

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

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.

- 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

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

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.

- 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):
- Net Sales minus value of non-originating Material and Services used in manufacturing
 - 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.

- 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 wrongdoing, 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.

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

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. (<i>not applicable for All-in-One PCs and Servers</i>)	
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. <i>(not applicable for All-in-One PCs and Servers)</i>	
	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. <i>(not applicable for All-in-One PCs and Servers)</i>	
	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.

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,

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,

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.

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.***

- 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

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

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-

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.

- 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**.

- 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)

- 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

- 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

- 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

- 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

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 1/5th 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.

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.

- 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

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.

- 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

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**

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

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.*

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**

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)

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.

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.

- 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.

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

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.

**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**

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)	<i>INR Crore</i>		
	a) Equity			
	b) Debt			
	c) Internal Accrual			
2	Employment as on Date of Filing Claim (Cumulative)	<i>Numbers</i>		
	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]	<i>INR</i>		
	a) Manufacturing Activity			
	i. Eligible Products			
	ii. Other Goods in Target Segment			
	iii. Other Goods			
	b) Trading Activity			
	i. Target Segment			
	ii. Other Goods			
	c) Services Activity			

	Revenue from Operations – Exports [net of credit notes, discounts, and taxes applicable and expenses pertaining to advertisement and sales promotion, and brand royalty]			
3B	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			
	Details of Import			
	<i>CIF plus non-creditable taxes / duties</i>			
	a) Raw Material / Parts / Components	INR		
	i. Eligible Products			
	ii. Other Goods in Target Segment			

	iii. Other Goods b) Spare Parts i. Eligible Products ii. Other Goods in Target Segment iii. Other Goods c) Finished Goods i. Eligible Products ii. Other Goods in Target Segment iii. Other Goods d) Capital Goods i. Target Segment iii. Other Goods e) Import of Services – Target Segment		
6	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:

- 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

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

any legal remedies available with Ministry of Electronics and Information Technology for events mentioned in Para 3 (i) and (ii) above.

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

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)

15. Sub-assemblies localized as per Localization Schedule in Para 6 of the Scheme (including details of vendors if applicable)

**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

- 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 previous transgressions occurred in the last 3 years with any other Company in any country conforming to the anti-corruption approach or with any other Public Sector Enterprises / Central or State Government or its any instrumentality in India.

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

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

Signature

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

Subject: Proforma for Integrity compliance to be furnished by PLI Applicants before Release of Incentives

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

FORMAT– B

1. Whereas the applicant namely *(name of company with address)* has submitted an application under Production Linked Incentive Scheme (PLI) for 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.

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