सत्यमेव जयते

PART-I

COMPILED BY:

IFCI LIMITED
आई एफ सी आई लिमिटेड
(A Government of India Undertaking)
(भारत सरकार का उपक्रम)

IFCI LIMITED

IFCI Limited (IFCI) was set up as a Statutory Corporation ("The Industrial Finance Corporation of India") in 1948, as independent India's first Development Financial Institution, for providing medium and long term finance to industry. In 1993, after repeal of the IFCI Act, IFCI became a Public Limited Company, registered under the Companies Act, 1956. IFCI is also registered with the Reserve Bank of India (RBI) as a Systemically Important Non-Deposit taking Non-Banking Finance Company (NBFC-ND-SI) and is also a notified Public Financial Institution under Section 2(72) of the Companies Act, 2013. As on date, the shareholding of GoI stands at 66.35% of paid-up capital of IFCI.

2. Over its journey of 74 years, besides lending, IFCI has played a pivotal role in development of financial infrastructure framework and had promoted various organizations.

3. IFCI has pan India reach through its regional offices and following subsidiaries:

a) Stock Holding Corporation of India Ltd. (SHCIL)
b) IFCI Infrastructure Development Ltd. (IIDL)
c) IFCI Venture Capital Fund Ltd. (IVCF)
d) IFCI Factors Ltd. (IFL)
e) IFCI Financial Services Ltd. (IFIN)
f) MPCON Ltd.

4. IFCI is acting as a Project Management Agency (PMA) to the Government of India for various Production Linked Incentive (PLI) schemes launched under the aegis of "Atmanirbhar Bharat".

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आज़ादी का अमृत महोत्सव

DISCLAIMER

IFCI Limited (IFCI) *has made this compilation of the PLI Notifications issued by various Ministries of the Government of India with an endeavour to provide an easy reference documents to the applicants of various PLI Schemes. This data compilation is made based on the information published on various websites of the Ministries of the GoI. For further amendments/ Clarifications, please refer the websites of respective Department/ Ministry. IFCI Limited shall not be liable in whatsoever manner for any mistakes/ inaccuracy/ updating of any data in this compilation.*

This compilation is intended solely for internal use and not for sale.

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Background

Keeping in view Hon'ble Prime Minister's vision of making the country 'Atmanirbhar' and to enhance its manufacturing capabilities and boost Exports, scheme wise outlay has been announced in Union Budget 2021-22 for PLI schemes for 14 key sectors of the economy. The PLI Schemes are expected to enable the setting up of a widespread supplier base for the global champions established under the scheme. It will help bring scale and size in key sectors and create future global champions. Besides, all the units put together would help India to generate massive primary & secondary employment opportunities, enhance manufacturing capability and domestic consumption, reduce import dependency and boost exports.

A summary of incentive outlay of 14 key sectors under PLI scheme is listed below:

Sl. No.	PLI Scheme Sector	Implementing Ministry/ Department	Incentive Outlay (INR Cr)
1.	Food Processing Industry	Ministry of Food Processing Industry	10,900
2.	National program on High Efficiency Solar PV module	Ministry of New & Renewable Energy	4,500
3.	Telecom & networking products	Dept. of Telecom	12,195
4.	Medical devices	Dept. of Pharmaceuticals	3,420
5.	Advanced Chemistry cell battery	Niti Ayog and Dept. Of Heavy Industries	18,100
6.	IT Hardware	Ministry of Electronics and Information Technology	7,325
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10.	Specialty Steel	Ministry of Steel	6,322
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Production Linked Incentive Scheme (PLI) for Large Scale Electronics

Ministry of Electronics and Information Technology (MeitY)

Source - https://www.meity.gov.in/esdm/pli

MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY

(IPHW DIVISION)

NOTIFICATION

New Delhi, the 1st April, 2020

Subject: Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing

1. **Background**

No. W-28/1/2019-IPHW-MeitY.—1.1. Electronics permeate all sectors of the economy and the electronics industry has cross-cutting economic and strategic importance. In India, electronics manufacturing has grown rapidly with a CAGR of around 25% during the last 4 years. However, this pales in comparison to the actual potential for growth which is curtailed by specific constraints such as large capital investments and rapid changes in technology. The Government has been actively working to create a conducive environment for manufacturing and to offer incentives comparable with those offered in other countries to attract large investments into the manufacturing sector.

1.2. India's share in global electronics manufacturing has grown from 1.3% in 2012 to 3.0% in 2018. The domestic production of electronics hardware has increased substantially from INR 1,90,366 crore (USD 29 billion) in 2014-15 to INR 4,58,006 Crore (USD 70 billion) in 2018-19. With the domestic demand for electronics hardware expected to rise rapidly to approximately INR 26, 00,000 crore (USD 400 billion) by 2025, India cannot afford to bear the rapidly increasing foreign exchange outgo on account of import of electronics.

1.3. Given the limited relief expected for the electronics manufacturing sector under other schemes, there is need for a mechanism to compensate for the manufacturing disabilities vis-à-vis other major manufacturing economies.

1.4. **Level playing field with emerging opportunities:** The electronics hardware manufacturing sector faces the lack of a level playing field vis-à-vis competing nations. As per industry estimate (ICEA and ELCINA), electronics manufacturing sector suffers from a disability of around 8.5% to 11% on account of lack of adequate infrastructure, domestic supply chain and logistics; high cost of finance; inadequate availability of quality power; limited design capabilities and focus on R&D by the industry; and inadequacies in skill development.

1.5. **National policy on electronics (NPE 2019)**: The vision of NPE 2019 is to position India as a global hub for Electronics System Design and Manufacturing (ESDM) by encouraging and driving capabilities in the country for developing core components, including chipsets, and creating an enabling environment for the industry to compete globally.

2. **Objective**: The Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing proposes a financial incentive to boost domestic manufacturing and attract large investments in the electronics value chain including electronic components and semiconductor packaging.

3. **Quantum of Incentive**: The Scheme shall extend an **incentive of 4% to 6%** on **incremental sales (over base year) of goods manufactured in India and covered under target segments**, to eligible companies, **for a period of five (5) years subsequent to the base year** as defined in Para 7.

4. **Target Segments:** The Scheme shall only be applicable for **target segments namely mobile phones and specified electronic components** (as detailed in ***Annexure B***).

5. **Eligibility**: Support under the Scheme **shall be provided only to companies engaged in manufacturing of target segments in India.** This shall include contract manufacturers as defined in the FDI Policy Circular of 2017.

5.1. Each application shall be limited to one (1) of the target segments.

Source - https://www.meity.gov.in/esdm/pli

5.2. Eligibility shall be subject to thresholds of incremental investment and incremental sales of manufactured goods (as distinct from traded goods). An applicant must meet all the threshold conditions to be eligible for disbursement of incentive. Eligibility threshold criteria are detailed in ***Annexure A***.

5.3. Eligibility under Production Linked Incentive scheme shall not affect eligibility under any other Scheme and vice-versa.

6. **Tenure of the Scheme:** Support under the Scheme shall be provided for a **period of five (5) years subsequent to the base year as defined in Para 7**.

6.1. The Scheme shall be open for applications for a period of 4 months initially which may be extended.

6.2. The Scheme may also be reopened for applications anytime during its tenure based on response from the industry.

6.3. For applications received post the initial application period, applicants shall only be eligible for incentives for the remainder of the Scheme's tenure.

7. **Base Year: Financial Year 2019-20 shall be treated as the base year** for computation of incremental investment and incremental sales of manufactured goods (as distinct from traded goods).

8. **Incentive Outlay**

8.1 Total Incentive: The expected annual incentive outlay and cumulative incentive outlay under the Scheme is as follows:

Financial Year	**Total Incentive**
	INR Crore
Year 1	5,334
Year 2	8,064
Year 3	8,425
Year 4	11,488
Year 5	7,640
Total	**40,951**

8.2. **Incentive Per Company**: The incentive per company will be applicable on incremental sales of manufactured goods (as distinct from traded goods) over base year **subject to ceilings** as decided by the Empowered Committee.

9. **Basis of Computation**

9.1. Assessment of incremental investment and sales of manufactured goods shall be based on details furnished to the Departments / Ministries / Agencies and Statutory Auditor certificates.

9.2. Functional Guidelines will be issued by MeitY in consultation with concerned Departments / Ministries.

10. **Approval and Disbursement Process**

10.1. Application under the Scheme can be made by any company registered in India.

10.2. An initial application, complete in all aspects, will have to be submitted before the due date. Acknowledgement will be issued after initial scrutiny of the application. The acknowledgement shall not be construed as approval under PLI Scheme.

Source - https://www.meity.gov.in/esdm/pli

10.3. Eligible applications will be appraised on an ongoing basis and considered for approval.

10.4. Incentive shall be released to eligible applicants, meeting the required thresholds and whose disbursement claims are found to be in order.

10.5. Incentives under the Scheme will be applicable from 01.08.2020.

11. **Nodal Agency**

11.1. The Scheme shall be implemented through a Nodal Agency.

11.2. 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. Detailed constitution, functioning and responsibilities of the PMA will be elaborated in the Scheme Guidelines.

11.3. For carrying out activities related to the implementation of PLI Scheme, PMA would inter-alia be responsible for:

11.3.1. Appraisal of applications and verification of eligibility for support under the Scheme

11.3.2. Examination of claims eligible for disbursement of incentive under the Scheme

11.3.3. Compilation of data regarding progress and performance of the Scheme including Incremental Investment and Incremental Sales of Manufactured goods for companies under the Scheme.

12. **Empowered Committee (EC)**

12.1. An Empowered Committee (EC) including CEO NITI Aayog, Secretary Economic Affairs, Secretary Expenditure, Secretary MeitY, Secretary Revenue, Secretary DPIIT and DGFT will be formed.

12.2. The EC will consider applications, as found eligible by the Project Management Agency under the Scheme, for approval.

12.3. The EC will consider claims, as examined and recommended by the Project Management Agency, for disbursement as per the laid down procedure.

12.4. The EC will conduct a periodic review of eligible companies with respect to their investments, employment generation, production and value addition under the Scheme.

12.5. The EC may revise incentive rates, ceilings, target segments and eligibility criteria as deemed appropriate during the tenure of the Scheme.

12.6. The EC will also be authorized to carry out any amendments in the Scheme Guidelines.

12.7. Detailed constitution, functioning and responsibilities of the EC will be elaborated in the Scheme Guidelines.

SAURABH GAUR, Jt. Secy.

ANNEXURE A

Eligibility Threshold Criteria

Segment	**Proposed Incentive Rate**	**Incremental Investment over Base Year**	**Incremental Sales of Manufactured Goods over Base Year**
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

Source - https://www.meity.gov.in/esdm/pli

Segment	Proposed Incentive Rate	Incremental Investment over Base Year	Incremental Sales of Manufactured Goods over Base Year
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 ***Annexure B***)		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.**

****Domestic Companies shall be defined as those which are owned by resident Indian citizens as defined in the FDI Policy 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.

ANNEXURE B

List of Specified Electronic Components eligible under PLI Scheme

Sl. No.	Description of Goods
1.	SMT components
2.	Discrete semiconductor devices including transistors, diodes, thyristors, etc.
3.	Passive components including resistors, capacitors, etc. for electronic applications
4.	Printed Circuit Boards (PCB), PCB laminates, prepregs, photopolymer films, PCB printing inks
5.	Sensors, transducers, actuators, crystals for electronic applications
6.	System in Package (SIP)
7.	Micro / Nano-electronic components such as Micro Electromechanical Systems (MEMS) and Nano Electromechanical Systems (NEMS)
8.	Assembly, Testing, Marking and Packaging (ATMP) units

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Source - https://www.meity.gov.in/esdm/pli

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

Source - https://www.meity.gov.in/esdm/pli

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.

Source - https://www.meity.gov.in/esdm/pli

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

Source - https://www.meity.gov.in/esdm/pli

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

Source - https://www.meity.gov.in/esdm/pli

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

Source - https://www.meity.gov.in/esdm/pli

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 05.08.2016issued by Department of Expenditure, Ministry of Finance or any subsequent modifications thereof.

Source - https://www.meity.gov.in/esdm/pli

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

Source - https://www.meity.gov.in/esdm/pli

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**

Source - https://www.meity.gov.in/esdm/pli

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.

Source - https://www.meity.gov.in/esdm/pli

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.

Source - https://www.meity.gov.in/esdm/pli

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.

Source - https://www.meity.gov.in/esdm/pli

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

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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

Source - https://www.meity.gov.in/esdm/pli

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

Source - https://www.meity.gov.in/esdm/pli

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,

Source - https://www.meity.gov.in/esdm/pli

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.

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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**

Source - https://www.meity.gov.in/esdm/pli

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.

Source - https://www.meity.gov.in/esdm/pli

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.

Source - https://www.meity.gov.in/esdm/pli

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:

Source - https://www.meity.gov.in/esdm/pli

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

Source - https://www.meity.gov.in/esdm/pli

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 1/5th 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

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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)

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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.

Source - https://www.meity.gov.in/esdm/pli

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

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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

New Delhi, Dated: June 1, 2020

Source - https://www.meity.gov.in/esdm/pli

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)
Joint Secretary to the Government of India
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Source - https://www.meity.gov.in/esdm/pli

Annexure 1

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

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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 Over4 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 ***Annexure 1***)		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.**

Source - https://www.meity.gov.in/esdm/pli

Annexure 3

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

Source - https://www.meity.gov.in/esdm/pli

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.

Source - https://www.meity.gov.in/esdm/pli

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

Source - https://www.meity.gov.in/esdm/pli

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

Source - https://www.meity.gov.in/esdm/pli

Annexure 4

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

Source - https://www.meity.gov.in/esdm/pli

Annexure 5

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.

Source - https://www.meity.gov.in/esdm/pli

Annexure 6

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

Source - https://www.meity.gov.in/esdm/pli

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]**			
	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			

Source - https://www.meity.gov.in/esdm/pli

3C	**Total Revenue from Operations (Domestic Sales & Exports)**			
4	**Sales Quantity [net of credit notes, discounts, and taxes applicable]**	*Numbers*		
	a) Manufacturing Activity			
	i. Eligible Product			
	ii. Other Goods in Target Segment			
	iii. Other Goods			
	b) Trading Activity			
5	**Details of Import**	*INR*		
	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			

Source - https://www.meity.gov.in/esdm/pli

	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

Source - https://www.meity.gov.in/esdm/pli

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

Source - https://www.meity.gov.in/esdm/pli

Appendix

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

Source - https://www.meity.gov.in/esdm/pli

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.

Source - https://www.meity.gov.in/esdm/pli

Annexure 7

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:

1. Name of Applicant
2. Target Segment
3. Eligible Segment
4. Application Acknowledgement Date
5. Application Approval Date
6. Manufacturing Location(s)
7. Customer Brand(s) (in case of Contract Manufacturers)
8. Investment Actualized for Manufacturing of Target Segment (amount in INR)
Source of Funding (Equity, Debt, Internal Accrual etc.)
9. Employment as on date (in numbers)
On-roll labour / employees
Contractual
Apprentice
10. Installed Production Capacity for Target Segment and Eligible Product (in numbers)
11. Revenue from Operations – Domestic Sales [net of credit notes, discounts, and taxes applicable]
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

Source - https://www.meity.gov.in/esdm/pli

12. Revenue from Operations – Exports [net of credit notes, discounts, and taxes applicable]
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
13. Total Revenue from Operations
14. Details of Import– CIF value of Imported Goods at the Importation
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

Source - https://www.meity.gov.in/esdm/pli

Annexure 8

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

Source - https://www.meity.gov.in/esdm/pli

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-

Source - https://www.meity.gov.in/esdm/pli

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

Source - https://www.meity.gov.in/esdm/pli

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.

Source - https://www.meity.gov.in/esdm/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

Source - https://www.meity.gov.in/esdm/pli

File No. W-28/1/2020-IPHW-MeitY-Part(1)
Government of India
Ministry of Electronics and Information Technology (MeitY)
IPHW Division

Dated: 11th March, 2021

Addendum

Amendments in Guidelines of Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing

References:

i. *PLI Scheme Notification No. CG-DL-E-01042020-218990 dated 1st April, 2020 in Part – I, Section 1 of the Gazette of India (Extraordinary) [F.No. No. W-28/1/2019-IPHW-MeitY]*

ii. *Guidelines for the Operation of Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing dated 1st June, 2020 [F.No. No. W-28/1/2019-IPHW-MeitY]*

Ministry of Electronics and Information Technology (MeitY) notified the Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing on April 01, 2020. Subsequently, Guidelines for the operation of the Scheme were notified on 01.06.2020. The First Round of the Scheme was open for receiving applications till 31.07.2020.

2. As per Para 12.6 of the PLI Scheme, *the EC will also be authorized to carry out any amendments in the Scheme Guidelines.* Therefore, in accordance with Para 12.6 of the Scheme, the EC in its meeting held on 11th February 2021 has approved the following amendment in the PLI Scheme Guidelines:

Source - https://www.meity.gov.in/esdm/pli

Para	Existing Para	Amended Para
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.	**Net Sales**: 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 applicable and expenses pertaining to advertisement and sales promotion, and brand royalty.

Expenses Pertaining to Advertisement and Sales Promotion: For the purpose of computing Net Sales, expenses pertaining to advertisement and sales promotion shall be deducted from the Net Domestic Sales proportionately in the ratio of *Total Expenses (pertaining to advertisement and sales promotion) to Total Domestic Revenue of the Applicant Company.*

Expenses Pertaining to Brand Royalty: For the purpose of computing Net Sales, expenses pertaining to brand royalty shall be deducted from the Net Sales (for which such royalty expenses have been incurred) proportionately in the ratio of *Total Expenses (pertaining to brand royalty) to Total Revenue (for which such royalty expenses have been incurred).*

3. Accordingly, the definition of *Incremental Sales* mentioned in Para 2.17 may be read as follows:

Para	***Existing Para***	***Amended Para***
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.*	***Incremental Sales of Manufactured Goods:*** *Net Sales of Manufactured Goods over a given period minus the Net Sales of Manufactured Goods in the Base Year over the corresponding period.*

Source - https://www.meity.gov.in/esdm/pli

In Para 7.2.3 and Para 10, "Sales of Manufacturing Goods" may be read as "Net Sales of Manufactured Goods"

4. Further, Empowered Committee in its earlier meetings held on 20.08.2020 and 02.10.2020 approved the following amendments:

4.1 **Baseline for Approved Applicants**: The baseline for Sales of Manufactured Goods for an applicant company, for the purpose of the Scheme, shall include sale of goods in the target segment / category in India, in the base year, of the applicant company as well as any entity (group company) whose manufacturing revenue in India has been considered for determining qualification of the applicant company as per Para 3.2 of these Guidelines. *(EC Meeting held on 20.08.2020)*

4.2 The definition of Competent Authority as mentioned in Para 2.24 may be read as follows:

***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. (EC Meeting held on 02.10.2020)*

5. The PLI Scheme Guidelines issued on 01.06.2020 shall be read incorporating the above changes wherever applicable.

6. This issues with the approval of Hon'ble Minister for Electronics and Information and Technology.

Saurabh Gaur

(Saurabh Gaur)
Joint Secretary to the Government of India
Tel No. 011-24363071
Email: saurabh.gaur@meity.gov.in

Source - https://www.meity.gov.in/esdm/pli

File No. W-28/1/2020-IPHW-MeitY-Part(1)
Government of India
Ministry of Electronics and Information Technology (MeitY)
IPHW Division

Dated: 11th March, 2021

Supplementary Guidelines on Second Round of Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing

References:

i. *PLI Scheme Notification No. CG-DL-E-01042020-218990 dated 1st April 2020 in Part – I, Section 1 of the Gazette of India (Extraordinary) [F.No. No. W-28/1/2019-IPHW-MeitY]*

ii. *Guidelines for the Operation of Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing dated 1st June, 2020 [F.No. No. W-28/1/2019-IPHW-MeitY]*

iii. *Addendum: Amendments in Guidelines of Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing dated 11th March, 2021 [File No. W-28/1/2020-IPHW-MeitY-Part(1)]*

1. Background

Ministry of Electronics and Information Technology (MeitY) notified the Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing on April 01, 2020. Subsequently, Guidelines for the operation of the Scheme were notified on 01.06.2020. The first round of the Scheme was open for receiving applications till 31.07.2020.

As per Para 6.2 of the PLI Scheme, *the Scheme may also be reopened for applications anytime during its tenure based on response from the Industry* and as per Para 12.5 of the Scheme, *the Empowered Committee (EC) may revise incentive rates, ceilings, target segments and eligibility criteria as deemed appropriate during the tenure of the Scheme.* Therefore, in accordance with the

Source - https://www.meity.gov.in/esdm/pli

abovementioned provisions, the EC in its meeting held on 11th February 2021 gave approval for the Second Round of the PLI Scheme for Large Scale Electronics Manufacturing with the following revisions (Refer Para 2 below) in existing PLI Scheme Guidelines:

2. Revisions

2.1 For the purpose of Second Round of PLI Scheme, the following revisions have been done in the existing Scheme Guidelines. The revised Paras may be read as follows:

Para	Existing Scheme Guidelines	Revised Para in the Scheme Guidelines for Second Round
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.	In reference to Para 6.2 of the Scheme, the second round of PLI Scheme will be open for receiving applications until 31.03.2021.
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.	**Target Segment:** In accordance with Para 4 and Para 12.5 of the Scheme, the Target Segment shall mean *Specified Electronic Components* as in Annexure B of the Scheme.
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	**Application Window:** Time period allowed for filing of applications. The Application Window shall be open until 31.03.2021 initially and may be extended and / or reopened based on response from the industry.

Source - https://www.meity.gov.in/esdm/pli

	reopened based on response from the industry.	
2.16	**Incremental Investment:** Investment made in India after the end of the Base Year as defined.	**Incremental Investment:** Investment made in India after 31.03.2021.
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.	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) after 31.03.2021 shall be considered.
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.**	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 01.04.2021.**
5.1	The Scheme shall be **open for applications till 31.07.2020** initially which may be extended.	The Scheme shall be **open for applications till 31.03.2021** which may be extended.
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**	After the conclusion of Second Round of applications, approvals will be granted to **not more than 30 eligible applicants in the Target Segment.**

Source - https://www.meity.gov.in/esdm/pli

	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.	In case of receipt of eligible applications in excess of the limits specified above for 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. **30 eligible applicants having the highest consolidated global manufacturing revenue in the Target Segment, in the base year,** shall be selected and granted approval under the Scheme.

Source - https://www.meity.gov.in/esdm/pli

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	The period for determination of baseline shall be as follows: 10.2.1 Baseline for Investment: As on 31.03.2021 10.2.2 Baseline for Net Sales of Manufactured Goods (covered under the Target Segment): Period from 01.04.2019 to 31.03.2020
10.6	10.6.7 Baseline for Investment (as on 31.03.2020)	10.6.7 Baseline for Investment (as on 31.03.2021)

2.2 For the purpose of Second Round of PLI Scheme, Annexure 1 of the Scheme Guidelines shall be read as follows:

Target Segments Eligible under PLI

S. No.	Description of Goods
1	**Specified Electronic Components**
1.1	SMT components
1.2	Discrete semiconductor devices including transistors, diodes, thyristors, etc.
1.3	Passive components including resistors, capacitors, etc. for electronic applications
1.4	Printed Circuit Boards (PCB), PCB laminates, prepregs, photopolymer films, PCB printing inks

Source - https://www.meity.gov.in/esdm/pli

1.5	Sensors, transducers, actuators, crystals for electronic applications
1.6	System in Package (SIP)
1.7	Micro / Nano-electronic components such as Micro Electromechanical Systems (MEMS) and Nano Electromechanical Systems (NEMS)
1.8	Assembly, Testing, Marking and Packaging (ATMP) units

2.3 For the purpose of Second Round of PLI Scheme, Annexure 2 of the Scheme Guidelines shall be read as follows:

Eligibility Threshold Criteria

Target Segment	**Incentive Rate** (on Incremental Sales of Manufactured Goods)	**Incremental Investment**	**Incremental Sales of Manufactured Goods**
Specified Electronic Components (detailed in ***Annexure 1***)	Year 1: 5% Year 2: 4% Year 3: 4% Year 4: 3%	INR 25 crore over 4 Years Cumulative Minimum: Year 1: INR 5 crore Year 2: INR 11 crore Year 3: INR 18 crore Year 4: INR 25 crore	Year 1: INR 15 crore Year 2: INR 35 crore Year 3: INR 60 crore Year 4: INR 100 crore

Year 1: FY 2021-22; Year 2: FY 2022-23; Year 3: FY 2023-24; Year 4: FY 2024-25

Source - https://www.meity.gov.in/esdm/pli

3. Incentives under Second Round of PLI Scheme shall be applicable from 01.04.2021.
4. Applicant companies approved under the First Round of the PLI Scheme shall not be allowed to apply under the Second Round of PLI Scheme. However, group companies having minority or non-controlling interest in applicant companies approved under Round 1 shall not be restricted from applying under Round 2 of the Scheme.
5. These Supplementary Guidelines shall be read along with the PLI Scheme Guidelines issued on 01.06.2020 and Addendum dated 11th March, 2021 incorporating the changes wherever applicable.
6. This issues with the approval of Hon'ble Minister for Electronics and Information and Technology.

(Saurabh Gaur)
Joint Secretary to the Government of India
Tel No. 011-24363071
Email: saurabh.gaur@meity.gov.in

Source - https://www.meity.gov.in/esdm/pli

PLI Scheme for promotion of domestic manufacturing of critical Key Starting Materials (KSMs)/ Drug Intermediates (DIs) and Active Pharmaceutical Ingredients (APIs) In India

Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

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EXTRAORDINARY

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PART I—Section 1

प्राधिकार से प्रकाशित
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उर्वरक और रसायन मंत्रालय

(औषध विभाग)

अधिसूचना

नई दिल्ली, 21 जुलाई, 2020

विषयः- भारत में महत्वपूर्ण बुनियादी प्रारंभिक सामग्री (केएसएम)/ड्रग इन्टरमीडिएट (डीआई) और सक्रिय फार्मास्यूटिकल्स सामग्री (एपीआई) के घरेलू विनिर्माण को बढ़ावा देने के लिए उत्पादन लिंक्ड प्रोत्साहन (पीएलआई) योजना।

सं. 31026/16/2020-पॉलिसी.—1. पृष्ठभूमि

1.1. देश में स्वास्थ्य सेवा प्रदान करने में दवाइयां एक मुख्य भूमिका निभाती हैं। नागरिकों को वहनीय स्वास्थ्य सेवा प्रदान करना सुनिश्चित करने के लिए दवाइयों की निरन्तर आपूर्ति आवश्यक है। दवाइयों की आपूर्ति में कोई व्यवधान देश की औषध सुरक्षा पर महत्वपूर्ण प्रतिकूल प्रभाव डाल सकता है।

1.2. भारतीय दवा उद्योग मात्रा के हिसाब से दुनिया में तीसरा और मूल्य के मामले में 14वां सबसे बड़ा उद्योग है। भारत वैश्विक स्तर पर निर्यात की जाने वाली कुल ड्रग्स और दवाइयों का 3.5 प्रतिशत योगदान देता है। तथापि, इन उपलब्धियों के बावजूद, भारत कुछ बुनियादी कच्चे माल, अर्थात् बल्क दवाइयों के आयात पर बहुत हद तक निर्भर है, जिनका उपयोग तैयार खुराक फॉर्मूलेशनों के विनिर्माण में किया जाता है। भारत आर्थिक दृष्टि से बड़े पैमाने पर बल्क दवाइयां आयात करता है। वित्तीय वर्ष 2018-2019 के दौरान देश में कुल औषधीय आयातों में से 63 प्रतिशत बल्क दवाइयां हैं।

1.3. औषध विभाग द्वारा गठित दवा सुरक्षा पर एक समिति ने देश में आयातित एपीआई के विवरणों को मिलाया और 53 एपीआई की पहचान की, जिसके लिए देश आयात पर बहुत अधिक निर्भर है। ऐसे एपीआई की सूची **अनुलग्नक-क** पर दी गई है।

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

30. टेल्मिसर्टन
31. एस्पिरिन
32. डिक्लोफेनाक सोडियम
33. लेवेतिराकेटम
34. कार्बीडोपा
35. निट्रोनाविर
36. लोपिनाविर
37. एसिक्लोवीर
38. कार्बामाज़ेपाइन
39. ओक्स्कार्बज़ेपिंन
40. विटामिन बी6
41. लीवोडोपा

अनुलग्नक-ग

पात्रता सीमा मानदण्ड

क्रम सं.	क्षेत्र	सीमा निवेश
1	किण्वन आधारित 04 केएसएम/ड्रग इंटरमीडिएट	400 करोड रुपये
2	किण्वन आधारित 10 आला केएसएम/ड्रग इंटरमीडिएट/एपीआई	50 करोड रुपये
3	महत्वपूर्ण रासायनिक संश्लेषण आधारित 04 केएसएम/ड्रग इंटरमीडिएट	50 करोड रुपये
4	अन्य 23 रासायनिक संश्लेषण आधारित केएसएम/ड्रग इंटरमीडिएट/एपीआई	20 करोड रुपये

MINISTRY OF CHEMICALS AND FERTILIZERS

(Department Of Pharmaceuticals)

NOTIFICATION

New Delhi, the 21st July, 2020

Subject:- Production Linked Incentive (PLI) Scheme for promotion of domestic manufacturing of critical Key Starting Materials (KSMs)/ Drug Intermediates(DIs) and Active Pharmaceutical Ingredients (APIs) In India.

No. 31026/16/2020-Policy.—1. Background

1.1. Drugs play a major role in healthcare delivery in the country. Continuous supply of drugs is necessary to ensure delivery of affordable healthcare to the citizens. Any disruption in supply of drugs can have significant adverse impact on drug security of the country.

1.2. Indian pharmaceutical industry is the 3rd largest in the world by volume and 14th largest in terms of value. India contributes 3.5% of total drugs and medicines exported globally. However, despite these achievements, India is significantly dependent on import of some of the basic raw materials, viz., bulk drugs that are used to produce the finished dosage formulations. India imports bulk drugs largely for economic considerations. Bulk drugs accounted for 63% of the total pharmaceutical imports in the country during FY 2018-19.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

1.3. A committee on drug security constituted by the Department of Pharmaceuticals collated the details of APIs imported in the country and identified 53 APIs for which the country is heavily dependent on imports. A list of such APIs is given in **Annexure A.**

1.4. Drug security of the country is dependent upon our ability to ensure un-interrupted supply of quality bulk drugs and also our capacity to upscale their manufacturing to meet emergency situations. Self-reliance in manufacturing of drugs is, therefore, highly desirable.

1.5. With a view to attain self-reliance and reduce import dependence in critical APIs, a scheme called "Production Linked Incentive (PLI) Scheme for promotion of domestic manufacturing of critical Key Starting Materials (KSMs)/ Drug Intermediates (DIs) and Active Pharmaceutical Ingredients (APIs) In India" has been approved by the Government of India on 20th March, 2020.

2. **Objective:** The scheme intends to boost domestic manufacturing of identified KSMs, Drug Intermediates and APIs by attracting large investments in the sector and thereby reduce India's import dependence in critical APIs.

3. **Scope:** Under the Scheme, financial incentives shall be given based on sales made by selected manufacturers for 41 products. These 41 products, which cover all the identified 53 APIs, are listed in **Annexure B**.

4. **Quantum of Incentive:** Financial incentive under the scheme shall be provided on sales of 41 identified products for six (06) years at the rates given below:

4.1. For fermentation based products, incentive for FY 2023-24 to FY 2026-27 would be 20%, incentive for 2027-28 would be 15% and incentive for 2028-29 would be 5%.

4.2. For chemical synthesis based products, incentive for FY 2022-23 to FY 2027-28 would be 10%.

5. **Target Segments:** Four Target Segments covering 41 products are listed in **Annexure B.**

6. **Applicability:** The scheme is applicable only for greenfield projects.

7. **Eligibility**

7.1. Support under the scheme shall be provided only to manufacturers of critical KSMs/DIs and APIs registered in India.

7.2. Eligibility shall be subject to threshold investment in green field projects as given in **Annexure C**.

7.3. Eligibility under the scheme shall not affect eligibility under any other scheme and vice-versa.

8. **Tenure of the Scheme**: The tenure of the scheme is from FY 2020-21 to FY 2029-30.

9. **Application Window:** The application window for receiving the applications shall be 120 days.

10. **Base Year:** Financial Year 2019-20.

11. **Financial Outlay:** Total financial outlay of the scheme is Rs. 6,940 crore.

12. **Basis of Computation:** Assessment of threshold investment and sales of manufactured products shall be based on details furnished to the Departments/Ministries/Agencies and Statutory Auditor certificates.

13. **Approval and Disbursement Process**

13.1. Application under the Scheme can be made by any manufacturer registered in India.

13.2. An initial application, complete in all aspects, shall have to be submitted within the application window.

13.3. Eligible applications will be appraised and considered for selection.

13.4. Incentive shall be released to selected applicants, meeting the required thresholds and whose disbursement claims are found to be in order.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

14. **Project Management Agency**

14.1. The Scheme shall be implemented through a Nodal Agency.

14.2. Such Nodal Agency shall act as a Project Management Agency (PMA) and be responsible for providing secretarial, managerial and implementation support.

14.3. Detailed constitution, functioning and responsibilities of the PMA will be elaborated in the Scheme guidelines.

14.4. For carrying out activities related to the implementation of the Scheme, PMA would, inter alia, be responsible for-

14.4.1. Appraisal of applications and verification of eligibility for support under the Scheme.

14.4.2. Examination of claims eligible for disbursement of incentive under the Scheme.

14.4.3. Compilation of data regarding progress and performance of the Scheme including threshold investment and sales of manufactured goods of applicants selected under the Scheme.

15. **Empowered Committee (EC)**

15.1. An Empowered Committee (EC) comprising of following members shall be formed under the Scheme:

CEO, NITI Aayog (Chairman)

Secretary, Department of Pharmaceuticals

Secretary, Department of Chemicals and Petrochemicals

Secretary, Department for Promotion of Industry & Internal Trade

Secretary, Department of Commerce

Secretary, Ministry of Environment, Forest and Climate Change

Secretary, Department of Health & Family Welfare

Experts may be invited as special invitees, as may be felt necessary, from time to time.

15.2. The Empowered Committee will be assisted by a Technical Committee of experts constituted by Department of Pharmaceuticals.

15.3. The EC will consider applications, as found eligible by the PMA, for approval under the Scheme.

15.4. The EC will consider claims, as examined and recommended by the PMA, for disbursement as per the laid down procedure and guidelines.

15.5. The EC will conduct a periodic review of the projects of the selected applicants with respect to their investments, employment generation and production under the Scheme.

15.6. The EC will also be authorized to carry out any amendments in the Scheme and the guidelines except revising the incentive rates, ceilings or eligible products.

15.7. Detailed constitution, functioning and responsibilities of the EC will be elaborated in the Scheme guidelines.

16. The detailed guidelines of the scheme will be uploaded on the website of the Department.

17. This Notification supersedes the earlier Notification of Department of Pharmaceuticals issued on this subject vide Notification No 31026/16/2020-Policy dated 2nd June, 2020.

NAVDEEP RINWA, Jt. Secy.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

Annexure A

List of identified products

S. No.	Name of the product	S. No.	Name of the product
1.	Amoxicillin	28.	Ciprofloxacin
2.	Azithromycin	29.	Losartan
3.	Erythromycin Stearate/ Estolate	30.	Telmisartan
4.	Ceftriaxone	31.	Artesunate
5.	Cefoperazone	32.	Norfloxacin
6.	Cefixime	33.	Ofloxacin
7.	Cephalexin	34.	Metronidazole
8.	Piperacillin Tazobactam	35.	Sulfadiazine
9.	Sulbactam	36.	Levofloxacin
10.	Dexamethasone	37.	Meropenem
11.	Prednisolone	38.	Paracetamol
12.	Metformin	39.	Tinidazole
13.	Gabapentin	40.	Ornidazole
14.	Rifampicin	41.	Ritonavir
15.	Vitamin B1	42.	Diclofenac Sodium
16.	Vitamin B6	43.	Aspirin
17.	Clindamycin Phosphate	44.	Levetiracetam
18.	Clindamycin HCL	45.	Carbidopa
19.	Streptomycin	46.	Levodopa
20.	Neomycin	47.	Carbamazepine
21.	Gentamycin	48.	Oxcarbazepine
22.	Doxycycline	49.	Valsartan
23.	Potassium Clavulanate	50.	Olmesartan
24.	Oxytetracycline	51.	Atorvastatin
25.	Tetracycline	52.	Acyclovir
26.	Clarithromycin	53.	Lopinavir
27.	Betamethasone		

Annexure B

Target Segments

I. Fermentation based KSMs/Drug Intermediates

1. Penicillin G
2. 7-ACA
3. Erythromycin Thiocynate (TIOC)
4. Clavulanic Acid

II. Fermentation based niche KSMs/Drug Intermediates/APIs

5. Neomycin
6. Gentamycin

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

7. Betamethasone
8. Dexamethasone
9. Prednisolone
10. Rifampicin
11. Vitamin B1
12. Clindamycin Base
13. Streptomycin
14. Tetracycline

III. Key Chemical Synthesis based KSMs/Drug Intermediates

15. 1,1 Cyclohexane Diacetic Acid (CDA)
16. 2-Methyl-5Nitro-Imidazole (2-MNI)
17. Dicyandiamide (DCDA)
18. Para amino phenol

IV. Other Chemical Synthesis based KSMs/Drug Intermediates/APIs

19. Meropenem
20. Atorvastatin
21. Olmesartan
22. Valsartan
23. Losartan
24. Levofloxacin
25. Sulfadiazine
26. Ciprofloxacin
27. Ofloxacin
28. Norfloxacin
29. Artesunate
30. Telmisartan
31. Aspirin
32. Diclofenac Sodium
33. Levetiracetam
34. Carbidopa
35. Ritonavir
36. Lopinavir
37. Acyclovir
38. Carbamazepine
39. Oxcarbazepine
40. Vitamin B6
41. Levodopa

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

Annexure C

Eligibility Threshold Criteria

S. No.	Segment	Threshold Investment
1	Fermentation based 04 KSMs /Drug Intermediates	Rs. 400 crore
2	Fermentation based 10 niche KSMs / Drug Intermediates / APIs	Rs. 50 crore
3	Key Chemical Synthesis based 04 KSMs /Drug Intermediates	Rs. 50 crore
4	Other 23 Chemical Synthesis based KSMs / Drug Intermediates / APIs	Rs. 20 crore

अधिसूचना

नई दिल्ली, 21 जुलाई, 2020

विषयः- बल्क औषधि पार्कों के संवर्धन के लिए योजना।

सं. 31026/16/2020-पॉलिसी.—1. पृष्ठभूमि

1.1. देश में स्वास्थ्य सेवा प्रदान करने में दवाइयां एक मुख्य भूमिका निभाती हैं। नागरिकों को वहनीय स्वास्थ्य सेवा प्रदान करना सुनिश्चित करने के लिए दवाइयों की निरन्तर आपूर्ति आवश्यक है। दवाइयों की आपूर्ति में कोई व्यवधान देश की औषध सुरक्षा पर महत्वपूर्ण प्रतिकूल प्रभाव डाल सकता है।

1.2. भारतीय दवा उद्योग मात्रा के हिसाब से दुनिया में तीसरा और मूल्य के मामले में 14वां सबसे बड़ा उद्योग है। भारत वैश्विक स्तर पर निर्यात की जाने वाली कुल ड्रग्स और दवाइयों का 3.5 प्रतिशत योगदान देता है। तथापि, इन उपलब्धियों के बावजूद, भारत कुछ बुनियादी कच्चे माल, अर्थात् बल्क दवाइयों के आयात पर बहुत हद तक निर्भर है, जिनका उपयोग तैयार खुराक फॉर्मूलेशनों के विनिर्माण में किया जाता है। भारत आर्थिक दृष्टि से बड़े पैमाने पर बल्क दवाइयां आयात करता है। वित्तीय वर्ष 2018-2019 के दौरान देश में कुल औषधीय आयातों में से 63 प्रतिशत बल्क दवाइयां हैं।

1.3. गुणवत्तायुक्त बल्क औषधियों की अबाधित आपूर्ति सुनिश्चित करने और आपातकालीन स्थितियों के दौरान अपनी विनिर्माण क्षमता को अपग्रेड करने की हमारी क्षमता पर भी औषध क्षेत्र की भावी वृद्धि निर्भर करती है। इसलिए, बल्क औषधियों के विनिर्माण में आत्मनिर्भरता बहुत आवश्यक है।

1.4. बल्क ड्रग्स की विनिर्माण लागत में उल्लेखनीय रूप से कमी लाने के लिए और इस तरह मानक परीक्षण और अवसंरचनात्मक सुविधाओं तक आसान पहुँच प्रदान करके घरेलू बल्क औषधि उद्योग की प्रतिस्पर्धात्मकता को बढ़ावा देने के उद्देश्य से भारत सरकार द्वारा 20 मार्च 2020 को "बल्क औषधि पार्कों का संवर्धन" नामक एक योजना को मंजूरी दी गई है।

2. उद्देश्य:

2.1 बल्क औषधियों की विनिर्माण लागत को उल्लेखनीय रूप से कम करने और इसके द्वारा घरेलू बल्क औषधि उद्योग की प्रतिस्पर्धा में वृद्धि करके बल्क औषधियों में भारत को आत्मनिर्भर बनाने के उद्देश्य से, ऐसे पार्कों में स्थित बल्क औषधि इकाइयों को विश्व स्तरीय साझी अवसंरचनात्मक सुविधाओं तक सरल पहुंच प्रदान करने के लिए देश में बल्क औषधि पार्कों की स्थापना को बढ़ावा देना।

2.2 साझी अपशिष्ट प्रबंधन प्रणाली के नवीन पद्धतियों के माध्यम से कम लागत पर पर्यावरण के मानकों की आवश्यकताओं को पूरा करने के लिए उद्योग की सहायता करना।

2.3 संसाधनों के अनुकूलन और बड़े पैमाने की किफायतों के कारण मिलने वाले लाभों का उपयोग करना।

3. व्यापकता: राज्य सरकारों द्वारा प्रस्तावित और इस योजना के अन्तर्गत चयनित तीन बल्क औषधि पार्कों में साझी बुनियादी सुविधाओं के सृजन के लिए इस योजना के तहत वित्तीय सहायता प्रदान की जाएगी।

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

4. **वित्तीय सहायता:** चयनित बल्क औषधि पार्क के लिए वित्तीय सहायता साझी बुनियादी सुविधाओं की परियोजना लागत की 70% होगी। पूर्वोत्तर राज्यों और पहाड़ी राज्यों (हिमाचल प्रदेश, उत्तराखंड, जम्मू और कश्मीर केंद्र शासित प्रदेश और लद्दाख केंद्र शासित प्रदेश) के मामले में यह वित्तीय सहायता परियोजना लागत की 90% होगी। एक बल्क औषधि पार्क के लिए योजना के तहत अधिकतम सहायता 1000 करोड़ रुपये तक सीमित होगी।

5. **साझी अवसंरचनात्मक सुविधाएं:** बल्क औषधि पार्क में अलग-अलग बल्क औषधि इकाइयों को सैंट्रल एफ्लुएंट ट्रीटमेंट प्लांट, सोल्वेंट रिकवरी एवं डिस्टिलेशन प्लांट, स्टीम जेनरेशन एवं डिस्ट्रीब्यूशन प्रणाली, कॉमन कूलिंग सिस्टम एवं डिस्ट्रीब्यूशन नेटवर्क, कॉमन लॉजिस्टिक सुविधाएं, एड्वांस्ड लेबोरेटरी टेस्टिंग सैंटर, एमरजैंसी रेस्पोंस सैंटर, सैंटर फॉर एक्सीलेंस आदि जैसी साझी सुविधाएं प्रदान की जानी हैं।

6. **वित्तीय परिव्यय:** इस योजना का कुल वित्तीय परिव्यय 3,000 करोड़ रुपए है।

7. **योजना की अवधि:** इस योजना की अवधि वर्ष 2020-21 से 2024-25 तक की होगी।

8. **राज्य कार्यान्वयन एजेंसी:**

8.1 इस योजना के अन्तर्गत चयनित एक बल्क औषधि पार्क परियोजना को राज्य कार्यान्वयन एजेन्सी (एसआईए) द्वारा कार्यान्वित किया जाएगा।

8.2 एसआईए बल्क औषधि पार्क परियोजना के कार्यान्वयन के प्रयोजन के लिए संबंधित राज्य सरकार द्वारा गठित एक कानूनी एजेन्सी होगी।

9. **योजना संचालन समिति**

9.1 इस योजना के अन्तर्गत प्रस्तावों को औषध विभाग द्वारा गठित योजना संचालन समिति (एसएससी) द्वारा मंजूरी प्रदान की जाएगी।

9.2 एसएससी की संरचना इस प्रकार होगी:

सचिव, औषध विभाग	- अध्यक्ष
वित्तीय सलाहकार, औषध विभाग	- सदस्य
संयुक्त सचिव, पर्यावरण, वन और जलवायु परिवर्तन	- सदस्य
संयुक्त सचिव, उद्योग संवर्धन विभाग और आंतरिक व्यापार	- सदस्य
संयुक्त सचिव, स्वास्थ्य और परिवार कल्याण विभाग	- सदस्य
डीसीजीआई, केन्द्रीय औषधि मानक नियंत्रण संगठन	- सदस्य
संयुक्त सचिव (नीति), औषध विभाग	- संयोजक

एसएससी, समय-समय पर यथावश्यक रूप से उद्योग संघों, आरएंडडी संस्थानों और अन्य सरकारी / निजी क्षेत्र के विशेषज्ञ संगठनों के प्रतिनिधियों को विशेष रूप से आमंत्रित कर सकती है।

9.3 एसएससी योजना के सफल कार्यान्वयन के लिए संशोधन सहित, यदि कोई हो, आवश्यक सभी निर्णय लेगा।

10. योजना के विस्तृत दिशानिर्देश विभाग की वेबसाइट पर अपलोड किए जाएंगे।

11. यह अधिसूचना इस विषय पर औषध विभाग की दिनांक 2 जून, 2020 की पूर्ववर्ती अधिसूचना संख्या 31026/16/2020-पॉलिसी का अधिक्रमण करती है।

नवदीप रिनवा, संयुक्त सचिव

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

NOTIFICATION

New Delhi, the 21st July, 2020

Subject:- Scheme for Promotion of Bulk Drug Parks.

No. 31026/16/2020-Policy.—1. Background

1.1. Drugs play a vital role in healthcare delivery in the country. Continuous supply of drugs is necessary to ensure delivery of affordable healthcare to the citizens. Any disruption in supply of drugs can have significant adverse impact on drug security of the country.

1.2. Indian pharmaceutical industry is the 3rd largest in the world by volume and 14th largest in terms of value. India contributes 3.5% of total drugs and medicines exported globally. However, despite these achievements, India is significantly dependent on import of some of the basic raw materials, viz., bulk drugs that are used to produce the finished dosage formulations. India imports bulk drugs largely for economic considerations. Bulk drugs accounted for 63% of the total pharmaceutical imports in the country during 2018-19.

1.3. Future growth of pharmaceutical sector is contingent upon our ability to ensure un-interrupted supply of quality bulk drugs and our capacity to upscale their manufacturing during emergency situations. Self-reliance in manufacturing of bulk drugs is, therefore, highly desirable.

1.4. With a view to significantly bring down the manufacturing cost of bulk drugs and thereby increase the competitiveness of the domestic bulk drug industry by providing easy access to standard testing & infrastructure facilities, a scheme called "Promotion of Bulk Drug Parks" has been approved by the Government of India on 20th March 2020.

2. Objective

2.1. To promote setting up of bulk drug parks in the country for providing easy access to world class common infrastructure facilities to bulk drug units located in the parks in order to significantly bring down the manufacturing cost of bulk drugs and thereby make India self-reliant in bulk drugs by increasing the competitiveness of the domestic bulk drug industry.

2.2. To help industry meet the standards of environment at a reduced cost through innovative methods of common waste management system.

2.3. To exploit the benefits arising due to optimization of resources and economies of scale.

3. Scope: Financial assistance under the Scheme will be provided for creation of common infrastructure facilities in three Bulk Drug Parks proposed by State Governments and selected under the scheme**.**

4. Financial Assistance: Financial assistance to a selected Bulk Drug Park would be 70% of the project cost of common infrastructure facilities. In case of North Eastern States and Hilly States (Himachal Pradesh, Uttarakhand, Union Territory of Jammu & Kashmir and Union Territory of Ladakh) financial assistance would be 90% of the project cost. Maximum assistance under the scheme for one Bulk Drug Park would be limited to Rs. 1000 crore.

5. Common Infrastructure Facilities: The common facilities provided to individual bulk drug units in the Bulk Drug Park such as central effluent treatment plant, solvent recovery and distillation plant, steam generation and distribution system, common cooling system and distribution network, common logistics facilities, advance laboratory testing centre, emergency response centre, centre of excellence etc.

6. Financial outlay: The total financial outlay of the Scheme is Rs. 3,000 crore.

7. Tenure of the Scheme: The tenure of the Scheme is from FY 2020-2021 to FY 2024-2025.

8. State Implementing Agency

8.1. A Bulk Drug Park project selected under the Scheme will be implemented by a State Implementing Agency (SIA).

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

8.2. SIA shall be a legal entity set up by the concerned State government for the purpose of implementing the Bulk Drug Park project.

9. Scheme Steering Committee

9.1. The proposals under the scheme will be approved by the Scheme Steering Committee (SSC) constituted by Department of Pharmaceuticals (DoP).

9.2. The composition of the SSC is as follows:

Secretary, DoP	-	Chairperson
Financial Adviser, DoP	-	Member
Joint Secretary, Ministry of Environment, Forest and Climate Change	-	Member
Joint Secretary, Department for Promotion of Industry and Internal Trade	-	Member
Joint Secretary, Department of Health and Family Welfare	-	Member
DCGI, Central Drugs Standard Control Organisation	-	Member
Joint Secretary (Policy), DoP	-	Convenor

The SSC may invite representatives of Industry Associations, R&D Institutions and other Government / Private sector expert organizations as special invitees as may be necessary from time to time.

9.3. The SSC shall take all decisions required for successful implementation of the scheme, including any modifications if required.

10. The detailed guidelines of the scheme will be uploaded on the website of the Department.

11. This Notification supersedes the earlier Notification of the Department of Pharmaceuticals issued on this subject vide no 31026/16/2020-Policy dated 2nd June, 2020.

NAVDEEP RINWA, Jt. Secy.

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File No. 31026/16/2020-Policy
Government of India
Ministry of Chemicals and Fertilizers
Department of Pharmaceuticals

Dated: 29th October, 2020

Guidelines for the Production Linked Incentive (PLI) Scheme for promotion of domestic manufacturing of critical Key Starting Materials (KSMs) / Drug Intermediates (DIs) / Active Pharmaceutical Ingredients (APIs) in India

1. Background

1.1. Medicines play a major role in healthcare delivery in the country. Continuous supply of drugs is necessary to ensure delivery of affordable healthcare to the citizens. Any disruption in supply of drugs can have significant adverse impact on drug security of the country. Self-reliance (*Atmanirbharta*) in manufacturing of drugs is, therefore, highly desirable.

1.2. Indian pharmaceutical industry is the 3rd largest in the world by volume and 14th largest in terms of value. India contributes 3.5% of total drugs and medicines exported globally. However, despite these achievements, India is significantly dependent on import of some of the basic raw materials, viz., bulk drugs that are used to produce the finished dosage formulations. India imports bulk drugs largely for economic considerations. Bulk drugs accounted for 63% of the total pharmaceutical imports in the country during FY 2018-19.

1.3. Future growth of the pharmaceutical sector is contingent upon our ability to ensure un-interrupted supply of quality bulk drugs and also our capacity to upscale their manufacturing to meet emergency situations. An intervention is required so that India becomes pharmacy of the world in a true sense.

1.4. The Government of India has approved a scheme called the Production Linked Incentive (PLI) Scheme for promotion of domestic manufacturing of critical Key Starting Materials (KSMs) / Drug Intermediates (DIs) / Active Pharmaceutical Ingredients (APIs) in India (hereinafter referred to as 'Scheme') which has been notified vide Gazette Notification no. - 31026/16/2020-Policy, dated - 21/07/2020.

1.5. The objective of the Scheme is to attain self-reliance and reduce import dependence in critical KSMs/DIs/APIs. Under the Scheme, financial incentives shall be given based on committed investment and sales made by selected applicant for the eligible products.

1.6. A committee, headed by the Joint Drugs Controller (I), CDSCO, constituted by the Department of Pharmaceuticals (DoP), Ministry of Chemicals and Fertilizers has provided technical inputs to prepare the guidelines. These guidelines have been prepared after detailed consultations with the industry and other relevant stakeholders.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

1.7. These guidelines are being issued for effective and smooth implementation of the Scheme and cover, inter alia, the following:

1.7.1. Definitions

1.7.2. Eligibility and Selection

1.7.3. Application and Online Portal

1.7.4. Project Management Agency (PMA), Technical Committee (TC) and Empowered Committee (EC)

1.7.5. Approval under the Scheme

1.7.6. Calculation and disbursement of incentive

2. Definitions

2.1. **Active Pharmaceutical Ingredient (API)**: Any substance or mixture of substances intended to be used in the manufacture of a drug (medicinal) product and that, when used in the production of a drug, becomes an active ingredient of the drug product. Such substances are intended to furnish pharmacological activity or other direct effect in the diagnosis, cure, mitigation, treatment or prevention of disease or to affect the structure or function of the body.

2.2. **Applicant:** Applicant for the purpose of the Scheme shall be any Proprietary Firm or Partnership Firm or Limited Liability Partnership (LLP) or a Company registered in India proposing to manufacture eligible products and making an application for seeking approval under the Scheme. The applicant shall make committed investment in a Greenfield Project.

2.3. **Application:** Application submitted by an applicant to the PMA as per the Application Form prescribed under these guidelines containing requisite information, along with supporting documents and application fee.

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

2.5. **Application Approval Date:** The date on which approval letter under the Scheme is issued by the PMA.

2.6. **Application Window:** Time period allowed for filing of applications. The application window shall be open up to November 30, 2020 (inclusive)

2.7. **Base Year:** Financial Year 2019-20.

2.8. **Date of commercial production:** The date on which the applicant raises the first GST invoice for the sale of eligible product under the Scheme. In case of in-house consumption of the eligible product, the date on which the applicant raises the first GST invoice for sale of the downstream product manufactured by using the eligible product.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

2.9. **Committed Investment**: The amount of fresh investment as defined in para 2.21 below which the applicant shall commit by declaration at the time of applying under the scheme.

2.10. **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 of eligible product

B. Net sales turnover

2.11. **Drug Intermediate (DI):** A material produced during intermediate steps in the synthesis of an API that must undergo further molecular change or processing before it becomes an API.

2.12. **Eligible Product:** Product manufactured in India and included in the 'List of Eligible Products' in **Appendix A**.

2.13. **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 manufactured goods leave the production facility. Such employment shall include on-roll, contractual and apprentice workforce in the country only.

2.14. **Empowered Committee (EC):** A committee constituted by DoP and comprising of the following members:

i. CEO, NITI Aayog (Chairman)
ii. Secretary, Department of Pharmaceuticals
iii. Secretary, Department of Chemicals and Petrochemicals
iv. Secretary, Department for Promotion of Industry & Internal Trade
v. Secretary, Department of Commerce
vi. Secretary, Ministry of Environment, Forest and Climate Change
vii. Secretary, Department of Health & Family Welfare

Experts may be invited as special invitees, as may be felt necessary, from time to time.

2.15. **Financial Year:** Financial Year begins on the 1st April of a year and ends on 31st March of the following year.

2.16. **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).

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

2.17. **Formulation:** A finished dosage form, for example tablet, capsule, solution, injectable, ointment, semisolid, etc. that contains an active drug ingredient along with other ingredients.

2.18. **Greenfield Project:** Project(s) wherein committed investment is proposed to be made by the applicant under this Scheme in a new production facility or in a new plant in the premises of an existing production facility. Separate records shall however be maintained for the new plant(s) in the premises of an existing production facility for the purpose of the Scheme.

Note: 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.

2.19. **Group Companies:** 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.

2.20. **Incentive:** Incentive is the financial benefit to be provided to each selected applicant based on sales of the eligible product.

2.21. **Investment:** Investment shall mean:

2.21.1. Expenditure incurred on new Plant, Machinery, Equipment and Associated Utilities: This shall include expenditure on new plant, machinery, equipment and associated utilities. It shall also include expenditure on packaging, freight / transport, insurance, and erection and commissioning of the new plant, machinery, equipment including laboratory equipment and associated utilities. Associated utilities would include essential equipment required in operation areas such as Clean Rooms, Air Curtains, Temperature and Air Quality Control Systems, Compressed Air, Water & Power Supply and Control Systems. Associated utilities shall also include ETP, incinerators, effluent lines / tanks / treatment, supply lines of water / sewerage / solvents / gases, solvent recovery, solid waste treatment plant, solvent storage tanks, LPG storage tanks, warehousing, electricity lines, power generation facility and communication lines for telephone-internet within the establishment. All non-creditable taxes and duties would be included in such expenditure.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

2.21.2. Expenditure incurred for establishment of new Research and Development (R&D) facility: This shall include capital expenditure on R&D and product development related to eligible product only. All non-creditable taxes and duties would be included in such expenditure.

2.21.3. Expenditure incurred on Land: The expenditure incurred on land required for the project / unit shall not be considered for determining threshold investment.

2.21.4. Expenditure incurred on Building: This shall include expenditure on construction of building where new plant and machinery are installed and shall also include expenditure on associated infrastructure including internal roads and compound wall. However, the expenditure on the associated infrastructure shall be limited to 20% of the investment in new plant & machinery. Further, expenditure on guest house building, recreational facilities, office building, residential colonies and similar structures shall not be considered for determining the threshold investment.

2.22. **Key Starting Material (KSM):** A raw material, intermediate or an API that is used in the production of an API and that is incorporated as a significant structural fragment into the structure of the API. KSM can be an article of commerce, a material purchased from one or more suppliers under contract or commercial agreement or produced in-house. KSMs are normally of defined chemical properties and structure.

2.23. **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.

2.24. **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.

2.25. **Net Worth:** Net worth would comprise of Paid-up Capital plus Free Reserves including Share Premium but excluding Revaluation Reserves, plus Investment Fluctuation Reserve and credit balance in Profit & Loss account, less debit balance in Profit & Loss account, Accumulated Losses and Intangible Assets.

2.26. **Non-originating Material and Service:** Material and Service whose country of origin is other than the country in which that material and service is used in manufacturing and any material and service whose origin cannot be determined.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

2.27. **Project Management Agency (PMA):** Refers to the financial institution(s) or any other authority(ies) appointed by the DoP 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.

2.28. **Raw Material (RM):** A general term used to denote starting materials, reagents, and solvents intended for use in the production of intermediates or APIs. Chemicals coming from hydrocarbon cracking, petroleum by-products or renewable sources shall not be considered as RM for this purpose.

2.29. **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.

2.30. **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.

2.31. **Target Segment:** Target Segment shall mean one of the four segments viz.:

i. Key Fermentation based KSMs / Drug Intermediates
ii. Niche Fermentation based KSMs / Drug Intermediates / APIs
iii. Key Chemical Synthesis based KSMs / Drug Intermediates
iv. Other Chemical Synthesis based KSMs / Drug Intermediates / APIs

2.32. **Technical Committee (TC):** A Technical Committee constituted by DoP to assist the Empowered Committee for discharging its functions.

3. **Tenure of the Scheme:** The tenure of the Scheme is from Financial Year 2020-21 to Financial Year 2029-30.

4. **Eligibility:**

4.1 **Eligibility for selection**

4.1.1 The project shall be a greenfield project as defined under these guidelines.

4.1.2 The Net Worth of the Applicant (including that of Group Companies), as on the date of application, shall not be less than 30% of the total committed investment. The Applicant not meeting the said Net Worth criteria shall not be eligible.

4.1.3 The proposed Domestic Value Addition (DVA) by the applicant shall be at least 90% in case of fermentation based product and at least 70% in case of chemical synthesis based product.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

4.1.4 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.

4.2 **Eligibility for incentive**

4.2.1 A selected applicant must meet both the eligibility criteria of committed investment and minimum annual production capacity as given in **Appendix B** of these guidelines.

4.2.2 A selected applicant will have to separately meet the above eligibility criteria of minimum annual production capacity and committed investment for each of the eligible products, for which approval has been granted under the Scheme.

4.2.3 In case, the committed annual production capacity is more than minimum annual production capacity as given in **Appendix B**, the selected applicant shall have to complete the installation of committed annual production capacity and make committed investment, as stated in the approval letter, in order to be eligible to claim incentive.

4.2.4 The applicant shall have to achieve minimum stipulated DVA as per Clause 4.1.3 (90% for fermentation based product and 70% for chemically synthesis based products) for a claim period in order to remain eligible for receiving incentive for that claim period, subject to relaxation given in Clause 4.2.5.

4.2.5 If the DVA achieved for any particular claim period is between 80% to 90% in case of fermentation based product and between 60% to 70% in case of chemical synthesis based product, the applicant will get 50% of the eligible incentive. This relaxation would be available for a period of 12 months only (one claim period of 12 months or any two claim periods of 6 months) during the tenure of the Scheme.

4.2.6 If the incentive availed by an applicant for any financial year, for any reason, is less than the maximum available incentive for that applicant in that financial year, the applicant shall not be entitled to claim the differential amount in subsequent financial years.

4.2.7 Eligibility under the Scheme shall not affect eligibility under any other scheme and *vice versa*.

5. **Selection:**

5.1 All eligible applicants shall be ranked on the basis of marks obtained in the evaluation criteria as given in **Appendix F.** The applicant securing highest marks shall be ranked 1, followed by applicant securing second highest marks and so on.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

5.2 The selection of the applicants shall be in the order of their ranks.

5.3 The number of selected applicants shall be limited by the maximum amount of incentive available for each eligible product, as given in Table 2 of **Appendix E.**

5.4 The incentive for a selected applicant committing annual production capacity in multiple of minimum annual production capacity may exceed the maximum incentive for each selected applicant as mentioned in Table 2 of **Appendix E** and will depend upon the ranking of such applicant, committed capacities of other selected applicants and maximum incentive earmarked against each eligible product.

Example

Scenario – 1

In case of Penicillin G, if the applicants securing Rank 1 and Rank 2, have committed annual production capacity of 10,000 MT and 5,000 MT respectively, then only applicant securing Rank 1 will be selected and applicant securing Rank 2 will not be selected. In this scenario, applicant securing Rank 1 will be eligible for incentive on 10,000 MT annual production capacity.

Scenario - 2

In case of Penicillin G, if the applicants securing Rank 1 and Rank 2, have committed annual production capacity of 5,000 MT and 10,000 MT respectively, then both the applicants will be selected. However, for both the selected applicants, incentive shall be available for 5000 MT capacity only. However, in case a lower ranking applicant has quoted sale price lower than that of applicant securing Rank 2, then the applicant securing Rank 2 shall be required to install committed capacity of 10,000 MT and make corresponding committed investment.

5.5 In case, two or more applicants have same score, the selection shall be made on the basis of the scores obtained against the criterion, "sale price for incentive quoted in the application." In case the applicants have same score in this criterion also, the applicant whose application is received earlier shall be selected. For this purpose, the date of submission of original application shall be considered.

5.6 If an application is received from any Central Public Sector Enterprise (CPSE) under the administrative control of DoP, subject to fulfilment of eligibility criteria as specified in the Scheme, such applicant CPSE may be selected by the Empowered Committee, in the national interest.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

6 Investment for Determining Eligibility

6.1 General Terms and Conditions

6.1.1 Investment as defined in these guidelines shall be considered for determining eligibility under the Scheme provided such Investment is made on or after April 01, 2020.

6.1.2 No second hand / used / refurbished plant, machinery, equipment, utilities or research and development equipment shall be used to manufacture the eligible product.

6.1.3 Expenditure on consumables and raw material used for manufacturing shall not be considered as Investment.

6.1.4 The date of purchase invoice would be considered as the date of investment under the Scheme.

6.1.5 The heads of Investment, based on which eligibility is being determined, should be capitalized in the books of accounts of the applicant as certified by the Statutory Auditor or Independent Chartered Accountant, whichever is applicable.

6.1.6 The applicant shall submit a certificate by any empanelled Chartered Engineer to be appointed by PMA, for committed investment by the applicant and shall be relied upon by PMA. Such Chartered Engineer shall issue the certificate after carrying the physical inspection of the plant.

6.2 Plant, Machinery and Equipment

6.2.1 Expenditure incurred on new Plant, Machinery and Equipment as defined in Clause 2.20.1 of these guidelines shall be considered as Investment for determining eligibility under the Scheme.

6.2.2 Plant, Machinery and Equipment should 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.

6.2.3 The Plant, Machinery and Equipment of the Greenfield Project approved under the Scheme shall be used in regular course for manufacturing of the eligible product 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 KSMs/DIs/APIs. The applicant must submit a declaration about

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

usage of machinery for each year during the period that such applicant is claiming incentive under the Scheme.

6.3 **Research and Development (R&D)**

6.3.1 Expenditure incurred on new Research and Development as defined in Clause 2.20.2 of these guidelines shall be considered as Investment for determining eligibility under the Scheme.

6.3.2 The applicant shall provide a certificate from Statutory Auditor or Independent Chartered Accountant, whichever is applicable, and purchase agreements in respect of the cost of technology, Intellectual Property Rights (IPRs), patents and copyrights.

6.4 **Associated Utilities**

6.4.1 Expenditure incurred on new associated utilities as defined in Clause 2.20.1 of these guidelines shall be considered as Investment for determining eligibility under the Scheme.

6.4.2 The applicant shall provide a certificate from Statutory Auditor or Independent Chartered Accountant, whichever is applicable, in respect of expenditure related to associated utilities.

7 **Application**

7.1 The applicant is required to submit the application as per application from prescribed in **Annexure 1.**

7.2 The Scheme shall be open for applications up to November 30, 2020 (inclusive). No application shall be accepted after the end of the application window.

7.3 An applicant can apply for more than one eligible product. However, a separate application along with the application fee is required to be submitted for each eligible product.

7.4 An applicant may commit annual production capacity higher than the minimum annual production capacity. However, the capacity committed shall be in whole number multiple of the minimum annual production capacity, as specified in **Appendix B**.

7.5 An applicant shall specify its own other domestic manufacturing sites, if any, used to manufacture KSMs/DIs, which are proposed to be used by the applicant for the manufacture of eligible product.

7.6 An applicant shall submit an undertaking in the format the format as per **Annexure 6** consenting audit of their manufacturing site / offices for verification of information/data submitted along with the application.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

7.7 Considering the time taken for establishment of manufacturing facility, complexity of the manufacturing process involved and requirement of regulatory approvals, a gestation period of 2 years (FY 2021-22 and FY 2022-23) is provided for eligible products manufactured by fermentation process and 1 year (FY 2021-22) for eligible products manufactured by chemical synthesis.

7.8 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.

7.9 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 will be closed under intimation to the applicant.

7.10 PMA shall issue an 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 criteria as prescribed, the PMA shall inform the applicant accordingly within 15 working days of receipt of application and the application shall be closed.

7.11 A non-refundable application fee, as mentioned in **Appendix C** of these guidelines, would be payable for each application. The application fee would be accepted electronically only.

8 Online Portal

8.1 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.

8.2 Upon successful submission of an application, PMA will issue a unique Application ID to the applicant for all future references pertaining to the Scheme.

8.3 Application can be made on the online portal, URL of which is https://plibulkdrugs.ifciltd.com/.

9 Project Management Agency (PMA)

9.1 The Scheme will be implemented through a Project Management Agency (PMA) which will be responsible for providing secretarial, managerial and

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

implementation support and carrying out other responsibilities as assigned by DoP from time to time.

9.2 The PMA shall be responsible, inter alia, for:

i. Receipt of application, examination and processing of applications and issuing acknowledgements.

ii. Weekly submission to DoP, the status of applications received and processed under the Scheme.

iii. Making appropriate recommendations to the Empowered Committee (EC) in line with **Annexure 3** for approval of applications under the Scheme. Verification of committed investment and minimum annual production capacity for determining eligibility for disbursement of incentive.

iv. Examination of claims for disbursement of incentive and making appropriate recommendations to the EC.

v. Verification of the reconciliation of disbursement claims with prescribed documents.

vi. Compilation of data regarding progress and performance of the Scheme through Quarterly Review Reports as per **Annexure 5** and other information / documents.

vii. Providing secretarial and other support to the TC for carrying out its responsibilities.

9.3 PMA may seek inputs from Technical Committee on a technical issue related to the Scheme, as may be deemed necessary.

9.4 The PMA may request for additional information, details and documents from the applicant as deemed necessary.

9.5 The PMA will have the right to carry out physical inspection of an applicant's manufacturing units and offices through site visit.

10 Technical Committee (TC)

10.1 A Technical Committee constituted by DoP will assist the Empowered Committee for discharging its functions. TC will also give its comments on any technical matter referred by DoP. The composition of the committee is as given below:

i. One person, from a Government organisation, having knowledge in the manufacture of API/DI/KSM and / or experience in regulation of API industry.

ii. One representative from CSIR with knowledge in the process development / R&D / manufacture of API.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

iii. Two experts having knowledge and experience in the process development / R&D / manufacture of API (New technologies) from relevant institutions (NIPER, IISc, IIT, CCMB, NCL or similar institutions).

11 Empowered Committee (EC)

11.1 The EC shall meet as often as necessary to ensure timely consideration of applications and disbursement claims and conduct periodic review of the Scheme.

11.2 The EC will consider applications, as recommended by the PMA for approval under the Scheme. The EC may seek such additional information, as considered necessary for approval.

11.3 The EC while considering applications for approval shall ensure that the total amount of incentives payable across target segments do not exceed the financial outlay as indicated in **Appendix E** irrespective of the number of applicants under different Target Segments.

11.4 The EC will conduct a periodic review of selected applicants with respect to their investment, employment generation and production under the Scheme.

11.5 The EC will consider claims for disbursement, as examined and recommended by the PMA, for disbursement of incentive.

11.6 The EC may carry out any amendments in the Scheme and these guidelines except revising the incentive rates, ceiling or eligible products.

11.7 In case of a Force Majeure event, the EC may amend, modify or withdraw any Clause under the Scheme.

11.8 The EC may hold stakeholder consultation as and when deemed necessary during the tenure of the Scheme.

12 Approval under the Scheme

12.1 The PMA will process the applications and make appropriate recommendations to the EC for approvals under the Scheme.

12.2 The EC will consider applications, as recommended by PMA for approval under the Scheme.

12.3 The EC shall recommend two (2) waitlisted applicants, if available, along with selected applicants for each eligible product.

12.4 All the applications will be finalized within 90 days from the date of closure of application window.

12.5 After receiving approval from the EC, the PMA will issue a letter to the selected applicant within 5 working days, communicating approval under the Scheme. The approval letter shall clearly state the following:

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

i. Name of applicant
ii. Eligible product
iii. Base line (if applicable)
iv. Committed annual production capacity
v. Committed investment
vi. Quoted sale price of the eligible product
vii. Scheduled date of commencement of production
viii. Rate of incentive
ix. Ceiling of annual incentive

12.6 The selected applicant shall submit, within two weeks of date of issuance of approval letter by the PMA, a bank guarantee of an amount mentioned along with undertaking as per Appendix D, in favour of DoP, valid for 365 days to be rolled over till the proposed date of commercial production.

12.7 The bank guarantee will be invoked if the actual commercial production is not met within 1 year of the original proposed date.

12.8 The bank guarantee will be released upon achievement of commercial production provided the actual date of commercial production is within 1 year of the original proposed date.

12.9 In case, an applicant is selected for multiple eligible products, separate approval letters will be issued for each eligible product and separate bank guarantees shall be submitted by the applicant for each of such eligible product.

12.10 The aforesaid approval letter(s) 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.

12.11 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 forfeited and the bank guarantee shall be invoked (if not released as per Clause 12.8), and the offer letter issued shall stand cancelled. In such case, the offer shall be extended to the waitlisted applicant for the period remaining.

13 Post Approval

13.1 PMA shall monitor the progress of the project made by the selected applicant as and when required with respect to investment committed.

13.2 The applicant shall complete the investment as stated in the project report prior to commercial production. The applicant shall be eligible for the incentive only after investing the entire investment committed and after setting up the entire committed annual production capacity, as per the approval letter.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

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

14 **Calculation of Incentive**

14.1 The incentive under the Scheme shall be applicable only on the sales of the eligible product.

14.2 The annual incentive to be disbursed to the applicant shall be subject to ceiling of annual incentive, as stated in the approval letter.

14.3 The sale price quoted in the application form shall be maximum price on which applicant can claim incentive and shall remain fixed throughout the tenure of the Scheme. However, it is clarified that price quoted by the applicant is only for calculation of incentive and there are no conditions/ restrictions under these guidelines on the actual sale price of the eligible product.

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

Net Sales of Eligible Product x Rate of Incentive

Where

a) Eligible product means the product as stated in the approval letter.

b) Sales of eligible product means the sales of eligible product manufactured by the applicant in the Greenfield Project approved and set-up under these guidelines.

c) Net sales shall be calculated as per the actual sale price or sale price quoted by applicant in the application form, whichever is lower.

d) In case of in-house consumption of eligible product by the selected applicant, the net sales of eligible product shall mean the actual cost of production of the said product, as certified by a Cost Accountant, who is a member of the Institute of Cost Accountants of India.

e) In case of in-house consumption of the eligible product, net sales shall be calculated as per the sale price quoted by applicant in the application form or actual cost of production, whichever is lower.

f) In case of return of sales of eligible product, 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.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

g) **Rate of incentive:**

i. Fermentation based products:
- FY 2023-2024 to FY 2026-2027: 20%,
- FY 2027-28: 15% and
- FY 2028-29: 5%

ii. Chemically synthesized products:
- FY 2022-2023 to 2027-2028: 10%

15 **Disbursement of Incentive**

15.1 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 4** of these guidelines.

15.2 An applicant may submit a claim for disbursement of incentive only on half-yearly or annual basis that is for the sales made in the period of April to September and October to March or April to March. Claims for any period shall be made only once, unless withdrawn, and no subsequent part claims shall be allowed for the said period.

15.3 In case an applicant makes a claim for incentive for multiple products, a separate application shall be submitted for each product.

15.4 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.

15.5 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. The applicant is required to submit the calculation of Domestic Value Addition (DVA) with every claim, along with a certificate from Statutory Auditor or Independent Chartered Accountant, whichever is applicable.

15.6 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 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.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

15.7 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 DoP for clarification and the decision of DoP shall be final in this regard.

15.8 The PMA shall process claim for disbursement of incentive within 60 days from the date of receipt of such claim and make appropriate recommendations to the EC.

15.9 The EC will consider and approve claims for disbursement, as examined and recommended by the PMA, for disbursement of incentive.

15.10 The PMA shall disburse funds after completion of all pre-disbursal formalities by the applicant and approval from EC.

15.11 The disbursement of incentive will be in the form of Direct Bank Transfer through PFMS or through any other mechanism of adjustment in the name of applicant only.

15.12 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.

15.13 The PMA shall verify the aforesaid reconciliation. In case of excess claims disbursed, the applicant shall reimburse DoP 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).

15.14 If the PMA or DoP is satisfied that eligibility under the Scheme and / or disbursement of incentives have been obtained by misrepresentation of facts or falsification of information, DoP may ask the applicant to refund the incentives along with interest calculated at 3 years SBI MCLR prevailing on date of disbursement, compounded annually, after giving an opportunity to the applicant of being heard.

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

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

16 Review

16.1 Periodic reviews will be undertaken by the Empowered Committee (EC) with respect to progress and performance of the Scheme.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

16.2 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 5** of these guidelines.

17 Residual

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

17.2 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 for approval of the EC to consider for disbursal of incentives.

17.3 In case of a successor-in-interest, all 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.

17.4 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.

17.5 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.

17.6 Two formats of undertakings are enclosed as **Format A** and **Format B** of **Annexure 7**. 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.

17.7 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. 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.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

17.8 If the applicant is other than Company then the applicable/ equivalent documents / certificates shall be submitted.

18 These guidelines supersede the earlier guidelines of the scheme issued on this subject vide no 31026/16/2020-Policy dated 27th July, 2020.

(Navdeep Rinwa)
Joint Secretary to the Government of India
Tel No. 011-23385131
Email: js.pharma@nic.in

New Delhi, Dated: 29th October, 2020

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

Appendix A

List of eligible products

S. No	Name of the KSM/DI/API	S. No.	Name of the KSM/DI/API
1	Penicillin G	22	1,1 Cyclohexane Diacetic Acid (CDA)
2	7-ACA	23	2-Methyl-5Nitro-Imidazole (2-MNI)
3	Erythromycin Thiocynate(TIOC)	24	Dicyandiamide (DCDA)
4	Clavulanic Acid	25	Para amino phenol
5	Neomycin	26	Meropenem
6	Gentamycin	27	Atorvastatin
7	Betamethasone	28	Olmesartan
8	Dexamethasone	29	Valsartan
9	Prednisolone	30	Losartan
10	Rifampicin	31	Levofloxacin
11	Vitamin B1	32	Sulfadiazine
12	Clindamycin Base	33	Ciprofloxacin
13	Streptomycin	34	Ofloxacin
14	Tetracycline	35	Norfloxacin
15	Ritonavir	36	Artesunate
16	Lopinavir	37	Telmisartan
17	Acyclovir	38	Aspirin
18	Carbamazepine	39	Diclofenac Sodium
19	Oxcarbazepine	40	Levetiracetam
20	Vitamin B6	41	Carbidopa
21	Levodopa		

Note: The 41 eligible products for which the Scheme is proposed covers the 53 APIs which have been approved by the Government.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

Eligibility Criteria

Sr. No.	Name of KSM/DI/API	Minimum annual production Capacity (Metric Tonnes)	Maximum number of applicants to be selected
Key Fermentation based KSMs / Drug Intermediates			
1.	Penicillin G	5000	2
2.	7-ACA	1000	2
3.	Erythromycin Thiocynate (TIOC)	800	2
4.	Clavulanic Acid	1.5 lakh Kg	2
Fermentation based niche KSMs / Drug Intermediates / APIs			
5.	Neomycin	80	2
6.	Gentamycin	40	2
7.	Betamethasone	2	2
8.	Dexamethasone	2	2
9.	Prednisolone	15	2
10.	Rifampicin	100	2
11.	Vitamin B1	200	2
12.	Clindamycin Base	60	2
13.	Streptomycin	50	2
14.	Tetracycline	200	2
Key Chemical Synthesis based KSMs / Drug Intermediates			
15.	1,1 Cyclohexane Diacetic Acid (CDA)	1500	4
16.	2-Methyl-5Nitro-Imidazole (2-MNI)	800	4
17.	Dicyandiamide (DCDA)	8000	4
18.	Para amino phenol	4500	4
Other Chemical Synthesis based KSMs / Drug Intermediates / APIs			
19.	Meropenem	4	4
20.	Atorvastatin	30	4
21.	Olmesartan	25	4
22.	Valsartan	25	4
23.	Losartan	40	4
24.	Levofloxacin	115	4
25.	Sulfadiazine	20	4
26.	Ciprofloxacin	150	4
27.	Ofloxacin	100	4

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

Sr. No.	Name of KSM/DI/API	Minimum annual production Capacity (Metric Tonnes)	Maximum number of applicants to be selected
28.	Norfloxacin	15	4
29.	Artesunate	20	4
30.	Telmisartan	45	4
31.	Aspirin	750	4
32.	Diclofenac Sodium	175	4
33.	Levetiracetam	140	4
34.	Carbidopa	2	4
35.	Ritonavir	5	4
36.	Lopinavir	7	4
37.	Acyclovir	75	4
38.	Carbamazepine	65	4
39.	Oxcarbazepine	65	4
40.	Vitamin B6	35	4
41.	Levodopa	10	4

Note: The Net Worth of the Applicant (including that of Group Companies), as on the date of application, shall not be less than 30% of the committed investment. The Applicant not meeting the said Net Worth criteria shall not be eligible.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

Appendix C

Application Fee under the Scheme

S. No.	Name of the eligible product	Application Fee
1	Penicillin G, 7-ACA, Erythromycin Thiocynate (TIOC), Clavulanic Acid	Rs. 1,00,000/-
2	All other eligible products	Rs. 50,000/-

Application Fee will be paid electronically through NEFT / RTGS to the bank account as per details given hereunder:

Bank Account Name	:	IFCI – PLI – Bulk Drugs
Account Number	:	3859475896
Name of the Bank	:	Central Bank of India
IFSC Code	:	CBIN0281410
Branch Code	:	1410
Branch Name	:	Nehru Place
Bank Address	:	Central Bank of India, 59, Shakuntala Building, Nehru Place, New Delhi - 110019

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

Appendix D

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

Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, Shastri Bhawan, New Delhi-110001 (hereinafter referred as "DoP") represented by <PMA Name>, having its registered office at _____, acting as the Project Management Agency (PMA) for Production Linked Incentive (PLI) Scheme for promotion of domestic manufacturing of critical Key Starting Materials (KSMs) / Drug Intermediates (DIs) / Active Pharmaceutical Ingredients (APIs) 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 DoP / <PMA Name> sums not exceeding in aggregate ---------- (INR ----------) within five (5)

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

bank working days (as per the Reserve Bank of India) of receipt of a written demand thereof from DoP / <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 DoP / <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, altercation, 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 DoP / <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.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

FORMAT OF UNDERTAKING 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 promotion of domestic manufacturing of critical Key Starting Materials (KSMs) / Drug Intermediates (DIs) / Active Pharmaceutical Ingredients (APIs) in India, notified by Department of Pharmaceuticals (DoP) vide Gazette Notification no. - 31026/16/2020-Policy, dated - 21/07/2020 in Part-I, Section 1 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. 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 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.	Target Segment	Amount of BG
A.	Key Fermentation based KSMs / Drug Intermediates	Rs. 4 crore
B.	Niche Fermentation based KSMs / Drug Intermediates / APIs	Rs. 50 lakh
C.	Key Chemical Synthesis based KSMs / Drug Intermediates	Rs. 50 lakh

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

D.	Other Chemical Synthesis based KSMs / Drug Intermediates / APIs	Rs. 20 lakh

* valid for 365 days to be rolled over till the proposed date of commercial production as per clause 12.6.

B. We understand and agree that, we are legally bound to renew the BG / issue fresh BG, failing which DoP / PMA may invoke the BG.

C. In case of loss, mutilation, force majeure or any other eventualities, with respect to Original BG (favouring DoP / PMA, held at PMA), DoP / 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 Clause 12.7.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

Appendix E

Maximum Incentive

Table 1: Maximum Incentive per Target Segment

(Rs. Crore)

FY	04 Fermentation based KSMs / Drug Intermediates	10 Fermentation based niche KSMs / Drug Intermediates / APIs	04 Chemical Synthesis based KSMs / Drug Intermediates	23 Chemical Synthesis based KSMs / Drug Intermediates / APIs	Total
2020-21	Nil	Nil	Nil	Nil	Nil
2021-22	Nil	Nil	Nil	Nil	Nil
2022-23	Nil	Nil	160	230	390
2023-24	720	200	160	230	1,310
2024-25	720	200	160	230	1,310
2025-26	720	200	160	230	1,310
2026-27	720	200	160	230	1,310
2027-28	540	150	160	230	1080
2028-29	180	50	Nil	Nil	230
Total	**3,600**	**1000**	**960**	**1,380**	**6,940**

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

Table 2: Maximum Incentive per eligible product and per selected applicant

S. No	Name of KSM/DI/API	Maximum number of selected applicants	Rate of Incentive (in %)	Maximum incentive per annum (Rs. Crore)	Maximum incentive for each selected applicant per annum (Rs. Crore)*
Key Fermentation based KSMs / Drug Intermediates					
1.	Penicillin G	2	Y1–Y4: 20 Y5: 15 Y6: 5	Y1–Y4: 240 Y5: 180 Y6: 60	Y1–Y4: 120 Y5: 90 Y6: 30
2.	7-ACA	2	Y1–Y4: 20 Y5: 15 Y6: 5	Y1–Y4: 240 Y5: 180 Y6: 60	Y1–Y4: 120 Y5: 90 Y6: 30
3.	Erythromycin Thiocynate (TIOC)	2	Y1–Y4: 20 Y5: 15 Y6: 5	Y1–Y4: 120 Y5: 90 Y6: 30	Y1–Y4: 60 Y5: 45 Y6: 15
4.	Clavulanic Acid	2	Y1–Y4: 20 Y5: 15 Y6: 5	Y1–Y4: 120 Y5: 90 Y6: 30	Y1–Y4: 60 Y5: 45 Y6: 15
Fermentation based niche KSMs / Drug Intermediates / APIs					
5.	Neomycin	2	Y1–Y4: 20 Y5: 15 Y6: 5	Y1–Y4: 20 Y5: 15 Y6: 5	Y1–Y4: 10 Y5: 7.5 Y6: 2.5
6.	Gentamycin	2	Y1–Y4: 20 Y5: 15 Y6: 5	Y1–Y4: 20 Y5: 15 Y6: 5	Y1–Y4: 10 Y5: 7.5 Y6: 2.5
7.	Betamethasone	2	Y1–Y4: 20 Y5: 15 Y6: 5	Y1–Y4: 20 Y5: 15 Y6: 5	Y1–Y4: 10 Y5: 7.5 Y6: 2.5
8.	Dexamethasone	2	Y1–Y4: 20 Y5: 15 Y6: 5	Y1–Y4: 20 Y5: 15 Y6: 5	Y1–Y4: 10 Y5: 7.5 Y6: 2.5
9.	Prednisolone	2	Y1–Y4: 20 Y5: 15 Y6: 5	Y1–Y4: 20 Y5: 15 Y6: 5	Y1–Y4: 10 Y5: 7.5 Y6: 2.5
10.	Rifampicin	2	Y1–Y4: 20 Y5: 15 Y6: 5	Y1–Y4: 20 Y5: 15 Y6: 5	Y1–Y4: 10 Y5: 7.5 Y6: 2.5
11.	Vitamin B1	2	Y1–Y4: 20 Y5: 15	Y1–Y4: 20 Y5: 15	Y1–Y4: 10 Y5: 7.5

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

S. No	Name of KSM/DI/API	Maximum number of selected applicants	Rate of Incentive (in %)	Maximum incentive per annum (Rs. Crore)	Maximum incentive for each selected applicant per annum (Rs. Crore)*
			Y6: 5	Y6: 5	Y6: 2.5
12.	Clindamycin Base	2	Y1–Y4: 20 Y5: 15 Y6: 5	Y1–Y4: 20 Y5: 15 Y6: 5	Y1–Y4: 10 Y5: 7.5 Y6: 2.5
13.	Streptomycin	2	Y1–Y4: 20 Y5: 15 Y6: 5	Y1–Y4: 20 Y5: 15 Y6: 5	Y1–Y4: 10 Y5: 7.5 Y6: 2.5
14.	Tetracycline	2	Y1–Y4: 20 Y5: 15 Y6: 5	Y1–Y4: 20 Y5: 15 Y6: 5	Y1–Y4: 10 Y5: 7.5 Y6: 2.5
Key Chemical Synthesis based KSMs / Drug Intermediates					
15.	1,1 Cyclohexane Diacetic Acid (CDA)	4	10	40	10
16.	2-Methyl-5Nitro-Imidazole (2-MNI)	4	10	40	10
17.	Dicyandiamide (DCDA)	4	10	40	10
18.	Para amino phenol	4	10	40	10
Other Chemical Synthesis based KSMs / Drug Intermediates / APIs					
19.	Meropenem	4	10	10	2.5
20.	Atorvastatin	4	10	10	2.5
21.	Olmesartan	4	10	10	2.5
22.	Valsartan	4	10	10	2.5
23.	Losartan	4	10	10	2.5
24.	Levofloxacin	4	10	10	2.5
25.	Sulfadiazine	4	10	10	2.5
26.	Ciprofloxacin	4	10	10	2.5
27.	Ofloxacin	4	10	10	2.5
28.	Norfloxacin	4	10	10	2.5
29.	Artesunate	4	10	10	2.5
30.	Telmisartan	4	10	10	2.5
31.	Aspirin	4	10	10	2.5

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

S. No	Name of KSM/DI/API	Maximum number of selected applicants	Rate of Incentive (in %)	Maximum incentive per annum (Rs. Crore)	Maximum incentive for each selected applicant per annum (Rs. Crore)*
32.	Diclofenac Sodium	4	10	10	2.5
33.	Levetiracetam	4	10	10	2.5
34.	Carbidopa	4	10	10	2.5
35.	Ritonavir	4	10	10	2.5
36.	Lopinavir	4	10	10	2.5
37.	Acyclovir	4	10	10	2.5
38.	Carbamazepine	4	10	10	2.5
39.	Oxcarbazepine	4	10	10	2.5
40.	Vitamin B6	4	10	10	2.5
41.	Levodopa	4	10	10	2.5

* The maximum incentive per annum for a selected applicant may exceed the specified amount in line with Clause 5.3 & 5.4 of these guidelines.

Note: In table above, Y1-Y4 is FY 2023-24 to FY 2026-27, Y5 is FY 2027-28 and Y6 is FY 2028-29.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

Appendix F

Evaluation Criteria

S. No.	Criteria	Weightage
1	Committed Annual Production capacity (in multiple of whole nos. of minimum annual production capacity for each eligible product, as given in **Appendix B**)	35
2	Quoted Sale Price of Eligible Product (Rs. per kg)	65

Marking for annual production capacity

The applicant committing the highest annual production capacity for an eligible product shall be awarded 35 marks and other applicants shall be awarded marks proportionately.

For example, in case of Penicillin G, applicant A, B and C commit annual production capacity of 15,000 MT, 10,000 MT and 5,000 MT respectively.

The applicant A shall be awarded 35 marks, applicant B shall be awarded 23.33 marks (10,000 MT / 15,000 MT * 35) and applicant C shall be awarded 11.66 (5,000 MT / 15,000 MT *35).

Marking for Quoted Sale Price of Eligible Product

The applicant quoting lowest sale price shall be awarded 65 marks and other applicants shall be awarded marks proportionately.

For example, in case of a product X, applicant A, B and C quote Rs. 200 per kg., Rs. 150 per kg and Rs. 100 per kg respectively.

The applicant C shall be awarded 65 marks, applicant B shall be awarded 43.33 marks (100 / 150 * 65) and applicant A shall be awarded 32.5 (100 / 200*65).

Ranking of the applicant

The total marks arrived at by adding the marks obtained against both the criterion shall be considered for ranking the applicants.

As per example given above:

Applicant	Marks – Annual Production Capacity	Marks – Quoted Sale Price	Total Marks	Ranking
Applicant A	35.00	32.50	67.50	2
Applicant B	23.33	43.33	66.66	3
Applicant C	11.66	65.00	76.66	1

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

Annexure 1

Application Form: Production Linked Incentive Scheme (PLI) for domestic manufacturing of critical Key Starting Materials (KSMs) / Drug Intermediates (DIs) / Active Pharmaceutical Ingredients (APIs)

1. **Instructions:**

1.1. The application shall be signed by duly authorized signatory of Applicant.

1.2. 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.

1.3. All applications will be submitted online to the Project Management Agency (PMA) selected under the Scheme.

1.4. A non-refundable application fee, as mentioned in **Appendix C** of the Scheme guidelines, would be payable for each application. The application fee would be accepted electronically only.

1.5. Applicants may go through the guidelines carefully before filling up the details in the application.

1.6. Application has been divided into the following sections and sub-sections

I. Applicant Details
II. Proposal
III. Application Fee Details

1.7. 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 applicants.

1.8. The applicant shall submit unconditional application without any restriction, limitation or rider.

1.9. The application submitted by the applicant shall be subject to the provision of these guidelines and the Scheme notification.

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

Documents to be furnished: Copy of the memorandum and articles of association or equivalent registration document, Partnership Deed and

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

any equivalent document. Shareholding pattern, share of the partners as the case may be.

2.3 **Business Details:** Address, phone, email, PAN, nature of current business, turnover, net worth, experience etc. Include brief profile of Promoter, Chairman, Chief Executive Officer and other CXO level officers, as the case maybe.

Documents to be furnished:

a) Self-certified copies of PAN, GST Certificate for applicant,

b) Self-certified copies of brief profile of Chairman, CEO, CXOs, Promoter and Key Managerial Persons along with their PAN / DIN

c) 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.

2.4 **Credit History:** Please provide details of presence in RBI's Defaulter and Wilful Defaulter Lists, SEBI Debarred List and CIBIL Score. External Credit Ratings (year, agency, rating assigned) (if applicable)

Documents to be furnished:

Certificate from Company Secretary / Board of Directors/ Managing Partner or Owner of the Proprietorship Firm

2.5 **Key Personnel Details:** Contact details of three senior employees of applicant. Details would include Name, Designation, Address, phone, email.

2.6 **Net Worth of the Applicant and/ or group companies** as on the date of application.

Documents to be furnished:

Certificate from Statutory Auditor or Independent Chartered Accountant, as the case may be

2.7 **Financial Details (self-certified) (last 3 years):**

a) Total pharmaceutical turnover (INR Cr):

I. From Exports (INR Cr)
II. From Domestic Sales (INR Cr)

b) Profit before Tax (PBT) and Profit after Tax (PAT) (INR Cr) – (last 3 years)

c) Details of Funds – Received from government / owners or other financing agencies, multi-lateral agencies / other institutions to

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

fund expansion (last 3 years). Equity and debt is to be shown separately

2.8 Research and Development facility

a) Whether in-house R&D unit of the applicant is recognised by the Ministry of Science & Technology.

b) Investment made by applicant and group companies in R&D for the period of FY 2017-18 & FY 2018-19 (which is capitalised in the books of account).

c) Please indicate recent significant achievements of in-house R&D units of the applicant in the development of new products/processes, indigenous development of capital goods, absorption, adaptation and up-gradation of the imported technology, if any.

3. Section II – Proposal

3.1 Project Details

3.1.1 Name of the Eligible Product

3.1.2 Address of the proposed manufacturing facility for eligible product

3.1.3 Address of the proposed manufacturing facility of KSMs/ DIs, if any, which are proposed to be used by the applicant for the manufacture of eligible product.

3.1.4 Committed annual production capacity (MT)

3.1.5 Scheduled Date of Commercial Production

3.1.6 **Proposed Investment (Rs. Crore) with source of funding** (internal accruals, equity, govt. assistance, term loan and working capital loans etc.). Breakup of proposed investment

a) Building (eligible investment as defined in Clause 2.20 of the guidelines)
b) New Plant and machinery (Production)
c) Laboratory equipment and instruments
d) Establishment of Research and Development (R&D) facility
e) R&D equipment and instruments
f) Effluent treatment plant and its lines
g) Solid waste management system
h) HVAC system
i) Water system
j) Steam
k) Compressed air
l) Chilling system
m) Boiler

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

n) Power generation and distribution system
o) Storage tanks
p) Miscellaneous

3.1.7 Quoted Sale Price of the Eligible Product (Rs. Per kg)

3.1.8 **Projections (self-certified):**

a) Projected Revenue (Eligible Product) – Total and split by Exports, Domestic Sale (next 7 years)
b) Employment Generation in India (next 7 years)

3.2 **Domestic Value Addition:** Applicant is required to furnish computation of Domestic Value Addition (DVA) supported by detail of cost of production, key raw material (variety, specifications, and quantity), consumables and process with cost sheet and source of procurement (import & Domestic).

3.3 **Project Report for eligible product:** The applicant is required to submit a detailed project report with techno-economic viability of the project. The report should contain the information following sections at minimum:

i. **Information with respect to the eligible product applied for**

a) Brief manufacturing process
b) Proposed Route of Synthesis
c) Reaction Steps
d) Raw material used and its source (Indigenous/Imported)
e) Production Flow Chart
f) Technology to be used for manufacturing
g) Use of Green Chemistry/ Zero discharge or low polluting technologies with in situ or in-process recoveries;

ii. Action plan for implementation of the proposed project with time schedule for the above activities

iii. Types of pollutants, harmful components of discharged pollutants, emissions and concentrations. Please also provide detail of waste treatment measures:

a) Governance principles and requirements
b) Governance measures
- Wastewater
- Exhaust gas
- Waste residue
- Noise

iv. **Quantity of key consumption items** (annual consumption, based on proposed annual production capacity):

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

a) Water (kl)
b) Electricity (kWh)
c) Coal consumption (MT)

v. **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

Proof of the Application Fee submission.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

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.	Eligible product(s) applied.		
6.	Net Worth		
7.	Proposed DVA		

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

Annexure 3

Checklist for assessment of application by the PMA

(Fill separate checklist for each product 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	
7.	Application submission date	

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

S. No.	Parameter	Comments from PMA
8.	Due date for submission	
9.	Application acknowledgement date	
10.	Eligible product(s) applied	
11.	Proposed plant production capacity (per annum)	
12.	Threshold plant capacity (per annum)	
13.	Proposed date of commercial production	
14.	Proposed incentive claim (annually and for total Scheme)	
15.	Total no. of applications received for the eligible product	
16.	Committed investment	
17.	Total investment proposed	
18.	Investment Details (in Crore) (Provide complete breakup)	
	i. Building ii. New Plant and machinery (Production) iii. Laboratory equipment and instruments iv. R&D equipment and instruments v. Effluent treatment plant and its lines vi. Solid waste management system vii. HVAC system viii. Water system ix. Steam x. Compressed air xi. Chilling system xii. Boiler xiii. Power generation and distribution system xiv. Storage tanks xv. Establishment of Research and Development (R&D) facility xvi. Miscellaneous	
19.	Time schedule of the project	
20.	Submission of all Undertakings in appropriate format	
	(a) Consent for audit of their manufacturing site/offices for verification of information/data submitted along with the application in the format as per **Annexure 6**	

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

PMA should give detailed description on the following areas

S. No.	Area of consideration
1.	Eligible product considered
2.	Number of total application received for eligible product
3.	Justification for consideration
4.	Reasons for rejection of the application, if any

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

Annexure 4

Disbursement Claim Form: Production Linked Incentive Scheme (PLI) for domestic manufacturing of critical Key Starting Materials (KSMs)/ Drug Intermediates (DIs)/ Active Pharmaceutical Ingredients (APIs)

1. Applicant Name
2. Eligible Product
3. Application Acknowledgement Date
4. Ref. No. and Date of Approval Letter
5. Committed Investment and sales of eligible product applicable for determining eligibility
6. Period for which Incentives are being sought
7. Applicable ceiling as per Approval Letter
8. **Certificate from Statutory Auditor or Independent Chartered Accountant, whichever is applicable, covering details in the format below:**

S. No.	Particulars	Unit	Base Year	Period of Claim
1	**Investment as on Date of Filing Claim**	*INR Crore*		
2	Employment as on Date of Filing Claim	Numbers		
3	**Sales Quantity of eligible product [net of credit notes, discounts and taxes applicable]**	*INR*		

9. **Certificates / undertakings stating / covering the following:** No deviation in Eligible Product
10. **Certificate(s) from Company Secretary stating:** All clearances required by law like statutory clearances, environmental clearances etc. have been obtained
11. **Certificate from Statutory Auditor or Independent Chartered Accountant, whichever is applicable, stating / covering:**

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

11.1 Committed Investment applicable has been achieved before commercial production

11.2 Capitalization of Investment in the books of accounts of the applicant is in line with the relevant accounting standards issued by ICAI

11.3 Investment has been made in accordance with Scheme Guidelines and approval accorded by DoP

11.4 Percentage Domestic Value Addition achieved

12. Documents / certificates from Chartered Engineer:

12.1 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 for manufacturing of approved eligible product(s)

12.2 Certificate on capacity installed

13. List of documents to be submitted post approval of claim

13.1 An undertaking from the applicant as per format given in **Annexure 7.**

13.2 An agreement / indemnity bond on prescribed formats as per **Annexure 4 A** 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.

13.3 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.

Date

Signature

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

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

Annexure 4 A

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 critical Key Starting Materials (KSMs)/ Drug Intermediates (DIs)/Active Pharmaceutical Ingredients (APIs) 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 of Pharmaceuticals 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 Department of Pharmaceuticals and is without prejudice to any legal remedy available with Department of Pharmaceuticals for events mentioned in Clause 3 (i) and (ii) above.

Date *Signature*

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

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

Annexure 5

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:

1. Name of Applicant
2. Eligible Product
3. Application Acknowledgement Date
4. Application Approval Date
5. Manufacturing Location(s)
6. Investment Actualized for Manufacturing of eligible product (amount in INR)
Source of Funding (Equity, Debt, Internal Accrual etc.)
7. Employment as on date (in numbers)
On-roll labour / employees
Contractual
Apprentice
8. Installed Production Capacity for Eligible Product (in MT)
9. Revenue from Operations – a. **Domestic Sales:** b. **Exports:** c. **Total:** **[net of credit notes, discounts and taxes applicable]**
Manufacturing Activity - Eligible Product(s)

Date *Signature*

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

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

Annexure 6

FORMAT A

Consent for audit of their 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 critical Key Starting Materials (KSMs)/ Drug Intermediates (DIs)/Active Pharmaceutical Ingredients (APIs) to Department of Pharmaceuticals (DoP), Government of India seeking incentives for the application pertaining to manufacturing……(Eligible Product) 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 DoP 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

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

Annexure 7

Performa for integrity compliance– Initial Undertaking

(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

1. Whereas, the applicant namely _____ has submitted an application under Production Linked Incentive Scheme (PLI) for domestic manufacturing of critical Key Starting Materials (KSMs)/ Drug Intermediates (DIs)/Active Pharmaceutical Ingredients (APIs) to Department of Pharmaceuticals (DoP), 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 DoP 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 DoP's officer(s) or consultant or agency representative (appraisal or/and PMA appointed by DoP 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 DoP.

2.3. The PLI applicant shall disclose the name and address of the duly authorized Agents/Representatives who will be dealing with DoP 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.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

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 DoP reserve the right to initiate legal action of whatsoever nature. In case if DoP 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 DoP.

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

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

Performa for integrity compliance – 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)

FORMAT B

1. Whereas, the applicant namely _____ has submitted an application under Production Linked Incentive Scheme (PLI) for domestic manufacturing of critical Key Starting Materials (KSMs)/ Drug Intermediates (DIs)/Active Pharmaceutical Ingredients (APIs) to Department of Pharmaceuticals (DoP), 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 DoP 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 DoP's officer(s) or consultant or agency representative (appraisal or / and PMA appointed by DoP 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 DoP/ 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.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

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

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promotion-domestic-manufacturing-critical-key

PLI Scheme for Promoting Domestic Manufacturing of Medical Devices.

Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

रजिस्ट्री सं. डी.एल.- 33004/99 REGD. NO. D. L.-33004/99

भारत का राजपत्र
The Gazette of India

सी.जी.-डी.एल.-अ.-21072020-220617
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असाधारण
EXTRAORDINARY

भाग I—खण्ड 1
PART I—Section 1

प्राधिकार से प्रकाशित
PUBLISHED BY AUTHORITY

सं. 173] नई दिल्ली, मंगलवार, जुलाई 21, 2020/आषाढ़ 30, 1942
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रसायन एवं उर्वरक मंत्रालय

(औषध विभाग)

अधिसूचना

नई दिल्ली, 21 जुलाई, 2020

विषय: चिकित्सा उपकरण पार्कों के संवर्धन संबंधी योजना।

संख्या 31026/08/2020-एमडी.—

1. पृष्ठभूमि

1.1. चिकित्सा उपकरण उद्योग एक लंबी अवधि का अत्यधिक पूंजी गहन उद्योग है और इसके लिए नई प्रौद्योगिकियों के विकास/प्रेरण की आवश्यकता होती है। अधिकांश हाई-टेक नवोन्मेषी उत्पाद और प्रौद्योगिकी एक सुविकसित इको-सिस्टम और नवोन्मेषी चक्र से उत्पन्न होती है, जिसे अभी भारत में पूरी तरह से विकसित किया जाना है।

1.2. चूंकि परीक्षण और प्रयोगशाला सुविधाओं के निर्माण में भारी निवेश की आवश्यकता होती है, इसलिए भारत सरकार द्वारा 20 मार्च 2020 को "चिकित्सा उपकरण पार्कों का संवर्धन" नामक एक योजना को मंजूरी दी गई है। ये पार्क एक ही स्थान पर साझी परीक्षण और प्रयोगशाला सुविधाएं / केंद्र प्रदान करेंगे जिससे विनिर्माण लागत में काफी कमी होगी और देश में चिकित्सा उपकरण विनिर्माण के लिए एक मजबूत इकोप्रणाली सृजित करने में मदद मिलेगी।

2. उद्देश्य:

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

10. योजना के विस्तृत दिशानिर्देश विभाग की वेबसाइट पर अपलोड किए जाएंगे।

11. यह अधिसूचना इस विषय पर औषध विभाग की दिनांक 28 मई, 2020 की पूर्ववर्ती अधिसूचना संख्या 31026/08/2020-एमडी का अधिक्रमण करती है।

नवदीप रिनवा, संयुक्त सचिव

MINISTRY OF CHEMICALS AND FERTILIZERS

(Department of Pharmaceuticals)

NOTIFICATION

New Delhi, the 21st July, 2020

Subject:—Scheme for Promotion of Medical Device Parks.
No. 31026/08/2020-MD.—

1. Background

1.1 The medical device industry is highly capital intensive with a long gestation period and requires development and induction of new technologies. It also requires continuous training of health providers to adapt to new technologies. Most of the hi-tech innovative products originate from a well-developed eco-system and innovation cycle which is yet to be fully developed in India.

1.2 Since the creation of testing and laboratory facilities requires huge investment, a scheme called "Promotion of Medical Device Parks" has been approved by the Government of India on 20th March 2020. The parks will provide common testing and laboratory facilities / centre at one place reducing the manufacturing cost significantly and will help in creating a robust ecosystem for medical device manufacturing in the country.

2. Objective

2.1 Easy access to standard testing and infrastructure facilities through creation of world class common infrastructure facilities for increased competitiveness will result into significant reduction of the cost of production of medical devices leading to better availability and affordability of medical devices in the domestic market.

2.2 Reaping the benefits arising due to optimization of resources and economies of scale.

3. Scope: Financial assistance under the Scheme will be provided for creation of common infrastructure facilities in four Medical Device Parks proposed by State Governments and selected under the scheme**.**

4. Financial Assistance: Financial assistance to a selected Medical Device Park would be 70% of the project cost of common infrastructure facilities. In case of North Eastern States and Hilly States (Himachal Pradesh, Uttarakhand, Union Territory of Jammu & Kashmir and Union Territory of Ladakh) financial assistance would be 90% of the project cost. Maximum assistance under the scheme for one Medical Device Park would be limited to Rs. 100 crore.

5. Common Infrastructure Facilities: The common facilities provided to individual medical device units in the Medical Device Park such as component testing centre/ESDM/PCB/sensors facility, electro-magnetic interference & electromagnetic compatibility centre, biomaterial/biocompatibility /accelerated aging testing centre, medical grade moulding/milling/injection moulding/machining/tooling centre, 3D designing and printing for medical grade products, sterilization/ETO/gamma centre, animal lab and toxicity testing centre, radiation testing centre etc.

6. Financial Outlay: The total financial outlay of the scheme is Rs. 400 crore.

7. Tenure of the Scheme: The tenure of the scheme is from FY 2020-2021 to FY 2024-2025.

8. State Implementing Agency

8.1. A Medical Device Park project selected under the Scheme will be implemented by a State Implementing Agency (SIA).

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

8.2. SIA shall be a legal entity set up by the concerned State government for the purpose of implementing the Medical Device Park project.

9. Scheme Steering Committee

9.1. The proposals under the scheme will be approved by the Scheme Steering Committee (SSC) constituted by Department of Pharmaceuticals (DoP).

9.2. The composition of the SSC is as follows:

Secretary, DoP	- Chairperson
Financial Adviser, DoP	- Member
Joint Secretary, Ministry of Environment, Forest and Climate Change	- Member
Joint Secretary, Department for Promotion of Industry and Internal Trade	- Member
Joint Secretary, Department of Health and Family Welfare	- Member
DCGI, Central Drugs Standard Control Organisation	- Member
Joint Secretary (Policy), DoP	- Convenor

The SSC may invite representatives of Industry Associations, R&D Institutions and other Government / Private sector expert organizations as special invitees as may be necessary from time to time.

9.3. The SSC shall take all decisions required for successful implementation of the scheme, including any modifications if required.

10. The detailed guidelines of the scheme will be uploaded on the website of the Department.

11. This Notification supersedes the earlier Notification of the Department of Pharmaceuticals issued on this subject vide no 31026/08/2020-MD dated 28th May, 2020.

NAVDEEP RINWA, Jt. Secy.

अधिसूचना

नई दिल्ली, 21 जुलाई, 2020

विषय: चिकित्सा उपकरणों के घरेलू विनिर्माण को बढ़ावा देने के लिए उत्पादन लिंक्ड प्रोत्साहन योजना।

संख्या 31026/08/2020-एमडी.—

1. पृष्ठभूमि

1.1. भारत में घरेलू चिकित्सा उपकरणों का बाजार आयात पर बहुत अधिक निर्भर है जो बाजार के 85% से अधिक में योगदान देता है।

1.2. भारत में चिकित्सा उपकरण विनिर्माण क्षेत्र अर्थव्यवस्थाओं की प्रतिस्पर्धा के मद्देनजर सभी को समान अवसर दिए जाने की कमी का सामना कर रहा है। चिकित्सा उपकरण विनिर्माण क्षेत्र अन्य बातों के अलावा, विनिर्माण में अक्षमता की विचारणीय लागत से जूझ रहा है जिसके कारण निम्न हैं:

क) पर्याप्त बुनियादी ढांचे, घरेलू आपूर्ति श्रृंखला और संभारतंत्र की कमी,

ख) उच्च वित्तीय लागत,

ग) गुणवत्ता शक्ति की अपर्याप्त उपलब्धता,

घ) सीमित डिजाइन क्षमताएं,

ङ) अनुसंधान एवं विकास और कौशल विकास पर कम ध्यान संकेंद्रण।

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

18. यह अधिसूचना दिनांक 28.05.2020 की अधिसूचना सं. 31026/08/2020-एमडी के अंतर्गत औषध विभाग की पूर्व अधिसूचना का अधिक्रमण करती है।

नवदीप रिनवा, संयुक्त सचिव

अनुलग्नक-क

योजना के अंतर्गत उपयुक्त चिकित्सा उपकरणों के लक्ष्य क्षेत्र

लक्ष्य क्षेत्र क्र.सं.	लक्ष्य क्षेत्र के अंतर्गत चिकित्सा उपकरणों का वर्णन
लक्ष्य क्षेत्र 1	कैंसर केयर/ उपकरण चिकित्सा रेडियोथेरेपी
लक्ष्य क्षेत्र 2	रेडियोलॉजी और इमेजिंग चिकित्सा उपकरण (आयनीकरण एवं गैर-आयनीकरण रेडिएशन उत्पाद दोनों) और न्यूक्लियर इमेजिंग उपकरण
लक्ष्य क्षेत्र 3	एनेस्थेटिक्स और कार्डियो-रेस्पीरेटरी चिकित्सा उपकरण जिनमें कार्डियों रेस्पीरेटरी श्रेणी के कैथेटर्स और रीनल केयर चिकित्सा उपकरण शामिल हैं।
लक्ष्य क्षेत्र 4	सभी इम्प्लांट्स जिनमें इम्प्लांटेबल इलेक्ट्रॉनिक डिवाइस जैसे कोक्लेयर इम्प्लांट्स और पेसमेकर शामिल हैं

टिप्पणी: एक प्रमुख घटक जो तैयार चिकित्सा उपकरण (जैसे रोटेटिंग एनोड ट्यूब, स्टेशनरी एनोड ट्यूब, एमआरआई मैग्नेट, फ्लैट पैनल डिटेक्टर और इसी तरह के घटक) के प्रमुख भाग का गठन करता है, और इसके लिए एक अलग एचएस कोड होता है, संबंधित लक्ष्य क्षेत्र में शामिल माना जाएगा।

अनुलग्नक-ख

पात्रता निर्धारित सीमा मानदंड

क्षेत्र	प्रोत्साहन दर (विनिर्मित वस्तुओं की वृद्धिशील बिक्री पर)	न्यूनतम सीमा निवेश	विनिर्मित वस्तुओं की वृद्धिशील बिक्री न्यूनतम सीमा
चिकित्सा उपकरण के सभी चार क्षेत्र (*अनुलग्नक-क में* विवरण दिया गया है)	वर्ष 1: 5% वर्ष 2: 5% वर्ष 3: 5% वर्ष 4: 5% वर्ष 5: 5%	3 वर्षों में 180 करोड़ रुपए न्यूनतम संचयी: (करोड) वर्ष 1 : 60 वर्ष 2 : 120 वर्ष 3 : 180	वर्ष 1: 120 करोड़ रुपए वर्ष 2: 240 करोड़ रुपए वर्ष 3: 360 करोड़ रुपए वर्ष 4: 460 करोड़ रुपए वर्ष 5: 560 करोड़ रुपए

टिप्पणी: वर्ष 1 से अभिप्राय वित्तीय वर्ष 2021-22 है।

NOTIFICATION

New Delhi, the 21st July, 2020

Subject:— Production Linked Incentive Scheme for Promoting Domestic Manufacturing of Medical Devices.

No. 31026/08/2020-MD.—

1. Background

1.1. Domestic medical devices market in India is heavily dependent on imports which contribute to more than 85% of the market.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

1.2. The medical devices manufacturing sector faces in India lack of a level playing field *vis-à-vis* competing economies. The medical devices manufacturing sector suffers from a considerable cost of manufacturing disability, among other things, on account of:

a. lack of adequate infrastructure, domestic supply chain and logistics,

b. high cost of finance,

c. inadequate availability of quality power,

d. limited design capabilities,

e. low focus on R&D and skill development

1.3. With a view to address the disability in manufacturing of medical devices in India *vis-à-vis* other major manufacturing economies, a scheme called "Production Linked Incentive Scheme for Promoting Domestic Manufacturing of Medical Devices" has been approved by the Government of India on 20th March, 2020.

2. **Objective:** The Scheme intends to boost domestic manufacturing and attract large investments in the Medical Devices Sector.

3. **Scope:** Under the Scheme, financial incentives shall be given to selected companies based on threshold investment and incremental sales (over Base Year) of medical devices covered under target segments.

4. **Quantum of Incentive:** Under the Scheme, financial incentive shall be given to selected companies at the rate of 5% of incremental sales (over Base Year) of goods manufactured in India and covered under Target segments, for a period of five (5) years i.e. from FY 2021-22 to FY 2025-26.

5. **Target Segments:** The Scheme is applicable only for target segments of medical devices as detailed in **Annexure A**.

6. **Applicability:** The Scheme is applicable only for greenfield projects.

7. **Eligibility**

7.1. Financial incentive under the scheme shall be provided only to companies engaged in manufacturing of goods covered under target segments in India.

7.2. Eligibility shall be subject to thresholds of investment and incremental sales of manufactured goods (covered under Target Segments) over Base Year.

7.3. An applicant must meet all the threshold conditions to be eligible for disbursement of incentive. Eligibility threshold criteria is detailed in **Annexure B**.

7.4. Eligibility under Production Linked Incentive scheme shall not affect eligibility under any other Scheme and vice-versa.

8. **Tenure of the Scheme**: The tenure of the scheme is from FY 2020-21 to FY 2026-27.

9. **Application Window:** The application window for receiving the applications shall be 120 days.

10. **Base Year:** Financial Year 2019-20 shall be treated as the base year for computation of incremental sales of manufactured goods.

11. **Financial Outlay:** Total financial outlay of the Scheme is Rs. 3,420 crore.

12. **Incentive Per Company**: The incentive per company will be applicable on incremental sales of manufactured goods over Base Year subject to ceilings as decided by the Empowered Committee.

13. **Basis of Computation:** Assessment of threshold investment and incremental sales of manufactured goods shall be based on details furnished to the Departments / Ministries / Agencies and Statutory Auditor certificates.

14. **Approval and Disbursement Process**

14.1. Application under the Scheme can be made by any company registered in India.

14.2. An initial application, complete in all aspects, will have to be submitted within the application window.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

14.3. Eligible applications will be appraised and considered for selection.

14.4. Incentive shall be released to selected applicants meeting the required thresholds and whose disbursement claims are found to be in order.

14.5. Support under the scheme shall be provided for a period of five (5) years i.e. from FY 2021-22 to FY 2025-26.

15. Project Management Agency

15.1. The Scheme shall be implemented through a Nodal Agency.

15.2. 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. Detailed constitution, functioning and responsibilities of the PMA will be elaborated in the scheme guidelines.

15.3. For carrying out activities related to the implementation of the scheme, PMA would, inter alia, be responsible for:

15.3.1. Appraisal of applications and verification of eligibility for support under the Scheme,

15.3.2. Examination of claims eligible for disbursement of incentive under the Scheme,

15.3.3. Compilation of data regarding progress and performance of the scheme including threshold investment and incremental sales of manufactured goods for companies under the scheme.

16. Empowered Committee (EC):

16.1. An Empowered Committee (EC) shall be constituted by DoP with following composition:

CEO, NITI Aayog (Chairman)

Secretary, Department of Pharmaceuticals

Secretary, Department of Health & Family Welfare

Secretary, Department of Commerce

Secretary, Department for Promotion of Industry & Internal Trade

Secretary, Ministry of Environment, Forest and Climate Change

Director General of Foreign Trade

Experts may be invited as special invitees, as may be felt necessary, from time to time.

16.2. The EC will consider applications, as found eligible by the PMA, for approval under the Scheme.

16.3. The EC will consider claims, as examined and recommended by the PMA, for disbursement as per the laid down procedure and guidelines.

16.4. The EC will conduct a periodic review of eligible companies with respect to their investments, employment generation and production under the Scheme.

16.5. The EC will be authorized to carry out any amendments in the Scheme and the scheme guidelines.

16.6. Detailed constitution, functioning and responsibilities of the EC will be elaborated in the Scheme guidelines.

17. The detailed guidelines of the scheme will be uploaded on the website of the Department.

18. This Notification supersedes the earlier Notification of Department of Pharmaceuticals issued on this subject vide no. 31026/08/2020-MD dated 28.05.2020.

NAVDEEP RINWA, Jt. Secy.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

Annexure A

Target Segments of Medical Devices Eligible under the Scheme

Target Segment No.	Description of Medical Devices covered under Target Segment
Target Segment 1	Cancer care/Radiotherapy medical devices
Target Segment 2	Radiology & Imaging medical devices (both ionizing & non-ionizing radiation products) and Nuclear Imaging Devices
Target Segment 3	Anaesthetics & Cardio-Respiratory medical devices including Catheters of Cardio Respiratory Category & Renal Care Medical Devices
Target Segment 4	All Implants including implantable electronic devices like Cochlear Implants and Pacemakers

Note: A key component which constitutes major part of a finished medical device (such as Rotating Anode Tube, Stationary Anode Tube, MRI Magnet, Flat Panel Detector and similar components), and has a distinct HS code for itself, will be considered as included in the corresponding target segment.

Annexure B

Eligibility Threshold Criteria

Segment	Incentive Rate (on Incremental Sales of Manufactured Goods)	Threshold Minimum Investment	Threshold Minimum Incremental Sales of Manufactured Goods
All four segments of medical devices (detailed in ***Annexure A***)	Year 1: 5% Year 2: 5% Year 3: 5% Year 4: 5% Year 5: 5%	INR 180 Crore over 3 Years Cumulative Minimum (Crore): Year 1: 60 Year 2: 120 Year 3: 180	Year 1: INR 120 Crore Year 2: INR 240 Crore Year 3: INR 360 Crore Year 4: INR 460 Crore Year 5: INR 560 Crore

Note: Year 1 means Financial Year 2021-22

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File No. 31026/19/2020-MD
Government of India
Ministry of Chemicals and Fertilizers
Department of Pharmaceuticals

Dated: 18th August, 2022

Guidelines for the Production Linked Incentive (PLI) Scheme for Promoting Domestic Manufacturing of Medical Devices

1. Background

1.1. The Medical Device sector in India suffers from a considerable cost of manufacturing disability *vis-a-vis* competing economies, inter alia, on account of lack of adequate infrastructure, domestic supply chain and logistics, high cost of finance, inadequate availability of power, limited design capabilities and low focus on research and development (R&D) and skill development etc. Thus, a need was felt for a mechanism to compensate for this manufacturing disability in order to ensure a level playing field for the domestic manufacturers of medical devices. To compensate for the manufacturing disability in selected segments of medical devices, the Government of India has come out with a scheme called 'Production Linked Incentive Scheme (PLI) for promoting domestic manufacturing of Medical Devices' (hereinafter referred to as 'Scheme') which has been notified vide Gazette Notification no. 31026/08/2020-MD, dated - 21/07/2020.

1.2. The Scheme proposes a financial incentive to boost domestic manufacturing and attract large investments in the Medical Device Sector.

1.3. A committee, headed by the CEO, Andhra Pradesh MedTech Zone Ltd., constituted by the Department of Pharmaceuticals (DoP), Ministry of Chemicals and Fertilizers has provided technical inputs to prepare the guidelines. These guidelines have been prepared after detailed consultations with the industry and other relevant stakeholders.

1.4. These guidelines are being issued for effective and smooth implementation of the Scheme. These guidelines cover, inter alia, the following:

1.4.1. Definitions
1.4.2. Eligibility and Selection
1.4.3. Application and Online Portal
1.4.4. Project Management Agency (PMA), Technical Committee (TC) and Empowered Committee (EC)
1.4.5. Approval under the Scheme
1.4.6. Calculation and disbursement of incentive

2. Definitions

2.1. **Applicant:** Applicant for the purpose of the Scheme shall be any company registered in India, proposing to manufacture goods under target segment and

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making an application for seeking approval under the Scheme. The applicant shall make committed investment in a Greenfield Project. The aforesaid manufacturing can be carried out at one or more locations in India. **Applicant applying for products in Annexure – 1 shall be referred to as "Category A" applicant and Applicant applying for products in Annexure 1A shall be referred to as "Category B".**

2.2. **Application:** Application submitted by an applicant to the PMA as per the Application Form prescribed under these guidelines containing requisite information, along with supporting documents and application fee.

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

2.4. **Application Approval Date:** The date on which approval letter under the Scheme is issued by the PMA.

2.5. **Application Window:** Time period allowed for filing of applications. **The application window shall be opened based on notice issued by the department from time to time.**

2.6. **Base Year:** Financial Year 2019-20.

2.7. **Committed Investment**: The amount of fresh investment as defined in para 2.19 below which the applicant shall commit by declaration at the time of applying under the scheme.

2.8. **Date of Commercial production:** The date on which the applicant raises the first GST invoice for the sale of Eligible Product(s) manufactured under the Scheme.

2.9. **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

2.10. **Eligible Product:** Good manufactured in India and covered under one of the Target Segments listed in **Annexure 1 and Annexure 1A** of these guidelines.

2.11. **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 manufactured goods leave the production facility. Such employment shall include on-roll, contractual and apprentice workforce in the country only.

2.12. **Empowered Committee (EC):** A committee constituted by DoP and comprising of the following members:

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i. CEO, NITI Aayog (Chairman)
ii. Secretary, Department of Pharmaceuticals
iii. Secretary, Department of Health & Family Welfare
iv. Secretary, Department of Commerce
v. Secretary, Department for Promotion of Industry & Internal Trade
vi. Secretary, Ministry of Environment, Forest and Climate Change
vii. Director General of Foreign Trade

Experts may be invited as special invitees, as may be felt necessary, from time to time.

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. **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)**.**

2.15. **Greenfield Project:** A project wherein committed investment is proposed to be made by the applicant under this Scheme in a new production facility or in a new plant in the premises of an existing production facility. Separate records shall however be maintained for the new plant in the premises of an existing production facility for the purpose of the Scheme.

Note: If the applicant is an existing manufacturer, he may utilise existing ancillary utilities viz. ETP, Quality Control Lab, Warehousing Area and other Utilities for the manufacture of eligible product. However, the investment already made in the ancillary utilities shall not qualify for the purpose of the committed investment to be made under the Scheme.

2.16. **Group Companies:** 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.

2.17. **Incentive:** Incentive is the financial benefit to be provided to each selected applicant based on the incremental sale of manufactured goods made by the selected applicant as compared to the Base Year.

2.18. **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.

2.19. **Investment:** Investment shall mean

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

2.19.1. Expenditure incurred on new Plant, Machinery, Equipment and Associated Utilities: This shall include expenditure on new 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 manufactured 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, Sterilization Process Room, 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.

2.19.2. Expenditure incurred on new Research and Development (R&D): This shall include 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 also include expenditure on in-house and captive R&D directly attributable to goods covered under the Target Segments, including 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 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.

2.19.3. Expenditure related to Transfer of Technology (ToT) Agreements: This shall include cost of technology and initial technology purchase related to manufactured goods covered under Target Segments. All non-creditable taxes and duties would be included in such expenditure.

2.19.4. Expenditure incurred on Land and Building: The expenditure incurred on land and building (including factory building / construction) required for the project / unit shall not be covered under the Scheme and, therefore, shall not be considered for determining eligibility under the Scheme.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

2.20. **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 emergence of a new product having a distinct name, character and use and the term “manufacturer” shall be construed accordingly.

2.21. **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.

2.22. **Net Worth:** Net worth would comprise of Paid-up Capital plus Free Reserves including Share Premium but excluding Revaluation Reserves, plus Investment Fluctuation Reserve and credit balance in Profit & Loss account, less debit balance in Profit & Loss account, Accumulated Losses and Intangible Assets.

2.23. **Non-originating Material:** 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.

2.24. **Project Management Agency (PMA):** Refers to the financial institution(s) or any other authority(ies) appointed by DoP 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. **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.

2.26. **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.

2.27. **Target Segment:** Target Segment shall mean one of the four segments viz.:

i. Cancer care / Radiotherapy medical devices

ii. Radiology & Imaging medical devices (both ionizing & non-ionizing radiation products) and Nuclear Imaging devices

iii. Anaesthetics & Cardio-Respiratory medical devices including Catheters of Cardio Respiratory Category & Renal Care medical devices

iv. AII Implants including implantable electronic devices

2.28. **Technical Committee (TC):** A committee constituted by DoP to examine and give recommendations on any technical issue(s) referred by the PMA / EC under the Scheme.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

3. **Tenure of the Scheme:** The tenure of the Scheme is from Financial Year 2020-21 to Financial Year 2027-28.

4. **Eligibility**

4.1. **Eligibility for selection**

4.1.1. The project shall be a greenfield project as defined under these guidelines.

4.1.2. Only companies and Limited Liability Partnership registered in India and having Net Worth (of applicant company including that of Group Companies) not less than 30% of the committed investment for Category A applicant and positive Net Worth for Category B applicant as on the date of application. The Applicant not meeting the said Net Worth criteria shall not be eligible.

4.1.3. The applicant should not have been declared as bankrupt or willful defaulter or defaulter or reported as fraud by any bank or financial institution or non-banking financial company.

4.2. **Eligibility for incentive**

4.2.1. Eligibility shall be subject to committed investment and incremental sales of manufactured goods (covered under Target Segments) over the Base Year.

4.2.2. An applicant under **Category A** and **Category B** must meet the criteria of committed investment and minimum threshold sales for the year under consideration, as given in **Annexure 2** and **Annexure 2A** of these guidelines respectively, to be eligible for disbursement of incentive for that year.

4.2.3. In case an applicant does not meet criteria of committed investment and minimum threshold sales for any given year, the applicant shall not be eligible for disbursement of incentive for that particular year. However, the applicant will not be restricted from claiming incentive for subsequent years during the tenure of the Scheme, provided eligibility criteria of committed investment and minimum threshold sales are met for such subsequent years.

4.2.4. For the purpose of determining eligibility of an applicant under the Scheme, in order to meet the criteria of Committed 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.

4.2.5. Eligibility under the Scheme shall not affect eligibility under any other scheme and vice versa.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

5. **Selection:**

5.1. Selection will be based on the score obtained as per the Evaluation Criteria as given in **Annexure 3 and Annexure 3A for Category A and Category B respectively**. Applicant with higher scores will be selected.

5.2. In case, two applicants have same score, the selection shall be made on the basis of the scores obtained against the parameter "Global Medical Device manufacturing turnover of applicant and / or group company in the Target Segment for FY 2018-19". In case the applicants have same score in this parameter also, the selection shall be made on the basis of score obtained against the next parameter mentioned in seriatim (**of Annexure 3 and Annexure 3A**) till tie breaks.

5.3. **The number of applicants shall be selected under the scheme based on availability of outlay approved under the scheme**.

6. **Investment for Determining Eligibility**

6.1. **General Terms and Conditions**

6.1.1. Investment as defined in these guidelines shall be considered for determining eligibility under the Scheme provided such Investment is made on or after April 01, 2020.

6.1.2. No second hand / used / refurbished plant, machinery, equipment, utilities or R&D equipment shall be used to manufacture the eligible product.

6.1.3. Expenditure on consumables and raw material used for manufacturing shall not be considered as Investment.

6.1.4. The date of purchase invoice would be considered as the date of investment under the Scheme.

6.1.5. The heads of Investment, based on which eligibility is being determined, should be capitalized in the books of accounts of the applicants as certified by the Statutory Auditor.

6.1.6. The applicant shall submit a certificate by any empanelled Chartered Engineer to be appointed by PMA, for committed investment by the applicant and shall be relied upon by PMA. Such Chartered Engineer shall issue the certificate after carrying out the physical inspection of the plant.

6.1.7. The PMA will rely on certificates from Chartered Engineer or any valuer registered with Insolvency and Bankruptcy Board of India, and valuation considered under Customs Rules, wherever applicable, for the purpose of determining reasonableness of cost.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

6.2. **Plant, Machinery and Equipment**

6.2.1. Expenditure incurred on new Plant, Machinery and Equipment as defined in Clause 2.18.1 of these guidelines shall be considered as Investment for determining eligibility under the Scheme.

6.2.2. New Plant, Machinery and Equipment should 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.

6.2.3. In such case that tools, dies, molds, 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.

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

6.2.5. The Plant, Machinery and Equipment of the Greenfield Project approved under the Scheme shall 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 medical devices. 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.

6.3. **Research and Development (R&D)**

6.3.1. Expenditure incurred on Research and Development as defined in Clause 2.18.2 of these Guidelines shall be considered as Investment for determining eligibility under the Scheme.

6.3.2. The applicant shall provide a certificate from Statutory Auditor and purchase agreements in respect of the cost of technology, Intellectual Property Rights (IPRs), patents and copyrights.

6.3.3. The software associated with R&D should have been procured / licensed through legally valid documents after payment of applicable taxes and duties.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

6.4. **Transfer of Technology Agreements**

6.4.1. Expenditure incurred on Transfer of Technology Agreements as defined in Clause 2.18.3 of these Guidelines shall be considered as Investment for determining eligibility under the Scheme.

6.4.2. The applicant shall provide a certificate from Statutory Auditor in respect of expenditure related to Transfer of Technology Agreements.

6.5. **Associated Utilities**

6.5.1. Expenditure incurred on associated utilities as defined in Clause 2.18.1 of these guidelines shall be considered as Investment for determining eligibility under the Scheme.

6.5.2. The applicant shall provide a certificate from Statutory Auditor in respect of expenditure related to associated utilities.

7. **Application**

7.1. **The Scheme shall be open for application based on the notice issued by the department**. No application shall be accepted after the end of the application window.

7.2. An applicant shall make only one application per target segment **in a particular product category i.e. Annexure 1 and Annexure 1A**. However, the application may include multiple products within the same target segment.

7.3. There shall be no restriction on any applicant applying in more than one target segment per product category as per Annexure 1 and Annexure 1A. However, the applicant shall be required to submit a separate application along with the application fee for each target segment and shall be required to separately meet the eligibility criteria of committed investment and minimum threshold sales of Manufactured Goods for each target segment.

7.4. An Application shall be made in the format provided in **Annexure 4** of these guidelines.

7.5. An applicant shall submit an undertaking in the format of **Annexure 5** consenting audit of their manufacturing site/ offices for verification of information/data submitted along with the application.

7.6. On receipt of an application in the prescribed format, PMA will conduct an examination as per checklist in **Annexure 6** as whether the application prima facie meets the eligibility threshold criteria as prescribed in **Annexure 2 and Annexure 2A** 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.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

7.7. 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 will be closed under intimation to the applicant.

7.8. For an application which prima facie meets the eligibility threshold criteria as prescribed in **Annexure 2 and Annexure 2A** of these guidelines, 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 case, where on examination it is found that an original or a revised application does not prima facie meet the criteria as prescribed, the PMA shall inform the applicant accordingly within 15 working days of receipt of application and the application shall be closed.

7.9. A non-refundable application fee, as mentioned in **Annexure 7** of these guidelines, would be payable for each application. The application fee would be accepted electronically only.

8. **Online Portal**

8.1. 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.

8.2. Upon successful submission of an application, PMA will issue a unique Application ID to the applicant for all future references pertaining to the Scheme.

8.3. Application can be made on the online portal, URL of which is https://plimedicaldevices.ifciltd.com/.

9. **Project Management Agency (PMA)**

9.1. 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 DoP from time to time.

9.2. The PMA shall be responsible, inter alia, for:

9.2.1. Receipt of applications, examination and processing of applications and issuing acknowledgements.

9.2.2. Weekly submission to DoP, the status of applications received and processed under the Scheme.

9.2.3. PMA may seek inputs from Technical Committee on a technical issue related to the Scheme, as may be deemed necessary.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

9.2.4. Making appropriate recommendations to the EC for approval of applications under the Scheme.

9.2.5. Verification of committed investment and minimum threshold sales of manufactured goods for determining eligibility for disbursement of incentive.

9.2.6. Examination of claims for disbursement of incentive and making appropriate recommendations to the EC.

9.2.7. Verification of the reconciliation of disbursement claims with prescribed documents.

9.2.8. Compilation of data regarding progress and performance of the Scheme through Quarterly Review Reports as per **Annexure 8** and other information / documents.

9.2.9. Providing secretarial and other support to the TC for carrying out its responsibilities.

9.3. The PMA may request for additional information, details and documents from the applicant as deemed necessary.

9.4. The PMA will have the right to carry out physical inspection of an applicant's manufacturing units and offices through site visit.

10. **Technical Committee (TC)**

10.1. A Technical Committee constituted by DoP to examine and give recommendations on any technical issue(s) related to the Scheme referred by the PMA / EC. The composition of the committee is-

i. MD & CEO, Andhra Pradesh Medtech Zone Ltd (Chairman)
ii. One representative from MeitY
iii. One representative from DBT
iv. One expert having knowledge and experience in the design & development / R&D / manufacture / regulation of medical devices from relevant organizations/institutions (NIPER, IIT, SCTIMST, AIIMS etc.).

11. **Empowered Committee (EC)**

11.1. The EC shall meet as often as necessary to ensure timely consideration of applications and disbursement claims and conduct periodic review of the Scheme.

11.2. The EC will consider applications, as recommended by the PMA, for approval under the Scheme. The EC may seek such additional information, as considered necessary for approval.

11.3. The EC while considering applications for approval shall ensure that the total amount of incentives payable does not exceed the financial outlay of the Scheme.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

11.4. The EC will conduct a periodic review of selected applicant with respect to their investments, employment generation and production under the Scheme.

11.5. The EC will consider claims for disbursement, as examined and recommended by the PMA, for disbursement of incentive.

11.6. The EC may carry out any amendments in the Scheme and these guidelines.

11.7. In case of a Force Majeure event, the EC may amend, modify or withdraw any Clause under the Scheme.

11.8. The EC may hold stakeholder consultation as and when deemed necessary during the tenure of the Scheme.

12. **Approval under the Scheme**

12.1. The PMA will process the applications and make appropriate recommendations to the EC for approvals under the Scheme.

12.2. The EC will consider applications, as recommended by PMA, for approval under the Scheme.

12.3. The EC shall recommend two (2) waitlisted applicants, if available, along with selected applicants for each target segment.

12.4. All the applications will be finalized within 60 days from the date of closure of application window.

12.5. After receiving approval from the EC, the PMA will issue a letter to the selected applicant within 5 working days, communicating approval under the Scheme. The approval letter shall clearly state the following:

i. Name of Applicant
ii. Target Segment
iii. Eligible Product(s)
iv. Proposed Investment
v. Baseline (if applicable)
vi. Scheduled date of commencement of production
vii. Ceiling of annual incentive
viii. Yearly cumulative committed investment and incremental sales of manufactured goods applicable for determining eligibility for incentive

12.6. The selected applicant shall submit, within two weeks of date of issuance of approval letter by the PMA, a bank guarantee along with undertaking in the format as per **Annexure 9** of an amount equivalent to Rs. 30 lakh in favour of DoP, valid for 365 days to be rolled over till the proposed date of commercial production. In case, an applicant applies for multiple Target Segments, separate bank guarantee is required to be submitted for each of the Target Segment.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

12.7. The bank guarantee will be invoked if the actual commercial production is not met within 1 year of the original proposed date.

12.8. The bank guarantee will be released upon achievement of commercial production provided the actual date of commercial production is within 1 year of the original proposed date.

12.9. 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(s) and other criteria defined in these guidelines.

12.10. 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 forfeited and the bank guarantee shall be invoked (if not released in line Clause 12.7), and the offer letter issued shall stand cancelled. In such case, the offer shall be extended to the waitlisted applicant for the period remaining.

13. **Post Approval**

13.1. PMA shall monitor the progress of the project made by the selected applicant as and when required with respect to investment committed.

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

14. **Calculation of Incentive**

14.1. The annual incentive to be disbursed to the applicant shall be subject to ceiling of annual incentive, as stated in the approval letter.

14.2. 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) means the products as stated in the approval letter.

b) Sales of eligible product means the sales of the eligible product manufactured by the applicant in the Greenfield Project approved and set-up under these guidelines.

c) Incremental Sales shall be Net Sales Turnover of Eligible Product(s) for the period of which claim for disbursement of incentive pertains minus the Net Sales Turnover of said Eligible Product(s) for the base year.

d) In case of return of Sales of Eligible Product(s), the Gross Sales Turnover shall be reduced by the amount corresponding to such return of sales. If the corresponding sales have been considered for claim

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

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.

e) Rate of incentive: 5%

15. **Disbursement of Incentives**

15.1. For claiming incentive under the Scheme, applicants will be required to submit claims for disbursement of incentive to the PMA. Applicant must ensure that the claims are complete in all respects and are accompanied by all the required documents as per format prescribed in **Annexure 10** of these guidelines.

15.2. An applicant may submit a claim for disbursement of incentive only on a half-yearly or annual basis that is for the sales made in the period of April to September and October to March or April to March. Claims for any period shall be made only once, unless withdrawn, and no subsequent part claim shall be allowed for the said period.

15.3. In case an applicant makes a claim for incentive for multiple target segment, a separate application shall be submitted for each target segment.

15.4. Claim for disbursement of incentive shall be filed by the applicant within 9 months from the end of the financial year to which the claim pertains.

15.5. The PMA will examine the disbursement claim 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.

15.6. 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.

15.7. 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 DoP for clarification and the decision of DoP shall be final in this regard.

15.8. The PMA shall process claim for disbursement of incentive within 60 days from the date of receipt of such claim and make appropriate recommendations to the EC.

15.9. The EC will consider and approve claims for disbursement of incentive, as examined and recommended by the PMA.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

15.10. The PMA shall disburse funds after completion of all pre-disbursal formalities by the applicant and approval from EC.

15.11. 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 applicant only.

15.12. Applicants shall be required to reconcile 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.

15.13. The PMA shall verify the aforesaid reconciliation. In case of excess claims disbursed, the applicant shall reimburse DoP 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).

15.14. If the PMA or DoP is satisfied that eligibility under the Scheme and / or disbursement of incentives have been obtained by misrepresentation of facts or falsification of information, DoP may ask the applicant to refund the incentives along with interest calculated at 3 years SBI MCLR prevailing on date of disbursement, compounded annually, after giving an opportunity to the applicant of being heard.

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

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

16. **Review**

16.1. Periodic reviews will be undertaken by the EC with respect to progress and performance of the Scheme.

16.2. 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 8** of these guidelines.

17. **Residual**

17.1. 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).

17.2. 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 for approval of the EC to consider for disbursal of incentives.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

17.3. In case of a successor-in-interest, all 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.

17.4. 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.

17.5. 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.

17.6. Two formats of undertakings are enclosed as **Format-A** and **Format-B** in **Annexure 11.** These undertakings are to be furnished by applicants, duly signed by CEO / MD / Director and depicting the designation along with authorization to do so.

17.7. 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. 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. These guidelines supersede the earlier guidelines of the scheme issued on this subject vide no 31026/19/2020-MD dated 27.07.2020 and 29.10.2020

(Dr. N. Yuvaraj)
Joint Secretary to the Government of India
Tel No. 011-23385131
Email: js.pharma@nic.in

New Delhi, Dated: 18th August, 2022

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

Annexure 1

"Category A" applicant allowed to apply for the products

Target Segments under the Scheme

S. No.	Name of the Segment	Indicative Eligible Products
1	Cancer care / Radiotherapy medical devices	Rotational Cobalt Machine, Linear Accelerator (LINAC).
2	Radiology & Imaging medical devices (both ionizing & non-ionizing radiation products) and Nuclear Imaging Devices	CT Scan, MRI, Ultrasonography, X-ray equipment, C-arm, Cath-Lab, Positron Emission Tomography (PET) Systems, Single photon emission tomography (SPECT), Mammography, Collimator, Flat Panel Detector, Surgical X Ray C-Arm, Fixed LF and HF X Ray Products, X Ray Panels, MRI Coils and Monitors
3	Anesthetics & Cardio-Respiratory medical devices including Catheters of Cardio Respiratory Category & Renal Care Medical Devices	Dialyzer, Anesthesia Unit Ventilators, Patient monitoring system, Anesthesia Workstation, Automated External Defibrillators (AEDs), ECG, Syringe Pump, Defibrillators, Stress Test System and Oxygen Concentrator, Dialysis Machine, Peritoneal Dialysis kits Fistula, Blood Line, Haemodialysis Catheter and Transducer Protector, Anaesthesia Unit Gas Scavengers, Anaesthesia Unit Vaporizers, Anaesthesia Unit Ventilators, Bi- Phasic Defibrillators, Infusion pumps - Syringe and Volumetric, Intensive Care Ventilators, Emergency Ventilators (Portable Ventilators), High Flow Oxygen Devices, Multi-parameter Monitor, Suction Machine.
4	AII Implants including implantable electronic devices	Heart Valves, Stents, PTCA Balloon, Dilatation Catheter, Heart Occluders, PTCA Catheter, Hip Implants, Knee Implant and Trauma Implant, Drug Eluting Stents and Drug Eluting Balloons.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

Annexure 1A

"Category B" applicant allowed to apply for the products

Target Segments under the Scheme

S. No.	Name of the Segment	Indicative Eligible Products
1	Cancer care / Radiotherapy medical devices	Brachytherapy Systems, Radiotherapy Simulation Systems, , Workstations- Radiotherapy Planning, Proton therapy system and other products* in this target segment.
2	Radiology & Imaging medical devices (both ionizing & non-ionizing radiation products) and Nuclear Imaging Devices	Cyclotrons and other products* in this target segment.
3	Anesthetics & Cardio-Respiratory medical devices including Catheters of Cardio Respiratory Category & Renal Care Medical Devices	Needles-Anesthesia, Syringes-Anesthesia,, , Anesthesia Kits, Masks –Anesthesia, , Biopsy Kits- Renal, Dialyser reprocessing system, Lithotripters-Extracorporeal –Renal and other products* in this target segment.
4	AII Implants including implantable electronic devices	Cochlear Implants, Spinal and neuro-surgical implants, Urogynecologic Surgical Mesh Implants, Hernia Surgical Mesh Implants, Cerebral Spinal Fluid (CSF) Shunt Systems, Implanted Pacemakers, insulin pump, implanted neuro-stimulated device like Deep Brain Stimulator, Intraocular lenses and other products* in this target segment.

***** Other products – For products not specifically mentioned in the table above the Technical Committee shall decide whether such products shall be considered eligible under the Target Segment.

Note: A key component which constitutes major part of the finished medical device (such as Rotating Anode Tube, Stationary Anode Tube, MRI Magnet, Flat Panel Detector and similar components), and has a distinct HS code for itself, will be considered as included in the corresponding target segment.

 # If the Selected applicants of Category A withdraw or get rejected with the approval of EC, the products applied by those applicants withdrawn or got rejected (if there are no applicants for same products as approved in earlier rounds), shall automatically be included under Annexure-1A and may be made available for Category B applicants to apply.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

Annexure 2

Eligibility Threshold Criteria for "Category A" applicant

Target Segment	**Rate of Incentive on Incremental Sales of Manufactured Goods for respective FY**	**Threshold Minimum Incremental Sales of Manufactured Goods**	**Maximum Incentive per applicant per target segment**
All four segments of medical devices (detailed in ***Annexure 1***)	FY 2022-23: 5% FY 2023-24: 5% FY 2024-25: 5% FY 2025-26: 5% FY 2026-27: 5%	FY 2022-23: Rs. 60 Crore FY 2023-24: Rs. 120 Crore FY 2024-25: Rs 180 Crore FY 2025-26: Rs. 230 Crore FY 2026-27: Rs. 280 Crore	FY 2022-23 - Rs.8 Crore FY 2023-24 - Rs.17 Crore FY 2024-25 - Rs. 27 Crore FY 2025-26 - Rs. 32 Crore FY 2026-27 - Rs. 37 Crore **Total Maximum incentive – Rs. 121 crore**

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

Annexure 2A

Eligibility Threshold Criteria for "Category B" applicant

Target Segment	**Rate of Incentive on Incremental Sales of Manufactured Goods for respective FY**	**Threshold Minimum Incremental Sales of Manufactured Goods**	**Maximum Incentive per applicant per target segment**
All four segments of medical devices (detailed in ***Annexure 1A***)	FY 2022-23: 5% FY 2023-24: 5% FY 2024-25: 5% FY 2025-26: 5% FY 2026-27: 5%	FY 2022-23: Rs 20 Crore For subsequent financial years i.e., from FY 2023-24 onwards, the threshold sales shall be computed at 10% growth over the minimum threshold incremental sale required in the previous financial Year. FY 2023-24: Rs 22 Crore FY 2024-25: Rs 24.2 Crore FY 2025-26: Rs 26.62 Crore FY 2026-27: Rs 29.28 Crore	FY 2022-23 -Rs.2.5 Crore FY 2023-24 -Rs.5.0 Crore FY 2024-25 -Rs. 8.5 Crore FY 2025-26 -Rs. 11 Crore FY 2026-27 -Rs. 13 Crore **Total Maximum incentive – Rs. 40 crore**

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

Annexure 3

Evaluation Criteria for "Category A" applicant

S. No.	Parameter	Score	Max Score
1	Global Medical Devices manufacturing turnover of applicant and / or group company for FY 2018-19 ≥ Rs. 60 crore	5	50
	For every additional Rs.60 crore (Global Medical Devices) manufacturing turnover	5	
2	Existing Patent / Technology transfer with the applicant and / or group company in Target Segment	5	20
	For every additional Patent / Technology transfer	5	
3	Existing ISO 13485 as on the date of application available with the applicant and / or group company.	10	10
4	Existing Product CDSCO / AERB approved / regulatory product approval in USA (USFDA), UK, Australia, Japan, Canada, European Union (CE) as on the date of application available with the applicant and / or group company. Any one approval out of above list	5	10
	For additional regulatory approval out of above list	5	
5	Average R & D expenses of the applicant and / or group companies for the period of FY 2017-18 & FY 2018-19 as a percentage of sales revenue (which is capitalized in the books of account and / or in capital work in progress) From 5 to 10%	5	10
	For more than 10%	5	
	Total Score		**100**

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

Annexure 3A

Evaluation Criteria for "Category B" applicant

S. No.	Parameter	Score	Max Score
1	Global Medical Devices manufacturing turnover of applicant and / or group company for FY 2018-19 ≥ Rs. 20 crore	5	30
	For every additional Rs.20 crore (Global Medical Devices) manufacturing turnover	5	
2	Average of last 5-year investment of applicant and/or group company in Medical Devices Sector ≥ Rs. 5 crore i.e. FY 2016-17 to FY 2020-21	5	20
	For Every additional Rs. 3 crore investment in the medical devices sector	5	
3	Existing Patent / Technology transfer with the applicant and / or group company in Target Segment	5	20
	For every additional Patent / Technology transfer	5	
4	Existing ISO 13485 as on the date of application available with the applicant and / or group company.	10	10
5	Existing Product CDSCO / AERB approved / regulatory product approval in USA (USFDA), UK, Australia, Japan, Canada, European Union (CE) as on the date of application available with the applicant and / or group company. Any one approval out of above list	5	10
	For additional regulatory approval out of above list	5	
6	Average R & D expenses of the applicant and / or group companies for the period of FY 2017-18 & FY 2018-19 as a percentage of sales revenue (which is capitalized in the books of account and / or in capital work in progress) From 5 to 10%	5	10
	For more than 10%	5	
	Total Score		**100**

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

Annexure 4

Application Form: Production Linked Incentive Scheme (PLI) for Promoting Domestic Manufacturing of Medical Devices

1. Instructions:

1.1. The application shall be duly signed by authorized signatory of the Company.

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 will be submitted through an online portal to the Project Management Agency (PMA). 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 7 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. 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).

1.6. Credit History: Please provide details of presence in RBI's Defaulter and Willful Defaulter Lists, SEBI Debarred List and CIBIL Score.

1.7. Net Worth of the Applicant and / or group companies as on the date of application.

1.8. Documents to be furnished: Certificate from Statutory Auditor

1.9. Key Personnel Details: Contact details of three senior employees of applicant. Details would include Name, Designation, Address, phone, email.

1.10. Documents to be furnished: Certificate from Company Secretary / Board of Directors

2. Proposal

2.1. **Eligible Product and Target Segment**

2.2. **Projections (self-certified):**

a) Forecasted Revenue – Total and target Segment – Manufacturing Sales Segregated into Export and Domestic (FY 2021-22 to FY 2026-27)

b) Proposed Plan for Domestic Value Addition (FY 2021-22 to FY 2026-27)

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

c) Proposed Plan for Employment Generation in India (FY 2021-22 to FY 2026-27)

3. 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. Proof of the Application Fee Submission

5. Application details	
Name of the Manufacturer	
Address of the proposed Manufacturing unit	
Address of the Registered office	
Contact person: Name, Tel no., email	
Contract Manufacturer YES / NO	
Company Registered in India YES / NO	
Global Medical Device manufacturing turnover of applicant and / or group company for FY 2018-19	
Average R & D expenses of the applicant and / or group companies for the period of FY 2017-18 & FY 2018-19 as a percentage of sales revenue (which is capitalized in the books of account and / or in capital work in progress).	
Manufacturing Segment	
ISO 13485 Certificate with number & validity available with the applicant and / or group company.	
Existing Product CDSCO / AERB approved / regulatory product approval in USA (USFDA), UK, Australia, Japan, Canada, European Union (CE) as on the date of application available with the applicant and / or group company	
Existing Patent / Technology transfer with the applicant and / or group company in target segment	
Financial status of the Applicant: ▪ Financial statements of last 3 years.	

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

- Share Capital of the Applicant.
- Any legal issues pending as reflected in the annual report / annual accounts, which will have adverse impact on Applicant's status.
- Status of assets mortgaged / hypothecated.
- Any other Liability.
- Baseline for Sales of Manufactured Medical Devices covered under Target Segment

6. Investment

Total committed cumulative Investment for the Segment during the tenure of Scheme	

7. Actual / Projected investment and sales

Segment:

Financial Year	Committed Investment (cumulative)	Sales of Manufactured Medical Devices
2020-21		
2021-22		
2022-23		
2023-24		
2024-25		
2025-26		
2026-27		

8. Is any IP License required to carry out the Segment Manufacturing

9. Any Regulatory, Environmental or Other Clearance required:

10. List of Enclosures:

i. Copy of Incorporation Certificate
ii. Copy of Audited Balance Sheet and Profit and Loss Statement (of Last 2 Years)
iii. Copy of PAN Card
iv. Copy of GST Details
v. Copy of Articles of Association
vi. Copy of Memorandum of Association
vii. Letter authorizing the signing authority
viii. Copy of Shareholder Ownership in case of foreign companies

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

Annexure 5

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 manufacturer with address)* has submitted an application under Production Linked Incentive Scheme (PLI) for promoting domestic manufacturing of medical devices to Department of Pharmaceuticals (DoP), Government of India seeking incentives for the application pertaining to manufacturing…… (Eligible Product) 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 DoP 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

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

Annexure 6

Documents / information to be checked for preliminary assessment of application

1. Submission of prescribed Application Fee.
2. Net Worth
3. Products proposed are covered under Target Segments.
4. Applicant is eligible for proposed Target Segment.
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)
6. Prima facie completeness of the application

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.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

Annexure 7

Application Fee under the Scheme

An application fee of INR 1,00,000 shall have to be paid electronically through NEFT/ RTGS / to the PMA. The details of bank account for fee payment is given below:

Bank Account Name	**:**	IFCI – PLI – Medical Devices
Account Number	**:**	3859475057
Name of the Bank	**:**	Central Bank of India
IFSC Code	**:**	CBIN0281410
Branch Code	**:**	1410
Branch Name	**:**	Nehru Place
Bank Address	**:**	Central Bank of India, 59, Shakuntala Building, Nehru Place, New Delhi - 110019

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

Annexure 8

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:

1. Name of Applicant
2. Target Segment
3. Eligible Product(s)
4. Application Acknowledgement Date
5. Application Approval Date
6. Manufacturing Location(s)
7. Customer Brand(s) (in case of Contract Manufacturers)
8. Investment Actualized for Manufacturing of Target Segment (amount in INR)
Source of Funding (Equity, Debt, Internal Accrual etc.)
9. Employment as on date (in numbers)
On-roll labor / employees
Contractual
Apprentice
10. Installed Production Capacity for Target Segment and Eligible Medical Device (in numbers)
11. Revenue from Operations – Domestic Sales [net of credit notes, discounts and taxes applicable]
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
12. Revenue from Operations – Exports [net of credit notes, discounts and taxes applicable]
a) Manufacturing Activity
i. Eligible Product
ii. Other Goods in Target Segment

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

iii. Other Goods
b) Trading Activity
i. Target Segment
ii. Other Goods
c) Services Activity
13. Total Revenue from Operations
14. Details of Import– CIF value of Imported Goods at the Importation
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

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

Annexure 9

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

Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, Shastri Bhawan, New Delhi-110001 (hereinafter referred as “DoP”) represented by <PMA Name>, having its registered office at _____, acting as the Project Management Agency (PMA) for Production Linked Incentive (PLI) Scheme for Promoting Domestic Manufacturing of Medical Devices.

WHEREAS

A. [……..], a company within the meaning of the Companies Act, 2013 OR meaning under----------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 DoP / <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 DoP / <PMA Name> stating that the Applicant has

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

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 DoP / <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, altercation, 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 DoP / <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.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

FORMAT OF 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 Promoting Domestic Manufacturing of Medical Devices, notified by Department of Pharmaceuticals (DoP) vide Gazette Notification no. - 31026/08/2020-MD, dated - 21/07/2020 in Part-I, Section 1 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:

S. No	Particulars	Details
1.	Date of issuance of Approval Letter	
2.	Validity period of BG *	
3.	Amount of BG	Rs. 30 lakh

   * valid for 365 days to be rolled over till the proposed date of commercial production as per clause 12.6.

   B. We understand and agree that, we are legally bound to renew the BG / issue fresh BG, failing which DoP / PMA may invoke the BG.

   C. In case of loss, mutilation, force majeure or any other eventualities, with respect to Original BG (favouring DoP / PMA, held at PMA), DoP / 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 Clause 12.7.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

Annexure 10

Disbursement Claim Form: Production Linked Incentive Scheme (PLI) for Promoting Domestic Manufacturing of Medical Devices

1. Applicant Name
2. Target Segment
3. Eligible Product(s)
4. Application Acknowledgement Date
5. Ref. No. and Date of Approval Letter
6. Investment and Incremental Sales of Manufactured Medical Devices applicable for determining eligibility
7. Period for which Incentives are being sought
8. Applicable Ceilings as per Approval Letter
9. **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(s)			
	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]**			

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

S. No.	Particulars	Unit	Base Year	Period of Claim
	a) Manufacturing Activity			
	i. Eligible Product(s)			
	ii. Other Goods in Target Segment			
	iii. Other Goods			
	b) Trading Activity			
	i. Target Segments			
	ii. Other Goods			
	c) Services Activity			
3C	**Total Revenue from Operations (Domestic Sales & Exports)**			
4	**Sales Quantity [net of credit notes, discounts and taxes applicable]**	*Numbers*		
	a) Manufacturing Activity			
	i. Eligible Product(s)			
	ii. Other Goods in Target Segment			
	iii. Other Goods			
	b) Trading Activity			
5	**Details of Import**	*INR*		
	CIF value of Imported goods at the time of Importation			
	a) Raw Material / Parts / Components used for manufacturing			
	i. Eligible Product(s)			
	ii. Other Goods in Target Segment			
	iii. Other Goods			
	b) Spare Parts used for manufacturing			
	i. Eligible Product(s)			
	ii. Other Goods in Target Segment			
	iii. Other Goods			
	c) Finished Goods used for manufacturing			
	i. Eligible Product(s)			
	ii. Other Goods in Target Segment			
	iii. Other Goods			

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

S. No.	Particulars	Unit	Base Year	Period of Claim
	d) Capital Goods used for manufacturing			
	i. Target Segment			
	iii. Other Goods			
	e) Import of Services pertaining to Target Segment			

10. Certificates / undertakings stating / covering the following:

10.1 No deviation in Eligible Product(s)

11. Certificate(s) from Company Secretary stating:

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

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

12.1 Committed Investment applicable has been achieved for the year in consideration

12.2 Details of Investment till date

12.3 Capitalization of Investment in the books of accounts of the applicant is in line with the relevant accounting standards issued by ICAI

12.4 Investment has been made in accordance with Scheme Guidelines and approval accorded by DoP

12.5 Threshold of Incremental Sales of Manufactured Goods applicable has been achieved for the year in consideration

13. Documents / certificates from Chartered Engineer:

13.1 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.

14. List of documents to be submitted post approval of claim

14.1 An undertaking from the applicant as per format given in **Annexure 11**

14.2 An agreement / indemnity bond on prescribed formats as per **Annexure 10 A** 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.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

14.3 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.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

Annexure 10 A

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 Promoting Domestic Manufacturing of Medical Devices, notified by the Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers vide Gazette Notification no. - 31026/08/2020-MD, dated - 21/07/2020, 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 of Pharmaceuticals, Ministry of Chemicals and Fertilizers 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 remedy provided in para 3 (a) above is not the exclusive remedy available with the Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers and are without prejudice to any legal remedies available with Department of Pharmaceuticals for events mentioned in para 3 (i) and (ii) above.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

Annexure 11

Subject: Performa 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 Promoting Domestic Manufacturing of Medical Devices to Department of Pharmaceuticals (DoP), Ministry of Chemicals and Fertilizers, 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 DoP 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 DoP's officer(s) or consultant or agency representative (appraisal or / and verification agency appointed by DoP 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 DoP.

2.3. The PLI applicant shall disclose the name and address of the duly authorized Agents/ Representatives who will be dealing with DoP 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.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

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 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 DoP reserve the right to initiate legal action of whatsoever nature. In case if DoP 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 DoP.

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

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

Subject: Performa for Integrity compliance to be furnished by PLI Applicants before release of incentive

(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 Promoting Domestic Manufacturing of Medical Devices to Department of Pharmaceuticals (DoP), Ministry of Chemicals and Fertilizers, 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 DoP 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 DoP's officer(s) or consultant or agency representative (appraisal or / and verification agency appointed by DoP 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 DoP 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, I / We hereby confirm the compliance thereof with the Integrity Undertaking submitted to DoP 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.

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

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

Source - https://pharmaceuticals.gov.in/schemes/production-linked-incentive-pli-scheme-promoting-domestic-manufacturing-medical-devices

PLI Scheme to Promote Telecom and Networking Products Manufacturing In India

Department of Telecommunications (DoT), Ministry of Communications

Source - https://dot.gov.in/pli-scheme

रजिस्ट्री सं. डी.एल.- 33004/99 REGD. No. D. L.-33004/99

भारत का राजपत्र
The Gazette of India

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असाधारण
EXTRAORDINARY

भाग I—खण्ड 1
PART I—Section 1

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संचार मंत्रालय

(दूरसंचार विभाग)

अधिसूचना

नई दिल्ली, 24 फरवरी, 2021

विषय : भारत में दूरसंचार और नेटवर्किंग उत्पादों के विनिर्माण को बढ़ावा देने के लिए उत्पादन आधारित प्रोत्साहन (पीएलआई) योजना।

फा. सं. 13-01/2020-आईसी .—1. पृष्ठभूमि

दूरसंचार क्षेत्र की अर्थव्यवस्था के विकास को सुविधाजनक बनाने में अत्यधिक महत्वपूर्ण भूमिका है। दूरसंचार डिजिटल कनेक्टिविटी और डिजिटल इंडिया के लिए एक प्रमुख अवसंरचना और प्रमुख एनेबलर है। उपर्युक्त संदर्भ में भारत में दूरसंचार उत्पादों के विनिर्माण के लिए प्रोत्साहन देना वांछनीय और आवश्यक भी है।

2. उद्देश्य

उत्पादन आधारित प्रोत्साहन (पीएलआई) योजना भारत में दूरसंचार एवं नेटवर्किंग उत्पाद विनिर्माण को प्रोत्साहित करेगी। तदनुसार, दूरसंचार और नेटवर्किंग उत्पादों के लक्षित खण्डों में घरेलू विनिर्माण को प्रोत्साहित करने तथा निवेश को आकर्षित करने के लिए वित्तीय प्रोत्साहन देने का प्रस्ताव है ताकि "मेक इन इंडिया" को प्रोत्साहित किया जा सके। इसके

Source - https://dot.gov.in/pli-scheme

MINISTRY OF COMMUNICATIONS

(Department of Telecommunications)

NOTIFICATION

New Delhi, the 24th February, 2021

SUBJECT: PRODUCTION LINKED INCENTIVE (PLI) SCHEME TO PROMOTE TELECOM AND NETWORKING PRODUCTS MANUFACTURING IN INDIA

F. No. 13-01/2020-IC.—1. Background

The Telecommunication sector has a pivotal role in facilitating the growth of economy. Telecom is key infrastructure and a key enabler of digital connectivity and Digital India. In the above context, it is necessary and desirable to incentivise manufacturing of Telecom Products in India.

2. Objectives

The Production Linked Incentive (PLI) Scheme will promote Telecom and Networking Products manufacturing in India. Accordingly, a financial incentive is proposed to boost domestic manufacturing and attract investments in the target segments of telecom and networking products in order to encourage "Make in India". The Scheme is also expected to boost export of telecom and networking products "Made in India".

3. Target Segments

Support under the Scheme will be provided to companies/entities engaged in manufacturing of specified telecom and networking products in India as listed in **Annexure-1**.

4. Eligibility

4.1 Eligibility will be subject to achievement of a minimum threshold of cumulative incremental investment over a period of four years and incremental sales of manufactured goods net of taxes (as distinct from traded goods) over the Base Year. The cumulative investment can be made at one go, subject to annual cumulative threshold as prescribed for four years being met. An applicant is expected to meet all the minimum threshold conditions to be eligible for disbursement of incentive. The Company/entity may invest in single or multiple eligible products to meet minimum incremental investment and sales threshold. The Scheme will also include contract manufacturers as defined in the FDI Policy Circular of 2017.

4.2 There will be a minimum investment threshold of ₹ 10 Crores for MSME and ₹ 100 Crores for others. Land and building cost will not be counted as investment.

4.3 Any beneficiary under this PLI Scheme will not be eligible to take benefit for the same products under any other PLI Scheme of Central Government. However, eligibility under PLI Scheme will not affect eligibility under any other Scheme being implemented by State/UT Governments and vice-versa.

4.4 Total number of beneficiaries will be limited owing to the fixed ceiling of the budgetary outlay. The beneficiaries will be decided through a transparent mechanism, to be finalized by the Competent Authority as per the Scheme Guidelines. Each beneficiary will have to meet the minimum incremental net sales criteria over the Base Year, as per **column C** of the table given in **Annexure-2**, to become eligible for the incentive. The amount of incentive given to each beneficiary will also be capped with a ceiling as per **column D** of the table or as decided by the Empowered Group of Secretaries (EGoS).

5. Base Year

Financial Year 2019-20 shall be treated as the Base Year for computation of cumulative incremental sales of manufactured goods net of taxes (as distinct from traded goods). Baseline information pertaining to production of beneficiary manufacturers will be captured to deduce and verify the cumulative incremental production over the base year.

Source - https://dot.gov.in/pli-scheme

6. Tenure of the Scheme

The scheme will be effective from 1st April, 2021. The investment will be permitted to be made in four years, subject to qualifying incremental annual thresholds, the support under the Scheme shall be provided for a period of five (5) years.

7. Review and Monitoring

Empowered Group of Secretaries (EGoS) chaired by Cabinet Secretary will monitor the PLI Scheme, undertake periodic review of the outgo under the Scheme, and take appropriate action to ensure that the expenditure is within the prescribed outlay. The Department of Telecommunications will finalize and notify the Scheme Guidelines. EGoS, within, the contours of Cabinet approval, can carry out any amendments in the Scheme Guidelines to ensure successful implementation on ground. Selection of the applicants to the Scheme will be done by the Department of Telecommunications.

8. Incentive Outlay

The PLI Scheme will be implemented within the overall financial limits of ₹ 12,195 Crores only (Rupees Twelve Thousand One Hundred and Ninety-Five Crore only) for implementation of the Scheme over a period of 5 years.

9. Applicable Incentives

The applicable incentive percentage for MSMEs will be 7% for Year 1 & Year 2, 6% for Year 3, 5% for Year 4 and 4% for year 5 on eligible sales over the base year. For category other than MSME, the applicable incentive percentage will be 6% for Year 1 & 2, 5% for Year 3 & 4 and 4% for year 5 on eligible sales over the base year. The incentive will be given subject to annual investment targets having been met.

10. Incentive per Company

The incentive per company will be applicable on sales of manufactured finished goods net of taxes, discounts, commissions etc. (as distinct from traded goods) subject to ceilings as indicated in the table at para 4.4 above (or as decided by the EGoS from time to time) and the company meeting the cumulative investment criteria as well. Total possible incentive for each applicant will be capped based on total investment committed at the time of application. This will be informed to the applicant at approval stage.

RAJESH KUMAR PATHAK, Dy. Director General (IC)

Annexure-1

List of Specified Telecom and Networking Products

S. No.	Description of Goods
1	**Core Transmission Equipment**
	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
2	**4G/5G, Next Generation Radio Access Network and Wireless Equipment**
	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
3	**Access & Customer Premises Equipment (CPE), Internet of Things (IoT) Access Devices and Other Wireless Equipment**
	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.

Source - https://dot.gov.in/pli-scheme

S. No.	Description of Goods
4	**Enterprise equipment: Switches, Routers**
	Switches, Routers, Internet protocol (IP) and Packet Switching and Routing Apparatus
5	**Any Other Product- As decided by the EGoS**

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 Incremental Sales of Manufactured Goods Net of Taxes over the Base Year	Maximum Eligible Sales of Manufactured Goods Net of Taxes over the Base year
	(A)	**(B)**	**(C)**	**(D)**
MSMEs- Minimum Threshold of Investment ₹ 10 Crores				
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
Other than MSMEs- Minimum Threshold of Investment ₹ 100 Crores				
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 ₹ 10 Crores for MSMEs and ₹ 100 Crores for others)				
MSMEs = Micro, Small and Medium Enterprises as defined by the Government of India.				

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Source - https://dot.gov.in/pli-scheme

File No. 13-01/2020-IC
Government of India
Ministry of Communications
Department of Telecommunications
International Cooperation Unit

Dated: 3rd 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

Source - https://dot.gov.in/pli-scheme

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

Source - https://dot.gov.in/pli-scheme

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.

Source - https://dot.gov.in/pli-scheme

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 10th 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 1st April of a year and ends on 31st 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

Source - https://dot.gov.in/pli-scheme

(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

Source - https://dot.gov.in/pli-scheme

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.

Source - https://dot.gov.in/pli-scheme

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

Source - https://dot.gov.in/pli-scheme

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

Source - https://dot.gov.in/pli-scheme

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.

Source - https://dot.gov.in/pli-scheme

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.

Source - https://dot.gov.in/pli-scheme

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.

Source - https://dot.gov.in/pli-scheme

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.

Source - https://dot.gov.in/pli-scheme

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.

Source - https://dot.gov.in/pli-scheme

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.

Source - https://dot.gov.in/pli-scheme

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.

Source - https://dot.gov.in/pli-scheme

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.

Source - https://dot.gov.in/pli-scheme

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.

Source - https://dot.gov.in/pli-scheme

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.

Source - https://dot.gov.in/pli-scheme

(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.

Source - https://dot.gov.in/pli-scheme

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 31st 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 31st December of the next financial year. The said reconciliation Statement, as per specified format, will have to be submitted within 15 days of 31st 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.

Source - https://dot.gov.in/pli-scheme

12.15 DoT shall make budgetary provisions for disbursal 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).

Source - https://dot.gov.in/pli-scheme

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.

Source - https://dot.gov.in/pli-scheme

15.10 The dates and timelines for various activities will be specified by DoT separately.

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New Delhi, Dated: 3rd June, 2021

Copy to:

1. **All Concerned Ministries / Departments of Government of India**
2. **All States / Union Territories**
3. **Cabinet Secretariat**
4. **PMO**
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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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Source - https://dot.gov.in/pli-scheme

Annexure 1

Specified Telecom and Networking Products

S. No	Description of Goods
1	**Core Transmission Equipment**
	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
2	**4G/5G, Next Generation Radio Access Network and Wireless Equipment**
	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
3	**Access & Customer Premises Equipment (CPE), IoT Access Devices and Other wireless Equipment**
	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.
4	**Enterprise equipment: Switches, Routers**
	Switches, Routers, Internet protocol (IP) and Packet Switching and Routing Apparatus
5	**Any Other Product- As decided by the EGoS**

Source - https://dot.gov.in/pli-scheme

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# of Manufactured Goods over the Base Year	Maximum Eligible Incremental Net Sales# of Manufactured Goods over the Base year
	(A)	(B)	(C)	(D)
MSMEs- Minimum Threshold of Investment Rs. 10 Crores				
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
Other than MSMEs- Minimum Threshold of Investment Rs. 100 Crores				
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				

Source - https://dot.gov.in/pli-scheme

File No. 13-01/2020-IC
Government of India
Ministry of Communications
Department of Telecommunications
International Cooperation Unit

Dated: 20th June 2022

OFFICE MEMORANDUM

Subject: Amendments in Guidelines for Production Linked Incentive (PLI) Scheme for Promoting Telecom & Networking Products Manufacturing in India

Reference: Guidelines for PLI Scheme for Promoting Telecom & Networking Products Manufacturing in India dated 3rd June 2021 and amendments dated 18th June 2021

1. Department of Telecommunications has notified PLI Scheme for manufacturing of Telecom and Networking Products which is effective from 1st April 2021. In order to facilitate Design-led manufacturing for 5G products under the PLI Scheme for Telecom and Networking Products and to enhance the scope and timelines of the Scheme, the following amendments are made in the PLI Scheme Guidelines with effect from 1st April 2022:

Clause of Scheme Guidelines	Existing Clause	Amended Clause with effect from 01.4.2022
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.	The Scheme will be effective from 01.04.2021 or from 01.04.2022 as the case may be. 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.
2.8A	**New Clause**	Design-led Manufacturing for the purpose of this Scheme is the manufacturing of the Specified Telecom and Networking Products fulfilling the following conditions: i. The system design and development, including hardware and software for the specific end products shall be done using in-house and captive R&D or through technology transfer agreement executed with Government labs / academia or C-DOT or DSIR

Source - https://dot.gov.in/pli-scheme

Clause of Scheme Guidelines	Existing Clause	Amended Clause with effect from 01.4.2022
		registered R&D entities by the applicant company in India; and ii. The hardware design, source code and IPR (excluding any duly licensed IPR) should reside in India and should be owned by the applicant company; and iii. Minimum 50% of the components (other than semiconductor components and Bare PCBs of more than 8 layers) by value terms, used in the manufacturing of the specific end products must be manufactured in India; and iv. The surface mounting of the components on the PCB as well as the final assembly, integration and testing of the specific end products shall be done in India.
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.	**Eligible Investment:** Investment made in India from 01.04.2021 or 01.04.2022 as applicable and up to Financial Year 2024-2025 or Financial Year 2025-2026 as applicable. 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 or 31.03.2022 as applicable.
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	**Employment:** Jobs created by Applicant in India, which are directly involved in the research and development, 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

Source - https://dot.gov.in/pli-scheme

Clause of Scheme Guidelines	Existing Clause	Amended Clause with effect from 01.4.2022
	within the premises of the Applicant company.	due to outsourcing within the premises of the Applicant company.
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.	**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 be included in the eligible R&D expenditure. Further, R&D expenditure shall be subject to the provision of Clause 4.1.4. 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	**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

Source - https://dot.gov.in/pli-scheme

Clause of Scheme Guidelines	Existing Clause	Amended Clause with effect from 01.4.2022
	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.	Segments through Technology Transfer Agreements through Government labs/Academic Institutions within India, C-DOT or DSIR registered R&D entities. All non-creditable taxes and duties would be included in such expenditure.
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.	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 or 01.04.2022 as applicable, 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.
3.7	Maximum financial allocation over 5 years for MSME category will be limited to Rs. 1,000 crores only.	Maximum financial allocation over 5 years for MSME category will be limited to Rs. 2,500 crores only.
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.	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 or 01.04.2022 as applicable.
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.	Expenditure incurred on Research and Development as defined in Clause 2.17.2 of these Guidelines; and in accordance with the Accounting Standard 26, Indian Accounting Standard (Ind AS) 38 and Income Tax Act, 1961 as amended from time to time, shall be considered as Investment for determining eligibility under the Scheme.

Source - https://dot.gov.in/pli-scheme

Clause of Scheme Guidelines	Existing Clause	Amended Clause with effect from 01.4.2022
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.	The Applicant shall provide a Statutory Auditor certificate in respect of the investment towards research & development including cost of technology, IPRs, patents and copyrights, manpower expenses, specifically pertaining to the products approved for manufacturing, in compliance with the Scheme Guidelines and subject to the provisions of the Accounting Standard 26, Indian Accounting Standard (Ind AS) 38 and Income Tax Act, 1961.
4.3.4	Expenditure incurred on R&D shall not exceed 15% of the total committed investment.	**Deleted**
4.3.5	**New Clause**	For Design-led Manufacturing of specified products, the Applicant company shall furnish the certificate from their Statutory Auditor / Cost Auditor appointed by the Board of the Company, certifying the compliance of Clause 2.8A of these Guidelines.
4.4.3	Expenditure incurred on Transfer of Technology shall not exceed 5% of the total committed investment.	**Deleted**
9.2.1	**Baseline for Investment:** As on 31.03.2021	**Baseline for Investment:** As on 31.03.2021 or 31.03.2022 as applicable
10.6.7	Baseline for Eligible Investment: (as on 31.03.2021)	Baseline for Eligible Investment: (as on 31.03.2021 or 31.03.2022 as applicable)
10.7	**New Clause**	The DoT reserves the right to withdraw the approval if an Applicant fails to make eligible investment within the first two years.
Annexure 1	Additions to the existing list in the category **"Core Transmission Equipment"**	Millimeter Radio, E/V-band Radios, Satellite Gateway (IIub /Earth station)

Source - https://dot.gov.in/pli-scheme

Clause of Scheme Guidelines	Existing Clause	Amended Clause with effect from 01.4.2022
		Equipment, Free Space Optics Communication Equipment
	Additions to the existing list in the category **"4G/5G, Next Generation Radio Access Network and wireless equipment"**	Telecom Antenna, Open-RAN Equipment (Radio Unit, Distributed Unit, Centralised Unit, and RAN Intelligent Controller)
	Additions to the existing list in the category **"Access & Customer Premises Equipment (CPE), IoT Access Devices and Other wireless Equipment"**	Internet Set Top Box, Satellite CPEs for accessing Internet, VSAT Equipment, NG-PON-ONT, Telecom modules of IOT/M2M Access Devices
Annexure 2	**New Para**	An additional incentive of 1% over and above the applicable rates of incentive for products qualified under Design led Manufacturing, as defined at Clause 2.8A, in each year.

1.1 The tenure of the PLI Scheme for Telecom & Networking is being extended from the existing 5 years (FY 2021-22 to FY 2025-26) to 6 years (FY 2021-22 to FY 2026-27). Companies approved under the PLI Scheme shall be allowed to choose a period of 5 consecutive years i.e. (i) FY2021-22 to FY2025-26, or (ii) FY2022-23 to FY2026-27, to achieve the Net Incremental Sales for the incentive claim. Incentives and thresholds for Year-1 and subsequent years, as per the **Annexure 2 of the Scheme Guidelines**, will be applicable from 01.04.2021 or 01.04.2022 depending on the choice of Year-1 (FY 2021-22 or FY 2022-23). Existing PLI beneficiaries who will be opting for 5-year block starting from FY 2022-23 shall have to forego their investment made during the Financial Year 2021-22.

1.2 The existing PLI beneficiaries within their committed investment and eligible sales shall be permitted to add more products from the Specified Telecom and Networking Products with effect from 01.04.2022.

2. Inviting Application against the Balance Fund

2.1 DoT shall invite applications from eligible Design-led manufacturers compliant with Clause 2.8A of the Scheme Guidelines, and others. The existing PLI beneficiaries have the option to apply as fresh Applicant. On selection, the PLI beneficiaries who are opting to apply as fresh Applicant have to exit from the existing approval and forego their investment made during Financial Year 2021-22.

2.2 The applications received for Design-led Manufacturing compliant with Clause 2.8A of the Scheme Guidelines shall be processed first in their respective categories on the basis

Source - https://dot.gov.in/pli-scheme

of their committed cumulative incremental investment and approved in the following priority order, to the extent of fund availability.

2.2.1 The eligible Applicants in MSME category will be ranked from highest to lowest on the basis of their committed cumulative incremental investment during the Scheme period and will be approved to the extent of fund availability.

2.2.2 The eligible Applicants in Non-MSME category will be ranked from highest to lowest on the basis of their committed cumulative incremental investment during the Scheme period. Based on the above ranking method, from the eligible Applicants in non-MSME category at least 30% Domestic companies shall be selected and granted approval to the extent of fund availability under the Scheme.

2.3 Thereafter, if the fund is still available in the respective categories, Applications from eligible new/existing Applicants not compliant with Clause 2.8A under PLI Scheme Guidelines, shall be processed as per Clause 2.2 above. For this purpose, applications will also be called simultaneously from the Applicants who are not compliant with Clause 2.8A.

3. These amendments shall be read along with the Scheme Guidelines incorporating the above changes wherever applicable.

20/6/2022

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Copy to:
1. **All Concerned Ministries / Departments of Government of India**
2. **All States / Union Territories**
3. **Cabinet Secretariat** (w.r.t. Doc. No. (C.A.V):19:2022 dated 13th June 2022)
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**

20/6/2022

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Source - https://dot.gov.in/pli-scheme

PLI Scheme for Pharmaceuticals

Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers

Source - https://pharmaceuticals.gov.in/schemes

रजिस्ट्री सं. डी.एल.- 33004/99 REGD. No. D. L.-33004/99

भारत का राजपत्र
The Gazette of India

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असाधारण
EXTRAORDINARY

भाग I—खण्ड 1
PART I—Section 1

प्राधिकार से प्रकाशित
PUBLISHED BY AUTHORITY

सं. 76] नई दिल्ली, बुधवार, मार्च 3, 2021/फाल्गुन 12, 1942
No. 76] NEW DELHI, WEDNESDAY, MARCH 3, 2021/PHALGUNA 12, 1942

रसायन एवं उर्वरक मंत्रालय

(औषध विभाग)

अधिसूचना

नई दिल्ली, 3 मार्च, 2021

विषय:- औषध के लिए उत्पादन लिंक्ड प्रोत्साहन योजना (पीएलआई).

सं. 31026/60/2020-नीति-औषध विभाग.— 1.पृष्ठभूमि

1.1. भारतीय औषध उद्योग मात्रा के हिसाब से दुनिया में तीसरा सबसे बड़ा उद्योग है और मूल्य के मामले में इसकी कीमत 40 बिलियन अमरीकी डॉलर है। देश वैश्विक रूप से निर्यात की जाने वाली कुल औषधियों और दवाइयों में 3.5 प्रतिशत का योगदान करता है। भारत संयुक्त राज्य अमेरिका, ब्रिटेन, यूरोपीय संघ, कनाडा आदि जैसे अति विनियमित बाजारों सहित 200 से अधिक देशों और क्षेत्रों में (औषध) फार्मास्यूटिकल्स का निर्यात करता है। भारत में औषध के विकास और विनिर्माण के लिए एक पूर्ण पारिस्थितिकी तंत्र है, जिसमें अत्याधुनिक सुविधाएं और अति कुशल/तकनीकी जनशक्ति वाली कंपनियां हैं। देश में कई प्रसिद्ध शैक्षिक और अनुसंधान औषध संस्थानों और संबद्ध उद्योगों का एक मजबूत पारिस्थितिकी तंत्र भी है।

Source - https://pharmaceuticals.gov.in/schemes

MINISTRY OF CHEMICALS AND FERTILIZERS

(Department Of Pharmaceuticals)

NOTIFICATION

New Delhi, the 3rd March, 2021

Subject:-Production Linked Incentive Scheme (PLI) for Pharmaceuticals.

No. 31026/60/2020-Policy-DoP.—1. Background

1.1. Indian pharmaceutical industry is the 3rd largest in the world by volume and is USD 40 billion in terms of value. The country contributes 3.5% of total drugs and medicines exported globally. India exports pharmaceuticals to more than 200 countries and territories including highly regulated markets such as the USA, The UK, European Union, Canada etc. India has complete ecosystem for development and manufacturing of pharmaceuticals with companies having state of the art facilities, highly skilled/technical manpower. The country also has a number of renowned pharmaceutical educational and research institutes and a robust ecosystem of allied industries.

1.2. At present a major component of Indian exports are low value generic drugs while a large proportion of the demand for patented drugs is met through imports. This is because the Indian Pharmaceutical sector lacks in high value production along with world class pharma R&D. In order to incentivize the global and domestic players to enhance investment and production in these product categories, a well-designed and suitably targeted intervention is required to incentivise specific high value goods such as biopharmaceuticals, complex generic drugs, patented drugs or drugs nearing patent expiry, cell based or gene therapy drugs.

1.3. Further, looking to the increasing imperative of drug security, continued support to domestic production capability in APIs/KSMs would ensure higher resilience of the Indian pharmaceutical industry to external shocks. These initiatives have the potential to contribute significantly to achieving higher objective of affordable healthcare in the country and globally on a sustained basis.

2. Objective: The objective of the scheme is to enhance India's manufacturing capabilities by increasing investment and production in the sector and contributing to product diversification to high value goods in the pharmaceutical sector. One of the further objectives of the scheme is to create global champions out of India who have the potential to grow in size and scale using cutting edge technology and thereby penetrate the global value chains.

3. Salient Features of the Scheme:

3.1. Target Groups: The manufacturers of pharmaceutical goods registered in India will be grouped based on their Global Manufacturing Revenue (GMR) to ensure wider applicability of the scheme across the pharmaceutical industry and at the same time meet the objectives of the scheme. The qualifying criteria for the three groups of applicants will be as follows-

(a) **Group A**: Applicants having Global Manufacturing Revenue (FY 2019-20) of pharmaceutical goods more than or equal to Rs 5,000 crore.

(b) **Group B**: Applicants having Global Manufacturing Revenue (FY 2019-20) of pharmaceutical goods between Rs 500 (inclusive) crore and Rs 5,000 crore.

(c) **Group C**: Applicants having Global Manufacturing Revenue (FY 2019-20) of pharmaceutical goods less than Rs 500 crore. Within this group, a sub-group for MSME industry will be made given their specific challenges and circumstances.

3.2. Quantum of Incentive: The total quantum of incentive (inclusive of administrative expenditure) under the scheme is about Rs 15,000 crore. The incentive allocation among the Target Groups is as follows-

(a) Group A: Rs 11,000 crore.

(b) Group B: Rs 2,250 crore.

(c) Group C: Rs 1,750 crore.

Source - https://pharmaceuticals.gov.in/schemes

3.3. Rate of Incentive: The rate of incentive on incremental sales (over base year) of pharmaceutical goods covered under Category 1 & 2 will be 10% for FY 2022-23 to FY 2025-26, 8% for 2026-27 and 6% for 2027-28.

The rate of incentive on incremental sales (over base year) of for pharmaceutical goods covered under Category-3 will be 5% for FY 2022-23 to FY 2025-26, 4% for 2026-27 and 3% for 2027-28.

3.4. Base Year: Financial Year 2019-20 shall be treated as the base year for computation of incremental sales of manufactured goods

3.5. Category of Goods: The scheme shall cover pharmaceutical goods under three (03) categories as mentioned below:-

(I) Category 1

1. Bio-pharmaceuticals
2. Complex generic drugs
3. Patented drugs or drugs nearing patent expiry
4. Cell based or gene therapy drugs
5. Orphan drugs
6. Special empty capsules like HPMC, Pullulan, enteric etc.
7. Complex excipients
8. Phyto-pharmaceuticals
9. Other drugs as approved

(II) Category 2

1. Active Pharmaceutical Ingredients / Key Starting materials / Drug Intermediates

(III) Category 3 (Drugs not covered under Category 1 and Category 2)

1. Repurposed drugs
2. Auto immune drugs, anti-cancer drugs, anti-diabetic drugs, anti- infective drugs, cardiovascular drugs, psychotropic drugs and anti- retroviral drugs
3. In-vitro diagnostic devices
4. Other drugs as approved
5. Other drugs not manufactured in India.

3.6. Selection of participants: The applicants will be selected based on pre-defined objective criteria to assess their experience, capacity to grow in scale and innovate. The selection criteria shall be elaborated in the scheme guidelines.

3.7. Eligibility for incentive: The selected participants in the scheme will be eligible for incentives on incremental sales of pharmaceutical goods based on yearly threshold criteria of minimum cumulative investment and minimum percentage growth in sales as mentioned below-

Source - https://pharmaceuticals.gov.in/schemes

Group of Participants	Minimum Cumulative Investment per participant (Rs. Crore)	Minimum Percentage Growth in Sales (Year on Year)
Group A	**Rs. 1,000 crore over 5 years**. FY 2021-22: 200 FY 2022-23: 400 FY 2023-24: 600 FY 2024-25: 800 FY 2025-26: 1000	For first year of production, participants shall have to achieve Minimum threshold sales which will be specified by value for each Group in the scheme guidelines. For subsequent years, the participants have to achieve a minimum percentage growth of 7% Year on Year.
Group B	**Rs. 250 crore over 5 years.** FY 2021-22: 50 FY 2022-23: 100 FY 2023-24: 150 FY 2024-25: 200 FY 2025-26: 250	
Group C	**Rs. 50 crore over 5 years.** FY 2021-22: 10 FY 2022-23: 20 FY 2023-24: 30 FY 2024-25: 40 FY 2025-26: 50 ***** For MSME participants in Group C, the threshold minimum cumulative investment shall be as committed by the participant in application form	

3.8. Tenure of the Scheme: The duration of the scheme will be from FY 2020-21 to FY 2028-29. This will include the period for processing of applications (FY 2020-21), optional gestation period of one year (FY 2021-22), incentive for 6 years and FY 2028-29 for disbursal of incentive for sales of FY 2027-28.

3.9. Incentive Outlay: Total financial outlay of the scheme is Rs. 15,000 crore. The annual incentive outlay is estimated based on projected incremental sales of the identified pharmaceutical goods by the selected participants. The incentives will be paid for a maximum period of 6 years for each participant. Participants may avail of up to one-year gestation period from the date of approval.

3.10. Incentive ceiling: Incentive per participant will be subject to ceilings which will be specified in the scheme guidelines.

3.11. Empowered Group of Secretaries (EGoS): The Empowered Group of Secretaries (EGoS) comprising of Cabinet Secretary (Chairperson), CEO NITI Aayog (Member), Secretary DPIIT (Member Convenor), Secretary DoC (Member), Secretary DoR (Member), Secretary DEA (Member) and Secretary DoP shall undertake periodic review of the outgo under the scheme,

Source - https://pharmaceuticals.gov.in/schemes

ensure uniformity with other PLI schemes and take appropriate action to ensure that the expenditure is within the prescribed outlay.

3.12. Technical Committee: A Technical Committee (TC) of 5-7 members will be formed with representative from CDSCO, experts from industry and academia. The role of the TC along with the scope and manner of its functioning shall be laid down in the scheme guidelines.

3.13. Project Management Agency: The Scheme shall be implemented by the Department of Pharmaceuticals through a Project Management Agency (PMA) that will be responsible for providing secretarial, managerial and implementation support and carry out other responsibilities as assigned by DoP within the framework of scheme and guidelines thereof.

3.14. Approval and Disbursement Process:

(a) Application under the Scheme can be made by any manufacturer registered in India.

(b) An application, complete in all aspects, will have to be submitted before the due date. Acknowledgement will be issued after initial scrutiny of the application.

(c) The applicants will be appraised and considered for approval, based on predefined selection criteria.

(d) The incentives shall be released to the selected participants under the scheme who meet the annual threshold criteria of minimum cumulative investment and minimum growth in sales and if disbursement claims are found to be in order.

(e) Timely disbursal of incentives by the project Management Agency will be monitored by DoP and reviewed by the EGoS.

(f) The incentive will be disbursed on incremental sales for a maximum period of 6 years for each participant.

(g) The progress in approval of applications and disbursal of incentive shall be monitored on an ongoing basis against the monitoring framework to be specified in the guidelines.

NAVDEEP RINWA, Jt. Secy.

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File No. 31026/60/2020-Policy
Government of India
Ministry of Chemicals and Fertilizers
Department of Pharmaceuticals

Operational guidelines for the Production Linked Incentive (PLI) Scheme for Pharmaceuticals

Dated: 1st June, 2021

1. Objective

The objective of the scheme is to enhance India's manufacturing capabilities by increasing investment and production in the sector and contributing to product diversification to high value goods in the pharmaceutical sector. One of the further objectives of the scheme is to create global champions out of India who have the potential to grow in size and scale using cutting edge technology and thereby penetrate the global value chains. The Scheme was notified vide Gazette Notification No.31026/60/2020-Policy-DoP dated 3rd March, 2021 (notification is available at https://pharmaceuticals.gov.in)

2. Definitions

2.1. **Applicant:** Applicant for the purpose of the Scheme shall be any Proprietary Firm or Partnership Firm or Limited Liability Partnership (LLP) or a Company registered in India proposing to manufacture eligible products and making an application for seeking approval under the Scheme. The applicant should not have been declared as bankrupt or wilful defaulter or reported as fraud by any bank or financial institution or non-banking financial company.

2.2. **Applicant Groups:** The applicants shall apply within the following three groups based on the respective criteria

2.2.1. **Group A:** Applicants having Global Manufacturing Revenue (FY 2019-20) of pharmaceutical goods and/or *in vitro* Diagnostic Medical Devices more than or equal to Rs. 5,000 crore.

2.2.2. **Group B:** Applicants having Global Manufacturing Revenue (FY 2019-20) of pharmaceutical goods and/or *in vitro* Diagnostic Medical Devices between Rs. 500 (inclusive) crore and Rs. 5,000 crore.

2.2.3. **Group C:** Applicants having Global Manufacturing Revenue (FY 2019-20) of pharmaceutical goods and/or *in vitro* Diagnostic Medical Devices less than Rs. 500 crore. This group shall include a sub-group for MSME applicants, i.e., applicants registered as Micro, Small & Medium Enterprises (MSME) with the Ministry of MSME, Government of India.

2.3. **Application:** Application submitted by an applicant to the Project Management Agency (PMA) as per the Application Form prescribed under these guidelines containing requisite information, along with supporting documents and application fee.

Source - https://pharmaceuticals.gov.in/schemes

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

2.5. **Application Approval Date:** The date on which approval letter under the Scheme is issued by the PMA.

2.6. **Application Window:** Time period allowed for filing of applications. The application window shall be of 60 days starting from 2nd June, 2021 to 31st July, 2021 (Both dates inclusive).

2.7. **Base Year:** Financial Year 2019-20.

2.8. **Committed Investment**: The total eligible investment (as defined in para 2.15 below) which the MSME participant shall commit in the application form.

2.9. **Eligible Product:** Product manufactured in India and included in any of the product categories listed in **Appendix A**.

2.10. **Empowered Group of Secretaries (EGoS)** as per the Gazette Notification dated 10th June, 2020 No P 36017/144/2020- Investment Promotion of DPIIT comprises of Cabinet Secretary (Chairperson), CEO NITI Aayog, Secretary Department for Promotion of Industry and Internal Trade, Secretary, Department of Commerce, Secretary Department of Revenue, Secretary Department of Economic Affairs and Secretary Department of Pharmaceuticals.

2.11. **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).

2.12. **Global Manufacturing Revenue (GMR):** Consolidated Global Revenues of the applicant and Group Company, if any, from the manufacturing of pharmaceutical goods and/or *in vitro* diagnostic medical devices. Revenues from any other source for instance R&D services, rental incomes, etc., shall be excluded for calculating the GMR.

2.13. **Group Companies:** Group Company(ies), as defined in the FDI Policy Circular of 2020, 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.

2.14. **Incentive:** Incentive is the financial benefit to be provided to each selected participant based on the incremental sales and laid down eligibility criteria. Additional incentive is the amount that would be available to any participant in terms of para 7.2.3.

2.15. **Eligible Investment:** means expenses incurred on the following in relation to Eligible Product.

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2.15.1. Expenditure incurred on new Plant, Machinery, Equipment and Associated Utilities: This shall include expenditure on new plant, machinery, equipment and associated utilities. It shall also include expenditure on packaging, freight / transport, insurance, and erection and commissioning of the new plant, machinery, equipment including laboratory equipment and associated utilities. Associated utilities would include essential equipment required in operational areas such as Clean Rooms, cold-chain infrastructure at the manufacturing site, Air Curtains, Temperature and Air Quality Control Systems, Compressed Air, Water & Power Supply and Control Systems. Associated utilities shall also include ETP, incinerators, effluent lines / tanks / treatment, supply lines of water / sewerage / solvents / gases, solvent recovery, solid waste treatment plant, solvent storage tanks, LPG storage tanks, warehousing, electricity lines, power generation facility and communication lines for telephone-internet within the establishment. All non-creditable taxes and duties would be included in such expenditure.

2.15.2. Expenditure incurred for Research and Development (R&D): This shall include expenditure on R&D and product development including clinical trial costs in India only. All non-creditable taxes and duties would be included in such expenditure.

2.15.3. Expenditure incurred on Transfer of Technology (ToT) agreements: This shall include expenditure on cost of technology and initial technology purchase in relation to the eligible product. All non-creditable taxes and duties would be included in such expenditure.

2.15.4. Expenditure incurred on Product registration: This shall include costs incurred for product registration both in India and in other countries in relation to the eligible product which includes renewal charges, bio-availability and bio-equivalence studies, plant inspection charges and patent filing; WHO pre-qualification charges in case of *in vitro* diagnostic medical devices.

2.15.5. Expenditure incurred on Building: This shall include expenditure on construction of building where new plant and machinery are installed and shall also include expenditure on associated infrastructure including internal roads and compound wall. However, the expenditure on the associated infrastructure shall be limited to 20% of the investment in new plant & machinery. Further, expenditure on guest house building, recreational facilities, office building, residential colonies and similar structures shall not be considered for determining the threshold investment. The expenditure incurred on land required for the project / unit shall not be considered for determining threshold investment.

2.16. **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.

2.17. **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), taxes applicable.

Source - https://pharmaceuticals.gov.in/schemes

2.18. **Project Management Agency (PMA):** Refers to the agency appointed by the DoP 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.

2.19. **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.

2.20. **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.

2.21. **Technical Committee (TC):** A Technical Committee with representative from Central Drugs Standard Control Organization (CDSCO), experts from industry and academia.

2.22. **Gross Manufacturing Investment (GMI)**: For the purpose of selection of applicants as mentioned in clause 4 of the guidelines, GMI will include gross capital investment in pharmaceutical and in vitro diagnostic medical device manufacturing facilities including capital investments for R&D facilities. Investment in corporate offices, sales offices, residential complex etc will not be included for the purpose of arriving at the GMI.

3. <u>Tenure of the Scheme</u>: The tenure of the Scheme is from Financial Year 2020-21 to Financial Year 2028-29.

4. <u>Selection of applicants</u>:

4.1. The selection of applicants in each group (except *in vitro* Diagnostic medical devices) will be governed by the following parameters:

Sr. No.	Group	Selection parameter	Weightage
1	A / B	Gross manufacturing investment of applicant/group company in India in 10 years during FY 2010-11 to FY 2019-20	30%
		Number of ANDA / NDA of applicant/group company from either USFDA / EDQM / UK MHRA / PMDA / Health Canada / TGA as on 01.04.2021.	30%
		R&D expenditure of applicant/group company as a % of GMR from pharmaceutical goods in FY 2017-18 to FY 2019-2020.	40%
2	C	Gross manufacturing investment of applicant/group company in India in 10 years during FY 2010-11 to FY 2019-20	30%
		Number of ANDA / NDA of applicant/group company from either USFDA / EDQM / UK MHRA / PMDA / Health Canada / TGA as on 01.04.2021.	30%
		GMR from pharmaceutical goods in FY 2019-2020	40%
3	C (MSME)	Number of manufacturing plants in India owned by applicant/group company and approved by USFDA / EDQM / UK MHRA / PMDA /	50%

Source - https://pharmaceuticals.gov.in/schemes

		Health Canada/ TGA or having WHO-GMP compliance certification from a State Licensing Authority as on 01.04.2021	
		Total Investment Committed by the applicant under the scheme	50%

4.2 The selection of applicants for *in vitro* diagnostic medical devices will be governed by the following parameters:

Group	Selection parameter	Weightage
A/B/C	Gross manufacturing investment of applicant/group company in India in 10 years during FY 2010-11 to FY 2019-20	30%
	Number of manufacturing plants in India owned by applicant/group company having manufacturing license from CDSCO/SLA or approved by USFDA / EU (CE) / UK MHRA / PMDA / Health Canada / TGA / CDSCO as on 01.04.2021.	30%
	GMR from *in vitro* diagnostic medical devices in FY 2019-2020	40%

4.3 All eligible applicants shall be ranked on the basis of marks obtained in the evaluation criteria as given in **Appendix J.** The applicant securing highest marks shall be ranked 1, followed by applicant securing second highest marks and so on.

4.4 The selection of the applicants shall be in the order of their ranks.

4.5 In case of pharmaceutical goods except *in vitro* diagnostic medical devices, if two or more applicants have same score, the applicant having higher marks in respect for R&D expenditure criteria will be ranked higher for Group A and B and for Group C, the selection shall be made on the basis of the respective GMR for FY 2019-20. In case of *in vitro* diagnostic medical devices, if two or more applicants have same score then the selection shall be made on the basis of the respective GMR for FY 2019-20 for Group A, B and C.

4.6 **Number of applicants to be selected:**

4.6.1 **Group A:** 11 participants with maximum of 4 Foreign MNCs

4.6.2 **Group B:** 9 participants with maximum of 3 Foreign MNCs

4.6.3 **Group C:** 35 participants, of which:

- Minimum of 20 MSMEs, subject to sufficient eligible applicants
- Minimum of 5 *in vitro* diagnostic medical devices manufacturers subject to sufficient eligible applicants

5. Application

5.1 The applicant is required to submit the application as per application form prescribed in **Appendix K**.

5.2 The Scheme shall be open for applications during the Application Window. No application shall be accepted after the end of the Application Window.

5.3 An applicant can apply for one or more products as per list of eligible products as given in **Appendix A**.

Source - https://pharmaceuticals.gov.in/schemes

5.4 An applicant shall submit an undertaking in the format given in **Appendix E** and also an undertaking in the format given in **Appendix G** consenting audit of their manufacturing site/ offices for verification of information/data submitted along with the application.

5.5 Considering the time taken for selection of participants, establishment of manufacturing facility, complexity of the manufacturing process involved and requirement of regulatory approvals, FY 2021-22 shall be the gestation period.

5.6 On receipt of an application in the prescribed format, PMA will conduct an examination as per checklist in **Appendix I.** The aforesaid examination shall be completed within 15 working days from the date of receipt of the application or any subsequent submission of the revised application, if the original application was returned as incomplete earlier. Thereafter, the PMA shall issue an acknowledgement of receipt of the application. This acknowledgement shall not be construed as approval under the Scheme.

5.7 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 15 days of such communication from PMA, failing which the application will be closed under intimation to the applicant.

5.8 A non-refundable application fee, as mentioned in **Appendix C** of these guidelines, would be payable for each application. The application fee would be accepted electronically only.

5.9 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.

5.10 Application can be made on the online portal, URL of which is https://pli-pharma.udyamimitra.in

6. Eligible Investment

6.1 General Terms and Conditions

6.1.1 Investment as defined in these guidelines shall be considered for determining eligibility under the Scheme provided such Investment is made on or after April 01, 2020.

6.1.2 No second hand/ used/ refurbished plant, machinery, equipment, utilities or research and development equipment shall be considered as eligible investment for the purpose of this Scheme.

6.1.3 Expenditure on consumables and raw material used for manufacturing shall not be considered as Investment.

6.1.4 The date of purchase invoice would be considered as the date of investment under the Scheme.

6.1.5 The heads of investment, based on which eligibility is being determined, should be capitalized in the books of accounts of the applicant as certified by the

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Statutory Auditor or Independent Chartered Accountant, whichever is applicable, except the eligible investments w.r.t. expenditure on R&D, product registration which may be in the nature of capital/revenue expenditure where such is certified by the Statutory Auditor/ ICA.

6.1.6 Copies of contractual agreements are to be provided in case of purchase/licensing of technology or Intellectual Property Rights (IPRs).

6.1.7 The investment made by applicant, which has been considered for PLI Scheme for Bulk Drugs or any other PLI Scheme shall not be considered again for the purpose of eligible investment under this Scheme.

6.2 **Plant, Machinery and Equipment and Associated Utilities**

6.2.1 Expenditure incurred on new Plant, Machinery and Equipment as defined in Clause 2.16.1 of these guidelines shall be considered as Investment for determining eligibility under the Scheme.

6.2.2 Plant, Machinery and Equipment should 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.

6.2.3 The Plant, Machinery and Equipment of the Project approved under the Scheme shall be used in regular course for manufacturing of goods under the eligible product categories. This does not preclude the usage of such machinery for manufacturing of other pharmaceutical 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.

6.2.4 Expenditure incurred on new associated utilities as defined in Clause 2.16.1 of these guidelines shall be considered as Investment for determining eligibility under the Scheme.

6.3 **Research and Development (R&D):** Expenditure incurred on Research and Development as defined in Clause 2.15.2 of these guidelines shall be considered as Investment for determining eligibility under the Scheme.

6.3.1 **Transfer of Technology (ToT) agreements:** Expenditure incurred on ToT as defined in Clause 2.15.3 of these guidelines shall be considered as Investment for determining eligibility under the Scheme.

6.3.2 **Product registration**: Expenditure incurred on product registration as defined in Clause 2.15.4 of these guidelines shall be considered as Investment for determining eligibility under the Scheme.

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7. Incentive

7.1. Eligibility for incentive

7.1.1. The selected participants in the scheme will be eligible for incentives on incremental sales of eligible products based on yearly threshold criteria of minimum cumulative investment and minimum percentage growth in sales of eligible products as mentioned in **Appendix B** of these guidelines.

7.1.2. For the purpose of determining eligibility of incentive for first year i.e. FY 2022-23, the threshold sales in FY 2022-23 for eligible products has to be greater than Rs. 50 crore in case of a Group A participant, greater than Rs. 10 crore in case of a Group B participant, greater than Rs. 1 crore in case of a Group C participant and greater than Rs. 50 Lakh in case of a Group C MSME participant.

7.1.3. For subsequent financial years i.e. from FY 2023-24 onwards, the threshold sales shall be computed at 7% growth over actual sales of the approved eligible products of the previous financial year.

7.1.4. In case an applicant does not meet criteria of committed investment and minimum threshold sales for any given year, the applicant shall not be eligible for disbursement of incentive for that particular year. However, the applicant will not be restricted from claiming incentive for subsequent years during the tenure of the Scheme, provided eligibility criteria of minimum cumulative investment and threshold sales are met for such subsequent year.

7.1.5. If the incentive availed by an applicant for any financial year, for any reason, is less than the maximum available incentive for that applicant in that financial year, the applicant shall not be entitled to claim the differential amount in subsequent financial years.

7.1.6. Eligibility under the Scheme shall not affect eligibility under any other scheme and *vice versa*.

7.2. Calculation of Incentive

7.2.1. The incentive under the Scheme shall be calculated on the incremental sales of the Eligible Product(s) approved to the participant.

7.2.2. The selected applicant shall have the option to change the product mix approved to them during the tenure of the scheme with the prior approval of the DoP. However, this option may be exercised not more than 5 times during the tenure of the Scheme.

7.2.3. The annual incentive allocation shall be made for each participant by DoP within the total incentive allocation per participant fixed for the entire tenure of the scheme as stated in the approval letter. The participant shall be eligible to draw incentive within that annual allocation. However, any incentive unutilised by one or more selected participant during a year may be used for paying additional incentive to other selected participants within that Group, provided that

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- no participant shall receive additional incentive more than 40% of the allocated incentive to such participant for that year;
- no participant shall receive additional incentive more than 20% of the total incentive allocated to such participant over the entire tenure of the scheme, and
- all approvals of such additional incentive shall not exceed the budget allocated for the respective year and the budgetary outlay for the Scheme.
- The ceiling for incentive and additional incentive shall be as follows (in Rs. crore):

	Incentive Ceiling	Ceiling of Additional Incentive, if any	Total incentive Ceiling
Group A	1,000	200	1,200
Group B	250	50	300
Group C	50	10	60

- However, the additional incentive is not an entitlement and is contingent upon savings available from unutilized incentive of other participants in that year.
- In no case the total incentive including additional inventive, if any, given to a participant during the whole tenure of the scheme would be more than Rs. 1200 crore for a Group A participant, more than Rs. 300 crore for a Group B participant and more than Rs. 60 crore for a Group C participant.

7.2.4. The incentive allocated for various groups would be as follows:

Group A - Rs. 11,000 crore,
Group B - Rs. 2,250 crore,
Group C - Rs. 1,750 crore.

The incentive allocated for Group A and Group C applicants shall not be moved to any other category. However, incentive allocated to Group B applicants, if left underutilized at the end of the year can be moved to Group A applicants based on their performance. The modalities in this regard shall be finalized by DoP.

7.2.5. The incentive applicable for a selected applicant shall be computed as:

Net incremental Sales of Eligible Product x Rate of Incentive

Where

a. '*Net*' means adjusting for sales return of eligible product. 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 and incentive provided, if any, shall also be adjusted accordingly.
b. '*incremental sales*' means sales during a given Financial Year minus the baseline sales of that product in 2019-20. For example, if sales of year 2022-23 is Rs.100 crore and the baseline sales in 2019-20 is Rs. 40 crore, the incremental sales shall be Rs. 60 crore.

Source - https://pharmaceuticals.gov.in/schemes

c. *'Rate of incentive'* on incremental sales (over Base Year) of eligible product categories are as under:

Financial Year	Incentive Rate (Category-1 & 2)	Incentive Rate (Category-3)
2022-23	10%	5%
2023-24	10%	5%
2024-25	10%	5%
2025-26	10%	5%
2026-27	8%	4%
2027-28	6%	3%

7.2.6 In case of in-house consumption of eligible product used for manufacture of a product which is not an eligible product under this scheme, the net sales of eligible product shall mean the actual cost of production of the said product, as certified by a Cost Accountant, who is a member of The Institute of Cost Accountants of India. However, such sales shall be considered and incentive shall be given at the time of sales of the product, in which such eligible product has been consumed.

7.2.7 In case of in-house consumption of eligible product used for manufacture a product which is an eligible product under this scheme, then the incentive shall be claimed for only one of the eligible products used/sold subject to sale of the final eligible product.

7.2.8 In case of approval already available for any product under the Production Linked Incentive (PLI) Scheme for promotion of domestic manufacturing of critical Key Starting Materials (KSMs) / Drug Intermediates (DIs) / Active Pharmaceutical Ingredients (APIs) in India or PLI Scheme for Promoting Domestic Manufacturing of Medical Devices, which has been consumed in-house for making Eligible Product under this scheme and cost is included in the sales of Eligible Product, cost of such product shall be deducted for the purpose of computing incentive for the Eligible Product under this Scheme.

7.3 **Disbursement of Incentive**

7.3.1 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 prescribed format and made available on the online portal.

7.3.2 An applicant may submit a claim for disbursement of incentive on 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.

7.3.3 Claims for disbursement of incentive shall be filed along with supporting documents within one month of the closure of the given financial year. If the claim is found to be in order, 75% of it shall be released and the remaining 25% shall be released after submission of final audited accounts of the Company.

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7.3.4 The PMA shall examine and 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.

7.3.5 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 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.

7.3.6 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 such matter to DoP for clarification and the decision of DoP shall be final in this regard.

7.3.7 The PMA shall process claim for disbursement of incentive within 60 days from the date of receipt of such claim and make appropriate recommendations to DoP.

7.3.8 DoP will consider claims for disbursement of incentive, as examined and recommended by the PMA.

7.3.9 PMA will maintain a separate Bank Account for receipt of application fees from applicants and funds from DoP related to the incentives and make disbursements of incentive amount to the applicants upon approval of the claim by DoP. All interest earned on this account shall accrue to the Consolidated Fund of India.

7.3.10 PMA shall disburse the incentive through direct transfer (via PFMS) after approval of the claim and completion of all pre-disbursal formalities by the applicant.

7.3.11 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, for release of the remaining 25% of the incentive.

7.3.12 The PMA shall verify the aforesaid reconciliation. In case of excess claims disbursed, the applicant shall reimburse DoP 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).

7.3.13 If the PMA or DoP is satisfied that eligibility under the Scheme and / or disbursement of incentives have been obtained by misrepresentation of facts or falsification of information, DoP may ask the applicant to refund the incentives along with interest calculated at 3 years SBI MCLR prevailing on date of disbursement, compounded annually, after giving an opportunity to the applicant of being heard. In this regard, the applicants shall submit an undertaking in the format prescribed at **Appendix E.**

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

7.3.15 The PMA shall furnish, an applicant and product wise statement of all claims received, processed and approved and all incentives, disbursed and pending, to DoP on quarterly basis.

8 Project Management Agency (PMA)

8.1 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 DoP from time to time.

8.2 The PMA shall be responsible, inter alia, for:

8.2.1 Development and maintenance of an online portal for receipt of applications.

8.2.2 Preparing operating procedures for processing, scrutiny, appraisal, verification, etc., as per procedure/established practice and getting them approved from DoP.

8.2.3 Processing of applications against the qualification and evaluation criteria for the purpose of selection of participants.

8.2.4 Receiving the application fee/bank guarantee from the participants on behalf of DoP and deposition of the same to DoP at appropriate time.

8.2.5 Placing the appraisal reports of shortlisted participants before the DoP for its concurrence.

8.2.6 Completion of documentary formalities and issuance of approval letter to all selected participants.

8.2.7 Verification of annual threshold investment and sales of selected participants for deciding eligibility to receive incentives. This verification will primarily include document based verification but may also involve physical verification based on risk assessment. The PMA will have the right to carry out physical inspection of an applicant's manufacturing units and offices through site visit.

8.2.8 Receiving claims for incentives based on incremental sales, processing the same with regard to correctness of the claim and placing the claims before DoP within laid down timelines for approval of the same.

8.2.9 Preparation of agenda papers for meetings and providing secretarial assistance to DoP for the same.

8.2.10 Maintenance of records in a systematic manner, both digital and physical, to be handed over to DoP as may be mutually decided.

Source - https://pharmaceuticals.gov.in/schemes

8.2.11 Periodic submission of data at various stages of the scheme to DoP which includes compilation of data on cumulative investment and incremental sales of pharmaceutical goods done by selected applicants.

8.2.12 Monitoring the progress of the scheme in a framework to be provided by DoP.

8.2.13 Communicating with the Technical Committee in case any technical opinion required for implementing the scheme.

8.2.14 Providing all necessary documents and information as may be required for the conduct of mid-term and end of term evaluation of the scheme.

8.2.15 Providing utilization certificates in the prescribed format where applicable from applicants and PMA.

9 Approval under the Scheme

9.1 The PMA will process the applications and make appropriate recommendations to the DoP for approvals under the Scheme.

9.2 All the applications shall be finalized within 90 days from the date of closure of application window.

9.3 After receiving approval from the DoP, the PMA will issue a letter to the selected applicant within 5 working days, communicating approval under the Scheme. The approval letter shall clearly state the following:

i. Name of applicant
ii. Eligible product(s)
iii. Threshold/Committed investment, as the case may be.
iv. Rate of incentive
v. Annual Allocation and Incentive ceiling during the tenure.

9.4 The selected applicants shall submit sales data for the base year FY 2019-20, domestic value addition plan, etc., as required by PMA/DoP.

9.5 The selected applicant shall submit, within two weeks of date of issuance of approval letter by the PMA, a bank guarantee of prescribed amount along with undertaking as per **Appendix D**, in favour of PMA, valid till 31st December 2023.

9.6 The bank guarantee shall be released upon achievement of threshold investment of FY 2021-22 and invoked in case the threshold investment of FY 2021-22 is not achieved unless explicit permission is given by DoP.

9.7 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.

9.8 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

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under the Scheme at any stage, for any reason, the envisaged incentive claim of such selected applicant shall be forfeited and the bank guarantee shall be invoked if not released under para 9.6, and the offer letter issued shall stand cancelled. In such case, the offer shall be extended to the waitlisted applicant for the period remaining.

10 **Technical Committee (TC):** A Technical Committee as defined in para 2.21 above, will provide technical assistance to PMA / DoP for discharging their functions. On a reference made by PMA, the TC will verify whether a product proposed to be manufactured by an applicant is an eligible product under the scheme. TC will convey its response within 7 days of the reference made by the PMA. In this regard, the TC shall rely on the approvals granted by CDSCO, wherever available/possible.

11 **Empowered Group of Secretaries (EGoS):** The EGoS as defined in para 2.10 above will monitor the scheme, undertake periodic review of the outgo under the scheme, ensure uniformity with other PLI schemes and take appropriate action to ensure that the expenditure is within the prescribed outlay.

12 **Residual**

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

12.2 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 for approval of the DoP to consider for disbursal of incentives.

12.3 In case of a successor-in-interest, all 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 DoP, as may be deemed appropriate.

12.4 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.

12.5 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 selected applicants under the Scheme.

12.6 Two formats of undertakings are enclosed as **Format A** and **Format B** of **Appendix H** These undertakings are to be furnished by selected 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.

Source - https://pharmaceuticals.gov.in/schemes

12.7 The undertaking in **Format A** shall be provided by all selected applicants whose applications or claims are under consideration for approval or disbursement of incentives. The applications or claims of those selected applicants who do not submit the undertaking shall not be processed and considered. The undertaking in **Format B** for confirming the compliance of integrity will be provided by selected 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.

12.8 All approved applicants shall be required to furnish self-certified Quarterly Review Reports (QRRs) within 30 days from the end of each quarter to the PMA in the format provided in **Appendix F** of these guidelines.

12.9 If the applicant is an entity other than Company, then the applicable/ equivalent documents/ certificates shall be submitted.

12.10 The applicants shall furnish true and accurate records/information as required to PMA/DoP.

Rinwa
01.06.2021

(Navdeep Rinwa)
Joint Secretary to the Government of India
Tel No. 011-23385131
Email: js.pharma@nic.in

Source - https://pharmaceuticals.gov.in/schemes

Appendix A

Product Categories

The scheme shall cover pharmaceutical goods under three (03) categories as mentioned below-

(I) Category 1

1. Bio-pharmaceuticals
2. Complex generic drugs
3. Patented drugs or drugs nearing patent expiry
4. Cell based or gene therapy drugs
5. Orphan drugs
6. Special empty capsules like HPMC, Pullulan, enteric etc.
7. Complex excipients
8. Phyto-pharmaceuticals
9. *Other drugs as approved**

(II) Category 2

Active Pharmaceutical Ingredients / Key Starting Materials / Drug Intermediates except for the 41 eligible products already covered under the "Production Linked Incentive (PLI) Scheme for promotion of domestic manufacturing of critical Key Starting Materials (KSMs) / Drug Intermediates (DIs) / Active Pharmaceutical Ingredients (APIs) in India" notified by Department of Pharmaceuticals (DoP) vide Gazette Notification no.- 31026/16/2020-Policy, dated 21/07/2020 in Part-I, Section 1 of the Gazette of India (Extraordinary)

(III) Category 3 (Drugs not covered under Category 1 and Category 2)

1. Repurposed drugs
2. Auto immune drugs, anti-cancer drugs, anti-diabetic drugs, anti-infective drugs, cardiovascular drugs, psychotropic drugs and anti-retroviral drugs
3. in vitro diagnostic devices
4. Other drugs not manufactured in India
5. *Other drugs as approved**

** Decision will be taken by DoP to include any drug based on requirement, CDSCO approvals, TC opinion which shall take into account the current levels of production, availability, etc. The decision of DoP shall be aligned with the objectives of the scheme.*

Source - https://pharmaceuticals.gov.in/schemes

Appendix B

Threshold criteria for eligibility of incentive

Group of Participants	Minimum Cumulative Investment per participant (Rs. Crore)	Minimum Percentage Growth in Sales (Year on Year)
Group A	**Rs. 1,000 crore over 5 years** FY 2021-22: 200 FY 2022-23: 400 FY 2023-24: 600 FY 2024-25: 800 FY 2025-26: 1000	For the purpose of determining eligibility of incentive for first year i.e. FY 2022-23, the threshold sales in FY 2022-23 for eligible products has to be greater than Rs. 50 crore in case of a Group A participant, greater than Rs.10 crore in case of a Group B participant, greater than Rs.1 crore in case of a Group C participant and greater than Rs. 50 Lakh in case of a Group C MSME participant. For subsequent financial years i.e. from FY 2023-24 onwards, the threshold sales shall be computed at 7% growth over actual sales of the approved eligible product of the previous financial year.
Group B	**Rs. 250 crore over 5 years** FY 2021-22: 50 FY 2022-23: 100 FY 2023-24: 150 FY 2024-25: 200 FY 2025-26: 250	
Group C	**Rs. 50 crore over 5 years** FY 2021-22: 10 FY 2022-23: 20 FY 2023-24: 30 FY 2024-25: 40 FY 2025-26: 50	
Group C MSME	**Committed investment (CI) over 5 years** FY 2021-22: 20% of CI FY 2022-23: 40% of CI FY 2023-24: 60% of CI FY 2024-25: 80% of CI FY 2025-26: 100% of CI	

Source - https://pharmaceuticals.gov.in/schemes

Appendix C

Application Fee

S. No.	Applicant Group	Application Fee
1	Group A	Rs. 1,00,000/-
2	Group B	Rs. 50,000/-
3	Group C	Rs. 25,000/-
4	MSME in Group C	Rs.10,000/-

Application Fee will be paid electronically through NEFT / RTGS to the bank account as per details given on the portal.

Source - https://pharmaceuticals.gov.in/schemes

Appendix D

FORMAT OF UNDERTAKING 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 Pharmaceuticals, notified by Department of Pharmaceuticals (DoP) vide Gazette Notification no.- 31026/60/2020-Policy, dated 03/03/2021 in Part-I, Section 1 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. We hereby confirm that the Committed Investment (applicable for MSME only) 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 Scheduled 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	Till 31st December 2023
3.	**Group**	**Amount of BG**
	Group A	Rs.1 crore
	Group B	Rs.50 lakh
	Group C	Rs.10 lakh
	Group C MSME	Rs.5 lakh

B. We understand and agree that, we are legally bound to renew the BG / issue fresh BG, failing which DoP / PMA may invoke the BG.

C. In case of loss, mutilation, force majeure or any other eventualities, with respect to Original BG (favouring DoP / PMA, held at PMA), we shall arrange for alternate / duplicate BG in place of the original BG.

D. We also understand that the BG will be released to us as per the operational guidelines of this scheme.

Source - https://pharmaceuticals.gov.in/schemes

Appendix E

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 (PLI) Scheme for Pharmaceuticals notified by Department of Pharmaceuticals (DoP) vide Gazette Notification no.- 31026/60/2020-Policy, dated 03/03/2021 in Part-I, Section 1 of the Gazette of India (Extraordinary), 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 of Pharmaceuticals 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 Department of Pharmaceuticals and are without prejudice to any legal remedies available with Department of Pharmaceuticals for events mentioned in Para 3 (i) and (ii) above.

Source - https://pharmaceuticals.gov.in/schemes

Appendix F

Quarterly Review Report

1. Name of Applicant
2. Category
3. Product(s)
4. Date of Acknowledgement
5. Date of Approval
6. Manufacturing Location(s)
7. Investment Actualized for Manufacturing of Eligible Product(s) (amount in INR)
Source of Funding (Equity, Debt, Internal Accrual etc.)
8. Employment as on date (in numbers)
On-roll labour / employees
Contractual
Apprentice
9. Installed Production Capacity for Eligible Product(s) (in numbers)
10. Revenue from Operations – Domestic Sales [net of credit notes, discounts, and taxes applicable]
a) Manufacturing Activity
i. Eligible Products
ii. Other Goods in Category 1, 2 and 3
iii. Other Goods (apart from the approved list of products)
b) Trading Activity
i. Eligible Products
ii. Other Goods
c) Services Activity
11. Revenue from Operations – Exports [net of credit notes, discounts, and taxes applicable]
a) Manufacturing Activity
i. Eligible Products
ii. Other Goods in Category 1, 2 and 3
iii. Other Goods
b) Trading Activity
i. Eligible Products
ii. Other Goods
c) Services Activity
12. Total Revenue from Operations
13. Details of Import *(CIF plus non-creditable taxes / duties)*
a) Raw Material / Parts / Components
i. Eligible Products
ii. Other Goods in Category 1, 2 and 3
iii. Other Goods
b) Spare Parts
i. Eligible Products
ii. Other Goods in Category 1, 2 and 3
iii. Other Goods
c) Finished Goods
i. Eligible Products
ii. Other Goods in Category 1, 2 and 3
iii. Other Goods
d) Capital Goods
i. Eligible Products
iii. Other Goods
e) Import of Services pertaining to Eligible Products

Source - https://pharmaceuticals.gov.in/schemes

Appendix G

Consent for audit of manufacturing site/offices/ facility

(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 (PLI) Scheme for Pharmaceuticals, notified by Department of Pharmaceuticals (DoP) vide Gazette Notification no.- 31026/60/2020-Policy, dated 03/03/2021 in Part-I, Section 1 of the Gazette of India (Extraordinary), to Department of Pharmaceuticals (DoP), Government of India seeking incentives for the application pertaining to manufacturing……(Eligible Product) 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 authorized agency as designated by DoP/ PMA for verification of facility/ offices and information/ documents submitted for the approval of application and disbursement of incentives under PLI Scheme.

Date *Signature*

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

Source - https://pharmaceuticals.gov.in/schemes

Appendix H

Proforma for Integrity compliance in PLI

(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 (PLI) Scheme for Pharmaceuticals notified by Department of Pharmaceuticals (DoP) vide Gazette Notification no.- 31026/60/2020-Policy, dated 03/03/2021 in Part-I, Section 1 of the Gazette of India (Extraordinary) to Department of Pharmaceuticals (DoP), 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 DoP 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 DoP's officer(s) or consultant or agency representative (appraisal or / and verification agency appointed by DoP 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 DoP.

2.3 The PLI applicant shall disclose the name and address of the duly authorized Agents / Representatives who will be dealing with DoP 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.

Source - https://pharmaceuticals.gov.in/schemes

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 DoP reserve the right to initiate legal action of whatsoever nature. In case if DoP 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 DoP.

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

Source - https://pharmaceuticals.gov.in/schemes

FORMAT– B

1. Whereas the applicant namely *(name of company with address)* has submitted an application under Production Linked Incentive (PLI) Scheme for Pharmaceuticals notified by Department of Pharmaceuticals (DoP) vide Gazette Notification no.- 31026/60/2020-Policy, dated 03/03/2021 in Part-I, Section 1 of the Gazette of India (Extraordinary) to Department of Pharmaceuticals (DoP), 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 DoP 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 DoP's officer(s) or consultant or agency representative (appraisal or / and verification agency appointed by DoP 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 DoP 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 DoP 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

Source - https://pharmaceuticals.gov.in/schemes

Appendix I

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.	Application Fee Submission		
4.	Group		
5.	Global Manufacturing Revenue (FY 2019-20)		
6.	MSME Status (with certificate if MSME)		
7.	Product Category(ies)		
8.	Credit Track Record Check		
9.	Gross manufacturing investment of applicant/group company in India in 10 years during FY 2010-11 to FY 2019-20 (for all groups excluding MSMEs)		
10.	Number of ANDA/ NDA of applicant/ group company from either USFDA/ EDQM/ UK MHRA/ PMDA/ Health Canada/ TGA as on 01.04.2021 (For all Groups except IVD manufacturers and MSMEs)		
11.	Total R&D expenditure of applicant/ group company as a % of Total GMR from pharmaceutical goods in FY 2017-18 to FY 2019-2020 (For Groups A and B except those applying for IVD medical devices)		
12.	Number and details of manufacturing plants in India owned by applicant/group company and approved either by USFDA / EDQM / UK MHRA / PMDA / Health Canada/ TGA or having WHO-GMP compliance certification from a State Licensing Authority as on 01.04.2021		
13.	Number and details of manufacturing plants in India owned by applicant/group company having manufacturing license from CDSCO/SLA or approved either by USFDA/ EU (CE)/ UK MHRA/ PMDA/ Health Canada/ TGA as on 01.04.2021. (for applicants in Group A or B or C, applying for *in vitro* diagnostic medical devices)		

Source - https://pharmaceuticals.gov.in/schemes

14.	Global Manufacturing Revenue from *in vitro* diagnostic medical devices in FY 2019-2020 (for applicants in Group A or B or C, applying for *in vitro* diagnostic medical devices)		
15.	Global Manufacturing Revenue from pharmaceutical goods in FY 2019-2020 (for applicants in Group C except MSMEs)		
16.	Committed Investment under the scheme (for MSME applicants in Group C)		

Source - https://pharmaceuticals.gov.in/schemes

Appendix J

Evaluation Criteria

The illustration shown below is for Group A applicant making application for pharmaceutical goods. A similar procedure will be followed for participants of other groups / applicants for in vitro diagnostic medical devices.

Marking for Gross Manufacturing Investment of applicant/group company in India in 10 years during FY 2010-11 to FY 2019-20:

The applicant having the highest Gross manufacturing investment shall be awarded 30 marks and other applicants shall be awarded marks proportionately.

For example, say applicant X, Y and Z have gross manufacturing investment of 5, 7 and 10 respectively.

The applicant Z shall be awarded 30 marks, applicant Y shall be awarded 21 marks (7/10*30) and applicant X shall be awarded 15 marks (5/10*30).

Marking for No. of ANDA/ NDA of applicant/group company:

The applicant having highest ANDA/ NDA shall be awarded 30 marks and other applicants shall be awarded marks proportionately.

For example, say applicant X, Y and Z have ANDA/NDA of 500, 300 and 200 respectively.

The applicant X shall be awarded 30 marks, applicant Y shall be awarded 18 marks (300/500*30) and applicant Z shall be awarded 12 marks (200/500*30).

Marking for R&D expenditure of applicant/group company in FY 2017-18 to FY 2019-20:

The applicant having highest percentage of total R&D expenditure vis-à-vis total GMR for FY 2017-18 to FY 2019-20 shall be awarded 40 marks and other applicants shall be awarded marks proportionately.

For example, as in the above example, applicant X, Y and Z has total R&D expenditure of 25%, 30% and 5% of total GMR for FY 2017-18 to FY 2019-20.

The applicant Y shall be awarded 40 marks, applicant X shall be awarded 33.33 marks (25/30*40) and applicant Z shall be awarded 6.67 marks (5/30*40).

Ranking of the applicant

The total marks arrived at by adding the marks obtained against all the criterion shall be considered for ranking the applicants, as per example given above.

Applicant	Marks - Gross manufacturing investment of applicant/group company in India in 10 years during FY 2010-11 to FY 2019-20	Marks - No. of ANDA or NDA of applicant/ group company criteria	Marks – total R&D expenditure of applicant/ group company in as a %age of total GMR for FY 2017-18 to FY 2019-20	Total Marks	Rank
Applicant X	15	30	33.33	78.33	2
Applicant Y	21	18	40	79	1
Applicant Z	30	12	6.67	48.67	3

Source - https://pharmaceuticals.gov.in/schemes

Appendix K

Application Form

SECTION 1: DETAILS OF APPLICANT												
1	**Name of the Applicant**											
2	**Constitution of Applicant (Proprietary Firm/Partnership Firm/LLP/Company)**											
3	**Group of Applicant**											
	Group A		Group B		Group C		Group C MSME					
4	**Global Manufacturing Revenue (GMR) (FY 2019-20) (in Rs. Crores)**											
GMR from Pharmaceutical Goods			GMR from *in vitro* diagnostic devices, if any				Total GMR					
5	**Registered Address/ Corporate Office Address**											
Address		State	District		City		PIN					
6	**Business Registrations of Applicant**											
	PAN	CIN, if applicable	GSTIN for registered/ corporate office location		Udyog Registration No. (if MSME)		Date of Incorporation/ Establishment					
7	**Details of Promoters**											
Name		Designation	PAN		DIN, if any		Email		Contact No.			
8	**Details of Three Key Managerial Personnel (KMP)**											
Name		Designation	PAN		DIN, if any		Email		Contact No.			
9	**Details of Authorised Signatory**											
Name		Designation	PAN		DIN, if any		Email		Contact No.			
10	**Details of Nodal Person for the Scheme**											
Name		Designation	PAN		DIN, if any		Email		Contact No.			
11	**Present Statutory Auditor of the Applicant**											
Name of the Firm			Firm Registration No.				Date of Engagement					
12	**Credit History**											
Confirm that name of applicant does not appear in any of the following lists:												
Wilful defaulter list on CIBIL website (suit filed cases of Rs. 25 lakhs & above)		Defaulter list on CIBIL website (Suit filed cases of Rs. 1 crore & above)		Any account in default for more than 90 days in CIBIL Commercial Report		Income Tax Defaulter List		GST Defaulter		SEBI Debarred List	

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13	Domestic Operations-for Applicant concern as a whole (FY 2019-20, Net of Taxes in Rs. crore)					
Manufacturing Revenue (a)	Exports (out of "a") (b)	Trading Revenue (c)	Exports (out of "c") (d)	Other Revenue (e)	Total Revenue (f=a+c+e)	

SECTION 2: SELECTION OF PRODUCTS			
14	**Eligible products applied under the PLI scheme**		
Product Index	**Name of Product**	**Product Category**	**Product Sub Category**
P01		Category 1	Special empty capsules like HPMC, Pullulan, enteric etc.
P02		Category 2	Active Pharmaceutical Ingredient/ Key Starting material/ Drug Intermediate as specified
P03		Category 3	Repurposed drugs
P04			

SECTION 3: SELECTION CRITERIA	
15	Year wise Gross manufacturing investment of applicant/group company in India in 10 years during FY 2010-11 to FY 2019-20 (for all applicants except MSMEs)
16	Number and details of ANDA/ NDA of applicant/group company from either USFDA/ EDQM/ UK MHRA/ PMDA/ Health Canada/ TGA as on 01.04.2021 (for all Applicants except MSMEs and *those applying for IVD* medical devices)
17	Year wise R&D expenditure of applicant/group company as a % of GMR from pharmaceutical goods in FY 2017-18 to FY 2019-2020 (for applicants in Group A or B except those applying for *IVD* medical devices)
18	GMR from *in vitro* diagnostic medical devices in FY 2019-2020 (for applicants in Group A or B or C, applying for *in vitro* diagnostic medical devices)
19	GMR from pharmaceutical goods in FY 2019-2020 (for applicants in Group C except MSMEs)
20	Number and details of manufacturing plants in India owned by applicant/group company and approved either by USFDA / EDQM / UK MHRA / PMDA / Health Canada/ TGA or having WHO-GMP compliance certification from a State Licensing Authority as on 01.04.2021 (for MSME applicants other than those applying for IVD medical devices)
21	Committed Investment under the scheme (for MSME applicants in Group C)
22	MSME Certificate (for MSME applicants in Group C)
23	Number and details of manufacturing plants in India owned by applicant/group company having manufacturing license from CDSCO/SLA or approved either by USFDA/ EU (CE)/ UK MHRA/ PMDA/ Health Canada/ TGA as on 01.04.2021. (for applicants in Group A or B or C, applying for *in vitro* diagnostic medical devices)

Source - https://pharmaceuticals.gov.in/schemes

SECTION 4: PAYMENT OF APPLICATION FEE			
24	**Details of Payment of Application Fee**		
Amount Due			
Amount Paid		Date of Payment	
Bank Account No. (from which payment made to PMA)		Bank Name	
IFSC Code		Unique Reference Number	

Note- Details of documents (Financial statements, profile of promoters/ directors, shareholding pattern etc.) and certificates (from Management/ Statutory Auditor/ Independent Chartered Accountant/ Chartered Engineer/ Cost Accountant etc.) required to be uploaded by the Applicant along with the Application Form shall be provided on the Scheme Portal.

****

Source - https://pharmaceuticals.gov.in/schemes

PLI Scheme for IT Hardware

Ministry of Electronics and Information Technology (MeitY)

Source - https://www.meity.gov.in/esdm/pliithw

रजिस्ट्री सं. डी.एल.- 33004/99 REGD. No. D. L.-33004/99

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असाधारण
EXTRAORDINARY

भाग I—खण्ड 1
PART I—Section 1

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इलेक्ट्रॉनिकी और सूचना प्रौद्योगिकी मंत्रालय

(आईपीएचडब्ल्यू प्रभाग)

अधिसूचना

नई दिल्ली, 3 मार्च, 2021

विषय: आईटी हार्डवेयर के लिए उत्पादन संबद्ध प्रोत्साहन योजना (पीएलआई)

फा. सं. W-18/28/2020-आईपीएचडब्ल्यू-एमईआईटीवाई.—1. पृष्ठभूमि

1.1 इलेक्ट्रॉनिकी अर्थव्यवस्था के सभी क्षेत्रों में व्याप्त है और इलेक्ट्रॉनिकी उद्योग का प्रतिस्पर्धी (क्रॉस-कटिंग) आर्थिक और रणनीतिक महत्व है। सरकार विनिर्माण क्षेत्र में बड़े निवेश को आकर्षित करने के लिए विनिर्माण के लिए अनुकूल माहौल बनाने और तुलनात्मक रूप से अन्य देशों में दिए जा रहे प्रोत्साहनों की ही तुलना में प्रोत्साहन प्रदान करने के लिए सक्रिय रूप से काम कर रही है।

1.2 इलेक्ट्रॉनिकी हार्डवेयर का घरेलू उत्पादन वर्ष 2014-15 में ₹ 1,90,366 करोड़ (29 बिलियन अमरीकी डॉलर) से वर्ष 2019-20 में 23% की चक्रवृद्धि वार्षिक वृद्धि दर (सीएजीआर) के साथ वस्तुत: बढ़कर 5,33,550 करोड़ (75.7 बिलियन अमरीकी डॉलर) हो गया है। उद्योग द्वारा लगाए गए अनुमानों के अनुसार, वैश्विक इलेक्ट्रॉनिकी विनिर्माण में भारत की हिस्सेदारी वर्ष 2012 में लगभग 1.3% से बढ़कर वर्ष 2019 में 3.6 % हो गई है। इलेक्ट्रॉनिकी हार्डवेयर की घरेलू मांग में तेजी से वृद्धि अर्थात वर्ष 2025 तक लगभग ₹26,00,000 करोड़ (400 बिलियन अमरीकी डालर) होने की उम्मीद के साथ भारत इलेक्ट्रॉनिकी के मद में आयात के कारण तेजी से बढ़ रहे विदेशी मुद्रा बहिर्गमन को वहन नहीं कर सकता है।

Source - https://www.meity.gov.in/esdm/pliithw

अनुबंध-ख

तालिका 2: प्रति कम्पनी विनिर्मित वस्तुओं की निवल वृधिशील बिक्री पर अपेक्षित वार्षिक सीमा जिस पर प्रोत्साहन लागू होंगे।

वित्त वर्ष	आईटी हार्डवेयर कंपनियाँ	डोमेस्टिक चैंपियन
	करोड़ में	
वर्ष 1 (वित्त वर्ष 2021-22)	3,000	300
वर्ष 2 (वित्त वर्ष 2022-23)	7,500	600
वर्ष 3 (वित्त वर्ष 2023-24)	15,000	1,600
वर्ष 4 (वित्त वर्ष 2024-25)	30,000	2,400
कुल	**55,500**	**4,900**

MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY

(IPHW DIVISION)

NOTIFICATION

New Delhi, the 3rd March, 2021

Subject: Production Linked Incentive Scheme (PLI) for IT Hardware—

F. No. W-18/28/2020-IPHW-MeitY.—1. Background

1.1 Electronics permeates all sectors of the economy and the electronics industry has cross-cutting economic and strategic importance. The Government has been actively working to create a conducive environment for electronics manufacturing and to offer incentives comparable with those offered in other countries to attract large investments into the electronics manufacturing sector.

1.2 The domestic production of electronics hardware has increased substantially from ₹1,90,366 crore (USD 29 billion) in 2014-15 to ₹5,33,550 crore (USD 75.7 billion) in 2019-20 at a Compound Annual Growth Rate (CAGR) of 23%. India's share in global electronics manufacturing has grown from 1.3% in 2012 to 3.6% in 2019, as per industry estimates. With the domestic demand for electronics hardware expected to rise rapidly to approximately ₹26,00,000 crore (USD 400 billion) by 2025, India cannot afford to bear the rapidly increasing foreign exchange outgo on account of import of electronics.

1.3 According to IDC, the market size for laptops in India was approximately 75 lakh (7.5 million) units in 2019-20 valued at ₹33,950 crore (USD 4.85 billion). Similarly, the market size for tablets was around 24 lakh (2.4 million) units, valued at ₹3,500 crore (USD 0.5 billion). The server market stood at 2 lakh (0.2 million) units valued at ₹9,100 crore (USD 1.3 billion).

1.4 As per IDC, the global server market stood at 120 lakhs (12 million) units valued at ₹6,44,000 crore (USD 92 billion) in 2019-20. During the same period, the Indian market stood at 2 lakhs (0.2 million) units valued at ₹9,100 crore (USD 1.3 billion) in 2019-20.

1.5 The impact that Personal Computers (PCs) have had in improving governance, access to education and productivity is established through various research. While consumption of content and data is rapidly transitioning to smartphones and mobile devices, personal computing devices are still the mainstay of content creation. India's Personal Computer (PC) penetration at 15 per 1000 people is significantly lower compared to United States (784 for 1000 people) and China (41 per 1000 people), and thus presents significant growth opportunities.

1.6 Over the years, the IT Hardware manufacturing capability and capacity in the country has progressively declined and many units have either ceased operations or are operating at low capacities. Currently, the laptop and tablet demand in India is largely met through imports valued at

Source - https://www.meity.gov.in/esdm/pliithw

USD 4.21 billion and USD 0.41 billion, respectively, in 2019-20 (as per ICEA-EY estimates on market value of imports). The unutilized installed manufacturing capacity is a low hanging fruit as regards to quickly scaling up manufacturing in the country.

1.7 India's Digital Economy is currently valued at USD 200 billion and is slated to grow to USD 1 trillion by 2025. In addition, India has the fastest growing digital ecosystem with over 1.2 billion mobile subscribers and over 600 million internet users. As per Industry estimates, data centres being key enablers in any Digital Economy will see an increase in market size from USD 1.0 billion in 2018 to USD 1.5 billion by 2022. Deeper internet penetration increase in data consumption, public cloud services, IoT devices and the Government's push for data localization, shall lead to an influx of local and international players setting up data centres in India, which will further boost server demand in the country.

1.8 Given the limited relief expected for the aforesaid electronics manufacturing sector under other available schemes, there is need for a mechanism to compensate for the manufacturing disabilities vis-à-vis other major manufacturing economies. Also, as a signatory to the Information Technology Agreement (ITA-1) at the World Trade Organization (WTO), India has implemented zero duty regime on 217 tariff lines which *inter-alia* includes IT Hardware.

1.9 **Level playing field with emerging opportunities**: The IT Hardware manufacturing sector faces the lack of a level playing field vis-à-vis competing nations. As per industry estimates (Source: ICEA and ELCINA), electronics manufacturing sector suffers from a disability of around 8.5% to 11% on account of lack of adequate infrastructure, domestic supply chain and logistics; high cost of finance; inadequate availability of quality power; limited design capabilities and focus on R&D by the industry; and inadequacies in skill development. There is need for a mechanism to compensate for the manufacturing disabilities vis-à-vis other major manufacturing economies.

1.10 **National policy on electronics (NPE 2019)**: The vision of NPE 2019 is to position India as a global hub for Electronics System Design and Manufacturing (ESDM) by encouraging and driving capabilities in the country for developing core components, including chipsets, and creating an enabling environment for the industry to compete globally.

2. **Objective**: The Production Linked Incentive Scheme (PLI) for IT Hardware proposes a financial incentive to boost domestic manufacturing and attract large investments in the value chain.

3. **Quantum of Incentive**: The Scheme shall extend an incentive of 4% to 2% / 1% on net incremental sales (over base year) of goods manufactured in India and covered under the target segment, to eligible companies, for a period of four (4) years.

4. **Target Segment**: The Target Segment under PLI shall include (i) Laptops (ii) Tablets (iii) All-in-One PCs and (iv) Servers.

5. **Eligibility**: Support under the Scheme shall be provided to companies based on the eligibility criteria laid down, for manufacturing of goods (covered under the target segment) in India.

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

5.2 Eligibility shall be subject to thresholds of incremental investment and net incremental sales of manufactured goods (covered under the target segment). An applicant must meet all the threshold conditions to be eligible for disbursement of incentive. Eligibility threshold criteria are detailed in **Annexure A**.

5.3 Eligibility under the Scheme shall not affect eligibility under any other Scheme and vice-versa.

6. **Localization Schedule**: Manufactured Goods covered under the Target Segment, the net sales of which are considered for determining eligibility and incentive amount due under the Scheme must meet the following criteria for localization:

Source - https://www.meity.gov.in/esdm/pliithw

S. No	Timeline	Sub-Assembly to be Localized	Criteria	Applicable Incentive
1	***01.04.2021***	**Not Applicable**		**4%**
2	***01.04.2022 onwards***	1. **PCB Assembly**	Assembled domestically by the applicant company itself	**3%**
3	***01.04.2023 onwards***	1. **PCB Assembly**	Assembled domestically by the applicant company itself	**2%**
		2. **Battery Packs**	Assembled domestically, either by the applicant company itself or through one of its vendors. *(not applicable for All-in-One PCs and Servers)*	
4	***01.04.2024 onwards***	1. **PCB Assembly**	Assembled domestically by the applicant company itself	**2%**
		2. **Battery Packs**	Assembled domestically, either by the applicant company itself or through one of its vendors. *(not applicable for All-in-One PCs and Servers)*	
		3. **Power Adapters / SMPS**	Assembled domestically, either by the applicant company itself or through one of its vendors.	
		4. **Cabinets / Chassis / Enclosures**	Assembled domestically, either by the applicant company itself or through one of its vendors.	
	OR			
	01.04.2024 onwards	1. **PCB Assembly**	Assembled domestically by the applicant company itself	**1%**
		2. **Battery Packs**	Assembled domestically, either by the applicant company itself or through one of its vendors. *(not applicable for All-in-One PCs and Servers)*	
		3. **Power Adapters / SMPS**	Assembled domestically, either by the applicant company itself or through one of its vendors.	

An applicant company must meet the above-mentioned criteria to be eligible for disbursement of incentive in the year under consideration.

7. **Tenure of the Scheme**: Support under the Scheme shall be provided for a period of four (4) years.

7.1 The Scheme shall be open for applications till March 31, 2021 initially which may be extended.

7.2 The Scheme may also be reopened for applications anytime during its tenure based on response from the industry.

7.3 For applications received post the initial application period, applicants shall only be eligible for incentives for the remainder of the Scheme's tenure.

8. **Base Year**: Financial Year 2019-20 shall be treated as the base year for computation of net incremental sales of manufactured goods.

Source - https://www.meity.gov.in/esdm/pliithw

9. Incentive Outlay

9.1 **Total Incentive**: The expected annual incentive outlay and cumulative incentive outlay under the Scheme is as follows:

Financial Year	**Total Incentive**
	₹Crore
Year 1	720
Year 2	1,305
Year 3	1,820
Year 4	3,480
Total	**7,325**

Incentives shall be applicable from April 1, 2021 under the Scheme

9.2 **Incentive Per Company:** The incentive per company will be applicable on net incremental sales of manufactured goods (covered under the Target Segment) over base year subject to indicative ceilings as given in **Annexure B**. At the end of each year, any unappropriated incentive amount resulting from underperformance with respect to the prescribed annual ceiling on net incremental sales of eligible products, by any applicant(s) in any category, will be allocated to the remaining eligible applicants under such category who have achieved net incremental sales in excess of the annual ceiling.

10. Basis of Computation

10.1 Assessment of incremental investment and net sales of manufactured goods shall be based on details furnished to the Departments / Ministries / Agencies and Statutory Auditor certificates.

10.2 Functional Guidelines will be issued by MeitY in consultation with concerned Departments / Ministries.

11. Nodal Agency

11.1 The Scheme shall be implemented through a Nodal Agency.

11.2 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. Detailed constitution, functioning and responsibilities of the PMA will be elaborated in the Scheme Guidelines.

11.3 For carrying out activities related to the implementation of the PLI Scheme, PMA would *inter-alia* be responsible for:

11.3.1 Receipt of applications under the Scheme and issuing acknowledgements.

11.3.2 Appraisal of applications and verification of eligibility for approval under the Scheme.

11.3.3 Examination of claims eligible for disbursement of incentive under the Scheme.

11.3.4 Compilation of data regarding progress and performance of the Scheme including incremental investment and net incremental sales of manufactured goods for companies under the Scheme.

12. Empowered Group of Secretaries (EGoS)

12.1 An 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.

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

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

Source - https://www.meity.gov.in/esdm/pliithw

13. Application Approval and Disbursement Process

13.1 Application under the Scheme can be made by any company registered in India.

13.2 An initial application, complete in all aspects, will have to be submitted before the due date to the Project Management Agency.

13.3 Acknowledgement will be issued by the Project Management Agency after initial scrutiny of the application. The acknowledgement shall not be construed as approval under PLI Scheme.

13.4 Eligible applications will be appraised by Project Management Agency on an ongoing basis and considered for approval.

13.5 Applications, as found eligible by the Project Management Agency under the Scheme will be recommended for approval of the Minister-in-Charge.

13.6 Incentives under the Scheme will be applicable from 01-04-2021.

13.7 Claims for release of incentives, as examined and recommended by the Project Management Agency, will be considered for disbursement.

13.8 Incentive shall be released to eligible applicants who are meeting the required thresholds and whose disbursement claims are found to be in order.

13.9 Detailed procedure for approval and disbursal will be provided as part of Scheme Guidelines.

14. Scheme Guidelines

14.1 Scheme Guidelines covering all aspects of implementation of the Scheme will be finalised in consultation with NITI Aayog, DPIIT and Department of Commerce and will be issued by the Ministry of Electronics and Information Technology (MeitY) with the approval of the Minister-in-charge.

14.2 Any amendment in the Scheme Guidelines will be carried out with the approval of the Minister-in-charge.

SAURABH GAUR, Jt. Secy.

Annexure A

Eligibility Threshold Criteria

Category	**Proposed Incentive Rate**	**Incremental Investment after 31.03.2021**	**Net Incremental Sales of Manufactured Goods over Base Year**
IT Hardware Companies *(i) Laptops (Invoice value of ₹30,000 and above),* *(ii) Tablets (Invoice value of ₹15,000 and above),* *(iii) All-in-One PCs* *(iv) Servers*	Year 1: 4% Year 2: 3% Year 3: 2% Year 4: 2% / 1%	**₹500 Crore over 4 Years** ***Cumulative Minimum*** (₹ Crore): Year 1: ₹50 Crore Year 2: ₹150 Crore Year 3: ₹300 Crore Year 4: ₹ 500 Crore	Year 1: ₹ 1,000 Crore Year 2: ₹ 2,500 Crore Year 3: ₹5,000 Crore Year 4: ₹10,000 Crore
Domestic Companies *(i) Laptops* *(ii) Tablets* *(iii) All-in-One PCs* *(iv) Servers*		**₹ 20 Crore over 4 Years** ***Cumulative Minimum*** (₹ Crore): Year 1: ₹ 4 Crore Year 2: ₹ 8 Crore Year 3: ₹14 Crore Year 4: ₹20 Crore	Year 1: ₹ 50 Crore Year 2: ₹ 100 Crore Year 3: ₹ 200 Crore Year 4: ₹ 300 Crore

****For eligibility, Net Incremental Sales of Manufactured Goods (covered under the target segment) irrespective of Invoice Value shall be considered.***

Source - https://www.meity.gov.in/esdm/pliithw

****Domestic Companies shall be defined as those which are owned by resident Indian citizens as defined in the FDI Policy 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.*

Annexure B

Expected Annual Ceiling on Net Incremental Sales of Manufactured Goods Per Company on which Incentive shall be applicable

Financial Year	IT Hardware Companies	Domestic Champions
	₹ *Crore*	
Year 1 (FY 2021-22)	3,000	300
Year 2 (FY 2022-23)	7,500	600
Year 3 (FY 2023-24)	15,000	1,600
Year 4 (FY 2024-25)	30,000	2,400
Total	**55,500**	**4,900**

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Source - https://www.meity.gov.in/esdm/pliithw

File No. W-18/28/2020-IPHW-Part (1)-MeitY
Government of India
Ministry of Electronics and Information Technology (MeitY)
IPHW Division

Dated: 15th April, 2021

Subject: Guidelines for the Operation of Production Linked Incentive Scheme (PLI) for IT Hardware

1. Background

1.1. The Production Linked Incentive Scheme (PLI) for IT Hardware (hereinafter referred to as 'Scheme') has been notified vide notification No. W-18/28/2020-IPHW-MeitY dated 03.03.2021.

1.2. As per Para 7.1 of the Scheme, PLI Scheme was open for receiving applications till March 31, 2021 which has been extended to April 30, 2021 with the approval of Competent Authority.

1.3. In pursuance of Para 10.2 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

Source - https://www.meity.gov.in/esdm/pliithw

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. **Target Segment:** In accordance with Para 4 of the Scheme, the Target Segment shall include *(i) Laptops (ii) Tablets (iii) All-in-One PCs and (iv) Servers*, complete in all respect for sale to consumers.

2.2. **Applicant:** An Applicant for the purpose of the Scheme is a company registered in India, proposing to manufacture goods covered under the Target Segment, and making an application for seeking approval under the Scheme. The applicant can operate new and / or existing manufacturing facility(ies) to manufacture said goods. 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 2** 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 7.1 of the Scheme, the Application Window shall be till March 31, 2021 initially which may be extended and / or reopened based on response from the industry. The Application Window has been extended to April 30, 2021 with the approval of Competent Authority.

Source - https://www.meity.gov.in/esdm/pliithw

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 Group of Secretaries (EGoS)**: EGoS is the Committee chaired by the Cabinet Secretary. 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.

2.9. **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 the Target Segment. It shall also include expenditure on packaging, freight / transport, insurance, and erection and commissioning

Source - https://www.meity.gov.in/esdm/pliithw

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 the Target Segment. 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 the Target Segment, 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

Source - https://www.meity.gov.in/esdm/pliithw

technology purchase related to goods covered under the Target Segment. 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: Goods manufactured in India and covered under the Target Segment with invoice value as applicable (and defined in **Annexure 1** 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: Gross Sale 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 and expenses pertaining to advertisement and sales promotion, and brand royalty.

2.13. Financial Year: Financial Year begins on the 1st of April of a year and ends on 31st March of the following year.

2.14. Base Year: In accordance with Para 8 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.

Source - https://www.meity.gov.in/esdm/pliithw

2.16. **Incremental Investment:** Investment made in India after 31.03.2021.

2.17. **Net Incremental Sales:** Net Sales of Manufactured Goods over a given period minus the Net Sales of Manufactured Goods over the corresponding period in the Base Year.

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 minus value of non-originating Material and Services used in manufacturing

B. Net Sales

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.

Source - https://www.meity.gov.in/esdm/pliithw

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 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.

2.25. **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. **Electronics Hardware products / sub-assemblies / components:** Electronics Hardware products for the purpose of the Scheme shall mean mobile phones, telecom products, IT hardware products (including desktops and target segment under the scheme), and their sub-assemblies and components.

Source - https://www.meity.gov.in/esdm/pliithw

3. Qualification and Eligibility

3.1. Support under the Scheme shall be provided only to companies engaged in manufacturing of goods (covered under the Target Segment) in India.

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

3.2.1. **IT Hardware Companies:** Consolidated Global Manufacturing Revenue of the applicant (including its Group Companies) in the base year should be *greater than INR 5,000 crore for the target segment* or *greater than INR 10,000 crore for electronics hardware products / sub-assemblies / components*.

3.2.2. **Domestic Companies:** Consolidated Global Manufacturing Revenue of the applicant (including its Group Companies) in the base year should be *greater than INR 10 crore for the target segment* or *greater than INR 20 crore for electronics hardware products / sub-assemblies / components*.

3.3. Eligibility shall be subject to thresholds of Incremental Investment and Net Incremental Sales of Manufactured Goods (covered under the Target Segment) 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 1** 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

Source - https://www.meity.gov.in/esdm/pliithw

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) after 31.03.2021 shall be considered.

3.5. For the purpose of determining eligibility of an applicant with respect to Net Incremental Sales of Manufactured Goods for any year, the Net Incremental Sales of Manufactured Goods (covered under the Target Segment) **for such year over the Base Year, irrespective of Invoice Value** shall be considered.

3.6. **Localization Schedule**: Manufactured goods covered under the Target Segment, the net sales of which are considered for determining eligibility and incentive amount due under the Scheme must meet the following criteria for localization:

S. No	Timeline	Sub-Assembly to be Localized	Criteria	Applicable Incentive
1	*01.04.2021*	**Not Applicable**		**4%**
2	*01.04.2022 onwards*	**1. PCB Assembly**	Assembled domestically by the applicant company itself	**3%**
3	*01.04.2023 onwards*	**1. PCB Assembly**	Assembled domestically by the applicant company itself	**2%**
		2. Battery Packs	Assembled domestically, either by the applicant company itself or through one of its vendors. *(not applicable for All-in-One PCs and Servers)*	
4	*01.04.2024 onwards*	**1. PCB Assembly**	Assembled domestically by the applicant company itself	**2%**

Source - https://www.meity.gov.in/esdm/pliithw

		2. Battery Packs	Assembled domestically, either by the applicant company itself or through one of its vendors. *(not applicable for All-in-One PCs and Servers)*	
		3. Power Adapters / SMPS	Assembled domestically, either by the applicant company itself or through one of its vendors.	
		4. Cabinets / Chassis / Enclosures	Assembled domestically, either by the applicant company itself or through one of its vendors.	
	OR			
	01.04.2024 onwards	**1. PCB Assembly**	Assembled domestically by the applicant company itself	**1%**
		2. Battery Packs	Assembled domestically, either by the applicant company itself or through one of its vendors. *(not applicable for All-in-One PCs and Servers)*	
		3. Power Adapters / SMPS	Assembled domestically, either by the applicant company itself or through one of its vendors.	

An applicant company must meet the abovementioned criteria to be eligible for disbursement of incentive in the year under consideration.

3.7. Eligibility under PLI Scheme shall not affect eligibility under any other scheme and vice-versa. However, for the purpose of determining eligibility of an applicant with respect to Incremental Investment, the investment considered under this Scheme shall not be considered for determining eligibility under any other PLI Scheme and vice-versa.

Source - https://www.meity.gov.in/esdm/pliithw

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 01.04.2021.**

4.1.2. Expenditure on consumables and raw material used for manufacturing shall not be considered as Investment.

4.1.3. The date of 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,

Source - https://www.meity.gov.in/esdm/pliithw

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 plant, machinery, equipment, 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 Segment that are approved in the approval letter issued by PMA. This does not preclude the usage of such plant, machinery, and equipment for manufacturing of electronic goods other than the Target Segment provided that investment made for such plant,

Source - https://www.meity.gov.in/esdm/pliithw

machinery and equipment under this Scheme shall not be considered as eligible investment under any other PLI Scheme. The applicant must submit a declaration about usage of plant, machinery, and equipment 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.

Source - https://www.meity.gov.in/esdm/pliithw

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 30.04.2021** 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 categories i.e., ***IT Hardware Companies*** **or** ***Domestic Companies.***

Source - https://www.meity.gov.in/esdm/pliithw

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 2** 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 3** 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 3** 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

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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 4** 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 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

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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 Competent Authority for approval of applications under the Scheme.

7.2.3. Determination of Baseline for Net Sales of Manufactured Goods and Investment for approved applicants and making appropriate recommendations to the Competent Authority.

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 Competent Authority.

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 Group of Secretaries (EGoS)

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

Source - https://www.meity.gov.in/esdm/pliithw

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 Electronics, and Information Technology

8.2. 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.

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

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

9. Competent Authority

9.1. 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.

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9.2. 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.

9.3. The Competent Authority will consider baselines, as determined by the PMA for approval.

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

9.5. In case of a Force Majeure event, the Competent Authority may amend, modify, or withdraw any clauses under the Scheme Guidelines.

9.6. The Competent Authority will also be authorized to carry out any amendments in Scheme Guidelines.

10. Approval under PLI

10.1. 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 Competent Authority for approvals under the Scheme.

10.2. After the conclusion of the initial round of applications, approvals will be granted to **not more than 5 eligible applicants in *Category – IT Hardware Companies* and not more than 10 eligible applicants in *Category – Domestic Companies.***

Source - https://www.meity.gov.in/esdm/pliithw

10.3. In case of receipt of eligible applications in excess of the limits specified above for any of the categories, the eligible applications for the given category will be ranked in the following order:

Category: IT Hardware Companies

Highest to lowest on the basis of consolidated global manufacturing revenues of the applicants (including group companies), in the base year, for electronics hardware products / sub-assemblies / components.

Category: Domestic Companies

Highest to lowest on the basis of consolidated global manufacturing revenues of the applicants (including group companies), in the base year, for electronics hardware products / sub-assemblies / components.

10.4. **Based on the ranking method mentioned in Para 10.3, 5 eligible applicants in *Category – IT Hardware Companies* and 10 eligible applicants in *Category – Domestic Companies*** shall be selected and granted approval under the Scheme.

10.5. 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:

10.5.1. Name of Applicant

10.5.2. Category

10.5.3. Proposed Product(s)

Source - https://www.meity.gov.in/esdm/pliithw

10.5.4. Yearly Thresholds of Incremental Investment and Net Incremental Sales of Manufactured Goods (covered under the Target Segment), applicable for determining eligibility

10.5.5. Yearly Ceilings on Net Incremental Sales of Eligible Products on which incentive shall be applicable.

10.5.6. Plan for Domestic Value Addition during the tenure of the Scheme

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

10.6. 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.

11. Baseline for Investment and Net Sales of Manufactured Goods for Eligibility and Incentive

11.1. Eligibility under the Scheme is subject to thresholds of Incremental Investment and Net Incremental Sales of Manufactured Goods (covered under the Target Segment) as defined. Accordingly, a baseline for Investment and Net Sales of Manufactured Goods will have to be established to determine eligibility and compute incentive amount due.

11.2. The period for determination of baseline shall be as follows:

11.2.1. Baseline for Investment: As on 31.03.2021

Source - https://www.meity.gov.in/esdm/pliithw

11.2.2. Baseline for Net Sales of Manufactured Goods (covered under the Target Segment) and Net Sales of Eligible Products: Period from 01.04.2019 to 31.03.2020

11.3. 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.

11.4. 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 Competent Authority for approval of the baseline.

11.5. The Competent Authority will consider baselines of investment and net sales of manufactured goods (covered under the Target Segment), as determined by the PMA for granting approval of such baselines under the Scheme.

11.6. After receiving approval from the Competent Authority, 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:

11.6.1. Name of Applicant

11.6.2. Category

11.6.3. Proposed Product(s)

11.6.4. Date of Acknowledgement

11.6.5. Date of Approval

Source - https://www.meity.gov.in/esdm/pliithw

11.6.6. Thresholds of Incremental Investment and Net Incremental Sales of Manufactured Goods (covered under the Target Segment), applicable for determining eligibility

11.6.7. Baseline for Investment (as on 31.03.2021)

11.6.8. Baseline for Net Sales of Manufactured Goods (covered under the Target Segment) and for Net Sales of Eligible Products (Period from 01.04.2019 to 31.03.2020)

11.6.9. Any other information / condition stipulated by the Competent Authority

11.7. No disbursement claims will be considered until the process of determining the baseline has been completed for an approved application.

11.8. The Baseline for Net Sales of Manufactured Goods / Net Sales of Eligible Products for an applicant company shall include the *net sales of goods manufactured in India in the base year and covered under the Target Segment / Eligible Product*, for the applicant company as well as any entity(ies) (group company) whose manufacturing revenue in India has been considered for determining qualification of the applicant company as per Para 3.2 of these Guidelines.

12. Calculation of Incentive

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

Net Incremental Sales of Eligible Products x Rate of Incentive

Where

Source - https://www.meity.gov.in/esdm/pliithw

- Net Incremental Sales of Eligible Products shall be the *Net Sales of Eligible Products for the period to which the claim for disbursement of incentive pertains minus the Net Sales of Eligible Products as per baseline determined.*
- 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.
- The incentive amount payable shall be subject to annual and cumulative ceilings on Net Incremental Sales of Eligible Products.
- The annual ceilings on incentive payable to each applicant will be determined based on the Financial Outlay as indicated in Para 9.1 of the Scheme and number of eligible applicants in each of the categories. The annual financial outlay will be appropriated proportionately depending on number of applicants under each category. At the end of the year, any unappropriated incentive amount resulting from underperformance with respect to the prescribed annual ceiling on net incremental sales of eligible products, by any applicant(s) in any category, will be allocated to the remaining eligible applicants under such category 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 on net incremental sales of eligible products. If the incentive amount payable on cumulative excess performance by the applicants in a category is greater than the unappropriated

Source - https://www.meity.gov.in/esdm/pliithw

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 category and such amount will be distributed among the overperforming applicants in said category in proportion to their respective excess performance beyond the annual ceiling on net incremental sales of eligible products.

- **Illustratively**, if there are five (5) eligible applicants under the *IT Hardware Companies* category, the year-wise incentive ceiling per applicant will be $1/5^{th}$ of the annual financial outlay for the said category. 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 on net incremental sales of eligible products. **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 on net incremental sales of eligible products 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 on net incremental sales of eligible products for such applicants.

Source - https://www.meity.gov.in/esdm/pliithw

13. Disbursement of Incentives

13.1. 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 5** of these Guidelines.

13.2. 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.

13.3. 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.

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 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.

Source - https://www.meity.gov.in/esdm/pliithw

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 MeitY for clarification. The decision of MeitY 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 (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.

13.11. Applicants shall be required to reconcile Incremental Investment and Net Incremental 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.

13.12. 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).

13.13. 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

Source - https://www.meity.gov.in/esdm/pliithw

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 15.4.

13.14. 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.

13.15. 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.

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 6** of these Guidelines.

15. Residual

15.1. Incentive shall not be claimed for a given manufactured item by more than one applicant.

Source - https://www.meity.gov.in/esdm/pliithw

15.2. 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).

15.3. 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 1** of the Guidelines during the tenure of the Scheme, shall be intimated by PMA for approval of the Competent Authority to consider for disbursal of incentives.

15.4. In case of a successor-in-interest or having the effect of change in category as per **Annexure 1** 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 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.

15.5. 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.

15.6. Two formats of undertakings are enclosed as Format-A and Format-B in **Annexure 7**. These undertakings are to be furnished by

Source - https://www.meity.gov.in/esdm/pliithw

applicants, duly signed by CEO / MD / Director, and depicting the designation along with authorization to do so.

15.7. 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

(Saurabh Gaur)
Joint Secretary to the Government of India
Tel No. 011-24363071

Email: saurabh.gaur@meity.gov.in

New Delhi, Dated: April 15, 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. **AS&FA, Ministry of Electronics and Information Technology**

Source - https://www.meity.gov.in/esdm/pliithw

8. **Industry Associations**

9. **Implementation agencies of projects under EMC scheme.**

10. **Internal circulation**

Saurabh Gaur

(Saurabh Gaur)
Joint Secretary to the Government of India
Tel No. 011-24363071

Email: saurabh.gaur@meity.gov.in

Source - https://www.meity.gov.in/esdm/pliithw

Annexure 1

Eligibility Threshold Criteria

Category	Proposed Incentive Rate	Incremental Investment after 31.03.2021	Incremental Sales of Manufactured Goods over Base Year
IT Hardware Companies *(i) Laptops (Invoice value of INR 30,000 and above),* *(ii) Tablets (Invoice value of INR 15,000 and above),* *(iii) All-in-One PCs* *(iv) Servers*	Year 1: 4% Year 2: 3% Year 3: 2% Year 4: 2%/ 1%	INR 500 Crore over 4 Years Cumulative Minimum (Crore): Year 1: 50 Year 2: 150 Year 3: 300 Year 4: 500	Year 1: INR 1,000 Crore Year 2: INR 2,500 Crore Year 3: INR 5,000 Crore Year 4: INR 10,000 Crore
Domestic Companies *(i) Laptops* *(ii) Tablets* *(iii) All-in-One PCs* *(iv) Servers*		INR 20 Crore over 4 Years Cumulative Minimum (Crore): Year 1: 4 Year 2: 8 Year 3: 14 Year 4: 20	Year 1: INR 50 Crore Year 2: INR 100 Crore Year 3: INR 200 Crore Year 4: INR 300 Crore

For eligibility, Net Incremental Sales of Manufactured Goods (covered under the target segment) irrespective of Invoice Value shall be considered.

****Domestic Companies shall be defined as those which are owned by resident Indian citizens as defined in the FDI Policy 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.*

Source - https://www.meity.gov.in/esdm/pliithw

Annexure 2

Application Form: Production Linked Incentive Scheme (PLI) for IT Hardware

Introduction

(i) The application shall be duly signed by authorized signatory of legal entity.

(ii) 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.

(iii) 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 4** of these Guidelines, would be accepted electronically only.

(iv) Applicants may go through the Guidelines carefully before filling up the details in the application.

(v) Application has been divided into the following sections and sub-sections:

- **I.** Company Information
- **II.** Qualification Criteria
- **III.** Financial Details
- **IV.** Baseline Data
- **V.** Projections

Source - https://www.meity.gov.in/esdm/pliithw

VI. Regulatory Approvals

VII. Application Fee Details

VIII. Declaration

(vi) 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).

1. Company Information

1.1. Name of the company, Date of Incorporation, CIN, PAN, Category, Proposed Product(s)

Documents to be furnished:

a) Brief Business profile

b) Certificate of incorporation

c) Self-certified copy of PAN for applicant company

1.2. **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:

a) Certified copy of the memorandum and articles of association or equivalent registration document

b) Shareholding pattern (latest submitted with ROC and certified by Company Secretary)

Source - https://www.meity.gov.in/esdm/pliithw

1.3. **Details of Authorised Signatory**

Document to be furnished: Letter of Authorization by Board of Directors or Managing Director or equivalent.

1.4. **Company Details:** GSTIN, Address, phone, email, nature of current business, external credit rating.

Document to be furnished: Self-certified copies of GST Certificate for applicant

1.5. Details of current manufacturing facilities in India.

1.6. Statutory Auditor Details

1.7. Profile of Chairman, CEO, CXOs

Documents to be furnished: Self-certified copies of brief profile of Chairman, CEO and CXOs

1.8. **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: Certificate from Company Secretary/ Board of Directors for Defaulter's List

1.9. **Key Personnel Details:** Contact details of three senior employees of applicant. Details would include Name, Designation, Address, phone, email.

2. Qualification Criteria (self-certified)

2.1. 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.

Source - https://www.meity.gov.in/esdm/pliithw

2.2. Details of Group Companies whose revenue is being considered

3. Financial Details (self-certified)

a) Revenue (INR Cr) – Total and Target Segment – Manufacturing split by Exports, Domestic Sales (last 3 years). Additionally, in case of the *Category: IT Hardware Companies*, information on revenue for Eligible Products (i.e., *Laptops with Invoice value of INR 30,000 and above; Tablet with Invoice value of INR 15,000 and above)* must be furnished separately for FY 2019-20.

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.

Documents to be furnished: Self-certified certified copies of Annual Reports including Annual Financial Reports along with schedules for 3 years. Most recent reports to be provided.

4. Baseline Data (self-certified)

4.1. Baseline Data for Net Sales (Target Segment and Eligible Products wherever applicable)

4.2. Baseline Data for Investment: Data of Fixed Assets (including Tangible and Intangible) as per Balance Sheet as of March 31, 2020.

Documents to be furnished:

a) Certificate mentioning Net Sales of Manufactured Goods covered under Target Segment and Net Sales of Eligible Product, for FY 2019-20.

Source - https://www.meity.gov.in/esdm/pliithw

b) Certificate attested by an authorised signatory, mentioning value of fixed assets (including Tangible and Intangible) as on 31.03.2020

c) Audited Financial Statement for Financial Year 2019-20.

5. Projections (Next 4 years)

5.1. Forecasted Revenue –Total and Target Segment – Manufacturing split by Exports, Domestic Sales (next 4 years)

5.2. Size of Investment: Cumulative Capex Plan for the next 4 years.

5.3. Proposed plan for Domestic Value Addition (next 4 years)

5.4. Proposed plan for Employment Generation in India (next 4 years)

6. Regulatory Approvals

6.1. Detailed Project Report

6.2. 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.

7. Application Fee

7.1. Application Fee Details are to be submitted along with the proof of application fee payment.

8. Declaration

8.1. Integrity Pact is to be uploaded.

Source - https://www.meity.gov.in/esdm/pliithw

Annexure 3

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 investment is greater than or equal to the threshold applicable under the proposed Category (as per Annexure 1 of the Guidelines)
5. Proposed Net Incremental Sales of Manufactured Goods (covered under the Target Segment) are greater than or equal to the threshold applicable under proposed Category (as per Annexure 1 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

Source - https://www.meity.gov.in/esdm/pliithw

Annexure 4

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.

Source - https://www.meity.gov.in/esdm/pliithw

Annexure 5

Disbursement Claim Form: Production Linked Incentive Scheme (PLI) for IT Hardware

1. Name of Applicant
2. Category
3. Product(s)
4. Date of Acknowledgement
5. Ref. No. and Date of Approval
6. Yearly Thresholds of Incremental Investment and Net Incremental Sales of Manufactured Goods (covered under the Target Segment) applicable for determining eligibility
7. Baseline for Investment (as on 31.03.2021)
8. Baseline for Net Sales of Manufactured Goods (covered under the Target Segment) and Net Sales of Eligible Products: Period from 01.04.2019 to 31.03.2020
9. Period for which Incentives are being sought
10. Applicable Ceilings as per Approval Letter

Source - https://www.meity.gov.in/esdm/pliithw

11. Certificate from Statutory Auditor covering details in the format below:

S. No.	Particulars	Unit	FY 2019-20	Period of Claim
1	**Investment Actualized (Cumulative)**	*INR Crore*		
	a) Equity			
	b) Debt			
	c) Internal Accrual			
2	**Employment as on Date of Filing Claim (Cumulative)**	*Numbers*		
	a) On-roll labour / employees			
	b) Contractual			
	c) Apprentice			
3A	**Revenue from Operations –Domestic Sales** [net of credit notes, discounts, and taxes applicable and expenses pertaining to advertisement and sales promotion, and brand royalty]	*INR*		
	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			

Source - https://www.meity.gov.in/esdm/pliithw

3B	**Revenue from Operations – Exports** [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			
3C	**Total Revenue from Operations (Domestic Sales & Exports)**			
4	**Sales Quantity** [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	**Details of Import**	*INR*		
	CIF plus non-creditable taxes / duties			
	a) Raw Material / Parts / Components			
	i. Eligible Products			
	ii. Other Goods in Target Segment			

Source - https://www.meity.gov.in/esdm/pliithw

	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	Domestic Value Addition (%) As per definition in Para 2.20			
7	Sub-assemblies localized as per Localization Schedule in Para 6 of the Scheme (including details of vendors if applicable)			

12. Certificates / undertakings stating / covering the following:

- No deviation in the product(s) manufactured as per Eligible Product and Target Segment
- Adherence to Localization Schedule

13. Certificate(s) from Company Secretary stating:

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

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

Source - https://www.meity.gov.in/esdm/pliithw

- Threshold for Incremental Investment applicable has been achieved for the year in consideration
- Details of Incremental Investment
- Capitalization of Investment in the books of accounts of the applicant is in line with the relevant accounting standards issued by ICAI
- Investment has been made in accordance with Scheme Guidelines and approval accorded by MeitY
- Threshold of Net Incremental Sales of Manufactured Goods (covered under the Target Segment) applicable has been achieved for the year in consideration

15. Documents / certificates from Chartered Engineer:

- 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 Target Segment.

16. 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

Source - https://www.meity.gov.in/esdm/pliithw

Appendix

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 IT Hardware, 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

Source - https://www.meity.gov.in/esdm/pliithw

any legal remedies available with Ministry of Electronics and Information Technology for events mentioned in Para 3 (i) and (ii) above.

Source - https://www.meity.gov.in/esdm/pliithw

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:

1. Name of Applicant
2. Category
3. Product(s)
4. Date of Acknowledgement
5. Date of Approval
6. Manufacturing Location(s)
7. Investment Actualized for Manufacturing of Target Segment (amount in INR)
Source of Funding (Equity, Debt, Internal Accrual etc.)
8. Employment as on date (in numbers)
On-roll labour / employees
Contractual
Apprentice
9. Installed Production Capacity for Target Segment / Eligible Product (in numbers)
10. Revenue from Operations – Domestic Sales [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

Source - https://www.meity.gov.in/esdm/pliithw

c) Services Activity
11. Revenue from Operations – Exports [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
12. Total Revenue from Operations
13. Details of Import *(CIF plus non-creditable taxes / duties)*
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. Domestic Value Addition (%) (As per definition in Para 2.20)

Source - https://www.meity.gov.in/esdm/pliithw

15. Sub-assemblies localized as per Localization Schedule in Para 6 of the Scheme (including details of vendors if applicable)

Source - https://www.meity.gov.in/esdm/pliithw

Annexure 7

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 IT Hardware 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

Source - https://www.meity.gov.in/esdm/pliithw

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.

Source - https://www.meity.gov.in/esdm/pliithw

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

Source - https://www.meity.gov.in/esdm/pliithw

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 IT Hardware 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.

Source - https://www.meity.gov.in/esdm/pliithw

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

Source - https://www.meity.gov.in/esdm/pliithw

File No. W-17/9/2021-IPHW
Government of India
Ministry of Electronics and Information Technology (MeitY)
IPHW Division

Dated: 30th December, 2021

-

ADDENDUM

-

Amendments in Production Linked Incentive Scheme (PLI) for IT Hardware – reg.

References:

i. *PLI Scheme Notification No. CG-DL-E-03032021-225613 dated 3st March, 2021 in Part – I, Section 1 of the Gazette of India (Extraordinary) [File No. W-18/28/2020-IPHW]*
ii. *Guidelines for the Operation of Production Linked Incentive Scheme (PLI) for IT Hardware dated 15st April, 2021 [File No. W-18/28/2020-IPHW]*

Ministry of Electronics and Information Technology (MeitY) notified the Production Linked Incentive Scheme (PLI) for IT Hardware on March 03, 2021. Subsequently, Guidelines for the operation of the Scheme were notified on 15.04.2021. The Scheme was open for receiving applications till 30.04.2021.

2. As per Para 12.3 of the PLI Scheme, *the Empowered Group of Secretaries (EGoS) may revise incentive rates, ceilings, target segment(s) and eligibility criteria as deemed appropriate during the tenure of the Scheme.* In accordance with Para 12.3 of the Scheme, the EGoS in its meeting held on 13th December 2021 has approved the following amendment in the Para 6 of the PLI Scheme for IT Hardware notified and subsequently in Para 3.6 of the Scheme Guidelines:

S. No	Timeline	Sub-Assembly to be Localized	Criteria	Applicable Incentive
1	***01.04.2021***	**Not Applicable**		**4%**

Source - https://www.meity.gov.in/esdm/pliithw

2	***01.04.2022 onwards***	**1. PCB Assembly**	Assembled domestically by the applicant company itself or through one of its vendors subject to the condition that investment for PCB Assembly will be capitalized in the books of accounts of the applicant company	**3%**
3	***01.04.2023 onwards***	**1. PCB Assembly**	Assembled domestically by the applicant company itself or through one of its vendors subject to the condition that investment for PCB Assembly will be capitalized in the books of accounts of the applicant company	**2%**
		2. Battery Packs	Assembled domestically, either by the applicant company itself or through one of its vendors. *(not applicable for All-in-One PCs and Servers)*	
4	***01.04.2024 onwards***	**1. PCB Assembly**	Assembled domestically by the applicant company itself or through one of its vendors subject to the condition that investment for PCB Assembly will be capitalized in the books of accounts of the applicant company	**2%**
		2. Battery Packs	Assembled domestically, either by the applicant company itself or through one of its vendors. *(not applicable for All-in-One PCs and Servers)*	
		3. Power Adapters / SMPS	Assembled domestically, either by the applicant company itself or through one of its vendors.	

Source - https://www.meity.gov.in/esdm/pliithw

		4. Cabinets / Chassis / Enclosures	Assembled domestically, either by the applicant company itself or through one of its vendors.	
	OR			
	01.04.2024 onwards	**1. PCB Assembly**	Assembled domestically by the applicant company itself or through one of its vendors subject to the condition that investment for PCB Assembly will be capitalized in the books of accounts of the applicant company	**1%**
		2. Battery Packs	Assembled domestically, either by the applicant company itself or through one of its vendors. *(not applicable for All-in-One PCs and Servers)*	
		3. Power Adapters / SMPS	Assembled domestically, either by the applicant company itself or through one of its vendors.	

3. Aforesaid amendment is to be read with revised Para 4.2.4 of the Scheme Guidelines, i.e., “In such case that plant, machinery, equipment, 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 plant, machinery, equipment, tools, dies, moulds, jigs, fixtures and parts, accessories, components, and spares should not be located outside the country”.

4. Further, aforesaid amendment is to be read with revised Para 7.4 of the Scheme Guidelines, i.e., “The PMA shall have a right to carry physical inspection of an applicant’s manufacturing units and offices or vendor’s manufacturing units and offices (only for such vendors who are engaged for meeting any of the localization criteria mentioned at

Source - https://www.meity.gov.in/esdm/pliithw

Para 3.6 - Localization Schedule requirements) through site visits. It shall be the responsibility of the applicant to facilitate site visit and/ or for obtaining relevant information / documents pertaining to localization from such vendor(s)".

5. The PLI Scheme Guidelines issued on 15.04.2021 shall be read incorporating the above changes wherever applicable.

6. This aforesaid addendum is issued with the approval of Hon'ble Minister of Electronics and Information Technology.

(Saurabh Gaur)
Joint Secretary to the Government of India
Tel No. 011-24363071
Email: saurabh.gaur@meity.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. **SS&FA, Ministry of Electronics and Information Technology**
8. **Industry Associations**
9. **IFCI Ltd. – Project Management Agency for the PLI Scheme**
10. **Internal circulation**

(Saurabh Gaur)
Joint Secretary to the Government of India
Tel No. 011-24363071
Email: saurabh.gaur@meity.gov.in

Source - https://www.meity.gov.in/esdm/pliithw

PLI Scheme for White Goods (Air Conditioners and Led Lights) Manufacturers In India

Minister for Commerce and Industry

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

रजिस्ट्री सं. डी.एल.- 33004/99 REGD. No. D. L.-33004/99

भारत का राजपत्र
The Gazette of India

सी.जी.-डी.एल.-अ.-16042021-226671
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असाधारण
EXTRAORDINARY

भाग I—खण्ड 1
PART I—Section 1

प्राधिकार से प्रकाशित
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वाणिज्य और उद्योग मंत्रालय

(उद्योग संवर्धन और आंतरिक व्यापार विभाग)

अधिसूचना

नई दिल्ली, 16 अप्रैल, 2021

विषय: भारत में व्हाइट गुड्स (एयर कंडीशनर्स और एलईडी लाइट्स) के विनिर्माताओं के लिए उत्पादन संबद्ध प्रोत्साहन स्कीम (पीएलआई)।

फा. सं. पी-29014/101/2020-एलईआई.—

1. प्रस्तावना

सरकार ने व्हाइट गुड्स (एयर कंडीशनर्स और एलईडी लाइट्स) के लिए उत्पादन संबद्ध प्रोत्साहन स्कीम (पीएलआई) को अनुमोदित किया है जिसे 6,238 करोड़ रुपए के बजटीय परिव्यय से वित्तीय वर्ष 2021-22 से वित्तीय वर्ष 2028-29 के दौरान कार्यान्वित किया जाएगा।

2. उद्देश्य

यह व्हाइट गुड्स के लिए उत्पादन संबद्ध प्रोत्साहन स्कीम (पीएलआईडब्ल्यूजी) व्हाइट गुड्स के विनिर्माण मूल्य श्रृंखला में घरेलू विनिर्माण को बढ़ावा देने के लिए वित्तीय प्रोत्साहन और बड़े निवेश आकर्षित करने का प्रस्ताव

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

MINISTRY OF COMMERCE AND INDUSTRY

(Department for Promotion of Industry and Internal Trade)

NOTIFICATION

New Delhi, the 16th April, 2021

SUBJECT: PRODUCTION LINKED INCENTIVE SCHEME (PLI) FOR WHITE GOODS (AIR CONDITIONERS AND LED LIGHTS) MANUFACTURERS IN INDIA

F. No. P-29014/101/2020-LEI.—

1. INTRODUCTION

The Government has approved the Production Linked Incentive (PLI) Scheme for White Goods (Air Conditioners and LED Lights) to be implemented over FY 2021-22 to FY 2028-29 with a budgetary outlay of Rs. 6,238 crore.

2. OBJECTIVE

The Production Linked Incentive Scheme for White Goods (PLIWG) proposes a financial incentive to boost domestic manufacturing and attract large investments in the White Goods manufacturing value chain. Its prime objectives include removing sectoral disabilities, creating economies of scale, enhancing exports, creating a robust component ecosystem and employment generation.

3. TARGET SEGMENTS

Support under the Scheme will be provided to companies/entities engaged in manufacturing of components of Air Conditioners and LED Lights in India as under:

3.1 Air conditioners:

i. Air Conditioners (Components- High value Intermediates or Low Value Intermediates or sub-assemblies or a combination thereof)

- Large Investments
- Normal Investments

ii. High Value Intermediates (Copper Tubes, Aluminium Foil and Compressors)

- Large Investments
- Normal Investments

iii. Low Value Intermediates (PCB assembly for controllers, BLDC motors, Service Valves and Cross Flow fans for AC and other components)
- Large Investments
- Normal Investments

3.2 LED Lights

i. LED Lighting Products (Core Components like LED Chip Packaging, Resisters, ICs, Fuses and large-scale investments in other components etc.)

- Large Investments
- Normal Investments

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

ii. Components of LED Lighting Products (like LED Chips, LED Drivers, LED Engines, Mechanicals, Packaging, Modules, Wire Wound Inductors and other components**)**

- Large Investments
- Normal Investments

4. QUANTUM OF INCENTIVE

4.1 The PLI Scheme shall extend an incentive of 4% to 6% on incremental sales (net of taxes) over the base year of goods manufactured in India and covered under target segments, to eligible companies, for a period of five (5) years subsequent to the base year and one year of gestation period.

4.2 The applicant will have to fulfill both criteria of cumulative incremental investment in plant and machinery as well as incremental sales over the base year in that respective year to be eligible for PLI. The first year of investment will be FY 2021-22 and the first year of incremental sale will be FY 2022-23. Actual disbursement of PLI for a respective year will be subsequent to that year.

4.3 The Scheme is Fund Limited and even in case of over achievement the total pay-out of incentives would be capped at the amount approved by Cabinet.

4.4 All relevant details of the Scheme, for example, base year, eligibility criteria, target segments, quantum of incentive, pre-qualification criteria for different target segments, application period, etc. will be detailed in Scheme Guidelines.

5. ELIGIBILITY

5.1 Incentive under the Scheme shall be provided to Companies making brown field or green field Investments for manufacturing in target segments in India.

5.2 Eligibility of Companies shall be subject to their meeting the pre-qualification criteria for different target segments which will be defined in the Scheme Guidelines.

5.3 One entity may apply for one target segment only. However, separate Group companies may apply for different target segments. Further, sales by entities to their group companies should be at an arm's length price as those to outside group companies.

5.4 Eligibility shall be subject to thresholds of cumulative incremental investment and incremental sales (net of taxes) of manufactured goods (as distinct from traded goods) over the base year for the respective year. An applicant must meet all the threshold conditions to be eligible for disbursement of incentive. Eligibility threshold criteria are detailed in Annexure-A.

5.5 Any entity availing benefits under any other PLI Scheme of Govt. of India will not be eligible under this scheme for same products but the entity may take benefits under other applicable schemes of Govt. of India or schemes of State governments.

5.6 The applicant shall, in its application, declare plan for domestic value addition, employment generation and exports during the tenure of the Scheme.

6. TENURE OF THE SCHEME:

6.1 Support under the Scheme shall be provided for a period of five (5) years subsequent to the base year as defined and one year of gestation period for fructifying investment to be implemented over FY 2021-22 to

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

FY 2028-29.

6.2 The Scheme shall be open for applications for a period of 6 months initially which may be extended.

6.3 Applications may also be invited anytime during the tenure of Scheme for particular target segment, if required.

6.4 For applications received post the initial application period, applicants shall only be eligible for incentives for the remainder of the Scheme's tenure.

7. BASE YEAR

FY 2019-20 shall be treated as the base year for computation of cumulative incremental investment and incremental sales (net of taxes) of manufactured goods (as distinct from traded goods) as well as for pre-qualification criteria.

8. SELECTION OF BENEFICIARIES

8.1 Mere assembly of finished goods shall not be incentivized.

8.2 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.

8.3 Companies investing in basic/core components shall have a higher priority.

8.4 Within a target segment, 'Large Investment' shall have a higher priority over 'Normal Investment'.

8.5 The actual number of beneficiaries within a target segment shall be decided on the basis of the response of the industry.

9. FINANCIAL OUTLAY

9.1 The PLI Scheme will be implemented within the overall financial limits of ₹ 6,238 Crores only (Rupees Six Thousand Two Hundred and Thirty Eight Crores only) for implementation of the Scheme over a period of 5 years.

9.2 Incentive per beneficiary: The incentive per beneficiary will be applicable on incremental sales (net of taxes) of manufactured goods (as distinct from traded goods) over base year subject to ceilings as may be decided and the beneficiary meeting the cumulative investment criteria.

10. REVIEW AND MONITORING

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 PLIs and take appropriate action to ensure that the expenditure is within the prescribed outlay. In addition, EGoS will be empowered to make any changes in the modalities of the scheme within the overall financial outlay of Rs. 6,238 crore.

ANIL AGRAWAL, Addl. Secy.

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

ANNEXURE-A

1. Eligibility Threshold Criteria: Air Conditioners

Rs. Crore

Sl.	Segment	Year	PLI @	MINM. Cum. Incr. Investment	MINM. Incr. Sale	MINM. PLI	MINM. Cum. Incr. Investment	MINM. Incr. Sale	MINM. PLI
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
				LARGE INVESTMENT			NORMAL INVESTMENT		
1	ACs (Components[@])	2021-22		150			50		
		2022-23	6%	300	750		100	250	
		2023-24	6%	400	1500	45	150	500	15
		2024-25	5%	500	2000	90	225	750	30
		2025-26	5%	600	2500	100	300	1125	38
		2026-27	4%		3000	125		1500	56
		2027-28				120			60
		Total		**600**	**9750**	**480**	**300**	**4125**	**199**
2	High Value intermediates of ACs*	2021-22		50			50		
		2022-23	6%	125	250		100	250	
		2023-24	6%	200	625	15	150	500	15
		2024-25	5%	300	1000	38	200	750	30
		2025-26	5%	400	1500	50	250	1000	38
		2026-27	4%		2000	75		1250	50
		2027-28				80			50
		Total		**400**	**5375**	**258**	**250**	**3750**	**183**
3	Lower value intermediates of ACs#	2021-22		20			10		
		2022-23	6%	40	100		20	50	
		2023-24	6%	60	200	6	30	100	3
		2024-25	5%	80	300	12	40	150	6
		2025-26	5%	100	400	15	50	200	8
		2026-27	4%		500	20		250	10
		2027-28				20			10
		Total		**100**	**1500**	**73**	**50**	**750**	**37**

Figures are rounded off for easier readability.

@ACs (Components): High Value Intermediates or Low Value intermediates or sub-assemblies or a combination thereof

***High value** intermediates **of ACs**: Aluminum Foil, Cu tube, Compressor.

 # Lower value intermediates **of ACs**: PCB Assembly for Controllers, BLDC Motors, Service Valves for ACs, Cross Flow Fans and other components.

COL. (4): Actual disbursement of **PLI** for a respective year will be subsequent to that year. For example, subject to fulfilling the conditions of cumulative threshold incremental 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.

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

Annexure-A

2. Eligibility Threshold Criteria: LED Lights

Rs. Crore

Sl.	Segment	Year	PLI @	MINM. Cum. Incr. Investment	MINM. Incr. Sale	MINM. PLI	MINM. Cum. Incr. Investment	MINM. Incr. Sale	MINM. PLI
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
				LARGE INVESTMENT			NORMAL INVESTMENT		
1	LED Lights (Core Components)#	2021-22		100			20		
		2022-23	6%	150	600		40	120	
		2023-24	6%	200	900	36	60	240	7
		2024-25	5%	250	1200	54	80	360	14
		2025-26	5%	300	1500	60	100	480	18
		2026-27	4%		1800	75		600	24
		2027-28				72			24
		Total		**300**	**6000**	**297**	**100**	**1800**	**88**
2	Components of LED Lights*	2021-22		5			2		
		2022-23	6%	10	30		4	12	
		2023-24	6%	15	60	2	6	24	1
		2024-25	5%	20	90	4	8	36	1
		2025-26	5%	25	120	5	10	48	2
		2026-27	4%		150	6		60	2
		2027-28				6			2
		Total		**25**	**450**	**22**	**10**	**180**	**9**

Figures are rounded off for easier readability.

LED Lights: (Core Components like LED Chip Packaging, Resisters, ICs, Fuses and large scale investments in other components etc.)

***Components of LED Lights:** LED Chips, LED Drivers, LED Engines, Mechanicals, Packaging, Modules, Wire Wound Inductors and other components.

COL. (4): Actual disbursement of **PLI** for a respective year will be subsequent to that year. For example, subject to fulfilling the conditions of cumulative threshold incremental 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.

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

Dated: the 4th June, 2021

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.

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.

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

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.

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.

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

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

employment shall include on-roll, contractual and apprentice workforce in the country only.

2.18 **Financial Year:** Financial Year begins on 1st April of a calendar year and ends on 31st 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. 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.

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

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

2.28 **Initial Investment Period (Gestation Period):** An applicant may opt for any one of the following initial investment periods–

i) 1st April, 2021 to 31st March, 2022

ii) 1st April, 2021 to 31st 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.

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

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 1st April 2021 to 31st March 2022 **or Appendix-1A** for applicants opting for initial investment period as 1st April 2021 to 31st 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 of more eligible product(s) under any investment category in the respective target segment as defined under these guidelines.

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

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 shall be as under :-

(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.

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

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 in the base year and the corresponding threshold incremental net sales turnover of the selected applicant as detailed in **Appendix-1** or **Appendix-IA**, as the case may be.

7.6 For applicants opting for initial investment period as 1st April, 2021 to 31st 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**.

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

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 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 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, Sterilization Process Room, 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 shall be included. Such investments shall be used for determining eligibility under the Scheme.

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

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

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 **15th June 2021 to 15th September, 2021 (inclusive)** on on-line portal having URL as https://pliwhitegoods.ifciltd.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.

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

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

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

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 The bank guarantee will be released upon achievement of commercial production on the proposed date or within one year of the originally proposed date of commercial production, as the case may be.

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.

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, 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 lower of the sale price offered to the group company(ies) or the transaction price for eligible product(s) between the independent unrelated parties.

d) In case a selected applicant is selling the eligible products to a group company and also to a non-group company, lower of the sale price offered to group or non-group company shall be considered for determining total value of transaction between the related parties.

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

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

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.

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 1st April 2021 to 31st 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 1st April 2021 to 31st 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 31st October in the following financial year to which the claim pertains.

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).

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

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.

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 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.

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

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.

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

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 disbursal of incentives.

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

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.

(Anil Agrawal)
Additional Secretary to the Government of India
Tel No. 011-23063838
Email: jsii-dipp@nic.in

New Delhi, Dated: 4 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. AS&FA, Department of Pharmaceuticals
8. Industry Associations
9. Internal Circulation

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

1. Eligibility Threshold Investment and Net Incremental Sale for Air Conditioners (ACs) for Applicants opting for initial investment period as 1st April 2021 to 31st 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)
				LARGE INVESTMENT		NORMAL INVESTMENT	
1	ACs (Components)	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					
		Total		**600**	**9750**	**300**	**4125**
2	High Value Intermediaries of ACs	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					
		Total		**400**	**5375**	**250**	**3750**
3	Lower value intermediaries of ACs	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					
		Total		**100**	**1500**	**50**	**750**

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

2. Eligibility Threshold Investment and Net Incremental Sale for LED Lights for Applicants opting for initial investment period as 1st April 2021 to 31st 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)
				LARGE INVESTMENT		NORMAL INVESTMENT	
1	LED Lights (Core components)	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					
		Total		**300**	**6000**	**100**	**1800**
2	Components of LED Lights	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					
		Total		**25**	**450**	**10**	**180**

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

1. **Eligibility Threshold Investment and Net Incremental Sale for Air Conditioners (ACs) for Applicants opting for initial investment period as 1st April 2021 to 31st 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)
				LARGE INVESTMENT		NORMAL INVESTMENT	
1	ACs (Components)	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
		Total		**600**	**9750**	**300**	**4125**
2	High Value Intermediaries of ACs	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
		Total		**400**	**5375**	**250**	**3750**
3	Lower value intermediaries of ACs	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
		Total		**100**	**1500**	**50**	**750**

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

2. Eligibility Threshold Investment and Net Incremental Sale For LED Lights for Applicants opting for initial investment period as 1st April 2021 to 31st 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)
				LARGE INVESTMENT		NORMAL INVESTMENT	
1	LED Lights (Core components)	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
		Total		**300**	**6000**	**100**	**1800**
2	Components of LED Lights	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
		Total		**25**	**450**	**10**	**180**

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

1. Target Segment and Eligible Products – Air Conditioners

Sl.	Target Segment	Large Investment / Normal Investment — Eligible Products
1.	**ACs (Components)**	(i) High value Intermediaries of ACs
		(ii) Low Value Intermediaries of ACs
		(iii) A combination of (i) and (ii)
2.	**High Value Intermediaries of ACs**	(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.	**Low Value Intermediaries of ACs**	(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

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

2. Target Segment and Eligible Products – LED Lights

Sl.	Target Segment	Large Investment	Normal Investment
		Eligible Products	
1.	LED (Core Components)	(i) LED Chip Packaging	
		(ii) Integrated Circuits (ICs)	
		(iii) Resistors	
		(iv) Fuses	
		(v) Large-scale investments in LED components	
2.	LED (Components)	(i) LED Chips	
		(ii) LED Drivers	
		(iii) LED Engines	
		(iv) LED Modules	
		(v) Printed Circuit Boards (PCB)	
		(vi) Mechanicals- Housing	
		(vii) Wire Wound Inductors	
		(viii) Drum Cores	
		(ix) Heat Sinks	
		(x) Diffusers	
		(xi) Ferrite Cores	
		(xii) LED Light Management Systems (LMS)	

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

Appendix-III

Application Form

1. Applicant details	
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)

2. Target Segment [In case of options drop down menu]	
Industry Segment	Air Conditioners / LED Lights
Target Segment	a) ACs • ACs components • High Value Intermediaries of ACs • Low value Intermediaries of ACs b) LED Lights • Core components of LED Lights • Components of LED Lights
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)	

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

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	1) Details of whether proposed products shall be manufactured for a) Own brands or b) Whether under contract manufacturing or c) Any other brand licensing arrangement may be mentioned. 2) Names of brands for which manufacturing is being done/ proposed to be done, may be indicated. 3) Roles and Responsibilities of Applicant and Brand Owner(s) may be mentioned
Proposed manufacturing Location(s)	1. 2. .....
Address of the proposed manufacturing locations	(1) Location; City; State; PIN code Pl add details, if more than one location (2) ...
IL/IEM/MSME Registration details indicating proposed manufacturing location and manufacturing capacity	Pl 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.	

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

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			

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

8. Production Details

Financial Year	Eligible Products		Other Products		Total	
	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

Financial Year	Domestic Value Addition (%)	Exports (Rs in Crore)	Employment Generation (Nos.)
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)

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

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

11. Financial Attributes for Pre-Qualification as 31st March, 2020
(including Indian or Overseas Group Companies proposed to be considered for pre-qualification)

Figures in Rs. in Crore

	Applicant	Group-I	Group-II	Total
Name				
Gross block				
Global revenue				
Net worth				

12. Details of each Group Company (GC)

Attributes	Details
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	

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

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.

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

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).
xix.

****

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

Annexure-I

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.

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

Annexure-II-A

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

This Deed of Guarantee executed on this_____day of _____, 2021 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, Udyog 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 / <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

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

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, altercation, modification, waiver dispensation with or release of security;

D. This Guarantee shall be irrevocable and shall remain in full force and effect till----------.(18 months from the proposed date of commercial production.)

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.

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

Annexure-II-B

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:

S. No	Particulars	Details
1.	Date of issuance of Approval Letter	
2.	Validity period of BG *	
3.	Amount of BG	(0.5% of the Committed Cumulative Investment)

   * valid for 18 months from the proposed date of commercial production as per clause .....

   Valid until 18 months 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 and 10.9.

   B. We understand and agree that, we are legally bound to renew the BG / issue fresh BG, failing which DPIIT / PMA may invoke the BG.

   C. In case of loss, mutilation, force majeure or any other eventualities, with respect to Original BG (favouring DPIIT / PMA, 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 Clause 10.8.

Date

Signature

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

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

Annexure-III

Subject: Performa 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)

1. Whereas, the applicant namely *(name of company 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, Ministry of Commerce and Industries , 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 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 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.

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 / 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 / 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 behavior.

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

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

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.

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

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

Annexure-IV

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

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

Appendix-IV

Disbursement Claim Form:

1. Applicant Name
2. Target Segment
3. Eligible Product(s)
4. Application ID
5. Application Acknowledgement Date and ID
6. Ref. No. and Date of Approval Letter
7. Incremental Investment and Net Incremental Sales of White Goods applicable for determining eligibility
8. Base year Sales of eligible products under Target Segment (Base Year) for which applicant was made.
9. Period for which Incentives is being claimed
10. **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)**	*Rs. in Crore*		
2	**Employment as on Date of Filing Claim (Cumulative)**	*Numbers*		
3A	**Net Sales –Domestic Sales [net of credit notes, discounts and taxes applicable]**	*Rs. in Crore*		
	a) Manufacturing Activity			
	i. Eligible Product(s)			
	ii. Other Goods in Target Segment			
	iii. Other Goods			
	b) Trading Activity			
	i. Target Segment			
	ii. Other Goods			
	c) Services Activity			
3B	**Net Sales – Exports [net of credit notes, discounts and taxes applicable]**			
	a) Manufacturing Activity			
	i. Eligible Product(s)			

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

S. No.	Particulars	Unit	Base Year	Period of Claim
	ii. Other Goods in Target Segment			
	iii. Other Goods			
	b) Trading Activity			
	i. Target Segments			
	ii. Other Goods			
	c) Services Activity			
3C	**Total Revenue from Operations (Domestic Sales & Exports)**			
4	**Sales Quantity [net of credit notes, discounts and taxes applicable]**	*Numbers*		
	a) Manufacturing Activity			
	i. Eligible Product(s)			
	ii. Other Goods in Target Segment			
	iii. Other Goods			
	b) Traded Goods			
5	**Details of Import**	*Rs. in Crore*		
	CIF value of Imported goods at the time of Importation			
	a) Raw Material / Parts / Components used for manufacturing			
	i. Eligible Product(s)			
	ii. Other Goods in Target Segment			
	iii. Other Goods			
	b) Spare Parts used for manufacturing			
	i. Eligible Product(s)			
	ii. Other Goods in Target Segment			
	iii. Other Goods			
	c) Finished Goods used for manufacturing			
	i. Eligible Product(s)			
	ii. Other Goods in Target Segment			
	iii. Other Goods			
	d) Capital Goods used for manufacturing			
	i. Target Segment			
	iii. Other Goods			

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

S. No.	Particulars	Unit	Base Year	Period of Claim
	e) Import of Services pertaining to Target Segment			

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

13.1. No deviation in Eligible Product(s)

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

15.2. Details of Incremental Investment till date

15.3. Capitalization of Investment in the audited financial statement 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 DPIIT

15.5. Threshold of Incremental Sales of Eligible Products 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 **Annexure-I of Appendix-IV**

17.2. 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.

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.

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

Annexure–I

Subject: Performa for Integrity compliance to be furnished by selected Applicants before release of incentive

(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 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, I / 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

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

Annexure-II

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 white Goods, notified by the Department for Promotion of Industry and Internal Trade vide **Gazette Notification no. -**_____-MD, dated - _____, 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. We acknowledge that the remedy provided in para 3 (a) above is not the exclusive remedy available with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industries and are without prejudice to any legal remedies available with Department for Promotion of Industry and Internal Trade for events mentioned in para 3 (i) and (ii) above.

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

Appendix-V

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:

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

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

ii. Other Goods in Target Segment
iii. Other Goods
b) Trading Activity
i. Target Segment
ii. Other Goods
c) Services Activity
13. Total Revenue from Operations
14. Details of Import– CIF value of Imported Goods at the Importation
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

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

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

Dated: the 16th August, 2021

Subject: Corrigendum to the Guidelines dated June 4, 2021 for the Production Linked Incentive (PLI) Scheme for promoting domestic manufacturing of White Goods (Air Conditioners and LED Lights)

The "Production Linked Incentive Scheme (PLI) for White Goods (Air Conditioners and LED Lights) manufacturers in India", hereinafter referred to as PLIWG Scheme, was notified vide notification No. CG-DL-E-16042021-226671 dated 16.04.2021. For effective operation and smooth implementation of the PLIWG Scheme, guidelines were issued by DPIIT on June 4, 2021 and the scheme has been made open to applications w.e.f. June 15, 2021.

2. Subsequently, suggestions and requests have been received from various industry associations, industry players, potential applicants and other relevant stakeholders with whom multiple rounds of discussions were held to enable wider industry participation and applicability of the Scheme. Based on the same, the following revisions and additions are hereby made to the PLIWG Scheme Guidelines issued by DPIIT on June 4, 2021, hereinafter referred to as the Guidelines: -

Sl. No.	Existing Clause	Revised / Added clause
i.	**Clause 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.	**Clause 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.**

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

<table>
<tr><th>Sl. No.</th><th>Existing Clause</th><th>Revised / Added clause</th></tr>
<tr><td>ii.</td><td>Clause 2.15 - Appendix-II (LED Lights)
Target Segment and Eligible Products – LED Lights
<table>
<tr><th>Sl.</th><th>Target Segment</th><th>Large Investment</th><th>Normal Investment</th></tr>
<tr><td></td><td></td><td colspan="2">Eligible Products</td></tr>
<tr><td>1.</td><td>LED (Core Components)</td><td colspan="2">(i) LED Chip Packaging</td></tr>
<tr><td></td><td></td><td colspan="2">(ii) Integrated Circuits (ICs)</td></tr>
<tr><td></td><td></td><td colspan="2">(iii) Resistors</td></tr>
<tr><td></td><td></td><td colspan="2">(iv) Fuses</td></tr>
<tr><td></td><td></td><td colspan="2">(v) Large-scale investments in LED components</td></tr>
<tr><td>2.</td><td>LED (Components)</td><td colspan="2">(i) LED Chips</td></tr>
<tr><td></td><td></td><td colspan="2">(ii) LED Drivers</td></tr>
<tr><td></td><td></td><td colspan="2">(iii) LED Engines</td></tr>
<tr><td></td><td></td><td colspan="2">(iv) LED Modules</td></tr>
<tr><td></td><td></td><td colspan="2">(v) Printed Circuit Boards (PCB)</td></tr>
<tr><td></td><td></td><td colspan="2">(vi) Mechanicals-Housing</td></tr>
<tr><td></td><td></td><td colspan="2">(vii) Wire Wound Inductors</td></tr>
<tr><td></td><td></td><td colspan="2">(viii) Drum Cores</td></tr>
<tr><td></td><td></td><td colspan="2">(ix) Heat Sinks</td></tr>
<tr><td></td><td></td><td colspan="2">(x) Diffusers</td></tr>
<tr><td></td><td></td><td colspan="2">(xi) Ferrite Cores</td></tr>
<tr><td></td><td></td><td colspan="2">(xii) LED Light Management Systems(LMS)</td></tr>
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<tr><td></td><td></td><td colspan="2">(iii) LED Engines</td></tr>
<tr><td></td><td></td><td colspan="2">(iv) LED Modules</td></tr>
<tr><td></td><td></td><td colspan="2">(v) Printed Circuit Boards (PCB) including Metal Clad PCBs</td></tr>
<tr><td></td><td></td><td colspan="2">(vi) Mechanicals-Housing</td></tr>
<tr><td></td><td></td><td colspan="2">(vii) Wire Wound Inductors</td></tr>
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</table>

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

Sl. No.	Existing Clause	Revised / Added clause
		(xiv) Fuses (xv) Capacitors (xvi) LED Transformers (xvii) Laminate for Printed Circuit Boards (PCBs) and Metal Clad PCBs (xviii) Metallized film for capacitors
iii.	**Clause 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. 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.	**Clause 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 yearhave 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.
iv.	**Clause 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 March 31, 2020 shall be as under:-	**Clause 5.6** The minimum amount of :- (iv) Gross Block (v) Global Revenue (vi) Net Worth of the applicant and its group companies (Indian or overseas) as on March 31, 2020 or March 31, 2021 shall be as under:-
v.	**Clause 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	**Clause 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

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

Sl. No.	Existing Clause	Revised / Added clause
	than the sum of their net sales turnover of eligible products in the base year and the corresponding threshold incremental net sales turnover of the selected applicant as detailed in **Appendix-1** or **Appendix-IA**, as the case may be.	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.
vi.	**Nil**	**New Clause 11.1 (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.
vii.	Nil	**New Clause 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 full committed 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.

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

3. The Guidelines issued on June 04, 2021 shall be read incorporating the above revisions and additions where ever applicable.

16.8.21.

(Anil Agrawal)
Additional Secretary to the Government of India
Tel No. 011-23063838
Email: jsii-dipp@nic.in

New Delhi, Dated the 16th August, 2021.

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

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

Dated: the 24th February, 2022

Subject: Corrigendum to the Guidelines dated June 4, 2021 for the Production Linked Incentive (PLI) Scheme for promoting domestic manufacturing of White Goods (Air Conditioners and LED Lights)

The "Production Linked Incentive Scheme (PLI) for White Goods (Air Conditioners and LED Lights) manufacturers in India", hereinafter referred to as PLIWG Scheme, was notified vide notification No. CG-DL-E-16042021-226671 dated 16.04.2021. For effective operation and smooth implementation of the PLIWG Scheme, guidelines were issued by DPIIT on June 4, 2021 and the scheme has been made open to applications for three months w.e.f. June 15, 2021. Based on stakeholder consultations, a corrigendum to the Scheme Guidelines was issued on 16th August 2021. Selection of beneficiaries was announced 3rd November 2021.

2. Subsequently, requests and suggestions have been received from various applicants and industry associations. Accordingly, following revisions and additions are hereby made to the PLIWG Scheme Guidelines issued by DPIIT on June 4, 2021 and corrigendum issued on 16th August 2021, hereinafter referred to as the Guidelines: -

Sl. No.	Existing Clause	Revised / Added clause
i.	**Nil**	**New Clause 10.10** "1 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 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 selected applicant, if necessary."

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods

Sl. No.	Existing Clause	Revised/ Added Clause
ii.	**Clause 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 **full committed 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.”	**Clause 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.”

3. The Guidelines issued on 4th June, 2021 and corrigendum issued on 16th August, 2021 shall be read incorporating the above revisions and additions where ever applicable.

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(Anil Agrawal)
Additional Secretary to the Government of India
Tel No. 011-23063838
Email: jsii-dipp@nic.in

New Delhi, Dated the 24th February, 2022

Source - https://dpiit.gov.in/production-linked-incentive-scheme/production-linked-incentive-scheme-pli-white-goods