

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.

- 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

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

- 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.

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 or more eligible product(s) under any investment category in the respective target segment as defined under these guidelines.

- 5.4 An applicant should commit for setting up manufacturing facilities to manufacture eligible product(s) along with appropriate quality and testing facilities conforming to prescribed Standards commensurate with committed incremental sales.
- 5.5 The minimum committed cumulative investment for respective Target Segment shall be as indicated in **Appendix- I or Appendix-IA** as the case may be.
- 5.6 The minimum amount of :-
- (i) Gross Block
 - (ii) Global Revenue
 - (iii) Net Worth
- of the applicant and its group companies (Indian or overseas) as on 31 March 2020 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.

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**.

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

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://pliwitegoods.ifcilttd.com/>. No application shall be accepted after the closure of the application window.

9.2 Applications may also be invited anytime during the tenure of Scheme for any particular target segment, if required.

9.3 For applications invited under para 9.2 above, incentive shall be available only for the remaining tenure of the Scheme.

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

10 Approval under the Scheme

- 10.1 The PMA will process the applications and make appropriate recommendations for approvals under the Scheme to DPIIT.
- 10.2 Applications as recommended by PMA shall be considered for approval by DPIIT. Sanctioning Authority of the selected applicants will be DPIIT with the approval of the Minister-in-Charge.
- 10.3 Deserving applicants may be waitlisted, if available, along with selected applicants for each target segment in each category.
- 10.4 Selection of applicants will be finalized within 60 days from the date of closure of application window.
- 10.5 After receiving approval from DPIIT, the PMA will issue communication with necessary details to the selected and waitlisted applicants within 5 working days.
- 10.6 Within two weeks of such communication, selected applicants shall submit a bank guarantee along with undertakings in the formats as per **Annexure II-A** and **Annexure II-B** of Appendix-III of an amount equivalent to 0.5% of the committed

investment in favour of Department for Promotion of Industry and Internal Trade (DPIIT), valid for 18 months from the proposed date of commercial production.

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

10.8 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

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).

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.

14 General Terms and Conditions

14.1 Expenditure and Investment:

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

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

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

14.4 Certifications:

- 14.4.1 During the application and claim process, PMA will rely on, *inter alia*, various certificates to be submitted by the Applicant from Statutory Auditors, Chartered Engineers, Valuers, etc. as defined under the Scheme guidelines. The cost of such certificates as stipulated and to be submitted along with the application and claim process will be borne by the Applicant.
- 14.4.2 Apart from the above, any costs / expenses in respect of any professional expertise or obtaining documents / certificates / information for the purpose of appraisal or verification of an application, including but not limited to, costs of any Chartered Engineer, Chartered Accountant, Cost Accountant, Company Secretary, Lawyer, or any other professional, or due diligence through Ministry of Corporate Affairs (MCA) or equivalent or reports from CIBIL and/or Dun and Bradstreet and/or equivalent, and cost of inspections / site visit etc., shall be borne by the Applicant. In case any such costs are incurred by the PMA, then the same shall be reimbursed by the applicant to the PMA along with the applicable taxes.

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

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

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

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

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

14.5 Undertakings:

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

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

14.6 Change in Ownership:

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

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



(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

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

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

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

Appendix-IA

**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

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

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)

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 <ul style="list-style-type: none"> • ACs components • High Value Intermediaries of ACs • Low value Intermediaries of ACs b) LED Lights <ul style="list-style-type: none"> • 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)	

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 PI add details, if more than one location (2) ...
IL/IEM/MSME Registration details indicating proposed manufacturing location and manufacturing capacity	PI upload the relevant document(s).

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

Name	
Designation	
DIN No.	
Email	
Phone No.	

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

Name	
Designation	
Email	
Phone No.	

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

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

6. Eligible Products and manufacturing process

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

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

7. Committed investment and projected incremental sales

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

8. Production Details

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			

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	

Email	
Mobile No.	
Letter of Authorization	

14. Application fee payment details	
Mode of Payment	NEFT/ RTGS
Name of the Bank	
IFSC Code of the Bank	
Bank Account Number of the Applicant	
Date of Transfer	

(Signature)
(Authorized Signatory)

Note:

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

List of attachments in PLIWG application form

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

Application Fee under the Scheme to be paid to DPIIT

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

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

This Deed of Guarantee executed on this _____ day of _____, 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

DPIIT / <PMA Name> stating that the Applicant has failed to meet its obligations under the said undertaking. The Guarantor shall have not to go into the veracity of any breach or failure on the part of the Applicant or validity of the demand so made by DPIIT/ <PMA Name> and shall pay the amount specified in the demand notwithstanding any direction to the contrary given or any dispute whatsoever raised by the Applicant or any other person. The Guarantor's obligations hereunder shall subsist until all such demands are duly met and discharged in accordance with the provisions hereof;

- C. The Guarantor agrees that its liability under this guarantee shall in no manner be affected by any such variation, alteration, modification, waiver dispensation and that no further consent of the Guarantor is required for giving effect to any such variation, alteration, modification, waiver dispensation with or release of security;
- D. This Guarantee shall be irrevocable and shall remain in full force and 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.

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

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

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

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

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)	<i>Rs. in Crore</i>		
2	Employment as on Date of Filing Claim (Cumulative)	<i>Numbers</i>		
3A	Net Sales – Domestic Sales [net of credit notes, discounts and taxes applicable]	<i>Rs. in Crore</i>		
	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)				

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			
4	Sales Quantity [net of credit notes, discounts and taxes applicable]	<i>Numbers</i>		
	a) Manufacturing Activity			
	i. Eligible Product(s)			
	ii. Other Goods in Target Segment			
	iii. Other Goods			
	b) Traded Goods			
5	Details of Import	<i>Rs. in Crore</i>		
	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				

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.

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 datedto 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

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.

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)
<i>Source of Funding (Equity, Debt, Internal Accrual etc.)</i>
9. Employment as on date (in numbers)
<i>On-roll labor / employees</i>
<i>Contractual</i>
<i>Apprentice</i>
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

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