic Investment Condition of Performance (₹.Crore)

<b>Cumulative new domestic investment to be achieved</b>	<b>Champion OEM (Except 2W &amp; 3W)</b>	<b>Champion OEM 2W &amp; 3W</b>	<b>Component Champion</b>	<b>New Non-Automotive investor(OEM)company or its Group company(ies)</b>	<b>New Non-Automotive investor (Component)company or its Group company(ies)</b>
<b>Upto or before March 31, 2023</b>	<b>300</b>	<b>150</b>	<b>40</b>	<b>300</b>	<b>80</b>
<b>Upto or before March 31, 2024</b>	<b>800</b>	<b>400</b>	<b>100</b>	<b>800</b>	<b>200</b>
<b>Upto or before</b>	<b>1400</b>	<b>700</b>	<b>175</b>	<b>1400</b>	<b>350</b>

<b>March 31, 2025</b>					
<b>Upto or before March 31, 2026</b>	<b>1750</b>	<b>875</b>	<b>220</b>	<b>1750</b>	<b>440</b>
<b>Upto or before March 31, 2027</b>	<b>2000</b>	<b>1000</b>	<b>250</b>	<b>2000</b>	<b>500</b>

**Note :**

- i. New investments should be made from the same legal entity as the one applying for the incentive.
  - ii. Cumulative new domestic investment made starting 1<sup>st</sup> April 2021 shall be considered under this condition.
  - iii. The approved Company is required to meet the cumulative investment condition for each year.
  - iv. In the event, any approved company meets the investment condition few years before the end of the scheme; it will be eligible for incentives throughout the tenure of the scheme subject to meeting other conditions of the scheme.
  - v. In case the approved company fails to meet the cumulative domestic investment condition in any given year, it will not receive any incentive for that year even if the threshold for Determined sales value is achieved. However, it will still be eligible to receive the benefits under the scheme in the following years if it meets the cumulative domestic investment condition defined for that year.
- (d) Preference will be given to eligible company or its Group company(ies) committing to front load their investment during the scheme period. Proposed investment commitment will be evaluated by calculating the Net Present Value (NPV) of the investment using the bank rate as the discounting factor.

#### **4.2. Eligibility for incentive**

**4.2.1** Approved Applicants would be eligible for incentives subject to meeting specific criteria under the scheme, as prescribed.

**4.2.2** Minimum 50% domestic value addition will be required. Phased Manufacturing Programme similar to FAME-II Scheme will be followed. Methodology of determination of domestic value addition will be same as in FAME scheme. Testing Agency of MHI will certify domestic value addition in the eligible product.

**4.2.3** Pre-approved eligible product with minimum 50% domestic value addition will be eligible for incentive under this scheme.

**4.2.4** The scheme is designed to incentivize Advanced Automotive Technology products only viz eligible Advanced Automotive product on standalone basis at component level or in integration with the vehicle having appropriate value apportionment on the vehicle side. Therefore, an approved legal entity as Automotive OEM company or New Non-Automotive Investor company can avail incentives under both components of the scheme subject to the condition that any eligible product shall be incentivized only once under the scheme. Any double claim of incentive for the same product under component level and vehicle level can lead to disqualification of the legal entity/entities involved on this ground alone in addition to any other legal action as applicable under the law.

#### **4.2.5 Champion OEM Incentive Scheme**

**4.2.5.1** Automotive OEM company or its Group company(ies) and new Non-Automotive investor company or its Group company(ies) are eligible to apply for the scheme.

**4.2.5.2** Incentives are applicable on Battery Electric Vehicles and Hydrogen Fuel Cell Vehicles of all segments – 2 wheelers, 3 wheelers, passenger vehicles, commercial vehicles, Tractors and



automobile meant for Military use and any other Advanced Automotive Technology vehicle prescribed by MHI depending upon technical developments.

#### **4.2.6. Component Champion Incentive Scheme**

**4.2.6.1** Automotive OEM company or its Group company(ies), Auto-component manufacturing company or its Group company(ies) and new Non-Automotive Investor company or its Group company(ies) are eligible to apply for the scheme.

**4.2.6.2** Incentives are applicable on pre-approved Advanced Automotive Technology components of all vehicles, CKD/SKD kits, Vehicle aggregates of 2-Wheelers, 3-Wheelers, passenger vehicles, commercial vehicles and tractors including automobile meant for military use and any other Advanced Automotive Technology component prescribed by MHI depending upon technical developments.

### **5. Application**

**5.1.** The window for receiving applications through the Notice Inviting Applications will be for a period of 60 days.

The applicant companies are required to submit an application along with financial & supporting documents.

**Note:** Documents required for verifying eligibility for both the components of the scheme will include, but not be limited, to the following:

- Audited financial statements (Profit & loss, balance sheet) of the legal entity applying for the scheme as well as that of the global group company.
- For base lining and establishing incentives, eligible sales value in the base year and domestic investment made starting from 01.04.2021, if any, the applicant needs to furnish a statutory auditor's certificate.
- The documents should be audited and validated by a statutory auditor.

**5.2 The Application Form:** The Application Form along with details of all necessary supporting documents, to be submitted at the time of application, will be notified separately by Ministry of Heavy Industries (MHI) in due course of time.

**5.3** A non-refundable application fee would be payable for each application.

### **6. Online Portal**

**6.1.** All applications will be submitted through an online portal maintained by the PMA. In case the portal is not available, applications may be submitted in physical form to the PMA.

**6.2.** Upon successful submission of an application, PMA will issue a unique Application ID to the applicant for all future references pertaining to the Scheme.

**6.3.** URL of the online portal will be made available on the website of the MHI, in due course.

**6.4** The scheme will be data driven to ensure transparency, automaticity and prompt disbursement of incentives. The data will be captured in seamless manner and will make use of respective HS codes.

**6.5 Provision for Online Application, Monitoring and Review for Approval of Advanced Automotive Technology product:**

**6.5.1** There will be provision in the Online Portal for making online application by the applicants for approval of their Advanced Automotive Technology product by the Testing Agency of MHI as per the list of Advanced Automotive Technology product prescribed by MHI from time to time.

**6.5.2** Testing Agency will take final decision on the application for Approval of Advanced Automotive Technology product within 90 days.

- 6.5.3 Monthly review will be done at Secretary, MHI level for monitoring of timely disposal of the applications.
- 6.6 The disbursement mechanism will incorporate pre-approval of Advanced Automotive Technology vehicles & Advanced Automotive Technology components by MHI through its agencies as is being done under Phased Manufacturing Programme (PMP) in FAME-II scheme. Subsequently, there would be drop-down menu for submission of data for claims in the data driven system.
- 6.7 Pre-approval of Advanced Automotive Technology vehicles & Advanced Automotive Technology components will be done by Testing Agencies of MHI. Pre-approval will be done within 90 days from the date of application by the applicant.
- 6.8 MHI may separately issue detailed instructions for the use of online portal for the PLI scheme.

## **7. Project Management Agency (PMA)**

- 7.1. The Scheme will be implemented through a Project Management Agency (PMA) which will be responsible for providing secretarial, managerial and implementation support and carrying out other responsibilities as assigned by MHI from time to time. Further, PMA will report to JS, MHI through the appropriate channel and will be under the overall control of AS&FA, MHI and will put up their all findings/observations/recommendations to the Administrative Mechanism created under FAME-II scheme in MHI.
- 7.2. The PMA shall be responsible, inter alia, for:
  - 7.2.1. Receipt of applications, examination and processing of applications and issuing acknowledgements.
  - 7.2.2. Submission of a fortnightly statement to MHI about the status of applications received and processed under the Scheme.
  - 7.2.3. Making appropriate recommendations through appropriate channel for approval of applications under the Scheme.
  - 7.2.4. Verification of thresholds for determining eligibility for disbursement incentive.
  - 7.2.5. Examination of claims for disbursement of incentive and making appropriate recommendations through appropriate channel.
  - 7.2.6. Verification of the reconciliation of disbursement claims with prescribed documents.
  - 7.2.7. Compilation of data regarding progress and performance of the Scheme through Quarterly Review Reports and other information /documents, as required and approved by the competent authority.
  - 7.2.8. Providing secretarial and other support to MHI for carrying out its responsibilities.
  - 7.2.9. Keep a check on any diversion arising out of any change in accounting policy or duplication of benefits on account of same activity under different schemes.
- 7.3. The PMA may request for additional information, details and documents from the applicant as deemed necessary.

## **8. Approval under the Scheme**

- 8.1. The PMA will process the applications and make appropriate recommendations for approvals under the Scheme.
- 8.2. MHI will consider applications, as recommended by PMA through appropriate channel, for approval under the Scheme.
- 8.3. To avoid any duplication and formation of multiple committees, the Administrative Mechanism created under FAME-II scheme in MHI will be used for granting approvals under Production Linked Incentive (PLI) Scheme for Automobile and Auto components.

- 8.4. All the applications will be finalized within 60 days from the date of submission of applications or receipt of clarification sought, if any.
- 8.5. After receiving approval, the PMA will arrange to issue a letter to the selected applicant within 5 working days, communicating approval under the Scheme.
- 8.6. If a selected applicant is found to be ineligible at any stage, or if it has not complied with notifications, orders, guidelines etc. of the Scheme, the envisaged incentive claim of such selected applicant shall be forfeited or recovered with interest, if already paid.

9. **Post Approval:** PMA shall monitor the progress of the applicants.

#### 10. Calculation of Incentive

- 10.1 In order to receive the incentives, the approved companies need to upload their annual claims under the scheme, along with audited financial statements / supporting documents, as certified by a Chartered Accountant and any other document, as specified.
- 10.2. Annual payment to be initiated after review of claims and verification of meeting the criteria and thresholds.
- 10.3. The incentive applicable for the approved applicant shall be computed as follows:

##### 10.3.1 Champion OEM incentive scheme

- I. The approved applicants will be entitled to receive incentives (% benefit) on Determined Sales Value subject to meeting other conditions of the scheme.
- II. For the approved New Non-Automotive Investor company (who is currently not in automobile or auto component manufacturing business) eligible sales value in the base year will be taken as zero.
- III. Threshold Determined Sales Value for the first year is ₹125 crore in respect of all companies viz. existing Automotive and New Non-Automotive Investor companies under this component of the scheme to claim incentive.
- IV. Year on Year (YoY) growth of minimum 10% in Determined Sales Value of first year i.e ₹125 crore has to be achieved by all approved companies viz. existing Automotive and New Non-Automotive Investor companies, to become eligible to receive incentive.
- V. In case the approved company fails to meet the threshold for increase in Determined Sales Value over the threshold for the first year i.e ₹125 crore, for any given year, it will not receive any incentive for that year. However, it will still be eligible to receive the benefits under the scheme in the next year if it meets the threshold for that particular year calculated on the basis of 10% YoY growth over the threshold for the first year and thereafter for 4 consecutive years from when the incentive under the scheme becomes applicable (FY 2022-23). This provision will provide level playing field to all approved companies viz. existing Automotive and New Non-Automotive Investor companies as well as safeguard the approved applicants who preferred to front load their investment, against adversities of the market demand conditions in subsequent years of the scheme.
- VI. The approved Companies that achieve a target cumulative increase in Determined sales of ₹ 10,000 crore across the duration of the scheme will receive an additional incentive of 2%. This additional 2% incentive is applicable on the cumulative increase in Determined Sales Value in excess of ₹ 10,000 crore.
- VII. Incentive proposed under this scheme to electric vehicle manufacturers will be independent of the incentives given under FAME II scheme where incentives are provided to customers who buy the vehicles and not to the manufacturers. Incentives can be claimed under this scheme for Battery Electric vehicles having Advanced Chemistry Cell (ACC) batteries for which incentives have been claimed under the PLI scheme for ACC.
- VIII. Incentive Slabs for Champion OEM and New Non-Automotive (OEM) Investor company:

**Table 1: Incentive Slabs for Champion OEM and New Non-Automotive (OEM)****Investor Company**

<b>Determined Sales Value (in ₹ Crore)</b>	<b>Incentives (%age of Determined Sales Value)</b>
<b>&lt;= 2,000</b>	<b>13%</b>
<b>&gt; 2,000 to 3,000</b>	<b>14%</b>
<b>&gt; 3,000 to 4,000</b>	<b>15%</b>
<b>&gt; 4,000</b>	<b>16%</b>
<b>Cumulative Determined Sales Value of ₹10,000 Crores over 5 years</b>	<b>Additional 2%</b>

**Note:** - i. Only those Battery Electric Vehicles will be eligible for incentives which meet the performance criteria of FAME-II scheme or as notified from time to time by MHI.

**10.3.2 Component Champion incentive scheme**

- I. The Approved applicants will be entitled to receive incentives (% benefit) on the Determined Sales Values of Advanced Automotive Technology components subject to meeting other conditions of the scheme.
- II. For the approved New Non-Automotive Investor company (who is currently not in automobile or auto component manufacturing business) eligible sales value in the base year will be taken as zero.
- III. Threshold Determined Sales Value for the first year is ₹ 25 crore in respect of all companies viz. existing Automotive and New Non-Automotive Investor companies under this component of the scheme to claim incentive.
- IV. Year on Year (YoY) growth of minimum 10% in Determined Sales Value of the first year i.e. ₹ 25 crore has to be achieved by all approved companies viz. existing Automotive and New Non-Automotive Investor companies on ₹25 crore, to become eligible to receive incentive.
- V. In case the approved company fails to meet the threshold for increase in Determined Sales Value over the threshold for the first year i.e ₹ 25 crore, for any given year, it will not receive any incentive for that year. However, it will still be eligible to receive the benefits under the scheme in the next year if it meets the threshold for that particular year calculated on the basis of 10% YoY growth over the threshold for the first year and thereafter for 4 consecutive years from when the incentive under the scheme becomes applicable (FY 2022-23). This provision will provide level playing field to all approved companies viz. existing Automotive and New Non-Automotive Investor companies as well as safeguard the approved applicants who preferred to front load their investment, against adversities of the market demand conditions in subsequent years of the scheme.
- VI. The approved Companies that achieve a target cumulative increase in Determined Sales Value of ₹ 1250 crore across the duration of the scheme will receive an additional 2% incentive. This 2% additional incentive is applicable on the cumulative increase in Determined Sales Value in excess of ₹ 1250 crore.
- VII. Additional incentive has also been provided for components of Battery Electric Vehicles (BEV) and Hydrogen fuel cell vehicles in order to promote future technology vehicles.

VIII. Incentive slab for Component Champion Incentive Scheme:

**Table 2 : Incentive slab for Component Champion and New Non-Automotive (Component)**

**Investor company**

<b>Determined Sales Value (in ₹ Crore)</b>	<b>Incentives (%age of Determined Sales Value)</b>
<b>&lt;= 250</b>	<b>8%*</b>
<b>&gt; 250 to 500</b>	<b>9%*</b>
<b>&gt; 500 to 750</b>	<b>10%*</b>
<b>&gt; 750</b>	<b>11%*</b>
<b>Cumulative Determined Sales Value of ₹1,250 Crore over 5 years.</b>	<b>Additional 2%</b>
<b>Battery Electric vehicles &amp; Hydrogen fuel cell vehicles components</b>	<b>Additional 5%</b>

**\*Multiplied by a factor of 0.9 in the fifth year for eligible sales relating to Internal Combustion Engine (ICE) vehicle components.**

**Note:** - i. On an annual basis, the approved component Champions will have to separately report break up of sales value of components specific to Battery-EV and Hydrogen fuel Cell vehicle produced in India as defined in the guidelines.

**11. Disbursement of Incentives**

- 11.1.** For claiming incentive under the Scheme, the approved applicants will be required to submit claims for disbursement of incentive to the PMA. The approved applicant must ensure that the claims are complete in all respects and are accompanied by all the required documents, as per the format approved by the Ministry.
- 11.3** The approved applicant may submit a claim for disbursement of incentive only on an annual basis, that is, for the eligible sales made and domestic investment done in the period of April to March, of the said financial year.
- 11.4** Claim for disbursement of incentive shall be filed by the approved applicant within 6 (six) months from the end of the financial year to which the claim pertains.
- 11.5.** The PMA will examine the disbursement claim as submitted by an approved applicant. The PMA will keep a check on any diversions arising out of any change in accounting policy or duplication of benefits on account of same activity under different Schemes. The PMA shall verify eligibility and assess incentive payable to an approved applicant based on the method laid down in these guidelines and arrange to issue the approval letter after necessary approvals, to the applicant accordingly.
- 11.6.** The PMA will have the right to verify any document(s) in relation to the claim for incentive, including, but not limited to, statutory auditor certificates and returns furnished to various Ministries / Departments / Agencies. The PMA shall also have the right to examine the end realization and settlement / payments corresponding to sales and investment, respectively, by way of auditor's certificate, bank statements etc. to the extent deemed necessary.

- 11.7. In case of any doubt with respect to determining eligibility and incentive amount due, or any other matter in discharge of its duties and responsibilities, the PMA may refer such matter to MHI for clarification.
- 11.8. The PMA shall process claims for disbursement of incentives within 60 days from the date of receipt of such claim (or receipt of clarification sought, if any) and make appropriate recommendations to the Joint Secretary, MHI through appropriate channel under the overall control of AS&FA, MHI.
- 11.9. MHI will consider and approve claims for disbursement of incentive, as examined and recommended by the PMA through appropriate channel.
- 11.10. The PMA shall arrange to disburse funds after completion of all pre-disbursal formalities by the applicant and approval from MHI.
- 11.11. The disbursement of incentives will be in the form of Direct Bank Transfer through PFMS or through any other mechanism of adjustment in the name of the applicant only.
- 11.12. The approved applicants shall be required to reconcile Domestic Investment and Determined Sale Value with documents as prescribed by the PMA, by 31<sup>st</sup> of December of the financial year subsequent to which the claim pertains.
- 11.13. The PMA shall verify the aforesaid reconciliation. In case of excess claims disbursed, the approved applicant shall reimburse MHI for any incentive amount refundable, along with interest calculated at 3 years' SBI Marginal cost of funds-based lending rate (MCLR) prevailing on the date of disbursement, compounded annually (for the period between excess payment and date of refund by the applicant).
- 11.14. If the PMA or MHI is satisfied that eligibility under the Scheme and / or disbursement of incentives have been obtained by misrepresentation of facts or falsification of information, MHI will ask the approved applicant to refund the incentives, along with interest calculated at 3 years SBI Marginal cost of funds-based lending rate (MCLR) prevailing on date of disbursement, compounded annually, after giving an opportunity to the applicant of being heard. This is without prejudice to any other action that may be taken under law.
- 11.15. MHI shall make budgetary provisions for disbursal of incentives under the Scheme. The PMA will submit budgetary requirements to MHI as a consolidated amount on quarterly basis.
- 11.16. The PMA shall furnish information to MHI with details of disbursement claims received for incentives, amount disbursed, reasons for rejection and delay in disbursement of the incentives, on a quarterly basis.

## **12. Review**

- 12.1. Periodic reviews will be undertaken by the EGoS with respect to progress and performance of the Scheme.
- 12.2. All approved applicants shall be required to furnish self-certified Review Reports on a yearly basis.
- 12.3. The guidelines can be reviewed and revised by the competent authority, if required.

## **13. Residual**

- 13.1. Approved applicant shall intimate the PMA of any change in the shareholding pattern during the tenure of the Scheme, after updation with the Registrar of Companies(RoC).
- 13.2. Any change in the shareholding pattern of an approved applicant leading to a successor- in-interest during the tenure of the Scheme, shall be intimated by PMA for approval of MHI to consider for disbursal of incentives.
- 13.3. All transactions by the selected applicant with Related Parties will be subject to provisions of relevant statutes and Accounting Standards — 18 and corresponding Ind-AS, as amended from time to time. In case of any proceedings under any Act leading to adjustment of pricing in the

transactions between related parties, effect shall be given in calculation of incentive and/or eligible threshold investment.

- 13.4.** To obviate any malpractices in the financial matters where disbursements are made to industry by the Government, it has been decided to provide deterrence against corrupt practices for promotion of transparency and equity. Therefore, keeping in view the sensitivities involved in the process and taking cue from the instructions of the Central Vigilance Commission regarding addition of an Integrity Pact in the matter of procurement, it has been decided that Applicants shall furnish undertaking w.r.t. Integrity Compliance duly signed by its authorised signatory, as will be notified along with the Application Form.
- 13.5.** The undertaking shall be provided by all applicants whose applications or claims are under consideration for approval or disbursement of incentives. The applications or claims of those applicants who do not submit the undertaking shall not be processed and considered. The undertaking for confirming the compliance of integrity will be provided by applicants after the submission of claims for disbursement of incentive and in any case before release of funds. The release of incentives shall be withheld until the above-mentioned undertaking is provided.
- 14. Guidelines for PLI Scheme for Drone and Drone components:** Guidelines for the PLI scheme for Drone and Drone components shall be separately notified / published by Ministry of Civil Aviation (MoCA).
- 15. List of Advanced Automotive Technology products (Prescribed by MHI from time to time):**
- i. The list of Advance Automotive Technology Vehicles** – The following vehicles are prescribed by Ministry of Heavy Industries (MHI) as Advance Automotive Technology Vehicles. The list can be amended by MHI from time to time depending upon technological developments.

Sr. No.	Description
1	<b>Battery Electric vehicles</b> –All vehicle segments which meet the performance criteria of FAME-II scheme or as notified from time to time by MHI.
2	<b>Hydrogen Fuel Cell Vehicle</b> – All vehicle segments.

- ii. The list of Advance Automotive Technology Components will be notified separately by MHI in due course of time.**

[F. No. 12 (11)/2020-AEI (21370)]

AMIT MEHTA, Jt. Secy.

**File No. 13-01/2020-IC  
Government of India  
Ministry of Communications  
Department of Telecommunications  
International Cooperation Unit**

**Dated: 3<sup>rd</sup> June, 2021**

**Subject: Guidelines for Production Linked Incentive Scheme (PLI) for Promoting Telecom & Networking Products Manufacturing in India**

**1. Background**

**1.1** The Production Linked Incentive Scheme (PLI) to promote Telecom and Networking Products manufacturing in India (hereinafter referred to as the 'Scheme') has been notified vide notification No. 13-01/2020-IC dated 24.02.2021.

**1.2** In pursuance of Clause 7 of the said notification and for the effective operation and smooth implementation of the Scheme, the following guidelines are formulated to be read along with the Scheme. In case of any inconsistency between the Scheme as notified and the guidelines hereunder, the provisions of the Scheme shall prevail.

**1.3** These guidelines have been finalised after consultations with stakeholders. The Scheme Guidelines, *inter-alia*, cover the following:

**1.3.1** Definitions

**1.3.2** Qualification and Eligibility

**1.3.3** Investment for Determining Eligibility

**1.3.4** Application and Online Portal

**1.3.5** Project Management Agency (PMA), Empowered Group of Secretaries (EGoS) and Competent Authority

**1.3.6** Approval under PLI and Determination of Baseline



### 1.3.7 Calculation and Disbursement of Incentives

**1.4** The Scheme will be effective from 01.04.2021. Eligible Investment and sales made in terms of Scheme guidelines, on that date or thereafter, shall be reckoned for considering the incentive under the Scheme.

## 2. Definitions

**2.1 Applicant:** Applicant for the purpose of the Scheme is a company registered in India under the Companies Act 2013, proposing to manufacture goods covered under Scheme Target Segments as defined hereinafter, and making an application seeking approval under the Scheme. The Applicant can set up new or use existing manufacturing facility(ies) to manufacture goods covered under the Scheme Target Segments. The aforesaid manufacturing can be carried out at one or more locations in India, which will however be prior intimated to DoT. The Applicants whose accounts are declared as Non-Performing Asset (NPA) as per RBI guidelines or wilful defaulter or reported as fraud by any bank, financial institution or non-banking financial company etc. would be considered as ineligible. Further, there should not be any insolvency proceedings admitted against the Applicant in the National Company Law Tribunal (NCLT) etc.

**2.2 Applicant Category:** Application can be made under following two categories:

**2.2.1 MSME:** Companies registered as Micro, Small & Medium Enterprises (MSME) with the Ministry of MSME, Government of India.

**2.2.2 Non MSMEs:** Companies not falling under 2.2.1. This shall be sub-divided in two categories:

**2.2.2.1 Domestic Company:** As per the FDI Policy 2020, a company is considered as 'Owned' by resident Indian citizens if more than 50% of the capital in it is beneficially owned by resident Indian citizens and / or Indian companies, which are ultimately "owned" and "controlled" by resident Indian citizens. Such a company will be defined as "Domestic Company" for the purpose of these guidelines.

**2.2.2.2 Global Company:** Global Company means a company which does not qualify as Domestic Company as defined at Clause 2.2.2.1

above and is having business in one or more than one country either by itself or including its Group Companies as defined in Clause 2.16 of the Scheme guidelines.

**2.3 Application:** Application submitted under the Scheme by an Applicant to Project Management Agency (PMA)/DoT as per the Application Form specified under the Scheme containing requisite information, along with supporting documents and application fee as specified.

**2.4 Application Acknowledgement Date:** The date on which an application is acknowledged by Project Management Agency (PMA) on submission by an Applicant.

**2.5 Application Approval Date:** The date on which, based on an application, approval under the Scheme is issued by the Project Management Agency (PMA) pursuant to approval by the Competent Authority.

**2.6 Application Window:** The Application window shall be open for applications for benefits under the Scheme from the date of its opening as notified by DoT and as informed on the Scheme portal (<https://www.pli-telecom.udyamimitra.in>). Application form shall be submitted on the aforesaid portal online.

**2.7 Base Year for Sales:** Financial Year 2019-20 shall be treated as the Base Year for computation of incremental sales of goods manufactured in India under the Scheme Target Segments net of taxes (as distinct from “traded goods” defined under Clause 2.27). Baseline information pertaining to sales of goods manufactured in India under the Scheme Target Segments will be obtained to deduce and verify the incremental sales over the base year.

**2.8 Competent Authority:** Competent Authority, under the Scheme will be as notified by DoT from time to time.

**2.9 Eligible Investment:** Investment made in India from 01.04.2021 onwards and up to Financial Year 2024-2025 only. Applicant shall provide a certificate, from the Statutory Auditor as per specified format, depicting investment by the Applicant in India as on 31.03.2021.

**2.10 Eligible Product:** Goods manufactured in India by the Applicant, covered under Scheme Target Segments (**Annexure-1**) and approved for incentives under the Scheme.

**2.11 Employment:** Jobs created by Applicant in India, which are directly involved in the production process or with related activities beginning from when materials enter a production facility and until the resultant manufactured good leave the production facility. Such employment shall include on-roll, contractual, apprentice workforce and jobs created due to outsourcing within the premises of the Applicant company.

**2.12 Empowered Group of Secretaries (EGoS):** EGoS is the Committee chaired by the Cabinet Secretary and published in Gazette of India by Department for Promotion and Industry and Internal Trade vide ORDER No. P 36017/144/2020-Investment Promotion dated 10<sup>th</sup> June 2020. The EGoS will monitor the Scheme, undertake periodic reviews of the outgo under the Scheme and take appropriate action to ensure that the expenditure is within the prescribed outlay as approved by the Cabinet.

**2.13 Financial Year:** Financial Year begins on the 1<sup>st</sup> April of a year and ends on 31<sup>st</sup> March of the following year.

**2.14 Force Majeure:** Extraordinary events or circumstances beyond human control such as an event described as an act of God (like a natural calamity) or events such as a war, strike, public health emergency, riots, crimes (but not including negligence or wrong-doing, predictable / seasonal rain and any other events specifically excluded).

**2.15 Global Manufacturing Revenue:** Consolidated Manufacturing Revenue, both in India and overseas, of the Applicant and its Group Companies, in the electronics, telecom and networking segments, for the period of the Base Year i.e. 01.04.2019 to 31.3.2020.

**2.16 Group Company:** As defined in the FDI Policy 2020, Group Company means two or more enterprises which, directly or indirectly, are in a position to:

- (i) Exercise twenty-six percent or more of voting rights in other enterprise;
- or

(ii) Appoint more than fifty percent of members of Board of Directors in the other enterprise.

**2.17 Investment:** “Investment” related to Scheme Target Segments, capitalized in the books of accounts of the Applicants, as mentioned in Clause 4.2 of the Scheme shall mean:

**2.17.1 Expenditure incurred on Plant, Machinery, Equipment and Associated Utilities:** This shall include expenditure on plant, machinery, equipment and associated utilities as well as tools, dies, moulds, jigs, fixtures (including parts, accessories, components, and spares thereof) of the same, used in the design, manufacturing, assembly, testing, packaging or processing of any of the goods covered under Scheme Target Segments. It shall also include expenditure on packaging, freight / transport, insurance, erection and commissioning of the plant, machinery, equipment, and associated utilities. Associated utilities would include captive power and effluent treatment plants, essential equipment required in operations areas such as clean rooms, air curtains, temperature and air quality control systems, compressed air, water & power supply, and control systems. Associated utilities would also include IT and ITES infrastructure related to manufacturing including servers, software, and ERP solutions. Expenditure on civil works associated with installation and erection of plant, machinery, equipment, and associated utilities shall be eligible to be included in this head. All non-creditable taxes and duties would be included in such expenditure.

**2.17.2 Expenditure incurred on Research and Development (R&D):** Capital expenditure on R&D and product development related to Scheme Target Segments. The term “related” here refers to all stages in the entire value chain of the goods proposed to be manufactured including software integral to the functioning of the same. Such expenditure shall include expenditure on in-house and captive R&D, directly attributable to goods covered under Scheme Target Segments, including all stages in the entire value chain of the goods proposed to be manufactured including software integral to functioning of the same. It shall also include test and measuring instruments, prototypes used for testing, purchase of design tools, software cost (directly used for R&D) and license fee, expenditure on technology, IPR, Patents and Copyrights for R&D. Manpower expenses shall not be included in the eligible R&D expenditure. Further, R&D expenditure

shall be subject to the provision of Clause 4.1.4 and limits as specified in the Clause 4.3.4 hereinafter. All non-creditable taxes and duties would be included in such expenditure.

**2.17.3 Expenditure related to Transfer of Technology (ToT) Agreements:** This shall include cost of technology and initial technology purchase related to goods covered under Scheme Target Segments. All non-creditable taxes and duties would be included in such expenditure. Further, ToT is subject to limits as specified in Guidelines Clause 4.4.3 hereinafter.

**2.17.4 Expenditure incurred on Land and Building:** The expenditure incurred on land and building (including factory building / construction) required for the project / unit is not covered under the Scheme and, therefore, will not be considered for determining eligibility under the Scheme. However, as already described in clause 2.17.1 expenditure on civil works associated with installation and erection of plant, machinery, equipment, and associated utilities shall be eligible.

**2.18 Manufacture:** In accordance with Central Goods and Services Tax (CGST) Act, 2017; “manufacture” shall mean processing of raw material or inputs in any manner that results in emergence of a new product (as distinct from “traded goods” defined under Clause 2.27) having a distinct name, character and use; and the term “manufacturer” and “manufacturing” shall be construed accordingly.

**2.19 Net Incremental Sales of Manufactured Goods:** Net Sales of Goods Manufactured in India under the Scheme Target Segments over a given period minus the Net Sales of Goods Manufactured in India (as distinct from “traded goods” defined under Clause 2.27) under the Scheme Target Segments in the Base Year over the corresponding period.

**2.20 Net Sales:** Net Sales shall mean the Gross Sale net of credit notes as defined in CGST Act (raised for any purpose), discounts (including but not limited to cash, volume, target or for any other purpose) and taxes applicable for goods manufactured in India (as distinct from “traded goods” defined under Clause 2.27) under the Scheme Target Segments as per its books of accounts and as disclosed to GST Authorities.



**2.21 Project Management Agency (PMA):** Refers to an agency appointed by Department of Telecommunications (DoT) to act on its behalf for receipt and appraisal of applications, determination of baselines, verification of eligibility and examination of disbursement claims through any method / document deemed appropriate and for managing the above-mentioned in accordance with these Guidelines/Schemes.

**2.22 Related Party(ies):** The term related party shall be as defined in “Accounting Standard (AS)18 - Related Party Disclosures” or “Indian Accounting Standard (Ind AS) 24 - Related Party Disclosure”, as may be applicable to the Applicant, as notified by Ministry of Corporate Affairs or any other appropriate authority from time to time.

**2.23 Scheme Target Segments:** Scheme Target Segments shall mean specified Telecom and Networking Products as in **Annexure -1** in the Scheme.

**2.24 Self Certified Documents:** The self-certified documents would mean, documents certified by a designated Signatory of the Applicant company authorised by the Board of Directors.

**2.25 Successor-in-Interest:** Successor-in-Interest shall mean the new or re-organized entity formed after the merger, demerger, acquisition, transfer of business or significant change in ownership of an Applicant. Significant change will mean any change leading to any shareholder acquiring directly or indirectly 10% or more shareholding in the company.

**2.26 Technical Committee (TC):** A Technical Committee as constituted by the Competent Authority.

**2.27 Traded Goods:** Products where no processing of raw material or inputs in any manner are carried out by the Applicant company and the product is purchased and sold without any value addition will be treated as “traded goods”, for the purpose of the Scheme.

### **3. Qualification and Eligibility**

**3.1** Support under the Scheme shall be provided only to companies for manufacturing of goods in India as covered under Scheme Target Segments. Further any foreign (non-resident) investment in the Applicant company shall

be in compliance to the FDI Policy 2020, as amended and effective from time to time.

**3.2** Eligibility shall be subject to qualification criteria for the Global Manufacturing Revenue as defined in Clause 2.15 of Scheme guidelines, as under:

**3.2.1 Global companies:** Global Manufacturing Revenue should be more than Rs. 10,000 Crore in the base year. In case of Group companies of Applicant, whose revenues for the base year have not been consolidated in INR, the revenue in the respective currency shall be converted to INR at an average of currency exchange rates as on April 01, 2019 and March 31, 2020.

**3.2.2 Domestic companies:** Global Manufacturing Revenue should be more than Rs. 250 Crore in the base year.

**3.2.3 MSMEs:** Global Manufacturing Revenue should be more than Rs. 10 Crore in the base year.

**3.3** Eligibility shall be subject to thresholds of minimum cumulative Incremental Investment during the year and Incremental Sales of Manufactured Goods (covered under Scheme Target Segments) over the base year.

**3.3.1** An Applicant must meet threshold criteria to be eligible for disbursement of incentive for the year under consideration. Eligibility threshold criteria are annexed in the Scheme and in **Annexure 2** of these Guidelines.

**3.3.2** In case an Applicant does not meet eligibility threshold criteria as per **Annexure 2**, for any given year, the Applicant shall not be eligible for incentive in that particular year. There will not be any carryover of incentive for such years. However, the Applicant will not be restricted from claiming incentive due in subsequent years during the tenure of the Scheme, provided eligibility criteria are met for such subsequent years.

**3.4** For the purpose of determining eligibility of an Applicant with respect to Incremental Investment for any year, the cumulative value of investment done till such year (including the year under consideration) from 01.04.2021 shall be considered. Even if the entire committed investment is made by the Applicant in less than 4 years, the incentive will be disbursed annually to the eligible

Applicants based on the annual threshold investment communicated in the letter of approval.

**3.5** For the purpose of determining eligibility of an Applicant with respect to Net Incremental Sales of Manufactured Goods covered under Scheme Target Segments for any year, the Net Sales of Manufactured Goods covered under Scheme Target Segments for such year over the Base Year shall be considered.

**3.6** An Applicant shall become ineligible for availing benefits under the DoT PLI Scheme, if it has applied/availed benefits under any other PLI Scheme of the Central Government for the same product. However, eligibility under PLI Scheme will not affect eligibility under any other Scheme being implemented by State/UT Governments and vice-versa. Further, for the purpose of determining eligibility of an Applicant with respect to incremental investment, the investment covered under the Scheme may not be considered for determining eligibility under any other PLI Scheme and vice-versa.

**3.7** Maximum financial allocation over 5 years for MSME category will be limited to Rs. 1000 crores only.

**3.8** The status of Applicants as MSMEs or Non-MSMEs will be determined at the time of selection only and it will remain so during the entire duration of the Scheme.

#### **4. Investment for Determining Eligibility**

##### **4.1 General Terms and Conditions**

4.1.1 Investment as defined in Clause 2.17 of these Guidelines shall be considered for determining eligibility under the Scheme provided such investment is made on or after 01.04.2021.

4.1.2 Expenditure on consumables and raw material used for manufacturing shall not be considered as Investment.

4.1.3 The date of tax invoice would be considered as the date of investment under the Scheme.

4.1.4 For any particular year, heads of Investment, based on which eligibility for selection and annual claim of incentive, is being determined, must be capitalized in the books of accounts of the Applicants, in that year.



## **4.2 Plant, Machinery and Equipment**

4.2.1 Expenditure incurred on Plant Machinery & Equipment as defined in Clause 2.17.1 of these Guidelines shall be considered as Investment for determining eligibility under the Scheme.

4.2.2 Plant, machinery, and equipment must be purchased / leased in the name of the Applicant. In cases where these are being leased, the lease should be in the nature of a financial lease within the meaning of “Accounting Standard 19 – Leases” or “Indian Accounting Standard (Ind AS) 116 – Leases”, as may be applicable to the Applicant, as notified by Ministry of Corporate Affairs or any other appropriate authority from time to time. Plant, machinery and equipment obtained by the Applicant on financial lease from Group Companies located in India whose core business is not financing or equipment leasing Scheme shall be excluded from the eligible investments.

4.2.3 As per “The Hazardous and Other Wastes (Management and Transboundary Movement) Amendment Rules, 2018”, the used / refurbished plant, machinery and equipment allowed under the Scheme shall have a minimum residual life of at least 5 years. Further, a valuation certificate by a Chartered Engineer assessing the value and residual life shall also be required. In case of import, such valuation should be in accordance with Customs Valuation Rules and Circulars. The value of these plant, machinery and equipment shall be considered as lower of depreciated value (as per scale of depreciation fixed by Customs, whether these plant, machinery and equipment are imported or not) and the value assessed by Chartered Engineer (of India) or equivalent overseas Chartered Engineer, as may be specified. DoT reserves the rights to have its own Chartered Engineer for such valuation.

4.2.4 In such case that tools, dies, moulds, jigs, fixtures and parts, accessories, components and spares are located outside the premises of an Applicant, appropriate undertaking(s) from the person having custody of these equipment / components along with valid legal agreement(s) for the said transaction(s) shall be obtained. These equipment /components should not be located outside the country.

4.2.5 Plant, machinery, and equipment shall be procured / leased through legally valid documents after payment of applicable taxes and duties.

4.2.6 The plant, machinery and equipment approved under the Scheme should be used for manufacturing of the goods under the Scheme Target Segments that are approved in the approval letter issued by PMA. This does not preclude the usage of such machinery for manufacturing of other products. The Applicant must submit a declaration about usage of machinery for each year during the period that such Applicant is claiming incentive under the Scheme.

4.2.7 The PMA will, *inter-alia*, rely on certificates from Chartered Engineer or any valuer registered with Insolvency & Bankruptcy Board of India, and valuation considered under Customs Rules, wherever applicable, for the purpose of determining reasonableness of cost.

### **4.3 Research and Development (R&D)**

4.3.1 Expenditure incurred on Research and Development as defined in Clause 2.17.2 of these Guidelines shall be considered as Investment for determining eligibility under the Scheme.

4.3.2 The Applicant shall provide a Statutory Auditor certificate in respect of the cost of technology, IPRs, patents and copyrights pertaining to the products approved for manufacturing.

4.3.3 The software associated with R&D shall be procured / licensed through legally valid documents after payment of applicable taxes and duties. This shall be certified by the Statutory Auditor of the Applicant.

4.3.4 Expenditure incurred on R&D shall not exceed 15% of the total committed investment.

### **4.4 Transfer of Technology Agreements**

4.4.1 Expenditure incurred on Transfer of Technology Agreements (copy of Transfer of Technology agreement to be submitted) as defined in Clause 2.17.3 of these Guidelines shall be considered as Investment for determining eligibility under the Scheme.

4.4.2 The Applicant shall provide a Statutory Auditor certificate in respect of expenditure related to Transfer of Technology Agreements.

4.4.3 Expenditure incurred on Transfer of Technology shall not exceed 5% of the total committed investment.

#### **4.5 Associated Utilities**

4.5.1 Expenditure incurred on associated utilities as defined in Clause 2.17.1 of these Guidelines shall be considered as Investment for determining eligibility under the Scheme.

4.5.2 The associated utilities will be capped at rates specified in the CPWD schedule of rates, if available or else as per the valuation carried out by Chartered Engineer.

4.5.3 The Applicant shall provide a Statutory Auditor certificate in respect of expenditure related to associated utilities.

**4.6 Related Party Transactions:** All transactions with Related Parties will be subject to provisions of Accounting Standard-18 as amended from time to time. All Related Party Transactions should be at an arm's length price as defined under Income Tax Act.

4.7 During the application and claim process PMA will rely on, *inter alia*, various certificates to be submitted by the Applicant from Statutory Auditors, Chartered Engineer, Valuers etc. as defined under the Scheme guidelines. The cost of such certificates as stipulated and to be submitted along with the application and claim process will be borne by the Applicant.

### **5. Application**

5.1 The Scheme shall be open for applications from the date of its opening, as notified by DoT and as informed on the Scheme portal (<https://www.pli-telecom.udyamimitra.in>). Application forms shall be submitted and accepted on the aforesaid portal online.

5.2 The Competent Authority reserves the right to invite new applications anytime during the tenure of the Scheme.

5.3 An application under the Scheme can be made to Project Management Agency (PMA) on the portal online for the Scheme, by any company registered in India.

**5.4** Each Applicant shall be allowed to make only one application under the Scheme. However, the Applicant can apply for one or more products of the Scheme Target Segments as defined in **Annexure 1**.

**5.5** All manufacturers with products with Indian technology are encouraged to apply.

**5.6** An application shall be made in the specified format and as per the process mentioned in these Guidelines.

**5.7** On receipt of an application in the specified format, by the PMA, an acknowledgement to this effect shall be issued. However, issuance of the acknowledgement would not bestow or confer on the Applicant any right to claim incentive. No fresh application will be accepted after the close of the application window unless otherwise permitted by the Competent Authority.

**5.8** On receipt of the application, an initial scrutiny shall be carried out by the PMA to ascertain that the information, documents, certificates, proof of deposit of application fees etc. as required under the Scheme have been submitted. Deficiencies, if any, found in the applications during the initial scrutiny shall be intimated to the Applicants and the same shall be rectified by the Applicant within the stipulated time from the date of intimation of the deficiency, failing which the application may be marked ineligible for the Scheme. After completion of the scrutiny process, the list of shortlisted eligible application shall be recommended by PMA to DoT for approval of the Competent Authority.

**5.9** The application section on the portal, containing information about the Committed Investment and estimated Incremental Net Manufacturing Sales, shall have suitable provisions for data security.

**5.10** Final recommendation shall be made by PMA to DoT in respect of eligible Applicants with baseline information (Investments and Sales), committed investments and maximum eligible sales during the Scheme period. On approval by DoT, the PMA shall issue approval letter to the Applicants as per specified formats.

**5.11** A non-refundable application fee would be payable for each application. The application fee, as specified, would be accepted electronically only.

## **6. Online Portal**

**6.1** All applications will be submitted online through portal to Project Management Agency (PMA).

**6.2** Upon successful submission of an application, PMA will issue a unique Application ID to the Applicant for all future activities pertaining to the Scheme. All Applicants may refer to this unique ID for any future correspondence on the subject.

**6.3** DoT may separately issue detailed instructions for the use of online portal for the Scheme.

## **7. Project Management Agency (PMA)**

**7.1** The Scheme will be implemented through a Project Management Agency (PMA) which shall be responsible for providing secretarial, managerial, implementation, support and for carrying out responsibilities as assigned by DoT from time to time.

**7.2** The PMA would, inter-alia, be responsible for:

7.2.1 Receipt of application, issue of acknowledgements and scrutiny of applications within the stipulated timelines.

7.2.2 Ascertaining of Baseline for Net Sales of Manufactured Goods and Investment for eligible Applicants and making appropriate recommendations to the Competent Authority.

7.2.3 Verification of thresholds for committed investments towards determining eligibility for disbursement of incentive.

7.2.4 Examination of claims for disbursement of incentive and making appropriate recommendations to the Competent Authority.

7.2.5 Verification of the reconciliation of disbursement claims with specified documents.

7.2.6 Compilation of data regarding progress and performance of the Scheme through Quarterly Review Reports and other information / documents.

**7.3** The PMA may request for additional information, details and documents from the Applicant as deemed necessary.

**7.4** DoT/PMA shall carry out verification of claims related to annual threshold eligible investment and incremental sales of selected Applicants for deciding eligibility to receive incentives. This process will primarily include document-based verification but may also involve selective physical verification/inspection by PMA/suitable agency as per operating procedures to be decided by DoT/PMA.

## **8. Empowered Group of Secretaries (EGoS) and Competent Authority**

### **8.1 Empowered Group of Secretaries (EGoS)**

8.1.1 The Empowered Group of Secretaries (EGoS) may monitor the Scheme, may undertake periodic review of the outgo under the Scheme and take appropriate action to ensure that the expenditure is within the specified outlay as approved by the Cabinet.

8.1.2 The EGoS may conduct periodic reviews of eligible companies with respect to their investments, employment generation, production, and value addition under the Scheme.

8.1.3 The EGoS may revise incentive rates, ceilings, Scheme Target Segment(s) and eligibility criteria as deemed appropriate during the tenure of the Scheme.

8.1.4 In case of a Force Majeure event, the EGoS may amend, modify, or withdraw any clauses under the Scheme Guidelines.

### **8.2 Competent Authority**

8.2.1 The Competent Authority will consider applications, as recommended by the PMA for approval under the Scheme. The Competent Authority may seek such additional information, as necessary for approval.

8.2.2 The Competent Authority will also be authorized to carry out any amendments in Scheme Guidelines following due procedure.

8.2.3 Competent Authority may authorise any other person or agency to consider the approval of applications and claims for incentive on its behalf.



## **9. Baseline Information**

**9.1** Eligibility under the Scheme is subject to thresholds of Cumulative Incremental Investment, and Net Incremental Sales of Goods Manufactured in India covered under Scheme Target Segments as defined. Accordingly, a baseline for Investment and Net Sales of Goods Manufactured in India will have to be established to determine eligibility and compute incentive amount due.

**9.2** The period for determination of baseline shall be as follows:

**9.2.1 Baseline for Investment:** As on 31.03.2021

**9.2.2 Baseline for Net Sales of Goods Manufactured in India (covered under the Scheme Target Segment):** Period from 01.04.2019 to 31.03.2020

**9.3** Applicants shall be required to submit information / documents, at their own cost, as deemed necessary for establishing the baseline, including but not limited to statutory auditor certificates and returns furnished to various Ministries / Departments / Agencies, or any other document sought by the PMA.

**9.4** The Competent Authority will consider approval of applications under PLI Scheme based on baseline information (investments and sales), committed investments and maximum eligible sales during the Scheme period as ascertained and recommended by the PMA.

## **10. Approval under PLI**

**10.1** The Project Management Agency (PMA) appointed by DoT, will scrutinise the applications, as received, after issuing of acknowledgements. The PMA shall carry out initial scrutiny of the application as defined in Clause 5.8. Final recommendation, for approvals under the Scheme, shall be made by PMA to DoT in respect of eligible Applicants with baseline information (investments and sales), committed investments and maximum eligible sales during the Scheme period. The final selection of Applicants under the Scheme will be done by the DoT with the approval of Minister in charge of the Department.

**10.2** DoT shall grant approvals to 10 (ten) eligible applications each in MSME & non-MSME categories. Out of the 10 applications in non-MSME category, at least 3 (three) Applicants will be eligible Domestic companies.

**10.3** In case of receipt of eligible applications in excess of the limits specified as in Clause 10.2 above for any of the two Applicant categories, the eligible applications for the given category will be ranked in the following order:

**10.3.1 Applicant Category: MSMEs**

Highest to lowest on the basis of committed cumulative incremental investment during the Scheme period.

**10.3.2 Category: Non-MSMEs**

Highest to lowest on the basis of committed cumulative incremental investment during the Scheme period.

10.3.3 In case of more applications at same level of investment, Applicants (including its group companies) having higher global manufacturing revenue in the base year, for the respective categories, will be considered.

10.3.4 Based on the ranking method mentioned above, highest 10 (ten) eligible Applicants in MSME category, highest 10 (ten) eligible Applicants in non-MSME category (out of which at least 3 (three) Domestic companies) shall be selected and granted approval under the Scheme.

*Illustration: - Under non-MSME category, both Global and Domestic companies can apply. In case, out of the top ten ranks, 3 or more than 3 Domestic companies are included, the list will be final. However, in case, the top 10 ranks have less than 3 domestic companies (and there are still eligible applications from domestic companies), remaining (out of three in top 10 ranks) domestic companies in their order of ranking will be selected to make it minimum 3. In either case, total number of shortlisted applications will be capped at 10 (ten).*

**10.4** This selection is subject to total incentive on maximum eligible sales for all Applicants in respective categories being within the overall financial limit of Rs. 12,195 Crores over a period of five years. In case the total incentive payable on maximum eligible sales based on Committed Total Investment is more than the financial limit for respective categories, as in Clause 3.7 or otherwise, the number of Applicants to be selected will be reduced accordingly.



**10.5** In case the total incentive payable on maximum eligible sales to all the 10 (ten) Applicants in each category is less than the financial limit in respective categories, the Competent Authority may select more applications, subject to overall financial limit of Rs. 12195 Crores over a period of five years.

**10.6** After the PMA has received the approval from the Competent Authority, it shall issue a letter to the Applicant communicating the same. The letter shall, inter-alia, state with reference to earlier communication, the following:

10.6.1 Name of Applicant

10.6.2 Applicant Category

10.6.3 Eligible Product(s)

10.6.4 Date of Acknowledgement

10.6.5 Date of Approval

10.6.6 Thresholds of Committed Cumulative Incremental Investment and Net Incremental Sales of Goods Manufactured in India covered under Scheme Target Segment, applicable for determining eligibility.

10.6.7 Baseline for Eligible Investment (as on 31.03.2021)

10.6.8 Baseline for Net Sales of Goods Manufactured in India covered under Scheme Target Segment for first year (Period from 01.04.2019 to 31.03.2020)

10.6.9 Total Ceiling on eligible incentive for the entire Scheme period

10.6.10 Any other information / condition stipulated by the Competent Authority

## **11. Calculation of Incentive**

The incentive applicable for an approved Applicant shall be computed as follows:

**Net Incremental Sales of Eligible Product(s) x Rate of Incentive for the applicable year**

Where

(i) Eligible Product(s) are as stated in the approval letter.

(ii) In case of credit notes issued for any purpose including return of sold Goods, the Net Sales for the period shall be reduced by the amount corresponding to such credit notes. If the corresponding sales have already been considered for claim processing for the earlier period, the credit notes for return of sold goods shall be adjusted with Net Sales for the period in which the actual sales return takes place.

(iii) Annual Ceiling on incentive payable to each Applicant will be determined based on Clause 10 of the Scheme notified on 24.02.2021.

## **12. Disbursement of Incentives**

**12.1** For claiming incentive under the Scheme, Applicants will be required to submit claims for disbursement of incentive to the PMA. Applicants must ensure that the claims are complete in all respects and are accompanied by all the documents required as per format specified in the Scheme.

**12.2** Applicant shall submit claim for disbursement of incentive after the end of financial year to which the claim pertains, but not later than 9 months from the end of the said financial year.

**12.3** The PMA will examine the disbursement claims as submitted by an Applicant. The PMA shall verify eligibility and assess incentive payable to an Applicant based on the method laid down in these Guidelines and the approval letter issued to the Applicant.

**12.4** The PMA will have the right to verify any document(s) in relation to the claim for incentives including but not limited to statutory auditor certificates and returns furnished to various Ministries / Departments / Agencies. The PMA shall also have the right to examine the end realization and settlement / payments corresponding to sales and investment respectively by way of auditor's certificate, bank statements etc. to the extent deemed necessary.

**12.5** In case of any doubt with respect to determining eligibility and incentive amount due, or any other matter in discharge of its duties and responsibilities, the PMA may refer to Competent Authority for clarification. The decision of Competent Authority will be final in this regard.

**12.6** The PMA shall process claims for disbursement of incentive and make appropriate recommendations to the Competent Authority.

**12.7** The Competent Authority will consider claims for disbursement, as examined, and recommended by the PMA, for disbursement of incentive.

**12.8** DoT shall disburse funds after completion of all pre-disbursal formalities by the Applicant and approval from Competent Authority. Pending submission of the reconciliation certificates as in Clause 12.10, disbursement would be restricted to 85% of the eligible claim amount approved for the year.

**12.9** The disbursement of incentives will be in the form of Direct Bank Transfer through PFMS.

**12.10** Applicants shall be required to submit reconciliation Statement of Incremental Investment and Net Incremental Sales of Eligible Manufactured Goods as on 31<sup>st</sup> March of every financial year during the Scheme period, for adjustments made due to credit notes issued for any purpose including return of sold Goods up to 31<sup>st</sup> December of the next financial year. The said reconciliation Statement, as per specified format, will have to be submitted within 15 days of 31<sup>st</sup> December as aforesaid.

**12.11** PMA shall verify the reconciliation documents/certificates and recommend disbursement of the balance eligible claim to DoT.

**12.12** Based on the Competent Authority approval, DoT would make the disbursement of the balance eligible claim for the year to the Applicants.

**12.13** In case of excess claims disbursed, the Applicant shall reimburse DoT for any incentive amount refundable along with interest calculated at 3 years SBI MCLR prevailing on the date of disbursement, compounded annually (for the period between excess payment and date of refund by the Applicant).

**12.14** If the PMA or Competent Authority is satisfied that eligibility under the Scheme and / or disbursement of incentives have been obtained by misrepresentation as to an essential fact or furnishing of false information, Competent Authority may ask the Applicant to refund the incentives along with interest calculated at 3 years SBI MCLR prevailing on the date of disbursement, compounded annually (for the period between payment and date of refund by the Applicant), after giving an opportunity to the Applicant of being heard, subject to conditions stipulated in Clause 15.6.

**12.15** DoT shall make budgetary provisions for disbursement of incentives under the Scheme. The PMA will submit budgetary requirements to DoT as a consolidated amount on an annual basis.

**12.16** The PMA shall furnish information to DoT with details of disbursement claims received for incentives, amount recommended / disbursed, reasons for rejection / delay in recommendation of the incentives on a quarterly basis.

### **13. Review and Monitoring**

**13.1** Apart from EGoS, periodic reviews will be undertaken by a Steering Committee to be constituted by DoT to monitor the progress of eligible companies with respect to their investments, employment generation, production, and value addition under the Scheme.

**13.2** All approved Applicants shall be required to furnish self-certified Quarterly Review Reports (QRRs), in specified formats, within 30 days from the end of each quarter in the format provided in the Scheme. Incentive claims for a particular financial year shall be considered only if all QRRs for the period have been submitted by the Applicants within the prescribed timelines.

**14. Technical Committee (TC):** A Technical Committee as defined in Clause 2.26 above will provide technical assistance to PMA / DoT / EGoS for discharging their functions. TC will also give its comments on any technical matter referred by PMA/DoT.

### **15. Residual**

**15.1** Incentive shall not be claimed by an Applicant by diversion of sales from Group Companies or closure of existing units in India for claiming higher incentives under the Scheme.

**15.2** Incentive shall not be claimed for a given manufactured item by more than one Applicant. Suitable declaration shall be obtained from the Applicant for this effect as per the specified format at the time of each claim.

**15.3** An Applicant shall submit its latest shareholding pattern to the PMA, along with the annual incentive claim, if there is any change in the shareholding pattern during the year, after up-dation with the Registrar of Companies (RoC).

**15.4** Any change in the shareholding pattern of an Applicant leading to a successor-in-interest as defined in Clause 2.25 or having the effect of change in nature of company (Domestic to Global or vice versa) during the tenure of the Scheme, shall be intimated by PMA for approval of the Competent Authority to consider for disbursal of incentives.

**15.5** In case of a successor-in-interest or having the effect of change in nature of company, all Incremental Investment undertaken by the Applicant to whom approval was accorded under the Scheme, would be considered for determining eligibility, subject to approval and compliance with any other condition stipulated by the Competent Authority, as may be deemed appropriate. The baseline applicable for the successor-in-interest will be the same as determined for the Applicant to whom approval was accorded under the Scheme.

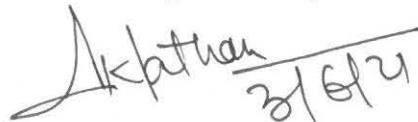
**15.6** To obviate any malpractices in the financial matters where disbursements are made to industry by the Government, it has been decided to provide a deterrent against corrupt practices for promotion of transparency and equity. Therefore, keeping in view the sensitivities involved in the process and taking cue from the instructions of the Central Vigilance Commission regarding adoption of an Integrity Pact in the matter of procurement, it has been decided to obtain undertaking(s) from Applicants under the Scheme.

**15.7** The first undertaking shall be provided by all Applicants whose applications or claims are under consideration for approval or disbursement of incentives. The applications or claims of those Applicants who do not submit the undertaking shall not be processed and considered. The second undertaking for confirming the compliance of integrity will be provided by Applicants after the submission of claims for disbursement of incentive and in any case before release of funds. The release of incentives shall be withheld until the above-mentioned undertaking is provided.

**15.8** These undertakings are to be furnished by Applicants in the specified formats, duly signed by CEO / MD / Director, and depicting the designation along with authorization to do so.

**15.9** All the functions which are assigned to PMA, can also be performed by DoT.

**15.10** The dates and timelines for various activities will be specified by DoT separately.



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**New Delhi, Dated: 3<sup>rd</sup> June, 2021**

**Copy to:**

1. **All Concerned Ministries / Departments of Government of India**
2. **All States / Union Territories**
3. **Cabinet Secretariat**
4. **PMO**
5. **NITI Aayog**
6. **Comptroller and Auditor General of India**
7. **Member(F), DCC, Department of Telecommunications**
8. **Industry Associations**
9. **Project Management Agency (PMA).**
10. **Internal circulation**



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**Annexure 1****Specified Telecom and Networking Products**

<b>S. No</b>	<b>Description of Goods</b>
<b>1</b>	<b>Core Transmission Equipment</b>
	Dense Wavelength Division Multiplexing (DWDM), Optical Transport Network (OTN), Multi Service Provisioning Platform (MSPP), Synchronous Digital Hierarchy (SDH), Packet Transport Network (PTN)/ Multi-Protocol Label Switching (MPLS), Gigabit Passive Optical Networks (GPON)/ Next Generation- Passive Optical Network (NG-PON) Optical Line Terminal (OLT), Digital Microwave Radio
<b>2</b>	<b>4G/5G, Next Generation Radio Access Network and Wireless Equipment</b>
	4G/ Long Term Evolution (LTE)Radio Access Network (RAN) Base Station & Core Equipment; 5G RAN Base Station & Core Equipment; Edge and Enterprise Equipment; Wireless Telecommunication Equipment in Access and Backhaul
<b>3</b>	<b>Access &amp; Customer Premises Equipment (CPE), IoT Access Devices and Other wireless Equipment</b>
	Unified Communications Platforms, IP Multimedia Subsystem, Soft Switch, GPON Optical Network Terminal (ONT), Wireless Fidelity (Wi-Fi) Access Point and Controller, LTE CPE, 5G CPE, Short Range Devices and Associated Electronics in new technologies like 4G/5G/Fibre To The Home (FTTH) etc.
<b>4</b>	<b>Enterprise equipment: Switches, Routers</b>
	Switches, Routers, Internet protocol (IP) and Packet Switching and Routing Apparatus
<b>5</b>	<b>Any Other Product- As decided by the EGoS</b>

**Annexure 2****Eligibility Threshold Criteria for Telecom and Networking Products**

Year	Proposed Incentive Rate on incremental sales	Cumulative Investment (other than land and building)	Minimum Eligible Incremental Net Sales <sup>#</sup> of Manufactured Goods over the Base Year	Maximum Eligible Incremental Net Sales <sup>#</sup> of Manufactured Goods over the Base year
	(A)	(B)	(C)	(D)
<b>MSMEs- Minimum Threshold of Investment Rs. 10 Crores</b>				
1	7%	Greater than or equal to 20% of X	3*(20% of X)	20*(20% of X)
2	7%	Greater than or equal to 40% of X	3*(40% of X)	20*(40% of X)
3	6%	Greater than or equal to 70% of X	3*(70% of X)	20*(70% of X)
4	5%	Greater than or equal to X	3*X	20*X
5	4%		3*X	20*X
<b>Other than MSMEs- Minimum Threshold of Investment Rs. 100 Crores</b>				
1	6%	Greater than or equal to 20% of X	3*(20% of X)	20*(20% of X)
2	6%	Greater than or equal to 40% of X	3*(40% of X)	20*(40% of X)
3	5%	Greater than or equal to 70% of X	3*(70% of X)	20*(70% of X)
4	5%	Greater than or equal to X	3*X	20*X
5	4%		3*X	20*X
Where X = Committed Total Investment by the Company / entity over a period of four years starting from year 2021-22 (minimum Rs. 10 Crores for MSMEs and Rs. 100 Crores for others)				
MSMEs = Micro, Small and Medium Enterprises as defined by the Government of India				
# As defined under Clause 2.20				



## 159. Guidelines by Ministry of Food Processing industries

F. No. 11-18/3/2021-PLIS Division  
भारत सरकार/ Government of India  
खाद्य प्रसंस्करण उद्योग मंत्रालय  
Ministry of Food Processing Industries  
पंचशील भवन, अगस्त क्रांति मार्ग  
Panchasheel Bhavan, August Kranti Marg  
नई दिल्ली/New Delhi - 110049

दिनांक: 02.05.2021

### **Subject: Operational Guidelines of the New Central Sector Scheme "Production Linked Incentives Scheme for Food Processing Industry" (PLISFPI)**

Government of India (GOI) has approved a new Central Sector Scheme - "Production Linked Incentive Scheme for Food Processing Industry (PLISFPI)" for implementation during 2021-22 to 2026-27 with an outlay of Rs. 10,900 crore. The scheme is being implemented by Ministry of Food Processing Industries (MoFPI).

2. Based on the consultations/ meetings with industry players, various comments received from industry associations and other stakeholders including the line ministries and NITI Aayog, the operational guidelines of the "Production Linked Incentive Scheme for Food Processing Industry (PLISFPI)" have been finalized.

3. The operational guidelines for the "Production Linked Incentive Scheme for Food Processing Industry (PLISFPI)" are hereby notified for the information of all the stakeholders and general public.



**(S.K. Verma)**

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**Guidelines on Production Linked Incentive (PLI) Scheme for Food Processing Industry**

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**PLISFPI**



**MAY 2, 2021**

**MINISTRY OF FOOD PROCESSING INDUSTRIES**  
Government of India

F. No.11-18/3/2021-PLIS  
Government of India  
Ministry of Food Processing Industries

Dated: 2<sup>nd</sup> May, 2021

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## **Guidelines on Production Linked Incentive (PLI) Scheme for Food Processing Industry**

### **1. Objective**

- 1.1 The objective of the scheme is to support the creation of global food manufacturing champions; promote Indian brands of food products; increase employment opportunities for off-farm jobs, ensure remunerative prices of farm produce and higher income to farmers.

### **2. Components**

- 2.1 The objectives are sought to be achieved through the introduction of a Production Linked Incentive (PLI) Scheme. The scheme has three broad components.
- 2.2 The first component relates to incentivising manufacturing of four major food product segments viz. Ready to Cook/ Ready to Eat (RTC/ RTE) including millet-based foods, Processed Fruits & Vegetables, Marine Products & Mozzarella Cheese.
- 2.3 The Second component is for incentivising Innovative/ Organic products of SMEs across all the above four food product segments including Free Range - Eggs, Poultry Meat & Egg Products.
- 2.4 The third component relates to support for branding and marketing abroad to incentivise the emergence of strong Indian brands

### **3. Definitions**

- 3.1 Guidelines: Guidelines on Production Linked Incentive (PLI) Scheme for the food processing industry.
- 3.2 Product Segment: Food products are categorised as a segment which are eligible to be covered under PLI Scheme. There are four segments viz. Ready to Cook/ Ready to Eat (RTC/ RTE) foods including Millet products, Processed Fruits & Vegetables, Marine Products and Mozzarella Cheese. Innovative/ Organic products of SMEs in these segments, including Free Range - Eggs, Poultry Meat, Egg Products, are also covered.
- 3.3 Product Groups: Group of products covered under each Product Segments and manufactured in India. Product Groups under each Product Segments are listed in Col. 2 of **Appendix B** of this Guidelines.

- 3.4 SME: As defined through notification under Micro, Small and Medium Enterprises Development Act, 2006.
- 3.5 Applicant: Applicant for the purpose of the Scheme shall be (i) Proprietary Firm or Partnership Firm or Limited Liability Partnership (LLP) or a Company registered in India (ii) Co-operatives; and (iii) SME and making an Application for seeking approval for coverage under the Scheme. Applicant may include
- 3.5.1 A Company applying on its own behalf and its subsidiary/ies provided the Applicant company holds more than 50% of the stock of its subsidiary/ies and that none of such subsidiary company/ies is included in any other Applicant company under the Scheme; or
- 3.5.2 Marketing Federation or Apex level co-operatives applying on behalf of Member Unions or Member co-operatives in the case of co-operatives.
- 3.6 Subsidiary: As defined under Section 2(87) of the Companies Act, 2013.
- 3.7 Application: Application submitted under the scheme by an Applicant to the PMA as per the Application Format prescribed under the Scheme Guidelines containing requisite information along with required supporting documents and Application fee.
- 3.8 Application Acknowledgement Date: The date on which an Application is acknowledged by the PMA after carrying out initial scrutiny. PMA shall issue an online acknowledgement of receipt of the Application within 15 working days of receipt of Application after scrutiny of Application (as per checklist at **Annexure-2**). This acknowledgement shall not be construed as approval under the Scheme. In case, where on examination it is found that an original or a revised Application does not prima facie meet the eligibility criteria as prescribed, the PMA shall inform the Applicant accordingly within 15 working days of receipt of Application and the Application shall be closed.
- 3.9 Application Approval Date: The date on which approval letter under the Scheme is issued by the MoFPI or PMA under authorization by MoFPI.
- 3.10 Application Window: Time allowed for filing of Applications. Application Window shall be specified in the EoI. MoFPI reserves the right to modify the Application Window.
- 3.11 Contract Manufacturer: Manufacturer obliged under a legal contract with the Applicant to manufacture food products and supply to that Applicant.
- 3.12 Category-I, II & III Applicants:

- 3.12.1 **Category-I:** Applicants are large entities who apply for Incentive based on Sales and Investment Criteria. Applicants under this category could undertake Branding & Marketing activities abroad also and apply for Incentives under the scheme.
- 3.12.2 **Category-II:** SMEs Applicants manufacturing innovative/ organic products who apply for PLI Incentive based on Sales.
- 3.12.3 **Category-III:** Applicants applying solely for Incentive for undertaking Branding & Marketing activities abroad.
- 3.13 **Financial Year:** Financial Year (FY) begins on the 1<sup>st</sup> of April of a year and ends on 31<sup>st</sup> March of the following year.
- 3.14 **Implementation Years:** Refers to FY 2021-22, FY 2022-23, FY 2023-24, FY 2024-25, FY 2025-26 and FY 2026-27 indicated respectively as Y1, Y2, Y3, Y4, Y5 and Y6.
- 3.15 **Date of Commercial Production:** The date on which the Applicant raises the first GST invoice for the Sale of eligible products manufactured from the operation of P&M for which investment commitments were made in the Application.
- 3.16 **Force Majeure:** Extraordinary events or circumstances beyond human control such as events described as an act of God (like a natural calamity) or events such as a war, strike, public health emergency, riots, crimes (but not including negligence or wrong-doing, predictable/ seasonal rain and any other events specifically excluded).
- 3.17 **Greenfield Project:** Project(s) wherein investment is proposed to be made by the Applicant under this Scheme in a new production facility.
- 3.18 **Expansion of Project:** Project (s) wherein investment is proposed to be made in a new plant in the premises of an existing production facility. Separate records, for the purpose of the Scheme, shall however be maintained for the existing and new plant(s) in the premises of an existing production facility.
- 3.19 **Incentive:** Incentive is the financial benefit to be provided to each selected Applicant based on the increase in Sales of the eligible products in the selected segment.
- 3.20 **Manufacturing:** In accordance with Central Goods and Services Tax (CGST) Act, 2017, manufacturing shall mean processing of raw material or inputs in any manner that results in the emergence of a new product having a distinct name, character and use and the term "manufacturer" shall be construed accordingly.

- 3.21 Sales: Sales shall mean the Gross Sales of food products, either in bulk or consumer package, net of GST, credit notes (raised for any purpose) and discounts (including but not limited to cash, volume, turnover, target or for any other purpose) as per GST Invoice.
- 3.22 Incremental Sales: Incremental Sales for a particular Year means Sales in that Year less the Sales of the corresponding period in the Base year.
- 3.23 Base Year: Base Year for calculation of Incremental Sales and Incentive payable would be the value of Sales of the Applicant in FY 2019-20 for the first 4 years. For 5th & 6th years, the base year would shift to FY 2021-22 & FY 2022-23 respectively ie. the first and second year of the coverage of the Applicant under the scheme.
- 3.24 Project Management Agency (PMA): Refers to any Agency (ies) appointed by the MoFPI to act on its behalf for receipt and appraisal of Applications, verification of eligibility and examination of disbursement claims through any method/ document deemed appropriate and for managing the above-mentioned in accordance with these Guidelines.
- 3.25 Empowered Group of Secretaries (EGoS): The Committee, constituted by the Department for Promotion of Industry and Internal Trade vide Gazette Notification Order No. P 36017/144/2020-Investment Promotion dated 10.6.2020.

#### **4. Tenure of the Scheme**

- 4.1 The tenure of the Scheme is six years from Financial Year 2021-22 to Financial Year 2026-27.
- 4.2 The Incentive payable for a particular year will be due for payment in the following year. The Incentive payable for 2026-27 will be due for payment in 2027-28.

#### **5. Eligibility**

- 5.1 Support under the scheme shall be provided only to the Applicants engaged in manufacturing of food products in India & sales of such products covered under the target Segments. SME Applicants should engage in such activities for innovative/ organic food products.
- 5.2 Eligibility criteria, in terms of total Sales of food products and Minimum Investment for different Categories of Applicants, are given in the **Appendix-A**. An applicant shall have total sale of food products above minimum sales given in **Appendix A** in the Base Year. For the purpose of minimum sales here the food products mean any food product sold in



consumer packs including the food products included in four segments given in **Appendix-B**. An applicant shall agree to undertake minimum investment as given in **Appendix-A**. However, if more applicants are there than the number to be selected finally in a segment, then the selection criteria includes committed investment that the selected company proposes to make by the end of year 2022-23. The committed investment shall be greater than the Minimum investment given in **Appendix-A**.

- 5.3 Product Groups/ Products covered under different Segments for selection of Applicants are given in the **Appendix-B**.
- 5.4 The Applicants shall indicate the Segment and the Product Groups in that Segment in the Application for coverage under the Scheme.
- 5.5 The Applicant may also include those products which the Applicant is not manufacturing currently but intends to manufacture during the project period. If a selected entity starts manufacturing a new product, covered in the Segment approved for the Applicant, the same could be added later after notifying the same to MOFPI/ PMA.
- 5.6 The entire chain of manufacturing processes, including primary processing, of the food products of the relevant segment applied for coverage under the scheme shall take place in India. However, for additives, flavours and edible oils this condition would not apply
- 5.7 The entire chain of manufacturing process of food products, starting for raw materials, shall be specified in the Application in respect of food products included in the Application and having sales above Rs 50 crore per annum.
- 5.8 Applicants are eligible to apply for one or more Segments under **Category-I**. However, such Applicants will be required to make separate Applications for each of the product segments and meet minimum Sales and investment criteria for each of the Segments applied for.
- 5.9 The Applicant should not have been declared as bankrupt or wilful defaulter or defaulter or reported as fraud by any bank or financial institution or non-banking financial company. The Applicant/ Promoters should not appear in the SEBI Debarred List.

## **6. Investment:**

- 6.1 Investment: Investment shall mean expenditure incurred on the installation of new plant & machinery, technical civil work and associated infrastructure

- by the Applicant and its contract manufacturers. All Non creditable Taxes & duties included in expenditure.
- 6.2 Technical Civil work: This shall include expenditure on construction of building where new plant and machinery are installed
  - 6.3 Associated Infrastructure: This shall include expenditure on infrastructure including internal roads, storage, testing laboratory and compound wall. However, the expenditure on the associated infrastructure shall be limited to 20% of the investment in new plant & machinery.
  - 6.4 Minimum Investment: The minimum amount of fresh investment which the Applicant shall be required to make under the scheme provision. Minimum investment as indicated in **Appendix-A** shall only be on Plant & machinery, Technical civil works and Associated infrastructure.
  - 6.5 Committed Investment: The Committed Investment of an Applicant is the investment which the Applicant commits to invest for coverage under the scheme while applying. Committed Investment would include minimum investment, investment over and above Minimum Investment (if any) and investment in Branding & marketing abroad (for the first two years of the scheme).
  - 6.6 If the Applicant proposes to set up a new plant in premises of an existing production facility, the Applicant may utilise existing ancillary facilities viz. ETP, quality control lab, warehousing area and other facilities of the existing production facility, for the manufacture of eligible product. However, the investment already made in the ancillary facilities shall not qualify for the purpose of the Committed Investment to be made under the Scheme.
  - 6.7 Committed and Minimum Investment shall be made for manufacture of food products that the Applicant chooses for PLIS at the Application stage.
  - 6.8 Committed Investment requirement should be met by selected Applicant either directly and/ or in combination with contract manufacturers. Investment by contract manufacturer could only be counted towards committed investment if 100% of the manufactured output of that contract manufacturer would be supplied to the Applicant.
  - 6.9 Investments are required to be made in two years ie. in 2021-22 and 2022-23. However, investments in plant & machinery already made in the year 2020-21 would also be counted for calculations of Minimum and Committed Investment.

- 6.10 The Applicant shall indicate the investment made in 2020-21 and the amount of investment to be made in 2021-22 and 2022-23 in the Application Form.
- 6.11 The investment shall be a Greenfield project or expansion of the existing manufacturing unit.
- 6.12 Plant & Machinery and Equipment should be purchased/ leased in the name of the Applicant and its contract manufacturers. In cases where these are being leased, the lease should be in the nature of a financial lease within the meaning of Accounting Standard 19 – Leases or Indian Accounting Standard (Ind-AS) – 116 Leases, as may be applicable to the Applicant, as notified by Ministry of Corporate Affairs or any other appropriate authority from time to time. Finance lease should lead to the Applicant and its contract manufacturers owning the plant after payment of the lease amount.
- 6.13 For compliance of Minimum/ Committed Investment, the installation of Plant & machinery, construction of technical civil work and commencement of commercial production should be between 1.4.2020 and 31.3.2023.
- 6.14 The PMA will rely on certificates of Chartered Engineers (CE) [CE (Civil) for technical civil work and CE (Mechanical) for plant & machinery and equipment] registered with the Institute of Engineers India (IEI) for the assessment of the compliance of Committed Investment by the Applicant.
- 6.15 The Chartered Engineer/s shall, *inter\_alia*, verify the documents from the Applicants as may be necessary to establish the value of P&M, date of installation of P&M, commencement/ completion of Technical civil work, measurement and estimated value.
- 6.16 PMA shall evaluate the assessment made by the Chartered Engineer and may carryout physical inspection of the plant/ sites, check date of commercial production, and make recommendation to MoFPI on the compliance of Committed Investment by the Applicant.
- 6.17 Expenditure incurred on Land: The expenditure incurred on land required for the project/ unit shall not be considered for determining minimum/ Committed Investment.
- 6.18 No second hand/ used/ refurbished plant, machinery, equipment, utilities, or research and development equipment shall be considered for inclusion under Committed Investment.
- 6.19 Expenditure on guest house building, recreational facilities, office building, residential colonies, and similar structures shall not be considered for determining the Committed Investment.

- 6.20 Expenditure on consumables and raw material used for manufacturing shall not be considered as Investment.

## **7. Branding & Marketing:**

- 7.1 Under the scheme, Incentive is extended for the promotion of only Indian Brands abroad.
- 7.2 Support for Branding is intended for developing market for all Indian food products in branded consumer packs including those covered in the four product segments given in **Appendix-B**.
- 7.3 If a **Category-I** Applicant wants to avail of the grant for Branding & Marketing abroad, it has two options. Applicant could apply for Branding & Marketing under both **Categories I & III**. If such an Applicant is selected in **Category-I**, the application in **Category- III** would become infructuous. If that applicant is not selected in **Category-I**, the application under **Category-III** would be considered. For applying for Branding and Marketing abroad grant, the applicant shall submit a five-year proposal for Branding. The expenditure on Branding proposed for Y1 and Y2 in the proposal under **Category-I** will be included as a part of Committed Investment for the Application. However, incentive on Branding & Marketing for Application under **Category-I** would be payable for the entire five years based on the proposal of the Applicant.
- 7.4 An indicative list of activities covered under Branding & Marketing are In-store Branding, Shelf Space Renting, Listing Fee, Electronic/ Social Media and Print Media, outdoor publicity, billboard, commercial advertisement on channels etc.
- 7.5 The Expenditure will not cover trade discounts, expenditure incurred on distribution, and overseas logistics expenditure.
- 7.6 The entities shall submit a five-year plan or for balance period of the tenure of the scheme (also indicating the activity-wise current level of expenditure on in store Branding & marketing) in the target markets for availing such assistance
- 7.7 The proposals shall indicate the Brand/ food products proposed to be promoted. The Applicant may later also include products that the Applicant has not covered at the Application stage after notifying the same to MoFPI/ PMA.

- 7.8 Expenditure made in 2020-21 on Branding abroad shall not be taken into account for Committed Investment and selection of Applicants.
- 7.9 Delay or non-achievement of the expenditure on Branding and Marketing if included in the Committed expenditure for selection would be subject to a reduction in an incentive as applicable to Committed Investment for payment of sales-based Incentive. Ineligibility for sales-based Incentive due to lower than minimum growth rate in sales, however, would not make the Applicant ineligible for a grant on incentive for branding abroad.
- 7.10 Applicants will be extended financial incentives @ 50% of expenditure on Branding & Marketing abroad subject to a maximum grant of 3% of Sales of food products or Rs 50 crore per year, whichever is less. The minimum expenditure for Incentive shall be Rs. 5 crore over a period of five years. In such case, an admissible grant would be Rs 2.5 crore.
- 7.11 GOI share in Branding Expenditure, of an Applicant, for a Year will be reimbursed in the following year.

## **8. Selection Process**

- 8.1 All eligible Applicants shall be ranked on the basis of marks obtained in the evaluation criteria as given in **Appendix-E**. The Applicant securing the highest marks for a segment applied for shall be ranked first, followed by Applicant securing second highest marks and so on. The selection of the Applicants shall be in the order of their ranks.
- 8.2 Two or more waitlisted Applicants, if available, would be maintained along with selected Applicants for each eligible product segment
- 8.3 The number of selected Applicants shall be limited by the budget availability and allocation for the Segment.
- 8.4 No company selected for a segment would get, as an incentive, more than 25% of the total budget for that segment and no company would get less than 5% of the segment outlay. In the case of Fruits & Vegetables segment, the requirement of minimum incentive at 5% of outlay may be relaxed.
- 8.5 Inter-segment allocation of funds would be permitted on the condition that allocation for Fruits and Vegetables Segment and for Branding & Marketing abroad would not be reduced but may be increased.

## 9. Computation and Payment of Incentive

- 9.1 The Incentive payable for a selected Applicant for a particular year shall be computed as follows:

Incentive= Incremental Sales in Approved Product Segment x  
corresponding Rate of Incentive as in **Appendix-C**.

- 9.2 Incentive is payable from the year of selection up to the end of the Scheme period.
- 9.3 Selected Applicants are required to achieve minimum CAGR in Sales over the base year, as given in **Appendix-D** and illustration thereon, to claim Incentive.
- 9.4 Minimum growth in terms of CAGR over base year to be eligible to receive Incentive would be calculated for all the Products Group of the Segment selected by the Applicant for inclusion in PLIS.
- 9.5 In the event industry in any segment faces lower growth due to Force Majeure or for any other reasons, the EGoS may review the prescribed minimum growth rate for the segment.
- 9.6 Applicant shall complete the Committed Investment, year-wise, as proposed in the Application. 10% of the Incentive due for Y1 and Y2 will be deducted- if they fail to complete the investment as Committed. However, if at the end of Y2, the Committed Investment is completed, then the amount deducted for Y1 would be paid to the company. By the end of Y3, if the Committed Investment is not completed, the selected Applicant will be taken out from PLIS for Sales-based Incentive by MoFPI.
- 9.7 The bank guarantee shall be invoked in such case following which the offer letter issued would stand cancelled.
- 9.8 Applicant entities selected for multiple product segments would be required to meet minimum growth in Sales and investment segment-wise.
- 9.9 The assessment of incremental Sales shall be based on statutory filings with Government Departments/ Agencies and audit reports and other documents as required by the PMA from time to time, for processing the claims.
- 9.10 Incentives under the scheme for a particular year will be disbursed in the following year.
- 9.11 Eligibility under the Scheme shall not affect eligibility for Incentive or any other benefits under any other scheme and vice versa.

## 10. Application

- 10.1 Application will be invited through Expression of Interest (EOI).
- 10.2 EOI will be released for Category-I Applicants in 2021-22 for coverage under Sales-based Incentive and Branding/ Marketing. The selection will be for the entire programme period.
- 10.3 EOI will be released for Category-II SME Applicants for innovative/ Organic products for Sales-based Incentive and Category – III for Branding & Marketing during each of the first 3 years viz. 2021-22, 2022-23, and 2023-24, depending up on the availability of fund. The coverage of such Applicants will be for the balance of programme period ie. from the date of selection till 31.3.2027.
- 10.4 MoFPI will consider the further release of EOI depending upon the response of different Categories of Applicants and availability of funds.
- 10.5 Application Window will be specified in the EOI. No Application shall be accepted after the end of the Application window.
- 10.6 Applicant is required to submit the Application as per Application Form prescribed in **Annexure-1**.
- 10.7 An Applicant shall specify his / her own and contract manufacturers' manufacturing sites which are proposed to be used for sourcing of eligible manufactured products for Sale.
- 10.8 An Applicant shall submit an undertaking in the format as per **Annexure-7** consenting audit of their manufacturing sites/ offices for verification of information/ data submitted along with the Application.
- 10.9 On receipt of an Application in the prescribed format, PMA will conduct an examination as per checklist in **Annexure-2**. The aforesaid prima facie examination shall be completed within 15 working days from the date of receipt of the original Application window or any subsequent submission of the revised Application, if the original filling was returned as incomplete earlier. No original Application will be accepted after the end of the Application window.
- 10.10 In case, on the above-mentioned examination, an Application is found to be incomplete, PMA shall inform the Applicant accordingly within 15 working days of receipt of the Application. An Applicant must complete an incomplete Application within 10 working days of such communication

from PMA, failing which the Application would be rejected under intimation to the Applicant.

- 10.11 A non-refundable Application fee would be payable for each Application. Such fee is Rs 1,00,000 (Rupees One Lakh) for Category-I Applicants and Rs 10,000 (Rupees ten thousands) for Category-II Applicants. Under Category-III applicant, Rs 10,000 (Rupees ten thousand) and Rs 50,000 (Rupees fifty thousand) would be payable by SME and other Applicants respectively.

## **11. Online Portal**

- 11.1 All Applications will be submitted through an online portal maintained by the PMA.
- 11.2 Upon successful submission of an Application, PMA will issue a unique Application ID to the Applicant for all future references pertaining to the Scheme.
- 11.3 Application can be made on the online portal, URL of which is <https://plimofpi.ifcilttd.com>
- 11.4 A web based MIS should be commissioned by PMA for online monitoring of the progress in implementation of the projects, enable it in taking interim corrective measures, if required.

## **12. Project Management Agency (PMA)**

- 12.1 The Scheme will be implemented through a Project Management Agency (PMA) which will be responsible for providing secretarial, managerial and implementation support and carrying out other responsibilities as assigned by MoFPI from time to time.
- 12.2 The PMA shall be responsible, inter alia, for:
- (i) Receipt of Application, examination, and processing of Applications and issuing acknowledgements.
  - (ii) Weekly submission to MoFPI, the status of Applications received and processed under the Scheme.
  - (iii) Assist Committees constituted under the scheme to facilitate their recommendations.
  - (iv) Making appropriate recommendations to MoFPI in line with **Annexure-3** for approval of Applications under the Scheme.



- (v) Verification of Committed Investment for determining eligibility for disbursement of Incentive.
- (vi) Examination of claims for disbursement of Incentives and making appropriate recommendations to MoFPI.
- (vii) Verification of the disbursement claims with the relevant documents.
- (viii) Compilation of data regarding progress and performance of the Scheme through Quarterly Review Reports as per **Annexure-6** and other information / documents.
- (ix) Providing secretarial and other support to MoFPI for carrying out its responsibilities.
- (x) The PMA may request for additional information, details and documents from the Applicant as deemed necessary
- (xi) The PMA will have the right to carry out physical inspection of an Applicant's manufacturing units and offices through site visit.

### **13. Empowered Group of Secretaries (EGOS)**

The Empowered Group of Secretaries (EGOS) chaired by the Cabinet Secretary will monitor the implementation of the Scheme and undertake periodic review of the outgo to ensure that the expenditure is within the prescribed outlay. The EGoS, will also carry out changes in the modalities of the scheme to address issues arising during the course of its implementation, within the contours of Cabinet approval and overall financial outlay of Rs 10,900 crore

### **14. Committees**

- 14.1 A Committee will be constituted by MoFPI, under the Chairmanship of Minister, FPI or as decided subsequently, for taking necessary decisions within the mandate of the Ministry viz approval of scheme Guidelines and their amendments including eligibility criteria, selection criteria, composition of products in different Segments, inter-component/ segment allocation of outlay, minimum required growth rate to become eligible for incentive, fix/ relax norms on number of companies, selection of Applicants, sanction & release of funds as incentives provided that the expenditure shall be restricted to the approved outlay. MoFPI shall not change the approved rate of incentives for different segments of food products.
- 14.2 MoFPI will also constitute Technical Committee/s, as required, to render advice on issues related to product classification, the inclusion products with

different levels of Millets, manufacturing processes, Innovative / Organic Products, Branding & Marketing etc.

## **15. Approval**

### **15.1 Approval Process:**

15.1.1 On receipt of Applications, the PMA should share relevant information with the concerned Committees for their advice as decided by MOFPI.

15.1.2 The PMA would process the Applications and make appropriate recommendations to the MoFPI for approvals under the Scheme.

15.1.3 The MoFPI would consider Applications, as recommended by PMA for approval under the Scheme.

15.1.4 All the Applications should be finalized within 90 days from the date of closure of Application window, subject to completeness of documents from the Applicants, as required, for evaluation.

15.1.5 After receiving approval from MoFPI, the PMA should issue a letters to the selected Applicants within 5 working days, communicating approval under the Scheme.

15.1.6 The approval letter shall clearly state the following:

- (i) Name of Applicant
- (ii) Eligible Product Segment & Food products to be manufactured
- (iii) Specification on the chain of manufacturing processes of the food products, if any
- (iv) Base Years for calculation of Incentives
- (v) Base Year 2019-20 Sales as informed by the Applicant in its Application form
- (vi) Projected Incremental Sales for Y1-Y6
- (vii) Year-wise Rate of Incentives
- (viii) Committed Investment and expenditure in B&M, as applicable, Year-wise
- (ix) Scheduled date of commencement of commercial Production
- (x) Other specification, if any.

15.1.7 In case, an Applicant is selected for multiple eligible product segments, separate approval letters would be issued and all the

requirements shall be complied separately for each case by the Applicant.

- 15.1.8 The aforesaid approval letter(s) shall not be construed as a guarantee for disbursement of Incentive as the same would be dependent upon verification of eligibility for Incentive after submission of disbursement claim and other criteria defined in these Guidelines.
- 15.1.9 The selected Applicants shall submit, within two weeks of date of issuance of approval letter by the PMA, a performance bank guarantee of an amount equivalent to 3% of the Committed Investment, in favour of MoFPI, valid for three years or till MoFPI releases such Guarantee, whichever is later.
- 15.1.10 If a selected Applicant is found to be ineligible at any stage, or if it has not complied with notifications, orders, Guidelines etc. issued under the Scheme, or declines the offer of the approval under the scheme at any stage, for any reason, the Incentive claim of such selected Applicant shall be forfeited. The bank guarantee shall be invoked following which the offer letter issued shall stand cancelled.
- 15.1.11 In such case, the offer may be extended to the waitlisted Applicant provided a minimum of 3 years' residual period under the scheme is available.

## **15.2 Post Approval**

- 15.2.1 PMA should monitor the progress of the project made by the selected Applicants, as and when required with respect to investment Committed.
- 15.2.2 PMA should monitor the rollover of the bank guarantees and shall take timely action for releasing / invoking the bank guarantees as per these Guidelines.

## **16. Disbursement of Incentive**

- 16.1 For claiming Incentive under the Scheme, Applicants shall submit claims for disbursement of Incentive to the PMA. Applicants shall ensure that the claims are complete in all respects and are accompanied by all the documents required as per format prescribed in **Annexure-4** of these Guidelines.

- 16.2 An Applicant shall submit claim for disbursement of Incentive on annual basis that is for the Sales made in the period of April to March of the previous Financial Year. Claims for any period shall be made only once, unless withdrawn, and no subsequent part claims shall be allowed for the said period.
- 16.3 In case an Applicant makes a claim for Incentive for multiple products segments, separate Applications shall be submitted for each of such segment.
- 16.4 Claims for disbursement of Incentive shall be filed by the Applicants within 9 months from the end of the financial year to which the claim pertains to.
- 16.5 On receipt of Claim for disbursement, the PMA should share relevant information with the concerned Technical Committee for their advice as required in the mandate of the Committee or on any other issue referred by MOFPI to the concerned Committee. The Committees should provide their advice on the matters referred to them.
- 16.6 The PMA should assist the Committees to facilitate their recommendation in a time-bound manner. The recommendations of the Committee should be taken into account by the PMA in scrutinising the claims of the Applicants.
- 16.7 The PMA would examine the disbursement claims as submitted by an Applicant. The PMA should verify eligibility and assess Incentive payable to an Applicant based on the method laid down in these Guidelines and the approval letter issued to the Applicant.
- 16.8 The Applicant is required to submit the calculation of Sales with every claim, along with a certificate from Statutory Auditor in the case of a company and Independent Chartered Accountant in the case of Proprietorship, Partnership firm & LLP.
- 16.9 The PMA shall have the right to verify any document(s) in relation to the claim for Incentives including but not limited to Statutory Auditor or Independent Chartered Accountant certificates, whichever is applicable, and returns furnished to various Ministries / Departments / Agencies. The PMA shall also have the right to examine the end realization and settlement/ payments corresponding to Sales and investment respectively by way of Statutory Auditor or Independent Chartered Accountant certificates, bank statements etc. to the extent deemed necessary.
- 16.10 In case of any doubt with respect to determining eligibility and Incentive amount due, or any other matter in discharge of its duties and

responsibilities, the PMA should refer such matters to MoFPI for clarification and the decision of MoFPI shall be final in this regard.

- 16.11 The PMA would process claim for disbursement of Incentive within 60 days from the date of receipt of such claim and all the supporting documents and make appropriate recommendations to MoFPI.
- 16.12 MoFPI would consider and approve claims for disbursement, as examined and recommended by the PMA, for disbursement of Incentive.
- 16.13 MoFPI would disburse funds after completion of all pre-disbursal formalities by PMA.
- 16.14 The disbursement of Incentive would be through Direct Bank Transfer through PFMS or through any other mechanism of adjustment in the name of Applicant only.
- 16.15 Applicants shall be required to reconcile Sales of eligible products, based on which claims for disbursement of Incentive have already been filed, with documents as prescribed by the PMA, by 31st of December of the financial year subsequent to which the claim pertains.
- 16.16 The PMA shall verify the aforesaid reconciliation. In case of excess claims disbursed, the Applicant shall reimburse MoFPI for any Incentive amount refundable along with interest calculated at 3 years' SBI MCLR prevailing on date of disbursement, compounded annually (for the period between excess payment and date of refund by the Applicant).
- 16.17 If the PMA or MoFPI is satisfied that eligibility under the Scheme and / or disbursement of Incentives have been obtained by misrepresentation of facts or falsification of information, MoFPI may ask the Applicant to refund the Incentives along with interest calculated at 3 years SBI MCLR prevailing on the date of disbursement, compounded annually, after giving an opportunity to the Applicant of being heard and appropriate criminal/ civil legal proceedings will be initiated.
- 16.18 The PMA should submit budgetary requirements to MoFPI as a consolidated amount on a quarterly basis.
- 16.19 The PMA shall furnish information to MoFPI with details of disbursement claims received for Incentives, amount disbursed, reasons for rejection / delay in disbursement of the Incentives on a quarterly basis.
- 16.20 In case an Applicant does not meet threshold growth criteria for any given year, the Applicant shall not be eligible for Incentive in that particular year. However, the Applicant will not be restricted from claiming Incentive in

subsequent years during the tenure of the Scheme, provided eligibility criteria are met for such subsequent years.

## **17. Review**

- 17.1 Periodic reviews will be undertaken by the MoFPI/ EGoS with respect to progress and performance of the Scheme.
- 17.2 All approved Applicants shall furnish self-certified Quarterly Review Reports (QRRs) within 30 days from the end of each quarter in the format provided in **Annexure-6** of these Guidelines.

## **18. Residual**

- 18.1 In case of change in control of the selected Applicant due to change in equity ownership or change in promoter entities, MOFPI should be informed immediately.
- 18.2 All transactions by the selected Applicant with Related Parties will be subject to provisions of relevant statutes and Accounting Standards – 18 and corresponding Ind-AS, as amended from time to time. In case of any proceedings under any Act leading to adjustment of pricing in the transactions between related parties, effect shall be given in calculation of Incentive and/ or eligible Committed Investment.
- 18.3 To obviate any malpractices in the financial matters where disbursements are made to industry by the Government, it has been decided to provide a deterrent against corrupt practices for promotion of transparency and equity. Therefore, keeping in view the sensitivities involved in the process and taking cue from the instructions of the Central Vigilance Commission regarding adoption of an Integrity Pact in the matter of procurement, it has been decided to obtain undertaking(s) from Applicants under the Scheme.
- 18.4 Two formats of undertakings are enclosed as Format A and Format B of **Annexure-8**. These undertakings are to be furnished by Applicants, duly signed by CEO / MD / Director of the company / partner / proprietor of the firm and depicting the designation along with authorization to do so.
- 18.5 The undertaking in **Format A** shall be provided by all Applicants whose Applications or claims are under consideration for approval or disbursement of Incentives. The Applications or claims of those Applicants who do not submit the undertaking shall not be processed and considered.

- 18.6 The undertaking in **Format B** for confirming the compliance of integrity will be provided by Applicants after the submission of claims for disbursement of Incentive and in any case before release of funds. The release of Incentives shall be withheld until the above-mentioned undertaking is provided.
- 18.7 If the Applicant is other than Company, then the applicable/ equivalent documents / certificates shall be submitted.
- 18.8 These guidelines shall be amended/ modified at any time during continuance of the Scheme and such amendment/ modifications shall be binding to all the Applicants, including the Selected Applicants, during the tenure of the Scheme.

Manoj Joshi  
Additional Secretary to the Government of India

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New Delhi,

Dated: 2<sup>nd</sup> May, 2021

## Appendix-A: Eligibility Criteria for different Categories of Applicants

### Category-I:

Segments	Minimum Sales of All Food Products in 2019-20 (Rs Crore)	Minimum Investment (Rs Crore)
RTE/ RTC	500	100
Processed Fruits & Vegetables	250	50
Marine	600	75
Mozzarella Cheese	150	10 MTPD Plant-Rs 23 cr

### Category-II:

- (i) Udyog Aadhar/ Udyami Registered;
- (ii) Achieved Minimum Sales of Rs 1 crore during 2019-20 for each of the innovative/ organic products proposed to be incentivised;
- (iii) Applicant for Organic Product shall be registered with APEDA for the organic product proposed to be incentivised.

### Category-III:

- (i) Only Indian Brands are covered for selling food products completely manufactured in India;
- (ii) Branding & Marketing shall be undertaken either by the Applicant directly or through its subsidiary or any other Agency.



## Appendix-B: Coverage of Food Products under Different Food Segment

Under the Scheme, the following four Segments of food products are covered:

1. Ready to Eat/ Ready to Cook (RTE/RTC)
2. Fruits and Vegetable Products
3. Marine Products
4. Mozzarella Cheese

Product Groups which would be covered under above 4 Segments are indicated in column 2 of the table below. Details of Food Products under each Product Groups are given in Column 3. Products which are not covered in column 3 are excluded from the scheme in addition to those which are indicated in column 4.

RTE/RTC Category covers various processed packaged products ranging from Ready Meals, Soups and Ready Mixes, Indian Savoury Snacks, Packaged Indian Sweets, Ice Cream desserts, Snack bars, Bakery products, Ready to drink products etc. Products with specified % of millet, except flour/atta are included irrespective of their status for inclusion/exclusion.

RTE/RTC category excludes agri products/ food commodities like rice, Aata, sugar, pulses, edible oil etc. It also excludes categories like Pizza, Pasta, Noodles, Spaghetti (HSN 1902); Breakfast Cereals (HSN 1904); Confectionary (HSN 1704,1806); Malt based Drinks/powder (HSN 1901); Packaged Shelled/ roasted/ processed nuts /Mixtures predominantly made of nuts (0802).

Some of the RTE/RTC products appears in Fruit & Vegetable and Marine product Segments list such as - RTC Potato Products- fries, tikki etc.(HSN 2004 & 2005) except potato chips (20052000); Packaged Sauces- Table sauces, pasta sauces, cooking sauces, dry sauces, ketchup, mustard, oyster sauces, salad dressings, dips, and other sauces (HSN 2002, 2103); All fruit based Jam/Jellies(HSN 2007); Packaged Mixed Spices/ Dry Sauces (Dry/ Dehydrated Sauces, Dry Recipe Powder mixes, dry powder marinades) (HSN 2103); Marine Segment: Canned, Battered & breaded, Pickles, Sausages (HSN 1604 & 1605). A selected applicant only for RTE/RTC segment would be eligible to receive incentive for such RTE/RTC products from F&V and Marine segments.

Fruits & Vegetable category to include packaged processed products which are Steamed/ Boiled/ Frozen/ Dried/ Pickled/ Provisionally Preserved/ processed or preserved through additive and preservatives. However, potato chips are excluded from the scheme. Fruit Juice having > 10% fruit juice content would be incentivized under the scheme. Spices (both mixed and single spices) packaged in consumer size packs would be included under the scheme. Fruits & vegetable category would exclude unprocessed/fresh fruits and vegetables.

Marine products to include fish products (Chilled/ Frozen/ dried/ salted/ brined/ smoked) and Crustacean & Molluscs (Chilled /Frozen /Steamed / Boiled) at normal rate of incentives. Value-added processed products covered under 1604 and 1605 and IQF Value added marine products and freeze-dried value-added marine products (0302, 0304, 0306, 0307) would be incentivized at a higher rate.

Mozzarella Cheese category to include mozzarella cheese packed in consumer pack/ bulk pack.

Column1	Column 2	Column 3	Column 4
<b>RTE/RTC Segment</b>			
S.No.	Product Group	Products Covered	Exclusion
1	Packaged Ready Meals, Soups and Ready Mixes, Other RTE/RTC Products	<ol style="list-style-type: none"> <li>Ready Meals (Shelf stable, frozen, dried, chilled ready meals which do not require any cooking preparation other than heating) &amp; Dinner mixes (in Ready-to-cook/prepare format); Diabetic Foods; Sausages, salamis, nuggets and other such preparation under heading 1601 &amp; 1602</li> <li>Soups &amp; broth (shelf stable, dehydrated, instant, chilled and frozen soup)</li> <li>Ready Mixes (Dessert Mixes, Batter Mixes, Thandai Mix) <ul style="list-style-type: none"> <li>All products under HSN 1601, 1602, 2104 are included</li> <li>All products under HSN 2106* are included except Protein Concentrates, Soft Drinks, Pan masala, Betel nuts, Churna for Pan as given in column 4</li> </ul> </li> </ol> <p>*Applicable on Sl. No 1,2,3 of RTE/RTC Segment</p>	Protein Concentrates, Soft Drinks, Pan masala, Betel nuts, Churna for Pan (21061000-40; 21069070)
2	Mixtures (Namkin, Bhujia), Puffed Snacks, Snack bars	<ol style="list-style-type: none"> <li>Indian Savoury snacks -Mixtures (Namkin, Bhujia) including extruded snacks</li> <li>Puffed Snacks: Processed/ reconstituted/ shaped cereals-based snacks</li> <li>Snack Bars: Cereals and Non-Cereals Bar, Granola/muesli bars, breakfast bars, energy and nutrition bars, fruit bars and other snack bars (HSN 2106)</li> </ol>	
3	Sweets	Packaged Traditional Indian Sweets	

		(HSN 2106)	
4	Ice cream desserts, Ready to Drink Products	<ol style="list-style-type: none"> <li>1. Ice Cream: Impulse Ice Cream, Take Home Ice-Cream, Frozen Dessert: Includes cakes, pies/tarts etc</li> <li>2. Milk Based Beverages- Yoghurt, Buttermilk, Lassi etc.</li> <li>3. Soya Milk <ul style="list-style-type: none"> <li>- All products under HSN 2105 &amp; 0403 are included</li> <li>- All products under HSN 2202 are included except Aerated Water, Lemonade, Non-Alcoholic beer. Part of inclusion is covered under Fruits &amp; Vegetables categories (as mentioned at Sl.No. 3 of fruits &amp; vegetable segment)</li> </ul> </li> </ol>	Aerated Water, Lemonade, Non-Alcoholic beer (HSN 22021010-9100; 22029990)
5	Bakery products - Biscuits, Packaged cakes	<ol style="list-style-type: none"> <li>1. Sweet Biscuits: chocolate coated biscuits, cookies, filled biscuits, plain biscuits, and wafers</li> <li>2. Savoury Biscuits: Non-sweet biscuits and crackers often consumed with cheese and other savoury foods</li> <li>3. Packaged Cakes: Chocolate cake, strawberry and other fruit flavoured cakes, fruit cake, carrot cake, cheesecake, muffins etc <ul style="list-style-type: none"> <li>- All products under HSN 1905 are included except fresh/leavened bread</li> </ul> </li> </ol>	1. Fresh/Leavened Bread (HSN 19051000)
6	Millet Based Products with millet content above specified %	Any food product having minimum millet % as prescribed by MOFPI- irrespective of products mentioned in exclusion in case of millet-based products, except flour/atta	Millet Flour

## Fruits & Vegetables Segment

1	Processed/ Preserved Fruits and Vegetables products	<ol style="list-style-type: none"> <li>1. Processed/ Preserved Fruits and Vegetables products - Steamed, Boiled, Frozen, Dried, Pickled, Provisionally Preserved</li> <li>2. RTC Potato/Vegetable Products</li> <li>3. Potato- Flour, meal, powder, flakes, granules and pellets</li> <li>4. Fruit Squash <ul style="list-style-type: none"> <li>- All products under HSN 0710, 0711, 0712, 0811, 0812, 0813, 0814, 1105, 1106, 1903, 2001, 2003, 2004, 2006, 2007 are included</li> <li>- All products under HSN 0804, 2005, 2008 are included except fresh fruits and vegetables, potato chips and products predominantly made of nuts, dates &amp; figs</li> </ul> </li> </ol>	<ol style="list-style-type: none"> <li>1. Fresh fruits and vegetables</li> <li>2. Potato chips (HSN 20052000)</li> <li>3. Products predominantly made of nuts, dates, figs  (HSN 8041010-90, 8042010-90, 8043000, 8044000, 8045010-20, 8045090, 20052000, 20081100-1930, 20081990)</li> </ol>
2	Packaged Mixed Spices, Mixed Condiments & Seasonings	<ol style="list-style-type: none"> <li>1. Packaged crushed or grounded dehydrated herbs and spices- (Spices notified by spice board)</li> <li>2. Mixed Condiments &amp; Seasoning (Dry/ Dehydrated Sauces, Dry Recipe Powder mixes, dry powder marinades</li> <li>3. Oleoresins: All processed form of oleoresins <ul style="list-style-type: none"> <li>- All products under HSN 0904, 0905, 0906, 0907, 0908, 0909, 0910 ,1301, 2103, 2906, 3003, 3301 are included except raw/ unprocessed forms of herbs and spices, different gums, lacs and other vegetables saps and extracts</li> </ul> </li> </ol>	All raw/ Unprocessed forms of herbs and spices, different gums, lacs and other vegetables saps and extracts <sup>1</sup>

<sup>1</sup> HSN 09041110-40; 09041160; 09041190; 09042110-20; 09042229; 09051000; 09061110-90; 09061910-90; 09071010-90; 09081110; 09082100; 09083120 – 90; 09083220- 30; 09092110-90; 09093111-29; 09096111- 149; 09101110- 90 09102010- 90; 09103010- 20; 09109911- 19; 09109939- 90; 13012000-9039; 29061200-2990; 30031000-9015; 30039022-9090; 33101200-1990; 331029-12,13,16,24,27,31, 33,34,36,37,38,41,42,43,44,90; 33013010-99; 33019031; 33019033-90

3	<input type="checkbox"/> Fruit Juice and Fruit based drinks <input type="checkbox"/> Jam/ Jelly <input type="checkbox"/> Tomato Ketchup, pastes, purees and all Sauces <input type="checkbox"/> Coconut and other plant waters	1. 100% Fruit juice/pulp/paste- Not from concentrate 100% juice, reconstituted 100% juice and frozen 100% juice 2. Fruit based drink having fruit content $\geq$ 10% Juice drinks made up of fresh juice or concentrate, having more than 10% fruit juice content; Packaged Coconut Water & other plant water 3. All fruits-based Jams/Jellies 4. Tomato- Ketchup, paste and puree 5. Packaged Sauces: Table sauces, pasta sauces, cooking sauces, dry sauces, ketchup, mustard, oyster sauces, salad dressings, dips, and other sauces - All products under HSN 2002, 2007, 2009, 2103 are included. - All products under HSN 2202 are included except Aerated Water, Lemonade, Non-Alcoholic beer.	Aerated Water, Lemonade, Non Alcoholic beer  (HSN 22021010-9100; 22029990)
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**Marine Segment****Marine Products with Normal Incentives**

1	<input type="checkbox"/> Fish <input type="checkbox"/> Crustacean/ Molluscs	<ol style="list-style-type: none"><li>1. Fish Chilled/ Frozen/ dried/ salted/ brined/ smoked</li><li>2. Fish Fillets &amp; Meat -Fresh, Chilled &amp; Frozen</li><li>3. Crustacean- Chilled, Frozen, Steamed, Boiled</li><li>4. Molluscs - Chilled, Frozen, Steamed, Boiled</li></ol> <p>- All products under HSN 0302, 0303, 0304, 0305, 0306, 0307 are included. Some of the products of IQF &amp; AFD are included for higher incentive and appear in Sl.No 3 &amp; 4 below.</p>	-
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**Marine Products with higher Value-Added Incentive**

2	Value added marine products	Value added marine products: Canned, Battered & breaded, Pickles, Sausages  - All products under HSN 1604 & 1605 are included	
3	IQF Value added Marine Products	<ol style="list-style-type: none"><li>1. IQF Shrimps: Stretched shrimp (Nobashi), butterfly/marinated shrimp, IQF Skewered shrimp, IQF Sushi shrimp</li><li>2. Blanched Squid pineapple cut, Cuttlefish Sushi, Tuna loins, Shashimi grade Tuna</li></ol>	
4	Freeze-Dried Value-Added Products	Accelerated Freeze Dried shrimp/ shrimp powder, Freeze dried Cephalopods	

**Mozzarella Cheese Segment**

<b>1</b>	Mozzarella Cheese	Mozzarella Cheese in Bulk Packaging Mozzarella Cheese in Consumer Packaging - Only Mozzarella Cheese under 0406 is covered	All other cheese except mozzarella (HSN 04061000-4000)
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### Appendix-C: Rates of Incentives on Incremental Sales

Year	RTC/ RTE	Processed F & V	Marine Products *	Mozzarella Cheese
2021-22	10%	10%	6%	10%
2022-23	10%	10%	6%	10%
2023-24	10%	10%	6%	10%
2024-25	10%	10%	6%	8%
2025-26	9%	9%	5%	6%
2026-27	8%	8%	4%	4%

\* 10% Incentive Rate for Value Added Marine products, as specified at Appendix-B for all 6 years.

\*\*Base Year for calculation of Incremental Sales would be 2019-20 for the first 4 years. For 5th & 6th years, the Base year would shift to 2021 -22 & 2022-23 respectively.



#### Appendix-D: Minimum Eligible CAGR in Sales of Products for Incentive

	Segments	CAGR (%)
1.	RTC/ RTE Foods	10%
2.	Processed F & V	10%
3.	Marine Products	5%
4.	Mozzarella Cheese	15%

#### Illustration for Appendix-D

	Year	Base Years	No. of years for computing CAGR over Base Year Sales
1.	2021-22	2019-20	1
2.	2022-23	2019-20	2
3.	2023-24	2019-20	3
4.	2024-25	2019-20	4
5.	2025-26	2021-22	4
6.	2026-27	2022-23	4

## Appendix-E: Evaluation Criteria

### Category-I Applicants:

**Selection of Applicants on Sales & Investment Criteria will be based on Combined score as given below**

	Criteria	Weightage (%)
1.	Total Sales (Domestic & Exports) in 2019-20 of food products listed in the Application for coverage under the scheme	33.3
2.	Export Sales (of items covered at SI No 1 above)	33.3
3.	Committed Investment	33.3
		100

The Applicant with highest Sales, exports and Committed Investment will receive 100 marks for each criterion. Other Applicants will be awarded marks in proportion to their Sales and Committed Investment vis a vis the Applicant with highest score.

**Category-II Applicants: Selection of Applicants of Innovative Products will be based on Combined score as given below:**

Selection Criteria: Innovative Products		
	Criteria	Weightage (%)
1.	Sale of Product sought to be promoted in 2019-20	25
2.	CAGR in Sale of Product/s sought to be promoted for 3 years (2016-17 to 2019-20)	15
3.	Investment made in the last 3 years (2017-18 to 2019-20)	10
4.	Availability of funds for investment in Production & Marketing (Own fund, Loan, tied up from Private equity, Venture Capital, Angel Investors)	10
5.	Assessment of Innovativeness/ novelty of products, patent on the product, USP, Recognition if any, Special Characteristics, Business plan, export potential, scalability, share of own manufacturing in total Sales	40
	<b>Total</b>	<b>100</b>

**Selection Criteria: Organic Products**

Criteria		Weightage (%)
1.	Sale of Product sought to be promoted in 2019-20	25
2.	CAGR in Sale Products to be promoted for 3 years (2016-17 to 2019-20)	15
3.	Investment made in the last 3 years (2017-18 to 2019-20)	15
4.	Availability of funds (tied up from Private equity, Venture Capital, Angel Investors) for investment in Production & Marketing.	15
5.	Assessment of the USP, level of product development, Business plan, export potential, scalability, share of own manufacturing of product in total Sales	30
<b>Total</b>		<b>100</b>

**The Applicants will be ranked based on aggregate score and number of Applicant selected will be based on allocation of outlay for the component.**

**Category-III Applicants: Selection of Applicants will be based on Combined score as given below:**

Bid Criteria: Branding			
	Criteria	Markets	Weightage (%)
1.	Sale* of Food Products of Brand/s sought to be promoted in 2019-20	Total	10
		Exports	10
2.	CAGR in Sale* of Products of Brand/s sought to be promoted for 3 years (2016-17 to 2019-20)	Total	5
		Exports	10
3.	Branding Expenditure 3 years (2017-18 to 2019-20)	Domestic + Export	20
4.	Level of recognition of the Brand in India, level of value addition, Strategy and plan for production, Sales, exports and branding of products in domestic and export markets		45
	<b>Total</b>		<b>100</b>

**\* Sale of own brand “branded food products” to the exclusion of unbranded food products.**

**The Applicants will be ranked based on aggregate score and number of Applicant selected will be based on allocation of outlay for the component.**

## Appendix-F: Bank Guarantee

(From any scheduled commercial bank)

This Deed of Guarantee executed on this \_\_\_\_\_ day of \_\_\_\_\_, 20-  
at \_\_\_\_\_ by \_\_\_\_\_ (from any scheduled commercial bank), having its Head  
Office / Registered Office at \_\_\_\_\_ and inter-alia a Branch Office  
at \_\_\_\_\_ (hereinafter referred to as the Bank or 'the Guarantor',  
which expression shall unless it be repugnant to the subject or context hereof be  
deemed to include its successors and assigns).

In favour of

Ministry of Food Processing Industries, Government of India, Panchsheel  
Bhawan, New Delhi-110049 (hereinafter referred as "MoFPI") represented by  
<PMA Name>, having its registered office at  
\_\_\_\_\_, acting as the Project Management  
Agency (PMA) for Production Linked Incentive (PLI) Scheme for food processing in  
India.

WHEREAS

- A. [.....], Proprietary Firm or Partnership Firm or Limited Liability  
Partnership (LLP) or a Company within the meaning of the Companies Act, 2013  
OR meaning under-----and having its Registered Office at [----  
-----] (herein after referred to as 'the Applicant' which expression unless  
repugnant to the subject or context includes its successors. Legal  
representatives and permitted assigns) and has been awarded approval  
under the above scheme vide Letter Reference -----  
----- dated ----- .
- B. In terms of the undertaking dated ----- and Clause ----- of the  
Guidelines Reference No. ----- dated-----,  
the Applicant has to provide a Bank Guarantee for an amount  
equivalent to INR -----which is calculated in line with the undertaking.
- C. At the request of the Applicant, the Guarantor has agreed to provide this  
guarantee, being these presents, guaranteeing the due and punctual  
performance/discharge by the Applicant of its obligations.

NOW THEREFORE THIS DEED WITNESSETH AS FOLLOWS

- A. The Guarantor hereby irrevocably guarantees the due and compliance of terms by the Applicant of all its obligation under the said undertaking and approval letter, as amended from time to time.
- B. The Guarantor shall, without demur, pay to MoFPI / <PMA Name> sums not exceeding in aggregate ----- (INR -----) within five (5) bank working days (as per the Reserve Bank of India) of receipt of a written demand thereof from MoFPI / <PMA Name> stating that the Applicant has failed to meet its obligations under the said undertaking. The Guarantor shall have not to go into the veracity of any breach or failure on the part of the Applicant or validity of the demand so made by MoFPI / <PMA Name> and shall pay the amount specified in the demand notwithstanding any direction to the contrary given or any dispute whatsoever raised by the Applicant or any other person. The Guarantor's obligations hereunder shall subsist until all such demands are duly met and discharged in accordance with the provisions hereof;
- C. The Guarantor agrees that its liability under this guarantee shall in no manner be affected by any such variation, alteration, modification, waiver dispensation and that no further consent of the Guarantor is required for giving effect to any such variation, alteration, modification, waiver dispensation with or release of security;
- D. This Guarantee shall be irrevocable and shall remain in full force and effect till-----.
- E. Until and unless discharged / released earlier by MoFPI / <PMA Name> in accordance with the provisions of the said undertaking, the Guarantor's liability in aggregate shall be limited to a sum of INR ----- (INR-----);
- F. This Guarantee shall not be affected by any change in the constitution or winding up of the Applicant / Guarantor or and absorption, merger or amalgamation of the Applicant / Guarantor with any other person;
- G. The Guarantor has power to issue this Guarantee and discharge the obligations contemplated herein, and the undersigned is duly authorized to execute this Guarantee pursuant to the power granted under.

All future correspondence with reference to this Guarantee shall be made to.  
..... (Bank Name and Address).

The jurisdiction in relation to this Guarantee shall be the Courts at New Delhi and Indian Law shall be applicable.

IN WITNESS WHEREOF THE GUARANTOR HAS SET ITS HANDS HEREUNTO  
ON THE: DAY, MONTH AND YEAR FIRST HEREINABOVE WRITTEN

SIGNED AND DELIVERED by-----  
-----Bank by the hand of----- its-----  
-----and authorized official.

## Appendix-G: Format for Providing Bank Guarantee

### (Undertaking from the Applicant on the letterhead)

1. We,....., hereby, acknowledge that the Incentive that would / may be provided to us under the Production Linked Incentive (PLI) Scheme for food processing industry in India, as per the Guidelines, communications, will be provided to us based on, and after relying upon, the information provided by us to avail the said Incentive.
2. We hereby confirm that the information provided by us for availing the said Incentive is true, correct and complete in all respects and that no material fact / information that may have an adverse impact on the information provided by us for availing the said Incentive has been concealed.
3. We hereby confirm that the Committed Investment in the project, as per the approval letter, is to be made by us within a specified period from the date of approval letter.
4. With regard to the aforesaid transactions, we hereby undertake the following:

- A. We undertake to provide Bank Guarantee/s from a schedule commercial Bank for the amount which is mentioned below:

Sr. No	Particulars	Details
1.	Date of issuance of Approval Letter	
2.	Validity period of BG *	
3.	Amount of BG	

\* Valid for three years or renewed till the date MoFPI release such Guarantee whichever is later.

- B. We understand and agree that, we are legally bound to renew the BG / issue fresh BG, failing which MoFPI / PMA may invoke the BG.
- C. In case of loss, mutilation, force majeure or any other eventualities, with respect to Original BG (favouring MoFPI / PMA, held at PMA), MoFPI / PMA will not be liable for the same and the onus would be with us to arrange for alternate / duplicate BG in place of the original BG.



D. We also understand that the BG will be invoked or released as per the provision in the guidelines.

*Date*

*Signature*

*(Name & designation with address)* Director / CEO / MD

## **Annexure-1A: Application Form for Category I Applicants**

### **1. Instructions:**

- 1.1. Applicants may go through the Guidelines carefully before filling up the details in the Application.
- 1.2. The Application shall be signed by duly authorized signatory of Applicant.
- 1.3. Applicants are advised to follow the format provided in this Application form for submitting their Applications. Applicants are required to provide information and enclose all supporting documents as detailed.
- 1.4. All Applications will be submitted online to the Project Management Agency (PMA) selected under the Scheme.
- 1.5. The applicant shall submit unconditional Application without any restriction, limitation or rider.
- 1.6. The Application submitted by the applicant shall be subject to the provision of Scheme Guidelines and the related notifications.
- 1.7. Application has been divided into the following sections
  - i. Applicant Details
  - ii. Proposal
  - iii. Application Fee Details

### **2. Section I – Applicant Details**

- 2.1. Name of Applicant
- 2.2. Constitution of business – Proprietorship Firm or Partnership Firm or Limited Liability Partnership (LLP) or a Company registered in India or co-operative
- 2.3. Business Details: Address, phone, email, PAN, nature of current business, turnover, net worth, experience etc.
- 2.4. Brief profile of Promoter, Chairman, Chief Executive Officer and other CXO level officers, as the case maybe.
- 2.5. *Documents to be furnished:*
  - i. Copy of the memorandum and articles of association or equivalent registration document, Partnership Deed and any equivalent document. Shareholding pattern, share of the partners as the case may be.
  - ii. Self-certified copies of Annual Reports including Annual Financial Reports along with schedules, audited and complete Balance Sheet, as the case may be for 3 years. Most recent reports are to be provided.

- iii. Profit before Tax (PBT) and Profit after Tax (PAT) – (last 3 years)
- iv. Self-certified copies of PAN, GST Certificate for applicant,
- v. Self-certified copies of brief profile of Chairman, CEO, CXOs, Promoter and Key Managerial Persons along with their PAN / DIN
- vi. Key Personnel Details: Contact details of three senior employees of Applicant. Details would include Name, Designation, Address, phone, email.

#### 2.6. Credit History:

- i. Provide details of presence in RBI's Defaulter and Wilful Defaulter Lists, SEBI Debarred List and CIBIL Score.
- ii. External Credit Ratings (year, agency, rating assigned) (if applicable)

### 3. Section II – Proposal

#### 3.1. Project Details

#### 3.2. Sales of all food products:

- i. Total Sales (Domestic + Exports) (INR Cr)
- ii. Exports (INR Cr)

#### 3.3. Eligible Product Segment Applied for:

#### 3.4. Products Groups proposed to be covered out of the Product Segment as in 3.3. (Products Groups, segment-wise, given in **Appendix-B**)

#### 3.5. Sales (Domestic + Exports) Product Group-wise (**Appendix-B**) for 2014-15 to 2018-19:

	Product Group	2014-15	2015-16	2016-17	2017-18	2018-19
1.						
2.						
3.						
4.						
...						
	Total					

#### 3.6. Domestic and Export Sales of Food Products (**Appendix-B**) for 2019-20 (actual), 2020-21 (Est), 2021-22 to 2026-27 (Projection):

Domestic Sales (Rs Crore)									
	Product Group	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
1.									
2.									
3.									
4.									
...									
	Total								
Export Sales (Rs Crore)									
1.									
2.									
3.									
4.									
....									
	Total								

3.7. Certificate from Statutory Auditor or Independent Chartered Accountant, whichever is applicable, on the Sales/ Export of Food Products (given in 3.5 & 3.6).

3.8. Manufacturing facility/ies of the Applicant separately:

Address:

Products:

Annual Capacity:

3.9. Manufacturing facility of the Contract Manufacturer/s separately

Address:

Products

Annual Capacity:

3.10. Committed Investment (Manufacturing) Factory-wise (in INR Crore)

I. Applicant	P&M	Technical Civil Works	Associated Infrastructure	Total (Res Crore)
Factory 1/ 2/3....				
2020-21				

2021-22				
2022-23				
Sub Total (Applicant)				
II. Contract Manufacturers <sup>2</sup>				
2020-21				
2021-22				
2022-23				
Sub Total (CM)				
Total (I+II)				

3.11. Committed Investment (Branding & Marketing<sup>3</sup>):

3.11.1. Branding & Marketing Expenditure for All Food Products: 2014-15 to 2018-19

I. Domestic Market					In Rs Crore
	2014-15	2015-16	2016-17	2017-18	2018-19
1.					
2.					
3.					
4.					
...					
II. Export Market					In Rs Crore
1.					
2.					
3.					
4.					
...					

<sup>2</sup> Include Investment (Factory-wise) for those Contract Manufacturers who supply 100% of output to the Applicant.

<sup>3</sup> Relates to In-store Branding, Shelvespace Renting and Others (specify)

3.11.2. Expenditure on Branding & Marketing abroad for 2019-20, 2020-21 and proposed for 2021-22 to 2025-26. Break up of expenditure, in terms of broad categories, are indicative.

(In Rs Crore)				
	In Store Branding	Shelf Space Renting	Others (specify)	Total
2019-20				
2020-21				
2021-22				
2022-23				
2023-24				
2024-25				
2025-26				
<b>Total (2021-22 to 2026-27)</b>				

3.12. Projection of Employment created:

Cumulative Employment Generated (Attributable to products covered <b>Appendix-B</b> )	
Year	Numbers
2020-21 (Estimated)	
2021-22	
2022-23	
2023-24	
2024-25	
2025-26	
2026-27	

3.13. Programme Implementation Plan (PIP) for eligible product: The Applicant is required to submit a plan indicating the following:

- Broad plan to achieve the Sales projected in the Application and additional investment that would be required to achieve that Sales and plan for that.
- Manufacturing Capacity: Utilization of the existing Capacity, creation of new Capacity location-wise & output of products

- iii. New technology to be used in Manufacturing
- iv. Arrangement with the Subsidiaries/ Contract Manufacturers/ Member Unions

3.14. Regulatory Treatment: Provide information on licenses, permits and third-party approvals necessary to execute the project

#### **4. Section III –Application Fee Details**

4.1. Proof of the Application Fee submission.

*Date*

*Signature*

*(Name & designation with address)* Director / CEO / MD

## **Annexure-1B: Application Form for Category II Applicants**

### **1. Instructions:**

- 1.1. Applicants may go through the Guidelines carefully before filling up the details in the Application.
- 1.2. The Application shall be signed by duly authorized signatory of Applicant.
- 1.3. Applicants are advised to follow the format provided in this Application form for submitting their Applications. Applicants are required to provide information and enclose all supporting documents as detailed.
- 1.4. All Applications will be submitted online to the Project Management Agency (PMA) selected under the Scheme.
- 1.5. The Applicant shall submit unconditional Application without any restriction, limitation or rider.
- 1.6. The Application submitted by the Applicant shall be subject to the provision of Scheme Guidelines and the related notifications.
- 1.7. Application has been divided into the following sections
  - i. Applicant Details
  - ii. Proposal
  - iii. Application Fee Details

### **2. Section I – Applicant Details**

- 2.1. Name of Applicant
- 2.2. Constitution of business – Udyam Registered SME, Proprietorship Firm or Partnership Firm or Limited Liability Partnership (LLP) or a Company registered in India or co-operative
- 2.3. Business Details: Address, phone, email, PAN, nature of current business, turnover, net worth, experience etc.
- 2.4. Brief profile of Promoter, Chairman, Chief Executive Officer and other CXO level officers, as the case maybe.
- 2.5. *Documents to be furnished:*
  - i. Copy of the memorandum and articles of association or equivalent registration document, Partnership Deed and any equivalent document. Shareholding pattern, share of the partners as the case may be.
  - ii. Self-certified copies of Udyami Registration, Annual Reports including Annual Financial Reports along with schedules, audited and complete



Balance Sheet, as the case may be for 3 years. Most recent reports are to be provided.

- iii. Profit before Tax (PBT) and Profit after Tax (PAT) – (last 3 years)
- iv. Self-certified copies of PAN, GST Certificate for Applicant,
- v. Self-certified copies of brief profile of Chairman, CEO, CXOs, Promoter and Key Managerial Persons along with their PAN / DIN
- vi. Key Personnel Details: Contact details of three senior employees of Applicant. Details would include Name, Designation, Address, phone, email.

#### 2.6. Credit History:

- i. Provide details of presence in RBI's Defaulter and Wilful Defaulter Lists, SEBI Debarred List and CIBIL Score.
- ii. External Credit Ratings (year, agency, rating assigned) (if applicable)

### 3. Section II – Proposal

#### 3.1. Product Details: Indicate

- (i) Innovative Product: Name/s of the Products. How it is innovative product, uniqueness of the product, patents obtained and manufacturing process
- (ii) Organic Product: Name/s of the Products. Type of certification for organic products and particulars (certification for organic product should be either from APEDA or similar recognised certification agency, not peer group certification)

#### 4.2. Sales of Products sought to be promoted, product-wise (as given in 3.1) for 2014-15 to 2018-19:

(In Rs Crore)						
	Name of the Products	2014-15	2015-16	2016-17	2017-18	2018-19
1.						
2.						
3.						
4.						
...						

	Total					
--	-------	--	--	--	--	--

4.3. Sales and Export of Food Products (given in 3.4) for 2019-20 (actual), 2020-21 (Est), 2021-22 to 2026-27 (Projection):

Domestic Sales (Rs Crore)									
	Product Group	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
1.									
2.									
3.									
4.									
...									
	Total								
Export Sales (Rs Crore)									
1.									
2.									
3.									
4.									
....									
	Total								

3.2. Certificate from Statutory Auditor or Independent Chartered Accountant, whichever is applicable, on the Sales/ Exports of Food Products for 2019-20.

3.3. Investment made in 2017-18, 2018-19 and 2019-20

	P&M	Technical Civil Works	Associated Infrastructure	Total (Res Crore)
Factory 1/ 2/3....				
2017-18				
2018-19				
2019-20				
Total				

3.4. Manufacturing facility of the Applicant:

Address:

Products:

Annual Capacity:

3.5. Proposed Investment for manufacturing Factory-wise (in Rs Crore):

	P&M	Technical Civil Works	Associated Infrastructure	Total (Res Crore)
Factory 1/ 2/3....				
2020-21				
2021-22				
2022-23				
Sub Total (Applicant)				

3.6. Availability of Funds for investment indicated at 3.4 for Investment category-wise (Own fund, Loan, tied up from Private Equity, Venture Capital, Angel investors, other etc)

3.7. Certificate from Statutory Auditor or Independent Chartered Accountant, whichever is applicable, on Investment made and funds tied up referred to at paragraphs 3.3 and 3.6.

3.8. Projections (self-certified) of Sales, Exports and Employment Generation:

<b>Domestic and Exports Sales (Innovative/ Organic products)</b>		
Year	Domestic Sales (INR Crore)	Exports (INR Crore)
2019-20 (Base Year)		
2021-22		
2022-23		
2023-24		
2024-25		
2025-26		
2026-27		
<b>Total</b>		
<b>Cumulative Employment Generated</b>		
Year	Numbers	
2021-22		

2022-23	
2023-24	
2024-25	
2025-26	
2026-27	

3.9. Detailed Project Report/ Programme Implementation Plan (PIP) for eligible product: The Applicant is required to submit a DPR/ PIP containing the information as indicated in the attached **Table-Annexure 1B**.

#### 4. Section 3: Application Fee Details

4.1. Proof of the Application Fee submission.

*Date*

*Signature*

*(Name & designation with address)* Director / CEO / MD

## **Table-Annexure 1B**

### **Programme Implementation Plan (PIP)**

1. Profile of the Proposed Innovative/ Organic Food Product (as the case may be)
  - 1.1. Nature of Products: Uniqueness
  - 1.2. Stage of Product Development: Patent if any
  - 1.3. Organic Products: Certification particulars and the Year
  - 1.4. Market Development
  - 1.5. Global Scenario
  - 1.6. Indian Scenario
2. Current Status:
  - 2.1. Investment
  - 2.2. Manufacturing,
  - 2.3. Branding/ Marketing
  - 2.4. Sales
  - 2.5. Exports
  - 2.6. Profitability
  - 2.7. Potential for Scalability
  - 2.8. Business Plan & tie-ups
  - 2.9. Assistance from sources other than MoFPI
3. The Project
  - 3.1. Project Components
  - 3.2. Land and Location
  - 3.3. Locational Advantage
  - 3.4. Backward & Forward Linkages
4. Plant and Machinery
  - 4.1. Production Process
  - 4.2. Business Model & Marketing
  - 4.3. Revenue assumptions basis
  - 4.4. Revenue Streams
  - 4.5. Marketing

5. Operation Management
  - 5.1. Organizational Structure
6. Implementation schedule
  - 6.1. Site Development and basic Enabling
  - 6.2. Technical Building and Civil Work
  - 6.3. Means of Finance
7. Profitability Projection
8. Regulatory Treatment
  - 8.1. Information on licenses, permits and third-party approvals necessary to execute the project
  - 8.2. Timelines for obtaining clearances.
9. Scope for becoming Champion with Government Support

## **Annexure-1C: Application Form for Category III Applicants**

### **1. Instructions:**

- 1.1. Applicants may go through the Guidelines carefully before filling up the details in the Application.
- 1.2. The Application shall be signed by duly authorized signatory of Applicant.
- 1.3. Applicants are advised to follow the format provided in this Application form for submitting their Applications. Applicants are required to provide information and enclose all supporting documents as detailed.
- 1.4. All Applications will be submitted online to the Project Management Agency (PMA) selected under the Scheme.
- 1.5. The Applicant shall submit unconditional Application without any restriction, limitation or rider.
- 1.6. The Application submitted by the Applicant shall be subject to the provision of Scheme Guidelines and the related notifications.
- 1.7. Application has been divided into the following sections
  - i. Applicant Details
  - ii. Proposal
  - iii. Application Fee Details

### **2. Section I – Applicant Details**

- 2.1. Name of Applicant
- 2.2. Constitution of business – Proprietorship Firm or Partnership Firm or Limited Liability Partnership (LLP) or a Company registered in India or co-operative, or SME
- 2.3. Business Details: Address, phone, email, PAN, nature of current business, turnover, net worth, experience etc.
- 2.4. Brief profile of Promoter, Chairman, Chief Executive Officer and other CXO level officers, as the case maybe.
- 2.5. *Documents to be furnished:*
  - i. Copy of the memorandum and articles of association or equivalent registration document, Partnership Deed and any equivalent document. Shareholding pattern, share of the partners as the case may be.
  - ii. Self-certified copies of Annual Reports including Annual Financial Reports along with schedules, audited and complete Balance Sheet, as the case may be for 3 years. Most recent reports are to be provided.
  - iii. Profit before Tax (PBT) and Profit after Tax (PAT) – (last 3 years)

- iv. Self-certified copies of PAN, GST Certificate for Applicant, Udyami Registration
- v. Self-certified copies of brief profile of Chairman, CEO, CXOs, Promoter and Key Managerial Persons along with their PAN / DIN
- vi. Key Personnel Details: Contact details of three senior employees of Applicant. Details would include Name, Designation, Address, phone, email.

#### 2.6. Credit History:

- i. Provide details of presence in RBI's Defaulter and Wilful Defaulter Lists, SEBI Debarred List and CIBIL Score.
- ii. External Credit Ratings (year, agency, rating assigned) (if applicable)

### 3. Section II – Proposal

#### 3.1. Project Details:

#### 3.2. Brands to be promoted: Give Details

#### 3.3. Sales of All Food Products of the Applicant for 2014-15 to 2021-22:

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21 (Est)
Domestic sales (Rs Crore)							
Export Sales (Rs Crore)							

3.4 Expenditure on Branding for 2017-18 to 2019-20 (Actual), 2020-21 (Est) in Domestic Market and Abroad:

Year	Domestic (Rs Crore)	Abroad (Rs Crore)
2016-17		
2017-18		
2018-19		
2019-20		
2020-21		

3.5 Expenditure on Branding for 2021-22 to 2025-26 (Proposed) with indicative break up (In store Branding, Shelf space Renting and Others):



Year	Domestic (Rs Crore)	Abroad (Rs Crore)
<b>2021-22</b>		
In Store Branding		
Shelf Space Renting		
Others (Specify)		
<b>2022-23</b>		
In Store Branding		
Shelf Space Renting		
Others (Specify)		
<b>2023-24</b>		
In Store Branding		
Shelf Space Renting		
Others (Specify)		
<b>2024-25</b>		
In Store Branding		
Shelf Space Renting		
Others (Specify)		
<b>2025-26</b>		
In Store Branding		
Shelf Space Renting		
Others (Specify)		
<b>Total (2021-22 to 2025-26)</b>		

### 3.6 Sale of Products of Brand sought to be Promoted 2014-15 to 2021-22:

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2021-22 (Est)
Domestic sales (Rs Crore)							
Export Sales (Rs Crore)							

3.4. Programme Implementation Plan (PIP) for Branding and Marketing: The Applicant is required to submit a plan indicating the following:

- i. Brands owned by the Applicant and level of recognition in India
- ii. SWOT Analysis of performance in export markets
- iii. Gap analysis and the broad plan to undertake Branding in Export Market: Strengthening of market presence and penetration
- iv. Strategy and Plan production, sales, exports of products sought to be promoted through Branding
- v. Strategy & Plan to strengthen the Brand
- vi. Revenue, brand-wise, from different export markets
- vii. Subsidiary company or associated company and their support in Global Market for Brand Promotion
- viii. Different Components of Branding & Marketing
- ix. Strategy to achieve the Sales proposed in the Application
- x. Manufacturing Capacity: Utilization of the existing Capacity, creation of new Capacity in different location
- xi. Arrangement with the Subsidiary (ies)/ Contract Manufacturer(s)
- xii. Proposed Expenditure for Brand Promotion and Marketing to be furnished

#### **4. Section III –Application Fee Details**

4.1. Proof of the Application Fee submission.

*Date*

*Signature*

*(Name & designation with address)* Director / CEO / MD

**Annexure-2: Checklist for preliminary assessment of Application by PMA**

S. No.	Parameter	Data as per Applicant	Comments from PMA
1.	Name of Applicant		
2.	Application submission date		
3.	Due date for submission		
4.	Submission of prescribed Application Fee		
5.	Eligibility in terms of overall Sales of food products		
6.	Coverage of product segment/ food products to be manufactured.		
7.	Innovative/ Organic Products for SME		
8.	Sales of Food Products in Eligible Product Segment (i) Domestic Market (ii) Exports Markets		
9.	Committed Investment (Rs Crore) (i) Manufacturing (ii) Branding & Marketing		
10.	Expenditure on Branding (i) Domestic Market (ii) Exports Markets		

*Date*

*Signature*

*(Name & designation of the Official of PMA)*

### Annexure-3: Checklist for assessment of Application by the PMA

(Fill separate checklist for each product segment applied)

S. No.	Parameter	Comments from PMA
1.	Name of Applicant	
2.	Details of key person (First) Name of person Designation of person Complete address of Applicant Contact details of Applicant Ph. No. Mobile Email	
	Details of key person (Second) Name of person Designation of person Complete address of Applicant Contact details of Applicant Ph. No. Mobile Email	
	Details of key person (Third) Name of person Designation of person Complete address of Applicant Contact details of Applicant Ph. No. Mobile Email	
3.	Type of organisation (Ltd., Pvt. Ltd., LLP, listed, etc.)	
4.	Registration details of organisation	
5.	Details of promoters, if any	
6.	Any information of legal or financial cases pending against the Applicant/promoters	

S. No.	Parameter	Comments from PMA
7.	Application submission date	
8.	Due date for submission	
9.	Application acknowledgement date	
10.	Eligibility in terms of Sales of Food Products	
11.	Base Year Sales of Food Products in the Segment Applied for (Rs Crore)	
12.	Base Year Export of Food Products in the Segment Applied for (Rs Crore)	
13.	Committed Investment (Rs Crore) (i) Manufacturig (ii) Branding & Marketing	
14.	Proposed plant production capacity (per annum)	
15.	Proposed date of commercial production	
16.	Proposed Incentive claim (annually and for total Scheme)	
17.	Total no. of Applications received for the eligible product	
18.	Investment Details (in Crore) (Provide complete breakup)	
19.	I. By Applicant i. Technical & Civil Work ii. New Plant and machinery iii. Expansion & Modernisation	
20.	II. By the Contract Manufacturers <sup>4</sup> (i) Technical & Civil Work (ii) New Plant and machinery (iii) Expansion & Modernisation	
21.	Time schedule of the project	
22.	Submission of all Undertakings in appropriate format	

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<sup>4</sup> Information relevant to the Applicant to be furnished for different Contract Manufacturer(s) separately and in aggregate.

S. No.	Parameter	Comments from PMA
	(a) Consent for audit of their manufacturing site/offices for verification of information/ data submitted along with the Application in the format as per <b>Annexure-7</b>	

PMA should give detailed description on the following areas

S. No.	Area of consideration
1.	Eligible product segment considered
2.	Number of total Application received for eligible product
3.	Justification for consideration
4.	Reasons for rejection of the Application, if any

*Date*

*Signature*

Name & designation of Official of PMA

#### Annexure-4: Disbursement Claim Form

Production Linked Incentive Scheme (PLI) for domestic manufacturing of food products

1. Applicant Name
2. Application Acknowledgement Date
3. Ref. No. and Date of Approval Letter
4. Progress in Committed Investment Plant-wise
5. Sales of Approved Products (Products as per the Approval Letter)
6. Period for which Incentives are being sought
7. **Information on Sales, Investment and Branding & Marketing Abroad:** Claim of Incentives for a particular year will also contain information for all previous years and Base Year/s as applicable)

Sales			
Sl No	Name of the Food Product (Ref. Letter of Letter)	HS Code*	Sales (INR Cr)
Domestic Sales			
1.			
2.			
.....			
<b>Total Domestic Sales</b>			
Export Sales			
1.			
2.			

.....			
<b>Export Sales</b>			
Furnish details in separate Sheet, if required, as an Attachment to Application Form			
*As per the information furnished in GST Invoices or Shipping Bills			

<b>Committed Investment:</b>			
Year	Description (P&M, Technical & Civil Works, Associated Infrastructure separately) Amount (INR Crore)		
	By the Applicant	By Contract Manufacturer(s)	Total
2020-21			
2021-22			
2022-23			
<b>Total</b>			

<b>Investment in Branding &amp; Marketing abroad</b>		
Year	Description (Major Markets with break-up for in store Branding, shelf space renting and Others (specify)	Amount (INR Crore)
2019-20 (Base Year)		
2021-22		
2022-23		
2023-24		
2024-25		
2025-26		
<b>Total</b>		

8. Certificates / undertakings stating / covering the following: No deviation in eligible Product Segment and expenditure on B&M.
9. Certificate from Statutory Auditor or Independent Chartered Accountant, whichever is applicable, stating / covering:



- i) Committed Investment applicable has been achieved before commercial production
- ii) Capitalization of Investment in the books of accounts of the Applicant is in line with the relevant accounting standards issued by ICAI
- iii) Investment has been made in accordance with Scheme Guidelines.

**10. Documents / certificates from Chartered Engineer:**

- i) Certificate stating that the plant, machinery & equipment have been installed, the price is reasonable as per the market value and the same are being used for manufacturing of approved eligible product(s)
- ii) Certificate on capacity installed

**11. List of documents to be submitted post approval of claim**

- i) An undertaking from the Applicant as per format given in **Annexure 7**.
- ii) An agreement / indemnity bond on prescribed formats as per **Annexure 5** from the Applicant that if at a later stage its claim is found to be false or excessive it would be liable to return the amount disbursed with interest calculated at 3 years SBI MCLR prevailing on the date of disbursement, compounded annually.
- iii) Board resolution to the effect that the Applicant agrees by the terms and conditions as laid down in the PLI Scheme and Guidelines while securing the Incentive amount.

*Date*

*Signature*

*(Name & designation with address)* Director / CEO / MD

## Annexure-5: Format of Undertaking

(Undertaking from the Applicant on letterhead)

1. We, ....., hereby, acknowledge that the Incentives that would / may be provided to us under the Production Linked Incentive Scheme (PLI) for domestic manufacturing of approved food products will be provided to us based on, and after relying upon, the information provided by us to avail the said Incentives.
2. We hereby confirm that the information provided by us for availing the said Incentives is true, correct and complete in all respects and that no material fact / information that may have an adverse impact on the information provided by us for availing the said Incentives has been concealed. We acknowledge and confirm that the foregoing averment is on an on-going basis and further undertake to immediately apprise the Ministry of Food Processing Industries about any change in the status of the information provided by us to avail the said Incentives.
3. We further undertake that in the event of (i) any of the information provided by us to avail the said Incentives being found false, incorrect or incomplete, or (ii) in the event of the undertakings and confirmations stated at Clause 2 above being found false, incorrect, incomplete or breached; we will refund the entire amount of Incentives availed by us along with interest calculated at 3 years SBI MCLR prevailing on the date of disbursement, compounded annually for the period between excess payment and date of refund.
4. We acknowledge that the remedy provided in Clause 3 above is not the exclusive remedy available with the Ministry of Food Processing Industries and is without prejudice to any legal remedy available with Ministry of Food Processing Industries for events mentioned in Clause 3 (i) and (ii) above.

*Date*

*Signature*

*(Name & designation with address)* Director / CEO / MD

### Annexure-6: Quarterly Review Report

An Applicant shall be required to provide the following information (self-certified) for quarterly review within 30 days from the end of each quarter:

Year:..... Quarter ending: I/II/III/IV (Tick as applicable)
1. Name of Applicant
2. Eligible Products
3. Application Acknowledgement Date
4. Application Approval Date
5. Manufacturing Location(s)
6. Investment made by the Applicant for Manufacturing of approved products (amount in INR) (i) During the Quarter (ii) Up to the Quarter ending
7. Investment made by the Contract Manufacturer(s) for Manufacturing of Approved products (amount in INR) (i) During the Quarter (ii) Up to the Quarter ending
8. Sales of Approved Products: (i) During the Quarter (ii) Up to the Quarter ending [net of credit notes, discounts and taxes applicable]
9. Export of Approved Products: (i) During the Quarter (ii) Up to the Quarter ending [net of credit notes, discounts and taxes applicable]
10. Expenditure for Branding in Export Markets (i) During the Quarter (ii) Up to the Quarter ending
11. Employment as on Quarter ending (in numbers) attributable to products indicated in the Approval Letter for both the Applicant and the Contract Manufacturer(s):

	As on 31.3.2021	Cumulative for the Reported Quarter
Direct		
<i>On-roll labour/employees</i>		
<i>Contractual</i>		
<i>Apprentice</i>		
Installed Production Capacity for Eligible Product (in MT) I. Applicant II. Contract Manufacturer(s)		

*Date*

*Signature*

*(Name & designation with address)* Director / CEO / MD

## **Annexure-7: Consent for audit of manufacturing site/ offices**

(To be signed by full time Director / CEO / MD of the company / firm duly depicting the designation and submitted on official stationery of the Applicant along- with the authorization to do so)

1. Whereas, the Applicant namely *(name of manufacturer with address)* has submitted an Application under Production Linked Incentive Scheme (PLI) for domestic manufacturing of eligible food products to Ministry of Food Processing Industries( MoFPI), Government of India seeking Incentives for the Application pertaining to manufacturing of .....(Eligible Products) at.....(location(s)).
2. Now, therefore, the Applicant or its agencies or its consultants engaged with the process of manufacturing of eligible products shall allow the PMA or any other authority as designated by MoFPI for verification of facility and documents submitted for the approval of Application and disbursement of Incentives under PLI Scheme.

*Date*

*Signature*

*(Name & designation with address)* Director / CEO / MD

## **Annexure-8: Performa for integrity compliance**

(To be signed by full time Director / CEO / MD of the company/ Partner/ Proprietor of the firm duly depicting the designation and submitted on official stationery of the Applicant along- with the authorization to do so)

### **Format- A: Initial Undertaking**

1. Whereas, the Applicant namely \_\_\_\_\_ has submitted an Application under Production Linked Incentive Scheme (PLI) for domestic manufacturing of eligible food products to Ministry of Food Processing Industries (MoFPI), Government of India, seeking Incentives for the Application pertaining to manufacturing of ..... (Product Segment) at.....(location(s)).
2. Now, therefore, the Applicant including its officers / representatives commits and undertakes that he / she will take all measures necessary to prevent corruption. He / She commits to observe the following principles during his / her association / engagement with MoFPI or its agencies or its consultants engaged with the process of appraisal and verification of Application for the approval of Application and disbursement of Incentives under PLI Scheme.
  - 2.1. The PLI Applicant will not directly or through any other person or firm, offer, promise or give to any of the MoFPI's officer(s) or consultant or agency representative (appraisal or/and PMA appointed by MoFPI to handle the Application) involved in the process of dealing with Application or to any third person any material or other benefit which he/she is not legally entitled to in order to obtain in exchange any advantage of any kind whatsoever before or during or after the process of the Application for grant of approval or disbursement of Incentives under PLI.
  - 2.2. The PLI Applicant will not commit any offence under the relevant Indian Penal Code, 1860/ Prevention of Corruption Act, 1988. Further, the Applicant will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the MoFPI.
  - 2.3. The PLI Applicant shall disclose the name and address of the duly authorized Agents/ Representatives who will be dealing with MoFPI or its agencies and the remuneration of these agents or representatives shall not include any hidden amount or component to get the work done in undue manner or

causing inducement of whatsoever nature whether in cash or kind to influence the normal process or practice of work.

2.4. The PLI Applicant will disclose any and all payments he/she has made, is Committed to or intends to make to agents, brokers or any other intermediaries, other than regular employees or officials of the Applicant, in connection with the grant of approval or/and disbursement of Incentives.

2.5. The Applicant will not offer any illicit gratification to obtain unfair advantage.

2.6. The Applicant will not collude with other parties to impair transparency and fairness.

2.7. The Applicant will not give any advantage to anyone in exchange for unprofessional behaviour.

3. The Applicant declares that no pervious transgressions occurred in the last 3 years with any other Company in any country conforming to the anti-corruption approach or with any other Public Sector Enterprises/ Central or State Government or its any instrumentality in India.

4. The Applicant agrees that if it is found that the Applicant has made any incorrect statement on this subject, the Application will be closed or rejected and MoFPI reserve the right to initiate legal action of whatsoever nature. In case if MoFPI has disbursed the Incentives under PLI, the amount disbursed to Applicant be recoverable along with interest calculated at 3 years SBI MCLR prevailing on the date of disbursement, compounded annually, besides blacklisting of the Applicant and initiation of legal action of whatsoever nature at the discretion of MoFPI.

5. The contents of the above undertaking have been gone through and after understanding the same is being executed / given on.....day of ..... (month / year)

*Date*

*Signature*

*(Name & designation with address)*

Full time Director / CEO / MD of the company/ Partner/ Proprietor of the firm

## Format B: Undertaking before release of Incentive

(To be signed by full time Director / CEO / MD of the company/ Partner/ Proprietor of the firm/ firm duly depicting the designation and submitted on official stationery of the Applicant along- with the authorization to do so)

1. Whereas, the Applicant namely \_\_\_\_\_ has submitted an Application under Production Linked Incentive Scheme (PLI) for domestic manufacturing of eligible food products to Ministry of Food Processing Industries(MoFPI), Government of India seeking Incentives for the Application pertaining to manufacturing.....(Eligible Product) at.....(location(s)).
2. And Whereas, the Applicant has submitted an undertaking for observance and commitment for Integrity vide Undertaking dated.....given under the signatures / authority of Applicants ..... (name and designation) to MoFPI in respect of aforesaid Application.

And whereas, the Applicant including its officers / representatives gives commitment and undertake that he / she will take all measures necessary to prevent corruption and that he / she will not directly or through any other person or firm, offer, promise or give to any of the MoFPI's officer(s) or consultant or agency representative (appraisal or / and PMA appointed by MoFPI to handle the Application) involved in the process of dealing with Application or to any third person any material or other benefit which he / she is not legally entitled to in order to obtain in exchange any advantage of any kind whatsoever before or during or after the process of the Application for grant of approval or disbursement of Incentives under PLI Scheme.

3. And whereas, the Application submitted by the Applicant has been given the approval by PMA vide its communication no.....dated.....
4. And whereas, the Applicant has submitted a claim for disbursement of Incentive dated .... to the PMA for claiming Incentives of INR.....
5. And whereas, the PMA has considered the claim for disbursement of Incentive and is in the process of disbursement / release of Incentives on the claim dated.....
6. Now, therefore, I/We hereby confirm the compliance thereof with the Integrity Undertaking submitted to MoFPI/ PMA duly certifying that there is no breach to the same and requests that eligible Incentives under PLI Scheme be released



to Applicant and the amount of Incentives be credited in the bank account of Applicant.

7. The contents of the above Undertaking have been gone through and after duly understanding the same, is being executed / given on..... day of..... (month / year).

*Date*

*Signature*

Full time Director / CEO / MD of the company/ Partner/ Proprietor of the firm

## 160. Guidelines by Ministry of New and Renewable Energy (MNRE)

F. No. 283/62/2020-GRID SOLAR

भारत सरकार / Government of India

नवीन और नवीकरणीय ऊर्जा मंत्रालय/ Ministry of New & Renewable Energy (MNRE)

ग्रिड सौर ऊर्जा प्रभाग / Grid Solar Power Division

Block No. 14, C.G.O. Complex,  
Lodi Road, New Delhi - 110003

Dated: 28<sup>th</sup> April, 2021

To

The Pay & Accounts Officer,  
Ministry of New & Renewable Energy  
New Delhi - 110003.

Sub: Production Linked Incentive Scheme 'National Programme on High Efficiency Solar PV Modules'

Sir/ Madam,

I am directed to convey the sanction of President for implementation of Production Linked Incentive scheme 'National Programme on High Efficiency Solar PV Modules' for achieving manufacturing capacity of Giga Watt (GW) scale in High Efficiency Solar PV modules.

### 2.0 Aims and Objectives:

2.1 **Aim:** To promote manufacturing of high efficiency solar PV modules in India and thus reduce import dependence in the area of Renewable Energy.

### 2.2 Objectives:

- a. To build up solar PV manufacturing capacity of high efficiency modules.
- b. To bring cutting edge technology to India for manufacturing high efficiency modules. The scheme will be technology agnostic in that it will allow all technologies. However, technologies which result in better module performance will be incentivized.
- c. To promote setting up of integrated plants for better quality control and competitiveness.
- d. To develop an ecosystem for sourcing of local material in solar manufacturing.
- e. Employment generation and technological self-sufficiency.

3.0 **Implementation Methodology:** The Scheme will be implemented as per the detailed Scheme Guidelines enclosed at Annexure-I.

4.0 Necessary funds for implementation of this Scheme during 2021-22 (if any required) and subsequent years will be drawn from the budgetary allocations to Ministry of New & Renewable Energy.

5.0 This sanction issues in exercise of powers delegated to this Ministry and with the concurrence of IFD vide their Dy. No. 12 dated 28.04.2021 and approval of competent authority dated 27.04.2021.

Yours faithfully,



(Sanjay G. Karndhar)  
Scientist-D

Tel: 011-24363498, Email: karndhar.sg@nic.in

**Copy for information and necessary action to:**

1. All Central Government Ministries and Departments.
2. NITI Aayog, Sansad Marg, Sansad Marg Area, New Delhi.
3. Renewable Energy /Power/Energy Departments of all States & UTs.
4. State Nodal Agencies for Renewable Energy (SNAs) of all States / UTs.
5. Major Public Sector Enterprises operating in Renewable Energy /Power /Energy sector.
6. Principal Director of Audit, Scientific Audit-II, DGACR Building, I.P. Estate, Delhi – 110002.
7. Director General (Local Bodies), Office of the Comptroller & Auditor General, 9-Deendayal Upadhyay Marg, New Delhi.
8. Indian Renewable Energy Development Agency Limited (IREDA), 3rd Floor, August Kranti Bhawan, Bhikaiji Cama Place, New Delhi – 110 066
9. National Institute of Solar Energy (NISE), Gwal Pahari, Faridabad-Gurugram Road, Gurugram, Haryana- 122003.
10. Solar Energy Corporation of India Limited (SECI), 6th Floor, Plate-B, NBCC Office Block Tower-2, East Kidwai Nagar, New Delhi-110023.

**Internal Distribution:**

1. PS to Hon'ble Minister of State (I/C) for New & Renewable Energy, Power and MoS for Skill Development and Entrepreneurship
2. Sr. PPS to Secretary, MNRE
3. All Advisers and Group Heads/JS (AKS) / JS (BPY) / JS (DDJ)/ JS&FA/ Eco. Adviser
4. All Scientist-F/ Scientist-E/ Directors
5. All Scientist-D / Dy. Secretaries
6. All Scientist-C/ Under Secretaries
7. All Scientist-B
8. NIC, MNRE for uploading on Ministry's website
9. CA, MNRE / Cash Section
10. Hindi Section for Hindi version
11. Sanction Folder

Yours faithfully,



**(Sanjay G. Karndhar)**

Scientist-D

Tel:011-24363498,

Email: karndhar.sg@nic.in

**Guidelines for Production Linked Incentive Scheme 'National Programme on High Efficiency Solar PV Modules'**

**Sub:** Scheme Guidelines for Implementation of the Production Linked Incentive scheme 'National Programme on High Efficiency Solar PV Modules' for achieving manufacturing capacity of Giga Watt (GW) scale in High Efficiency Solar PV modules.

**1.0 Introduction & Background:**

**1.1.** On 11 November, 2020, the Cabinet approved introduction of Production Linked Incentive (PLI) Scheme for 10 key Sectors, for enhancing India's manufacturing capabilities and exports under Atmanirbhar Bharat initiative. One of the 10 sectors for which introduction of Production Linked Incentive (PLI) has been approved by the Cabinet is 'High Efficiency Solar PV Modules' for which Ministry of New & Renewable Energy (MNRE) has been designated as the implementing Ministry. The financial outlay for PLI for 'High Efficiency Solar PV Modules', as approved by the Cabinet and communicated vide NITI Aayog's Order No. 13(176)/2020-I&M (I) dated 20.11.2020, over a five-year period is ₹ 4,500 crore.

**1.2 Background:**

India has set an ambitious target of setting up 1,75,000 MW capacity of renewable energy by 2022 and 4,50,000 MW by 2030. On the basis of techno-economic analysis, Central Electricity Authority (CEA) has indicated in their Optimum Energy Mix report that 2,80,000 MW capacity from solar energy will be needed by 2029-30. To achieve the target, around 25,000 MW solar energy capacity is needed to be installed every year, till 2030. Solar capacity addition presently depends largely upon imported solar PV cells and modules as the domestic manufacturing industry has limited operational annual capacities of around 2,500 MW for solar PV cells and 9,000-10,000 MW for solar PV modules.

**2.0 Aims and Objectives:**

**2.1 Aim:** To promote manufacturing of high efficiency solar PV modules in India and thus reduce import dependence in the area of Renewable Energy.

**2.2 Objectives:**

- a. To build up solar PV manufacturing capacity of high efficiency modules.
- b. To bring cutting edge technology to India for manufacturing high efficiency modules. The scheme will be technology agnostic in that it will allow all technologies. However, technologies which will result in better module performance will be incentivised.
- c. To promote setting up of integrated plants for better quality control and competitiveness.
- d. To develop an ecosystem for sourcing of local material in solar manufacturing.
- e. Employment generation and technological self-sufficiency.

**3.0 Implementation Methodology:**

The Ministry of New and Renewable Energy has decided to implement a National Programme on Solar PV Manufacturing involving Production Linked Incentive (PLI) to enhance domestic

manufacturing capacity of High Efficiency Solar PV Modules, for which the Cabinet has given approval on 11<sup>th</sup> November, 2020 and allocated an amount of ₹ 4,500 crore to be spent over a period of five years.

### 3.1 Implementing Agency:

- (i) The PLI scheme will be implemented by MNRE through Indian Renewable Energy Development Agency (IREDA) as Implementing Agency. IREDA will be responsible for providing secretarial, managerial and implementation support and carrying out other responsibilities as assigned by MNRE from time to time. The responsibilities of IREDA inter alia, include receipt of applications, examination and appraisal of applications as per the modalities of this scheme, issuing acknowledgements to applicants, making appropriate recommendations to MNRE after assigning inter-se ranking for approval of beneficiaries, examination of claims of beneficiaries for disbursement of PLI, verification and reconciliation of disbursement claims with prescribed documents and making appropriate recommendations to MNRE in this regard, compilation of data regarding progress and performance of the scheme through Quarterly Review Reports and other information / documents. IREDA will also submit progress to MNRE on a quarterly basis along with details of disbursement claims received for PLI, amount disbursed, reasons for delay in disbursement of the incentives etc. IREDA will be eligible to get 1% of the PLI amount disbursed as administrative charges on annual basis.
- (ii) IREDA will have the right to carry physical inspection of an applicant's manufacturing units and offices through site visits. It will take help of National Institute of Solar Energy (NISE) for measurement of efficiency and temperature co-efficient of modules. If required, MNRE may also designate National Accreditation Board for Testing and Calibration Laboratories (NABL) accredited labs, etc. for such measurement.

### 3.2 Selection of beneficiaries: Beneficiaries of the PLI scheme will be selected through a transparent bidding process. Applications will be shortlisted after consideration of the following parameters:

- a) **Extent of Integration:** Preference will be given to manufacturers who propose to set up a fully integrated solar PV manufacturing plant using silicon based technology (starting from the stage of manufacturing of polysilicon, to Ingot/Wafer to Solar Cell and Module) or fully integrated Thin Film technology or any other technology. However, in order to qualify for the bid, the applicant manufacturer will have to promise minimum integration across solar cells and modules.
- b) **Manufacturing Capacity:** Preference will be given to manufacturers who set up higher capacity plants. However, in order to qualify for the bid, the applicant manufacturer will have to undertake to set up a manufacturing plant of minimum 1,000 MW capacity (1,000 MW each for all individual stages included in the manufacturer's proposal).
- c) **Minimum module performance:** Manufacturers will also have to fulfill following minimum performance parameters:

*Minimum module efficiency of 19.50% with temperature coefficient of P<sub>max</sub> better than -0.30% per degree Celsius*

*Or*

*Minimum module efficiency of 20% with temperature coefficient of P<sub>max</sub> equal to or better than -0.40% per degree Celsius*

### 3.3 Inter se ranking of the bidders and other eligibility conditions:

- a) **Inter se ranking:** Bidders who fulfill the minimum conditions as specified in para 3.2 (a), (b) and (c) above will be shortlisted. Subsequently, they will be assigned marks, for determining their inter-se position as per the following selection criteria table:

SELECTION CRITERIA Table			
Parameter	Stages of manufacturing	Marks	Max Marks
1. Extent of Integration	<b>Stage-1:</b> Manufacturing of Polysilicon from outsourced (imported/ domestic) M.G. Silica + <b>Stage-2:</b> Manufacturing of Ingots-Wafers from Stage-1 Polysilicon + <b>Stage-3:</b> Manufacturing of solar cells from Stage-2 Wafers + <b>Stage-4:</b> Manufacturing of Modules from Stage-3 Solar Cells <b>or</b> Fully integrated manufacturing of Thin Film plant <b>or</b> fully integrated plant of any other technology	50	50
	<b>Stage-2:</b> Manufacturing of Ingots-Wafers from outsourced Polysilicon + <b>Stage-3:</b> Manufacturing of solar cells from Stage-2 Wafers + <b>Stage-4:</b> Manufacturing of Modules from Stage-3 Solar Cells <b>or</b> similar level of integration of any other technology	35	
	<b>Stage-3:</b> Manufacturing of solar cells from outsourced Wafers + <b>Stage-4:</b> Manufacturing of Modules from Stage-3 Solar Cells <b>or</b> similar level of integration of any other technology	20	
2. Manufacturing Capacity (in MW)	4,000 MW & above	50	50
	3,500 MW and above but less than 4,000 MW	45	
	3,000 MW and above but less than 3,500 MW	40	
	2,500 MW and above but less than 3,000 MW	35	
	2,000 MW and above but less than 2,500 MW	30	
	1,500 MW and above but less than 2,000 MW	25	
	1,000 MW and above but less than 1,500 MW	20	

Note: The bidder manufacturer getting higher marks will get preference in allocation of manufacturing capacity under the PLI scheme. In case of equal marks, the bidder/ manufacturer quoting least total PLI amount for five years' period as per Para 3.5 below, followed by higher 'Extent of integration' followed by higher 'Manufacturing Capacity' will get priority in selection.

- b) **Bidders eligible for PLI:** The bidder manufacturer can be a single company or a Joint Venture/ Consortium of more than one company. However, in case of Joint Venture/Consortium, a partner/company will be allowed to tie up their manufacturing capacity (of any stage) with another partner/company for one bid only. The selection of the beneficiaries will be done by the bucket filling method keeping in view the overall PLI limit of ₹ 4,500 crore, and the PLI requirements quoted by the bidders. The bidder getting highest marks/inter se position will get PLI amount for five years as quoted by him followed by 2nd bidder and so on till the PLI amount of ₹ 4,500 crore is exhausted. Manufacturing units which have availed any benefit under the MNRE's tender(s) for solar Power Purchase Agreements linked to PV manufacturing or SIPS/ M-SIPS programme of Ministry of Electronics & Information Technology (MEITY) will not be eligible for benefits under this programme. Manufacturing units which have imported capital goods for setting up the module manufacturing facility before the last date of bid submission will not be eligible for participation under the PLI scheme.

- c) **Waiting List:** A waiting list on the basis of marks (valid for six months from the date of selection of the bidder manufacturers) will be maintained in case of substantial over subscription of the bid. In case, the Ministry gets additional financial outlay over and above ₹ 4,500 crore, the waiting list will be cleared following the same bucket filling method.

**3.4 Greenfield & Brownfield projects:** Greenfield new solar PV module manufacturing units will be eligible for PLI. Brownfield projects will also be allowed to participate subject to the fulfilment of prescribed eligibility criteria for greenfield projects as mentioned at 3.2(a), 3.2(b) and 3.2(c). PLI rate for such Brownfield projects will be 50% of the rate for Greenfield projects. Brownfield projects will refer to all such new solar PV manufacturing capacities set up by the existing solar PV manufacturers which share some common infrastructure facilities with the pre-existing solar PV manufacturing capacities or addition of new manufacturing lines in the existing solar PV manufacturing facilities.

### **3.5 Calculation of Production Linked Incentive (PLI):**

- (i) PLI will be calculated as per following formula:  $PLI (\text{₹}) \text{ to manufacturers} = \text{Sales Volume (Wp)} \times \text{Base PLI Rate (₹/Wp as per position in Performance Matrix mentioned in para 3.7)} \times \text{Tapering Factor as explained in para 3.7.1 (1.4, 1.2, 1, 0.8, 0.6 for 1st, 2nd, 3rd, 4th \& 5th year respectively)} \times \text{Local Value Addition expressed in fraction of one}$ . At the time of bidding, the bidders will also have to submit the quantum of total PLI required for the five year period post commissioning of the manufacturing unit. They will calculate PLI requirement for each individual year, based on the estimated values of the parameters in the formula above.
- (ii) The actual PLI given to a manufacturer will depend on actual sales or the maximum capacity awarded under the PLI scheme, whichever is less, as explained in para 3.6, his actual position in the Performance Matrix and actual local value addition. However, the bidders, will in no case, be eligible for any PLI over and above the PLI requirement quoted by them for a particular year. In case a selected manufacturer fails to meet the extent of integration or manufacturing capacity promised at the time of selection, he will not get any PLI till he overcomes these deficiencies. If the manufacturer achieves the promised levels subsequently, he will be eligible for PLI from the next month following the month in which he achieved the promised levels of integration and capacity. However, in such cases, the manufacturer will not be able to get PLI for full 5 years since 5 years PLI is counted from the scheduled date of commissioning of the plant. In case, the modules manufactured by a selected manufacturer do not meet the minimum performance parameters mentioned at para 3.2(c), then he will not get any PLI in respect of such modules.

**3.6 Maximum Sales (in MW) covered:** Though a manufacturer can bid for any capacity (MW), the maximum capacity that can be awarded, to one bidder under the PLI scheme, is 50% of the bid capacity (capacity which he has promised to set up in his bid) or 2000 MW, whichever is less, to accommodate at least three manufacturers under the overall envelope of ₹ 4,500 crore. PLI will be given on actual production and sales of high efficiency module by the selected units. In case, the annual sales (in MW) of a unit is more than the capacity (in MW) awarded to it, PLI will be limited to the sales (MW) equal to the capacity (MW) awarded under the PLI scheme.

**3.7 Performance Matrix:** On the basis of module efficiency and module's temperature co-efficient of  $P_{max}$  (hereinafter also referred to as module's temperature co-efficient), 'Base PLI rate' will be determined in ₹/Watt peak (₹/Wp) as per the Performance Matrix Table given below:

PERFORMANCE MATRIX TABLE						
	Module Efficiency (%) →	During five Year period after commissioning				
		Base PLI Rate (₹/Wp)**				
		Less than 19.50%	19.50% and above but less than 20%	20% and above upto 21.5%	Above 21.5% & upto 23%	Above 23%
Module's Temperature Coefficient of Pmax* (in % per degree Celsius)↓	Position		W	X	Y	Z
Worse than -0.40		0	0	0	0	0
-0.40 to -0.30	A	0	0	2.50	3.00	3.50
Better than -0.30	B	0	2.25	2.75	3.25	3.75

\* Pmax = Maximum Power at Standard Test Conditions (STC), i.e. Irradiance 1000 W/m<sup>2</sup>, cell temperature 25°C, air mass (AM)= 1.5; Module's temperature coefficient refers to percentage change in Pmax per degree Celsius rise in temperature

\*\* Increase in the Base PLI Rate (₹/Wp) of ₹0.25/Wp for different module efficiency has been kept to motivate and incentivize manufacturers for producing higher efficiency module which requires higher investment for R&D.

**3.7.1 Tapering of PLI:** In order to give a signal to solar PV manufacturing industry that they will need to be competitive after five years, the PLI rate (₹/Wp) will be higher in the beginning and lower towards the end of five-year period. To achieve the objective of tapering down the PLI rate (in ₹/Wp), the PLI rate (₹/Wp) will be multiplied by a tapering factor of 1.4 for the 1<sup>st</sup> year of the five year PLI disbursement period followed by a tapering factor of 1.2, 1.0, 0.8 and 0.6 for the 2<sup>nd</sup>, 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> year of the PLI disbursement period respectively.

**3.8 Disbursement of PLI:** The manufacturing units sanctioned under the programme would be eligible for getting PLI on annual basis on sales of high efficiency solar PV modules for 5 years from commissioning or 5 years from scheduled commissioning date, whichever is earlier. Consequently, in case of delayed commissioning, the PLI period will reduce from 5 years by the quantum of such delay in commissioning. A team constituted by MNRE or IREDA will visit the manufacturing unit immediately after its commissioning to verify promised extent of integration, manufacturing capacity, efficiency and temperature co-efficient of modules. The manufacturers will be asked to give a self-declaration and a Statutory Auditor's or Chartered or Cost Accountant's certificate in support of claims of PLI. The manufacturers will be required to provide documents in support of the PLI claimed for a particular year based on (i) sales (watt) of modules, (ii) percentage of local value addition and (iii) PLI rate (as per the position in Performance Matrix). Documents required to be submitted by manufacturer for availing PLI will be detailed out in the tender documents. MNRE will also make provisions for adequate safeguards, including for periodical special audits and appointing technical organisations to conduct sample checks to verify claims of manufacturers in respect of module efficiency and temperature coefficient.

**3.9 Local Value Addition:** Manufacturers will be encouraged to source their material from domestic market. The PLI amount will increase with the increased local value addition. The percentage of Local Value Addition will be calculated as follows:



$$\frac{[(\text{Sale value of Module as per GST invoice excluding net domestic indirect taxes}) - (\text{Value of direct and indirect imported materials and services (including all customs duty) as per Bill of Entry filed in Customs, used in manufacture of module})]}{[(\text{Sale value of Module as per GST invoice excluding net domestic indirect taxes})]} \times 100\%$$

**3.10 Timelines for commissioning of solar PV manufacturing facilities:** The time-period allowed for commissioning of solar PV manufacturing units under the Scheme is as follows:

Type of solar PV manufacturing plant	Time allowed for commissioning
<b>Stage-1:</b> Manufacturing of Polysilicon from outsourced (imported/domestic) M.G. Silica <b>+ Stage-2:</b> Manufacturing of Ingots-Wafers from Stage-1 Polysilicon <b>+ Stage-3:</b> Manufacturing of solar cells from Stage-2 Wafers <b>+ Stage-4:</b> Manufacturing of Modules from Stage-3 Solar Cells <b>or</b> Fully integrated manufacturing of Thin Film plant <b>or</b> fully integrated plant of any other technology	Within 3 years from date of sanction
<b>Stage-2:</b> Manufacturing of Ingots-Wafers from outsourced Polysilicon <b>+ Stage-3:</b> Manufacturing of solar cells from Stage-2 Wafers <b>+ Stage-4:</b> Manufacturing of Modules from Stage-3 Solar Cells <b>or</b> similar level of integration of any other technology	Within 2 years from date of sanction
<b>Stage-3:</b> Manufacturing of solar cells from outsourced Wafers <b>+ Stage-4:</b> Manufacturing of Modules from Stage-3 Solar Cells <b>or</b> similar level of integration of any other technology	Within 1.5 years from date of sanction

**3.11 Penalties:**

- (i) In case a selected manufacturer fails to meet the promised integration or capacity or minimum module performance after his selection, he will not get any PLI till he overcomes these deficiencies. If the manufacturer achieves the promised levels subsequently, he will be eligible for PLI from the next month following the month in which he achieved the promised levels. However, in such cases, the manufacturer will not be able to get PLI for full 5 years since 5 years PLI is counted from the scheduled date of commissioning of the plant.
- (ii) Bidders will have to submit, at the time of signing of Contract Agreement with IREDA, Performance Bank Guarantees (PBG). In case they fail to implement the promised 'Extent of integration' or the 'Manufacturing capacity' submitted by them in their bids, within scheduled commissioning date, Bank Guarantees commensurate to the manufacturing commitments not fulfilled by the bidder will be forfeited by IREDA and balance Bank Guarantees will be released by them. Detailed modalities in this regard will be given in tender documents.
- (iii) To ensure that the bidder-manufacturers quote realistic year-wise PLI requirement, so as to accommodate more beneficiaries, in case of actual PLI claimed by the successful bidder-manufacturer in a particular year is less than the amount of PLI quoted by him, at the time of bid submission, for that particular year, by 25% or more, then the amount of PLI to be disbursed to such manufacturer for that particular year will be limited to 95% of the PLI amount, which he

would have been otherwise eligible (as per his sales, position in performance matrix and local value addition) for that particular year.

**3.12 Monitoring of the PLI scheme and power to remove difficulties:**

- (i) As approved by the Cabinet on 11<sup>th</sup> November 2020, the Empowered Group of Secretaries (EGoS) chaired by Cabinet Secretary will monitor the PLI scheme, undertake periodic review of the outgo under the scheme, ensure uniformity of all PLI Schemes and take appropriate action to ensure that the expenditure is within the prescribed outlay. Any changes required in the modalities of the scheme, subject to the condition that the overall financial outlay remain within ₹ 4500 crore, will be placed for consideration of the EGoS.
- (ii) Any changes required in the scheme guidelines, without changing the modalities which require placing before EGOS as mentioned in Para 3.12(i) above, will be done with the approval of Hon'ble Minister (New & Renewable Energy), subject to the condition that the overall financial outlay remain within ₹ 4500 crore.

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**File No. W-28/1/2019-IPHW-MeitY**  
**Government of India**  
**Ministry of Electronics and Information Technology (MeitY)**  
**IPHW Division**

**Dated:** June 1, 2020

**Subject: Guidelines for the Operation of Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing**

**1. Background**

- 1.1.** The Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing (hereinafter referred to as 'Scheme') has been notified vide notification No. CG-DL-E-01042020-218990 dated 01.04.2020.
- 1.2.** As per Para 6.1 of the Scheme, PLI will be open for receiving applications for four months from the date of notification. Since, the notification was published on 01-04-2020, applications will be received upto 31-07-2020.
- 1.3.** In pursuance of Para 9.2 of said notification and for the effective operation and smooth implementation of the Scheme, the following guidelines are being laid down that have to be read along with the scheme. In case of any inconsistency between the scheme and the guidelines, the provisions of the scheme shall prevail.
- 1.4.** These guidelines have been prepared after detailed consultations with industry and other relevant stakeholders. The Scheme Guidelines inter-alia cover the following:
  - 1.4.1. Definitions
  - 1.4.2. Qualification and Eligibility
  - 1.4.3. Application and Online Portal

1.4.4. Project Management Agency (PMA) and Empowered Committee (EC)

1.4.5. Approval under PLI and Determination of Baseline

1.4.6. Calculation and Disbursement of Incentives

## 2. Definitions

**2.1. Target Segments:** In accordance with Para 4 of the Scheme, Target Segments shall mean two segments viz. Mobile phones and Specified Electronic Components as in Annexure B in the Scheme.

**2.2. Applicant:** Applicant for the purpose of the Scheme is a company registered in India, proposing to manufacture goods covered under Target Segments, and making an application for seeking approval under the Scheme. The applicant can operate new or existing manufacturing facility(ies) to manufacture goods covered under the Target Segments. The aforesaid manufacturing can be carried out at one or more locations in India.

**2.3. Application:** Application submitted by an applicant to MeitY / Project Management Agency (PMA) as per the Application Form prescribed at Annexure 3 of these Guidelines containing requisite information, along with supporting documents and application fee.

**2.4. Application Window:** Time period allowed for filing of applications. In accordance with Para 6.1 of the Scheme, the Application Window shall be 4 months from the date of notification of the Scheme initially and may be extended and / or reopened based on response from the industry.

**2.5. Application Acknowledgement Date:** The date on which an application is acknowledged by MeitY / Project Management Agency (PMA) after carrying out initial scrutiny in this regard.

- 2.6. Application Approval Date:** The date on which, based on an application, approval under the Scheme is issued by the Project Management Agency (PMA).
- 2.7. Project Management Agency (PMA):** Refers to the Financial Institution(s) or any other authority(ies) appointed by MeitY to act on its behalf for receipt and appraisal of applications, determination of baselines, verification of eligibility and examination of disbursement claims through any method / document deemed appropriate and for managing the above-mentioned in accordance with these Guidelines.
- 2.8. Empowered Committee (EC):** A Committee consisting of CEO NITI Aayog, Secretary Economic Affairs, Secretary Expenditure, Secretary MeitY, Secretary Revenue, Secretary DPIIT and DGFT that has been formed in accordance with Para 12.1 of the Scheme.
- 2.9. Investment:** “Investment” as mentioned in Para 5.2 of the Scheme shall mean:
- 2.9.1. Expenditure incurred on Plant, Machinery, Equipment and Associated Utilities: This shall include expenditure on plant, machinery, equipment and associated utilities as well as tools, dies, moulds, jigs, fixtures (including parts, accessories, components, and spares thereof) of the same, used in the design, manufacturing, assembly, testing, packaging or processing of any of the goods covered under Target Segments. It shall also include expenditure on packaging, freight / transport, insurance, and erection and commissioning of the plant, machinery, equipment, and associated utilities. Associated utilities would include captive power and effluent treatment plants, essential equipment required in operations areas such as clean rooms, air curtains, temperature and air quality control systems, compressed air, water & power supply, and control systems. Associated utilities would also

include IT and ITES infrastructure related to manufacturing including servers, software, and ERP solutions. All non-creditable taxes and duties would be included in such expenditure.

2.9.2. Expenditure incurred on Research and Development (R&D):

Capital expenditure on R&D and product development related to Target Segments. The term “related” here refers to all stages in the entire value chain of the goods proposed to be manufactured including software integral to the functioning of the same. Such expenditure shall include expenditure on in-house and captive R&D, directly attributable to goods covered under Target Segments, including all stages in the entire value chain of the goods proposed to be manufactured including software integral to functioning of the same. Such expenditure shall include test and measuring instruments, prototypes used for testing, purchase of design tools, software cost (directly used for R&D) and license fee, expenditure on technology, IPR, Patents and Copyrights for R&D. All non-creditable taxes and duties would be included in such expenditure.

2.9.3. Expenditure related to Transfer of Technology (ToT)

Agreements: This shall include cost of technology and initial technology purchase related to goods covered under Target Segments. All non-creditable taxes and duties would be included in such expenditure.

2.9.4. Expenditure incurred on Land and Building: The expenditure incurred on land and building (including factory building / construction) required for the project / unit is not covered under



the Scheme and, therefore, will not be considered for determining eligibility under the Scheme.

**2.10. Eligible Product:** Good manufactured in India and covered under Target Segments with threshold on invoice value as applicable and annexed in the Scheme and in Annexures 1 and 2 of these Guidelines.

**2.11. Invoice Value:** Unit Price charged on an invoice raised by an applicant on sale of manufactured goods, net of credit notes, discounts or any other adjustments and applicable taxes.

**2.12. Net Sales Turnover:** Net Sales Turnover shall mean the Gross Sale Turnover net of credit notes (raised for any purpose), discounts (including but not limited to cash, volume, turnover, target or for any other purpose) and taxes applicable.

**2.13. Financial Year:** Financial Year begins on the 1st April of a year and ends on 31st March of the following year.

**2.14. Base Year:** In accordance with Para 7 of the Scheme, Financial Year 2019-20 shall be treated as the Base Year.

**2.15. Manufacturing:** In accordance with Central Goods and Services Tax (CGST) Act, 2017; manufacturing shall mean processing of raw material or inputs in any manner that results in emergence of a new product having a distinct name, character and use and the term “manufacturer” shall be construed accordingly.

**2.16. Incremental Investment:** Investment made in India after the end of the Base Year as defined.

**2.17. Incremental Sales of Manufactured Goods:** Sales of Manufactured Goods over a given period minus the Sales of Manufactured Goods in the Base Year over the corresponding period.

**2.18. Employment:** Jobs which are directly involved in the production process or with related activities beginning from when materials enter a production facility and up until the resultant manufacturing good

leaves the production facility. Such employment shall include on-roll, contractual and apprentice workforce in the country only.

**2.19. Non-Originating Material and Services:** Material and Services whose country of origin is other than the country in which that material / service is used in manufacturing and any material / service whose origin cannot be determined.

**2.20. Domestic Value Addition:** Domestic Value addition shall be computed as below (A divided by B):

A. Net Sales Turnover minus value of non-originating Material and Services used in manufacturing

B. Net Sales Turnover

**2.21. Successor-in-Interest:** Successor-in-Interest shall mean the new or re-organized entity formed after the merger, demerger, acquisition, transfer of business or significant change in ownership of an applicant.

**2.22. Related Party(ies):** The term related party shall be as defined in Accounting Standard-18: Related Party Disclosures or Indian Accounting Standard (Ind-AS)-24 Related Party Disclosure, as may be applicable to the applicant, as notified by Ministry of Corporate Affairs or any other appropriate authority from time to time.

**2.23. Force Majeure:** Extraordinary events or circumstances beyond human control such as an event described as an act of God (like a natural calamity) or events such as a war, strike, public health emergency, riots, crimes (but not including negligence or wrong-doing, predictable / seasonal rain and any other events specifically excluded).

**2.24. Competent Authority:** Competent Authority under the Scheme shall be defined as per delegation of powers for appraisal and approval of Public Funded Schemes and Projects vide OM No. 24(35)/PF-II/2012 dated 05.08.2016 issued by Department of Expenditure, Ministry of Finance or any subsequent modifications thereof.



**2.25. Domestic Company(ies):** Domestic Company(ies) shall be defined as those which are owned by resident Indian citizens as defined in the FDI Circular of 2017. A company is considered as ‘Owned’ by resident Indian citizens if more than 50% of the capital in it is beneficially owned by resident Indian citizens and / or Indian companies, which are ultimately owned and controlled by resident Indian citizens.

**2.26. Group Company(ies):** Group Company(ies) shall mean two or more enterprises which, directly or indirectly, are in a position to:

- Exercise twenty-six percent or more of voting rights in other enterprise; or
- Appoint more than fifty percent of members of board of directors in the other enterprise.

As defined in the FDI Policy Circular of 2017.

**2.27. Mobile Phone:** Mobile Phone for the purpose of target segment and eligibility of incentive under this Scheme shall mean a mobile phone complete in all respect for sale to a consumer.

### **3. Qualification and Eligibility**

**3.1.** Support under the Scheme shall be provided only to companies engaged in manufacturing of goods in India as covered under Target Segments.

**3.2.** Eligibility shall be subject to qualification criteria for applicants under different Target Segments in the Scheme are as defined

#### **3.2.1. Mobile Phones:**

3.2.1.1. For category *Mobile Phones (Invoice Value INR 15,000 and above)*; Consolidated Global Manufacturing Revenue of the applicant (including its

Group Companies), in the target segment, **should be more than INR 10,000 Crore in the base year.**

3.2.1.2. For category *Mobile Phones (Domestic Companies)*; Consolidated Global Manufacturing Revenue of the applicant (including its Group Companies), in the target segment, **should be more than INR 100 Crore in the base year.** Applicants under this category can only be Domestic Companies as defined in Para 2.25.

3.2.2. **Specified Electronic Components:** Consolidated Global Manufacturing Revenue of the applicant (including its Group Companies), in the target segment, **should be more than INR 50 Crore in the base year.**

3.3. Eligibility shall be subject to thresholds of Incremental Investment and Incremental Sales of Manufactured Goods (covered under Target Segments) over the base year as defined.

3.3.1. An applicant must meet threshold criteria to be eligible for disbursement of incentive for the year under consideration. Eligibility threshold criteria are annexed in the Scheme and in **Annexure 2** of these Guidelines.

3.3.2. In case an applicant does not meet threshold criteria for any given year, the applicant shall not be eligible for incentive in that particular year. However, the applicant will not be restricted from claiming incentive in subsequent years during the tenure of the Scheme, provided eligibility criteria are met for such subsequent years.

3.4. For the purpose of determining eligibility of an applicant under the Scheme, in order to meet the threshold criteria of Incremental Investment for any year, the **cumulative value of investment done till**

**such year** (including the year under consideration) over the Base Year shall be considered.

- 3.5.** For the purpose of determining eligibility of an applicant under the Scheme, in order to meet the threshold criteria of Incremental Sales of Manufactured Goods covered under Target Segments for any year, the Total Sales of Manufactured Goods covered under Target Segments **for such year over the Base Year, irrespective of Invoice Value** (whether below or above INR 15,000 in case of Mobile Phones) shall be considered.
- 3.6.** Eligibility under PLI Scheme shall not affect eligibility under any other scheme and vice-versa.

#### **4. Investment for Determining Eligibility**

##### **4.1. General Terms and Conditions**

- 4.1.1. Investment as defined in Para 2.9 of these Guidelines shall be considered for determining eligibility under the Scheme provided such **Investment is made on or after 01.04.2020.**
- 4.1.2. Expenditure on consumables and raw material used for manufacturing shall not be considered as Investment.
- 4.1.3. The date of invoice would be considered as the date of investment under the Scheme.
- 4.1.4. The heads of Investment, based on which eligibility is being determined, must be capitalized in the books of accounts of the applicants.

##### **4.2. Plant, Machinery and Equipment**

- 4.2.1. Expenditure incurred on Plant, Machinery & Equipment as defined in Para 2.9.1 of these Guidelines shall be considered as Investment for determining eligibility under the Scheme.

- 4.2.2. Plant, machinery, and equipment must be purchased / leased in the name of the applicant. In cases where these are being leased, the lease should be in the nature of a financial lease within the meaning of Accounting Standard 19 – Leases or Indian Accounting Standard (Ind-AS) – 116 Leases, as may be applicable to the applicant, as notified by Ministry of Corporate Affairs or any other appropriate authority from time to time.
- 4.2.3. The used / refurbished plant, machinery and equipment allowed under the Scheme shall have a minimum residual life of at least 5 years as per Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, amended vide Ministry of Environment, Forest and Climate Change Notification dated 11.06.2018. Further, a valuation certificate by a Chartered Engineer assessing the value and residual life shall also be required. In case of import, such valuation should be in accordance with Customs Valuation Rules and Circulars. The value of these plant, machinery and equipment shall be considered as lower of depreciated value (as per scale of depreciation fixed by Customs, whether these plant, machinery and equipment are imported or not) and the value assessed by Chartered Engineer (of India) or equivalent overseas chartered engineer.
- 4.2.4. In such case that tools, dies, moulds, jigs, fixtures and parts, accessories, components and spares are located outside the premises of an applicant, appropriate undertaking(s) from the person having custody of these equipment / components along with valid legal agreement(s) for the said transaction(s) shall be obtained. These equipment / components should not be located outside the country.

- 4.2.5. Plant, machinery, and equipment shall be procured / leased through legally valid documents after payment of applicable taxes and duties.
- 4.2.6. The plant, machinery and equipment approved under the Scheme should be used in regular course for manufacturing of the goods under the Target Segments that are approved in the approval letter issued by PMA. This does not preclude the usage of such machinery for manufacturing of other electronic goods. The applicant must submit a declaration about usage of machinery for each year during the period that such applicant is claiming incentive under the scheme.
- 4.2.7. The PMA will rely on certificates from Chartered Engineer or any valuer registered with Insolvency & Bankruptcy Board of India, and valuation considered under Customs Rules, wherever applicable, for the purpose of determining reasonableness of cost.

#### **4.3. Research and Development (R&D)**

- 4.3.1. Expenditure incurred on Research and Development as defined in Para 2.9.2 of these Guidelines shall be considered as Investment for determining eligibility under the Scheme.
- 4.3.2. The applicant shall provide a statutory auditor certificate and purchase agreements in respect of the cost of technology, IPRs, patents and copyrights.
- 4.3.3. The software associated with R&D shall be procured / licensed through legally valid documents after payment of applicable taxes and duties.

#### **4.4. Transfer of Technology Agreements**

- 4.4.1. Expenditure incurred on Transfer of Technology Agreements as defined in Para 2.9.3 of these Guidelines shall be considered as Investment for determining eligibility under the Scheme.

4.4.2. The applicant shall provide a statutory auditor certificate in respect of expenditure related to Transfer of Technology Agreements.

#### **4.5. Associated Utilities**

4.5.1. Expenditure incurred on associated utilities as defined in Para 2.9.1 of these Guidelines shall be considered as Investment for determining eligibility under the Scheme.

4.5.2. The associated utilities will be capped at rates specified in the CPWD schedule of rates for items whose rates are available under CPWD schedule of rates.

4.5.3. The applicant shall provide a statutory auditor certificate in respect of expenditure related to associated utilities.

#### **4.6. Related Party Transactions**

4.6.1. All transactions with Related Parties will be subject to provisions of relevant statutes and Accounting Standard-18 as amended from time to time.

### **5. Application**

**5.1.** The Scheme shall be **open for applications till 31.07.2020** initially which may be extended.

**5.2.** The Scheme may also be reopened for applications anytime during its tenure based on response from the industry.

**5.3.** An application under the Scheme can be made to MeitY / Project Management Agency (PMA) by any company registered in India.

**5.4.** The number of applications allowed per applicant for support under the Scheme shall be restricted to one (1).

**5.5.** Each application shall be limited to one of the Target Segments. However, an applicant may make another application for a particular



Target Segment if the previous application has been rejected and closed by MeitY / PMA post examination.

- 5.6.** Incentives, at any point of time, will be limited to applications approved under the Scheme.
- 5.7.** An application shall be made in the format provided in **Annexure 3** of these Guidelines and as per the process mentioned in Para 6 of these Guidelines.
- 5.8.** On receipt of an application in the prescribed format, MeitY / PMA will conduct an examination as to whether the application prima facie meets the criteria as prescribed in **Annexure 4** of these Guidelines. The aforesaid prima facie examination shall be completed within 15 working days from the date of receipt of the original application or any subsequent submission of the revised application if the original filling was returned as incomplete earlier. No original application will be accepted after the end of the application window.
- 5.9.** In cases, where on the above-mentioned examination, an application is found to be incomplete, MeitY / PMA shall inform the applicant accordingly within 15 working days of receipt of the application. An applicant must complete an incomplete application within 10 working days of such communication from MeitY / PMA, failing which, the application will be closed under intimation to the applicant.
- 5.10.** For an application which prima facie meets the criteria as prescribed in Annexure 4 of these Guidelines, MeitY / PMA shall issue an acknowledgement of receipt of the application within 15 working days of receipt of application. This acknowledgement shall not be construed as approval under the Scheme. In cases, where on examination it is found that an original or a revised application does not prima facie meet the criteria as prescribed, MeitY / PMA shall inform the applicant

accordingly within 15 working days of receipt of application and the application shall be closed.

**5.11.** A non-refundable application fee would be payable for each application. The application fee, as mentioned in Annexure 5 of these Guidelines, would be accepted electronically only.

**5.12.** Applications received during the Application Window will be appraised on an ongoing basis and considered for approval.

## **6. Online Portal**

**6.1.** All applications will be submitted through an online portal to MeitY / Project Management Agency (PMA). In case, the portal is not available, applications may be submitted in physical form, addressed to Joint Secretary (Electronics), IPHW Division, Ministry of Electronics & Information Technology, Electronics Niketan, 6 CGO Complex, Lodhi Road, New Delhi –110003.

**6.2.** Upon successful submission of an application, MeitY / PMA will issue a unique Application ID to the applicant for all future activities pertaining to the Scheme. All applicants may refer to this unique ID for any future correspondence on the subject.

**6.3.** Ministry of Electronics and Information Technology (MeitY) may separately issue detailed instructions for the use of online portal for PLI.

## **7. Project Management Agency (PMA)**

**7.1.** The Scheme will be implemented through a Nodal Agency as mentioned in Para 11.1 of the Scheme. Such nodal agency shall act as a Project Management Agency (PMA) and be responsible for providing



secretarial, managerial and implementation support and carrying out other responsibilities as assigned by MeitY from time to time.

**7.2.** The PMA would be responsible for inter-alia:

7.2.1. Receipt of application, examination and appraisal of applications and issuing acknowledgements.

7.2.2. Making appropriate recommendations to the Empowered Committee (EC) for approval of applications under the Scheme.

7.2.3. Determination of Baseline for Sales of Manufactured Goods and Investment for approved applicants and making appropriate recommendations to the EC.

7.2.4. Verification of thresholds for determining eligibility for disbursement of incentive.

7.2.5. Examination of claims for disbursement of incentive and making appropriate recommendations to the EC.

7.2.6. Verification of the reconciliation of disbursement claims with prescribed documents.

7.2.7. Compilation of data regarding progress and performance of the Scheme through Quarterly Review Reports and other information / documents

**7.3.** The PMA may request for additional information, details and documents from the applicant as deemed necessary.

**7.4.** The PMA shall have the right to carry physical inspection of an applicant's manufacturing units and offices through site visit.

## **8. Empowered Committee (EC)**

**8.1.** An Empowered Committee (EC) shall be constituted in accordance with Para 12 of the Scheme. The EC shall include CEO NITI Aayog,

Secretary Economic Affairs, Secretary Expenditure, Secretary MeitY, Secretary Revenue, Secretary DPIIT and DGFT.

- 8.2.** The EC shall meet as often as necessary to ensure timely consideration of applications and disbursement claims and conduct periodic review of the Scheme.
- 8.3.** The EC will consider applications, as recommended by the PMA for approval under the Scheme and make appropriate recommendations to the Competent Authority. The EC may seek such additional information, as necessary for making its recommendation.
- 8.4.** The EC while considering applications for approval and making recommendations to the Competent Authority, shall ensure that the total amount of incentives payable across target segments do not exceed the Financial Outlay as indicated in Para 8.1 of the Scheme irrespective of the number of applicants under different Target Segments.
- 8.5.** The EC will consider baselines, as determined by the PMA for approval. The EC may seek such additional information, as necessary for giving approval of baselines.
- 8.6.** The EC will consider claims for disbursement, as examined, and recommended by the PMA, for disbursement of incentive.
- 8.7.** The EC will conduct a periodic review of eligible companies with respect to their investments, employment generation, production and value addition under the Scheme.
- 8.8.** The EC may revise incentive rates, ceilings, Target Segments, and eligibility criteria as deemed appropriate during the tenure of the Scheme.
- 8.9.** In case of a Force Majeure event, the EC may amend, modify, or withdraw any clauses under the scheme.

- 8.10.** The EC may hold stakeholder consultation as and when deemed necessary during the tenure of the scheme.
- 8.11.** The EC will also be authorized to carry out any amendments in Scheme Guidelines.

## **9. Approval under PLI**

- 9.1.** The Project Management Agency (PMA) appointed by MeitY, will appraise the applications, as received, after issuing of acknowledgements. The PMA shall accordingly make appropriate recommendations to the Empowered Committee (EC) for approvals under the Scheme.
- 9.2.** The Empowered Committee will consider applications, as recommended by the PMA for approval under the Scheme and make appropriate recommendations to the Competent Authority for approval of applications.
- 9.3.** After the conclusion of initial round of applications, approvals will be granted to **not more than 5 eligible applicants in Target Segment *Mobile Phones (Category – Invoice Value INR 15,000 and above)*; not more than 5 eligible applicants in Target Segment *Mobile Phones (Category – Domestic Companies)*; and not more than 10 eligible applicants in Target Segment *Specified Electronic Components*.**
- 9.4.** In case of receipt of eligible applications in excess of the limits specified above for any of the Target Segments, the eligible applications for the given Target Segment will be ranked from highest to lowest on the basis of consolidated global manufacturing revenue of the applicants (including its group companies), in the target segment, in the base year. **5 eligible applicants having the highest**

**consolidated global manufacturing revenue in Target Segment *Mobile (Category – Invoice Value INR 15,000 and above)*; 5 eligible applicants having the highest consolidated global manufacturing revenue in Target Segment *Mobile (Category – Domestic Companies)*; and 10 eligible applicants having the highest consolidated global manufacturing revenue in Target Segment *Specified Electronic Components*; shall be selected and granted approval under the Scheme.**

**9.5.** After receiving approval from the Competent Authority, the PMA shall issue a letter to the applicant within 5 working days, communicating approval under the Scheme. The approval letter shall clearly state the following:

9.5.1. Name of Applicant

9.5.2. Target Segment

9.5.3. Eligible Product

9.5.4. Yearly Thresholds of Incremental Investment and Incremental Sales of Manufactured Goods covered under Target Segment, applicable for determining eligibility

9.5.5. Yearly Ceiling on Incremental Sales of Manufactured Eligible Product on which incentive shall be applicable.

9.5.6. Plan for Domestic Value Addition during the tenure of the Scheme

9.5.7. Plan for Employment Generation in India during the tenure of the Scheme

**9.6.** The aforesaid approval letter shall not be construed as a guarantee for disbursement of incentive as the same will be dependent upon verification of eligibility after submission of disbursal claim and other criteria defined in these Guidelines.

## **10. Baseline for Investment and Sales of Manufactured Goods for Eligibility and Incentive**

**10.1.** Eligibility under the Scheme is subject to thresholds of Incremental Investment, and Incremental Sales of Manufactured Goods covered under Target Segments as defined. Accordingly, a baseline for Investment and Sales of Manufactured Goods will have to be established to determine eligibility and compute incentive amount due.

**10.2.** The period for determination of baseline shall be as follows:

10.2.1. Baseline for Investment: As on 31.03.2020

10.2.2. Baseline for Sales of Manufactured Goods

a) First year i.e. FY 2020-21: Period from 01.08.2019 to 31.03.2020

b) Second year onwards: Period from 01.04.2019 to 31.03.2020

**10.3.** Applicants shall be required to submit information / documents, as deemed necessary for establishing the baseline, including but not limited to statutory auditor certificates and returns furnished to various Ministries / Departments / Agencies, or any other document sought by the PMA.

**10.4.** The PMA shall determine the baseline based on information / documents submitted by the applicant. This process will be completed within 30 working days from the submission of all necessary documents and receipt of clarifications sought by the PMA. The PMA shall accordingly make appropriate recommendations to the Empowered Committee (EC) for approval of the baseline.

**10.5.** The EC will consider baselines of investment and Sale of Manufactured Goods, as determined by the PMA for granting approval of such baselines under the scheme.

**10.6.** After receiving approval from the Empowered Committee, the PMA shall issue a letter to the applicant within 5 working days communicating the same. The letter shall clearly state with reference to earlier communication, the following:

- 10.6.1. Name of Applicant
- 10.6.2. Target Segment
- 10.6.3. Eligible Product
- 10.6.4. Application Acknowledgement Date
- 10.6.5. Application Approval Date
- 10.6.6. Thresholds of Incremental Investment and Incremental Sales of Manufactured Goods covered under Target Segment, applicable for determining eligibility
- 10.6.7. Baseline for Investment (as on 31.03.2020)
- 10.6.8. Baseline for Sales of Manufactured Goods covered under Target Segment and for Sales of Manufactured Eligible Product for first year (Period from 01.08.2019 to 31.03.2020)
- 10.6.9. Baseline for Sales of Manufactured Goods covered under Target Segment and for Sales of Manufactured Eligible Product for second and subsequent years (Period from 01.04.2019 to 31.03.2020)
- 10.6.10. Any other information / condition stipulated by the EC

**10.7.** No disbursement claims will be considered until the process of determining the baseline has been completed for an approved application.

## **11. Calculation of Incentive**

**11.1.** The incentive applicable for an approved applicant shall be computed as follows:



## **Net Incremental Sales of Eligible Product x Rate of Incentive**

Where

- Eligible Product is as stated in the approval letter
- Net Incremental Sales shall be Net Sales Turnover of Eligible Product for the period to which claim for disbursement of incentive pertains minus the Net Sales Turnover of said Eligible Product as per baseline determined
- In case of return of Sales of Manufactured Goods under target segments, the Gross Sale Turnover shall be reduced by the amount corresponding to such return of sales. If the corresponding sales have been considered for claim processing for the earlier period, the sales return shall be adjusted with Gross Sale Turnover for the period in which the actual sales return takes place.
- The incentive amount payable shall be subject to annual and cumulative ceilings on Net Incremental Sales Turnover on which incentive shall be applicable.
- Annual Ceiling on incentive payable to each applicant will be determined based on Financial Outlay as indicated in Para 8.1 of the Scheme and number of eligible applicants in each of the target segments. The annual financial outlay will be appropriated proportionately depending on number of applicants under each target segment. At the end of the year, any unappropriated incentive amount resulting from underperformance with respect to the prescribed annual ceiling on Net Incremental Sales, by any applicant(s) in any target segment, will be allocated to the remaining eligible applicants under such target segment who have achieved Net Incremental Sales in excess of the annual ceiling . Such incentive amount will be distributed only to the extent of excess performance by an applicant beyond the annual ceiling of net incremental sales of eligible product. If the incentive amount payable on cumulative excess performance by the applicants in a target segment is greater than the unappropriated incentive amount, then the sum of incentives

payable beyond the ceiling amount for each applicant will be restricted to the unappropriated incentive amount for such target segment and such amount will be distributed among the overperforming applicants in proportion to their respective excess performance beyond the annual ceiling of Net Incremental Sales.

- **Illustratively**, if there are five (5) eligible applicants under *Mobile Phones(Invoice Value of INR 15,000 and above)* target segment, the year-wise incentive ceiling per applicant will be 1/5<sup>th</sup> of the annual financial outlay for the said target segment. In case of underperformance by say 2 applicants, the unappropriated amount relating to these applicants will be allocated to the 3 remaining applicants in proportion to their performance in excess of the annual ceiling of Net Incremental Sales. **Excess incentive payable to each of these 3 applicants will be capped to the lower of the following:**

(i) Incentive payable on excess performance beyond annual ceiling of net incremental sales at the eligible rate of incentive for such year.

OR

(ii) Share of unappropriated incentive amount, divided in proportion to the excess performance by the applicants over the annual ceiling of Net Incremental Sales for such applicants.

## **12. Disbursement of Incentives**

**12.1.** For claiming incentive under the Scheme, applicants will be required to submit claims for disbursement of incentive to the PMA. Applicants must ensure that the claims are complete in all respects and are accompanied by all the documents required as per format prescribed in Annexure 6 of these Guidelines.

**12.2.** An applicant may submit a claim for disbursement of incentive as early as the end of the quarter in which the eligibility criteria for the year in consideration have been met. Claims for disbursement of incentive may



be submitted only on a quarterly or half-yearly or annual basis. Claims for any period shall be made only once, unless withdrawn, and no subsequent part claims shall be allowed for the said period.

- 12.3.** Claims for disbursement of incentive shall be filed by the applicants within 9 months from the end of the financial year to which the claim pertains.
- 12.4.** The PMA will examine the disbursement claims as submitted by an applicant. The PMA shall verify eligibility and assess incentive payable to an applicant based on the method laid down in these Guidelines and the approval letter issued to the applicant.
- 12.5.** The PMA will have the right to verify any document(s) in relation to the claim for incentives including but not limited to statutory auditor certificates and returns furnished to various Ministries / Departments / Agencies. The PMA shall also have the right to examine the end realization and settlement / payments corresponding to sales and investment respectively by way of auditor's certificate, bank statements etc. to the extent deemed necessary.
- 12.6.** In case of any doubt with respect to determining eligibility and incentive amount due, or any other matter in discharge of its duties and responsibilities, the PMA may refer to MeitY for clarification. The decision of MeitY will be final in this regard.
- 12.7.** The PMA shall process claims for disbursement of incentive and make appropriate recommendations to the EC.
- 12.8.** The EC will consider claims for disbursement, as examined, and recommended by the PMA, for disbursement of incentive.
- 12.9.** The PMA shall disburse funds after completion of all pre-disbursal formalities by the applicant and approval from Competent Authority.
- 12.10.** The disbursement of incentives may be in the form of Direct Bank Transfer (to be used as may be allowed by the Ministry of Finance)

through PFMS, or through any other mechanism of adjustment in the name of the applicant only.

- 12.11.** Applicants shall be required to reconcile Incremental Investment and Incremental Sales of Manufactured Goods, based on which claims for disbursement of incentive have already been filed, with documents as prescribed by the PMA, by 31st of December of the financial year subsequent to which the claim pertains.
- 12.12.** The PMA shall verify the aforesaid reconciliation. In case of excess claims disbursed, the applicant shall reimburse MeitY for any incentive amount refundable along with interest calculated at 3 years SBI MCLR prevailing on the date of disbursement, compounded annually (for the period between excess payment and date of refund by the applicant).
- 12.13.** If the PMA or MeitY is satisfied that eligibility under the Scheme and / or disbursement of incentives have been obtained by misrepresentation as to an essential fact or furnishing of false information, MeitY may ask the applicant to refund the incentives along with interest calculated at 3 years SBI MCLR prevailing on the date of disbursement, compounded annually, after giving an opportunity to the applicant of being heard, subject to conditions stipulated in Para 14.4.
- 12.14.** MeitY shall make budgetary provisions for disbursal of incentives by the PMA under the Scheme. The PMA will submit budgetary requirements to MeitY as a consolidated amount on a quarterly basis.
- 12.15.** The PMA shall furnish information to MeitY with details of disbursement claims received for incentives, amount disbursed, reasons for rejection / delay in disbursement of the incentives on a quarterly basis.

## **13. Review**

- 13.1.** Periodic reviews will be undertaken by the Empowered Committee (EC) with respect to progress and performance of the Scheme and changes, if any, to incentive rates, ceilings, Target Segments, and eligibility criteria.
- 13.2.** All approved applicants shall be required to furnish self-certified Quarterly Review Reports (QRRs) within 30 days from the end of each quarter in the format provided in Annexure 7 of these Guidelines.

## **14. Residual**

- 14.1.** Incentive shall not be claimed for a given manufactured item under one target segment by more than one applicant.
- 14.2.** An applicant shall intimate the PMA of any change in the shareholding pattern during the tenure of the Scheme, after updation with the Registrar of Companies (RoC).
- 14.3.** Any change in the shareholding pattern of an applicant leading to a successor-in-interest or having the effect of change in nature of company as per Annexure 2 of the Guidelines during the tenure of the Scheme, shall be intimated by PMA for approval of the EC to consider for disbursal of incentives.
- 14.4.** In case of a successor-in-interest or having the effect of change in nature of company as per Annexure 2 of the Guidelines, all Incremental Investment undertaken by the applicant to whom approval was accorded under the Scheme, would be considered for determining eligibility, subject to approval and compliance with any other condition stipulated by the EC, as may be deemed appropriate. The baseline



applicable for the successor-in-interest will be the same as determined for the applicant to whom approval was accorded under the Scheme.

- 14.5.** To obviate any malpractices in the financial matters where disbursements are made to industry by the Government, it has been decided to provide a deterrent against corrupt practices for promotion of transparency and equity. Therefore, keeping in view the sensitivities involved in the process and taking cue from the instructions of the Central Vigilance Commission regarding adoption of an Integrity Pact in the matter of procurement, it has been decided to obtain undertaking(s) from applicants under the Scheme.
- 14.6.** Two formats of undertakings are enclosed as Format-A and Format-B in Annexure 8. These undertakings are to be furnished by applicants, duly signed by CEO / MD / Director, and depicting the designation along with authorization to do so.
- 14.7.** The first undertaking (Format-A) shall be provided by all applicants whose applications or claims are under consideration for approval or disbursement of incentives. The applications or claims of those applicants who do not submit the undertaking shall not be processed and considered. The second undertaking (Format-B) for confirming the compliance of integrity will be provided by applicants after the submission of claims for disbursement of incentive and in any case before release of funds. The release of incentives shall be withheld until the above-mentioned undertaking is provided.



**(Saurabh Gaur)**

**Joint Secretary to the Government of India**

**Tel No. 011-24363071**

**Email: [saurabh.gaur@meity.gov.in](mailto:saurabh.gaur@meity.gov.in)**

**New Delhi, Dated: June 1, 2020**

**Copy to:**

1. All Concerned Ministries / Departments of Government of India
2. All States / Union Territories
3. Cabinet Secretariat
4. PMO
5. NITI Aayog
6. Comptroller and Auditor General of India
7. AS&FA, Ministry of Electronics and Information Technology
8. Industry Associations
9. Implementation agencies of projects under EMC scheme.
10. Internal circulation

  
(Saurabh Gaur)

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## Target Segments Eligible under PLI

S. No.	Description of Goods
1.	Mobile Phones
2.	Specified Electronic Components
2.1	SMT components
2.2	Discrete semiconductor devices including transistors, diodes, thyristors, etc.
2.3	Passive components including resistors, capacitors, etc. for electronic applications
2.4	Printed Circuit Boards (PCB), PCB laminates, prepregs, photopolymer films, PCB printing inks
2.5	Sensors, transducers, actuators, crystals for electronic applications
2.6	System in Package (SIP)
2.7	Micro / Nano-electronic components such as Micro Electromechanical Systems (MEMS) and Nano Electromechanical Systems (NEMS)
2.8	Assembly, Testing, Marking and Packaging (ATMP) units

## Annexure 2

### Eligibility Threshold Criteria

Segment	Incentive Rate (on Incremental Sales of Manufactured Goods)	Incremental Investment	Incremental Sales of Manufactured Goods
Mobile Phones (Invoice value of INR 15,000 and above) *	Year 1: 6% Year 2: 6% Year 3: 5% Year 4: 5% Year 5: 4%	INR 1,000 Crore Over 4 Years Cumulative Minimum (Crore): Year 1: 250 Year 2: 500 Year 3: 750 Year 4: 1,000	Year 1: INR 4,000 Crore Year 2: INR 8,000 Crore Year 3: INR 15,000 Crore Year 4: INR 20,000 Crore Year 5: INR 25,000 Crore
Mobile Phones (Domestic Companies)		INR 200 Crore over 4 Years Cumulative Minimum (Crore): Year 1: 50 Year 2: 100 Year 3: 150 Year 4: 200	Year 1: INR 500 Crore Year 2: INR 1,000 Crore Year 3: INR 2,000 Crore Year 4: INR 3,500 Crore Year 5: INR 5,000 Crore
Specified Electronic Components (detailed in <i>Annexure 1</i> )		INR 100 Crore over 4 Years Cumulative Minimum (Crore): Year 1: 25 Year 2: 50 Year 3: 75 Year 4: 100	Year 1: INR 100 Crore Year 2: INR 200 Crore Year 3: INR 300 Crore Year 4: INR 450 Crore Year 5: INR 600 Crore

**\*For eligibility, all Incremental Sales of Manufactured Goods (covered under Target Segments) irrespective of Invoice Value shall be considered.**



**Application Form: Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing**

**1. Introduction**

- 1.1.** The application shall be duly signed by authorized signatory of legal entity.
- 1.2.** Applicants are advised to follow the format provided in this template for submitting their applications. Applicants are requested to provide information and enclose all supporting documents as detailed.
- 1.3.** All applications shall be submitted through an online portal to MeitY / Project Management Agency (PMA) notified under the Scheme. In case, the portal is not available, applications may be submitted in physical form to IPHW Division, Ministry of Electronics & Information Technology, Electronics Niketan, 6 CGO Complex, Lodhi Road, New Delhi – 110003. A non-refundable application fee of Rs. 1,00,000 (One lakh only) would be payable for each application. The application fee, as mentioned in Annexure 5 of these Guidelines, would be accepted electronically only.
- 1.4.** Applicants may go through the Guidelines carefully before filling up the details in the application.
- 1.5.** Application has been divided into the following sections and sub-sections:
  - I.** Applicant Details
  - II.** Proposal
  - III.** Application Fee Details



- 1.6.** If any document which is required to be submitted along with the application is available on a government website, the website link where this document can be viewed may be provided. The responsibility of the correctness / veracity of contents rest with the applicant(s).

## **2. Section I – Applicant Details**

### **2.1. Name of Applicant**

- 2.2. Company Structure** (entity) under which the project is to be undertaken (legal status, shareholding pattern and details of relevant agreements which might have been signed with business partner(s), if any). The agreement and roles and responsibilities between the partners must be clearly mentioned

*Documents to be furnished:* Certified copy of the memorandum and articles of association or equivalent registration document

- 2.3. Company Details:** Address, phone, email, PAN, nature of current business, turnover etc. Include brief profile of Chairman, Chief Executive Officer and other CXO level officers.

*Documents to be furnished:*

- a) Self-certified copies of PAN, GST Certificate for applicant,
- b) Self-certified copies of brief profile of Chairman, CEO and CXOs
- c) Self-certified certified copies of Annual Reports including Annual Financial Reports along with schedules for 3 years. Most recent reports to be provided.

- 2.4. Credit History:** Please provide details of presence in RBI's Defaulter and Wilful Defaulter Lists, SEBI Debarred List and CIBIL Score.

*Documents to be furnished:*

- a) Certificate from Company Secretary / Board of Directors

- 2.5. Key Personnel Details:** Contact details of three senior employees of applicant. Details would include Name, Designation, Address, phone, email

- 2.6. Qualification Criteria (self-certified):** Consolidated Global Manufacturing Revenue of the applicant (including Group Companies), in the Target Segment

*Documents to be furnished:* Self-Certified Annual Returns of parent company.

- 2.7. Financial Details (self-certified):**

- a) Revenue (INR Cr) –Total and Target Segment –Manufacturing split by Exports, Domestic Sale (last 3 years)
  - (i) Such information must be furnished separately for the period from 01.08.2019 to 31.03.2020
  - (ii) Further, in case of the *Mobile Phones* Target Segment, information on revenue for Eligible Products must be furnished separately for FY 2019-20 and for the period from 01.08.2019 to 31.03.2020
- b) Profit before Tax (PBT) and Profit after Tax (PAT) (INR Cr) – Target Segments (last 3 years)
- c) Details of Funds - Received from government / owners or other financing agencies, multi-lateral agencies / other institutions to

fund expansion (last 3 years). Equity and debt to be shown separately.

### **3. Section II – Proposal**

#### **3.1. Eligible Product and Target Segment**

#### **3.2. Projections (self-certified):**

- a) Forecasted Revenue –Total and Target Segment –Manufacturing split by Exports, Domestic Sale (next 5 years)
- b) Proposed Plan for Domestic Value Addition (next 5 years)
- c) Proposed Plan for Employment Generation in India (next 5 years)

#### **3.3. Size of Investment (INR Cr)**

Size of the investment must include the capital expenditure expected to be incurred in next 4 years. The following details should be furnished:

- a) Details of Investment – Existing and Proposed
- b) Sources of Funding (internal accruals, equity, government assistance, term debt and working capital loans etc.)

#### **3.4. Regulatory Treatment**

- a) Provide information on Licenses, permits and third-party approvals necessary to execute the project.
- b) Proposed process and timelines for obtaining clearances.

### **4. Section III –Application Fee Details**

#### **4.1. Proof of the Application Fee Submission**

**Criteria: Documents / Information to be checked for preliminary assessment of application**

1. Submission of prescribed Application Fee.
2. Products proposed are covered under Target Segments.
3. Applicant is eligible for proposed Target Segment.
4. Proposed investment is greater than or equal to the threshold applicable under proposed Target Segment (as per Annexure 2 of the Guidelines)
5. Proposed Incremental Sales of Manufactured Goods covered under proposed Target Segment are greater than or equal to the threshold applicable under proposed Target Segment (as per Annexure 2 of the Guidelines)

**Note:** It may be noted that acknowledgement based on above does not qualify an applicant for claiming incentives under the Scheme. The applicant would be eligible for incentives after approval, baseline determination and achieving eligibility as per procedure defined in the Scheme Guidelines

**Application Fee for Application under PLI**

An amount of INR 1,00,000 is hereby notified under Para 5.11 of the said Guidelines as application fees, which shall be paid electronically through NEFT/RTGS to the MeitY / PMA.

**Disbursement Claim Form: Production Linked Incentive Scheme (PLI)  
for Large Scale Electronics Manufacturing**

- 1.** Applicant Name
- 2.** Target Segment
- 3.** Eligible Product
- 4.** Application Acknowledgement Date
- 5.** Ref. No. and Date of Approval Letter
- 6.** Thresholds of Incremental Investment and Incremental Sales of Manufactured Goods covered under Target Segment applicable for determining eligibility
- 7.** Baseline for Investment (as on 31.03.2020)
- 8.** Baseline for Sales of Manufactured Goods covered under Target Segment and for Sales of Manufactured Eligible Product for first year (Period from 01.08.2019 to 31.03.2020)
- 9.** Baseline for Sales of Manufactured Goods covered under Target Segment and for Sales of Manufactured Eligible Product for second and subsequent years (Period from 01.04.2019 to 31.03.2020)
- 10.** Period for which Incentives are being sought
- 11.** Applicable Ceilings as per Approval Letter

12. Certificate from Statutory Auditor covering details in the format below:

S. No.	Particulars	Unit	Base Year	Period of Claim
1	Investment as on Date of Filing Claim (Cumulative)	INR Crore		
2	Employment as on Date of Filing Claim (Cumulative)	Numbers		
3A	Revenue from Operations – Domestic Sales [net of credit notes, discounts, and taxes applicable]	INR		
	a) Manufacturing Activity			
	i. Eligible Product			
	ii. Other Goods in Target Segment			
	iii. Other Goods			
	b) Trading Activity			
	i. Target Segment			
	ii. Other Goods			
	c) Services Activity			
3B	Revenue from Operations – Exports [net of credit notes, discounts, and taxes applicable]	INR		
	a) Manufacturing Activity			
	i. Eligible Product			
	ii. Other Goods in Target Segment			
	iii. Other Goods			
	b) Trading Activity			
	i. Target Segment			
	ii. Other Goods			
	c) Services Activity			

3C	<b>Total Revenue from Operations (Domestic Sales &amp; Exports)</b>			
4	<b>Sales Quantity [net of credit notes, discounts, and taxes applicable]</b>	<i>Numbers</i>		
	a) Manufacturing Activity			
	i. Eligible Product			
	ii. Other Goods in Target Segment			
	iii. Other Goods			
	b) Trading Activity			
5	<b>Details of Import</b>	<i>INR</i>		
	CIF value of Imported goods at the time of Importation			
	a) Raw Material / Parts / Components used for manufacturing			
	i. Eligible Product			
	ii. Other Goods in Target Segment			
	iii. Other Goods			
	b) Spare Parts used for manufacturing			
	i. Eligible Product			
	ii. Other Goods in Target Segment			
	iii. Other Goods			
	c) Finished Goods used for manufacturing			
	i. Eligible Product			
	ii. Other Goods in Target Segment			
	iii. Other Goods			



d) Capital Goods used for manufacturing			
i. Target Segment			
iii. Other Goods			
e) Import of Services pertaining to Target Segment			

**13. Certificates / undertakings stating / covering the following:**

13.1. No deviation in Eligible Product and Target Segment

**14. Certificate(s) from Company Secretary stating:**

14.1. All clearances required by law like statutory clearances, environmental clearances etc. have been obtained

**15. Certificate(s) from Statutory Auditor stating / covering:**

15.1. Threshold of Incremental Investment applicable has been achieved for the year in consideration

15.2. Details of Incremental Investment

15.3. Capitalization of Investment in the books of accounts of the applicant is in line with the relevant accounting standards issued by ICAI

15.4. Investment has been made in accordance with Scheme Guidelines and approval accorded by MeitY

15.5. Threshold of Incremental Sales of Manufactured Goods applicable has been achieved for the year in consideration

**16. Documents / certificates from Chartered Engineer:**

16.1. Certificate stating that the plant, machinery & equipment have been installed, the price is reasonable, as per the market value and the same are being used exclusively for manufacturing of approved Target Segment.

**17. List of documents to be submitted post approval of claim**

17.1. An undertaking from the applicant as per format given in Appendix

17.2. An agreement / indemnity bond on prescribed formats from the applicant that if at a later stage its claim is found to be false or excessive it would be liable to return the amount disbursed with interest calculated at 3 years SBI MCLR prevailing on the date of disbursement, compounded annually.

17.3. Board resolution to the effect that the applicant agrees by the terms and conditions as laid down in the PLI Scheme and Guidelines while securing the incentive amount

**FORMAT OF UNDERTAKING**

**(Undertaking from the Applicant on letterhead)**

1. We, .....,  
hereby, acknowledge that the incentives that would / may be provided to us under the Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing, notified by Ministry of Electronics and Information Technology vide Notification X, will be provided to us based on, and after relying upon, the information provided by us to avail the said incentives.
2. We hereby confirm that the information provided by us for availing the said incentives is true, correct and complete in all respects and that no material fact / information that may have an adverse impact on the information provided by us for availing the said incentives has been concealed. We acknowledge and confirm that the foregoing averment is on an on-going basis and further undertake to immediately apprise the Ministry of Electronics and Information Technology about any change in the status of the information provided by us to avail the said incentives.
3. We further undertake that in the event of (i) any of the information provided by us to avail the said incentives being found false, incorrect or incomplete, or (ii) in the event of the undertakings and confirmations stated at para 2 above being found false, incorrect, incomplete or breached; we will (a) refund the entire amount of incentives availed by us along with interest calculated at 3 years SBI MCLR prevailing on the date of disbursement, compounded annually, for the period between excess payment and date of refund.
4. We acknowledge that the remedies provided in para 3 (a) and 3 (b) above are not the exclusive remedies available with the Ministry of Electronics

and Information Technology and are without prejudice to any legal remedies available with Ministry of Electronics and Information Technology for events mentioned in Para 3 (i) and (ii) above.

### Quarterly Review Report

An applicant shall be required to provide the following information (self-certified) for quarterly review within 30 days from the end of each quarter:

<b>1. Name of Applicant</b>
<b>2. Target Segment</b>
<b>3. Eligible Segment</b>
<b>4. Application Acknowledgement Date</b>
<b>5. Application Approval Date</b>
<b>6. Manufacturing Location(s)</b>
<b>7. Customer Brand(s) (in case of Contract Manufacturers)</b>
<b>8. Investment Actualized for Manufacturing of Target Segment (amount in INR)</b>
<i>Source of Funding (Equity, Debt, Internal Accrual etc.)</i>
<b>9. Employment as on date (in numbers)</b>
<i>On-roll labour / employees</i>
<i>Contractual</i>
<i>Apprentice</i>
<b>10. Installed Production Capacity for Target Segment and Eligible Product (in numbers)</b>
<b>11. Revenue from Operations – Domestic Sales [net of credit notes, discounts, and taxes applicable]</b>
a) Manufacturing Activity
i. Eligible Product
ii. Other Goods in Target Segment
iii. Other Goods
b) Trading Activity
i. Target Segment
ii. Other Goods
c) Services Activity

<b>12. Revenue from Operations – Exports</b> <b>[net of credit notes, discounts, and taxes applicable]</b>
a) Manufacturing Activity
i. Eligible Product
ii. Other Goods in Target Segment
iii. Other Goods
b) Trading Activity
i. Target Segment
ii. Other Goods
c) Services Activity
<b>13. Total Revenue from Operations</b>
<b>14. Details of Import– CIF value of Imported Goods at the Importation</b>
a) Raw Material / Parts / Components
i. Eligible Product
ii. Other Goods in Target Segment
iii. Other Goods
b) Spare Parts
i. Eligible Product
ii. Other Goods in Target Segment
iii. Other Goods
c) Finished Goods
i. Eligible Product
ii. Other Goods in Target Segment
iii. Other Goods
d) Capital Goods
i. Target Segment
iii. Other Goods
e) Import of Services pertaining to Target Segment

**Subject: Proforma for Integrity compliance in PLI-Initial Undertaking(s)**

(To be signed by full time Director / CEO / MD of the company / firm duly depicting the designation and submitted on official stationery of the applicant along- with the authorization to do so)

**FORMAT-A**

1. Whereas, the applicant namely (*name of company with address*) has submitted an application under Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing to Ministry of Electronics and Information Technology(MeitY), Government of India seeking incentives for the application pertaining to manufacturing.....(Eligible Product) at.....(location(s)).
2. Now, therefore, the applicant including its officers / representatives commits and undertakes that he / she will take all measures necessary to prevent corruption. He / She commits to observe the following principles during his / her association / engagement with MeitY or its agencies or its consultants engaged with the process of appraisal and verification of application for the approval of application and disbursement of incentives under PLI.

**2.1** The PLI applicant will not directly or through any other person or firm, offer, promise or give to any of the MeitY's officer(s) or consultant or agency representative (appraisal or / and verification agency appointed by MeitY to handle the application) involved in the process of dealing with application or to any third person any material or other benefit which he / she is not legally entitled to in order to obtain in

exchange any advantage of any kind whatsoever before or during or after the process of the application for grant of approval or disbursement of incentives under PLI.

**2.2** The PLI applicant will not commit any offence under the relevant IPC / PC Act; Further, the applicant will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the MeitY.

**2.3** The PLI applicant shall disclose the name and address of the duly authorized Agents / Representatives who will be dealing with MeitY or its agencies and the remuneration of these agents or representatives shall not include any hidden amount or component to get the work done in undue manner or causing inducement of whatsoever nature whether in cash or kind to influence the normal process or practice of work.

**2.4** The PLI applicant will disclose any and all payments he / she has made, is committed to or intends to make to agents, brokers or any other intermediaries, other than regular employees or officials of the applicant, in connection with the grant of approval or / and disbursement of incentives.

**2.5** The applicant will not offer any illicit gratification to obtain unfair advantage.

**2.6** The applicant will not collude with other parties to impair transparency and fairness.

**2.7** The applicant will not give any advantage to anyone in exchange for unprofessional behaviour.

**3.** The applicant declares that no pervious transgressions occurred in the last 3 years with any other Company in any country conforming to the anti-



corruption approach or with any other Public Sector Enterprises / Central or State Government or its any instrumentality in India.

4. The applicant agrees that if it is found that the applicant has made any incorrect statement on this subject, the application will be closed or rejected and MeitY reserve the right to initiate legal action of whatsoever nature. In case if MeitY has disbursed the incentives under PLI, the amount disbursed to applicant be recoverable along with interest calculated at 3 years SBI MCLR prevailing on the date of disbursement, compounded annually besides blacklisting of the applicant and initiation of legal action of whatsoever nature at the discretion of MeitY.

The contents of the above undertaking have been gone through and after understanding the same is being executed / given on.....day of ..... (month / year)

*Signature*

*(Name & designation with  
address)* Director /  
CEO / MD

**Subject: Proforma for Integrity compliance to be furnished by PLI Applicants before Release of Incentives**

(To be signed by full time Director / CEO / MD of the company / firm duly depicting the designation and submitted on official stationery of the applicant along- with the authorization to do so)

**FORMAT– B**

1. Whereas, the applicant namely (*name of company with address*) has submitted an application under Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing to Ministry of Electronics and Information Technology (MeitY), Government of India seeking incentives for the application pertaining to manufacturing ..... (Eligible Product) at..... (location(s)).
2. And Whereas, the applicant has submitted an undertaking for observance and commitment for Integrity vide Undertaking dated.....given under the signatures / authority of applicants ..... (name and designation) to MeitY in respect of aforesaid application.
3. And whereas, the applicant including its officers / representatives gives commitment and undertake that he / she will take all measures necessary to prevent corruption and that he / she will not directly or through any other person or firm, offer, promise or give to any of the MeitY's officer(s) or consultant or agency representative (appraisal or / and verification agency appointed by MeitY to handle the application) involved in the process of dealing with application or to any third person any material or other benefit which he / she is not legally entitled to in order to obtain in exchange any advantage of any kind whatsoever before or during or after the process of the application for grant of approval or disbursement of incentives under PLI.

4. And whereas, the application submitted by the applicant has been given the approval by MeitY vide its communication no.....dated.....
5. And whereas, the applicant has submitted a claim for disbursement of incentive dated .... to the PMA for claiming incentives of INR.....
6. And whereas, the PMA has considered the claim for disbursement of incentive and is in the process of disbursement / release of incentives on the claim dated.....
7. Now, therefore, We hereby confirm the compliance thereof with the Integrity Undertaking submitted to MeitY duly certifying that there is no breach to the same and requests that eligible incentives under PLI be released to applicant and the amount of incentives be credited in the bank account of applicant.
8. The contents of the above Undertaking have been gone through and after duly understanding the same, is being executed / given on..... day of..... (month / year).

*Signature*

*(Name & designation with  
address) Director / CEO /  
MD*

## ***Published By***



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***August-2025***

