

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

Dated: 9th July 2024

Subject: Amendment to the Guidelines dated June 4, 2021, for the Production Linked Incentive (PLI) Scheme for Promoting Domestic Manufacturing of White Goods (Air conditioners and LED Lights)

The "Production Linked Incentive Scheme (PLI) for White Goods (Air Conditioners and LED Lights) manufacturers in India", hereinafter referred to as PLIWG Scheme, was notified vide notification No. CG-DL-E-16042021-226671 dated 16.04.2021.

2. For effective operation and smooth implementation of the PLIWG Scheme, guidelines were issued by DPIIT on June 4, 2021 and the Scheme has been made open to applications for three months w.e.f. June 15, 2021 through a web portal having URL as <https://pliwhitegoods.ifcilttd.com>. Subsequently additional applications were invited for round 2 under Clause 9.2 of the Scheme Guidelines for investments from 10th March to 25th April 2022. A total of 66 applicants have been selected under the PLI Scheme. Based on stakeholder consultations, three corrigenda to the Scheme Guidelines were issued on August 16, 2021; February 24, 2022, and October 9, 2023.

3. Additionally, to broaden the scheme's reach, streamline claim processing, and enhance business convenience, the following measures are being implemented:

a. Accepting applications for the Third round:

- Applications for the third round are invited under Clause 9.2 of the Scheme Guidelines for investments, under the same terms and conditions as provided in the Scheme Guidelines.
- For third round applicants, the initial investment period (Gestation Period) is from April 1, 2021, to March 31, 2023 and they are required to achieve the *Minimum Cumulative Incremental Investment for the year 2024-25*.
- Existing applicants can choose to upgrade to a higher investment category.
- The incentive shall be available only for the remaining tenure of the Scheme.

b. Early claim disbursements- quarterly/ half-yearly

- An applicant may opt to submit a provisional claim for disbursement of incentive quarterly, half yearly or annual basis in which the eligibility criteria for the year under consideration has been met.

4. The following amendments to the scheme guidelines are being implemented in line with the proposed changes:

SL.	Existing/ New Clause	Revised/ Added Clause
1)	<p>(Existing Clause)</p> <p>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.</p>	<p>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 as <i>well as existing applicants who have already been selected under the scheme.</i></p>
2)	<p>(New Clause)</p> <p>10.12. Additional Bank Guarantee for revised committed investment</p>	<p>Existing Applicants Moving to Higher Investment Categories</p> <p>Existing applicants in various investment categories may choose to move to higher investment categories, however they must submit an additional Bank Guarantee for the revised committed investment category to cover the investment difference for the remaining duration of the scheme.</p>
3)	<p>(New Clause)</p> <p>4.4 Quantum of Incentive</p>	<p>Existing Applicants Moving to Higher Investment Categories</p> <ul style="list-style-type: none"> • An existing applicant are required to achieve the <i>Minimum Cumulative Incremental Investment for the year 2024-25</i> as stipulated under the respective higher Investment category opted for to claim the

		<p>incentive amount.</p> <ul style="list-style-type: none"> In the event an existing applicant fails to meet the eligibility threshold investment and Net incremental sale under higher Investment category in any claim year, they have the option to return to their original Investment category. <p>Once this option is exercised, they are required to stay in their original investment category.</p> <ul style="list-style-type: none"> Any incentive amount received in the higher investment categories will need to be refunded with interest calculated based on the current 3-year SBI MCLR, compounded annually.
4)	<p>(New clause)</p> <p>12.3.1. Provisional claim for disbursement</p>	<p>An applicant may opt to submit a provisional claim for disbursement of incentive quarterly, half yearly or annual basis in which the eligibility criteria for the year under consideration has been met as per clause 7. For investment, the applicant should submit audited financial statements for the respective financial year in which investment was made.</p> <p>Claims shall be made only once, unless withdrawn, and no subsequent part claim shall be allowed for the said financial year.</p>
5)	<p>(New clause)</p> <p>12.3.2. Provisional claim for disbursement</p>	<p>In case of Provisional claim, the applicant will provide Bank Guarantee (BG) equivalent to incentive amount along with 24-month interest calculated at the prevailing 3 year SBI MCLR compounded annually before disbursement , and validity of the BG for 2 years.</p>
6)	<p>(New clause)</p>	<p>In case of applicants opting for provisional claim, they shall submit a regular annual</p>

	12.3.3. Provisional claim for disbursement	claim as per clause 12.3 for the sales made in a financial year along with its audited financial statement and other statutory annual compliances.
7)	(New clause) 12.3.4 Provisional claim for disbursement	The Bank Guarantee mentioned in 12.3.2 shall be invoked in following cases: - Applicant has not submitted annual final claim by 15 th of January for the relevant claim period. OR Applicant is ineligible after final assessment by PMA within a period of 60 days.
8)	(New clause) 12.3.5 Provisional claim for disbursement	The Bank Guarantee mentioned in 12.3.2 shall be released after the annual claim approval by DPIIT.
9)	(Existing Clause) 14.1.1 The selected Applicants shall be required to furnish self-certified Quarterly Review Reports (QRRs), in specified formats, <i>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.</i>	The selected Applicants shall be required to furnish self-certified Quarterly Review Reports (QRRs) within 30 days from the end of each quarter through online portal of PLI-WG. Incentive claims for a particular financial year shall be considered only if all QRRs for the period have been submitted by the Applicants.

5. Tentative Format of BG and undertaking for provisional disbursement enclosed as Annexure I & II.

6. In view of the proposed amendments to Scheme Guidelines, appropriate modifications are also being incorporated in various Annexures as well as undertakings.

These are placed as APPENDIX. These may be refined further based on the industry best practices and prevailing statutory norms.

7. The Guidelines issued on June 04, 2021 and corrigenda issued on August 16, 2021; February 24, 2022, and October 9, 2023 shall be read incorporating above revisions and additions, where ever applicable.

Sanjiv
9.7.24

(Sanjiv)

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New Delhi, Dated the 9th July, 2024

APPENDIX

Annexure-1

Bank Guarantee for Provisional incentive against Investment

on provisional basis

(From any Scheduled Commercial Bank)

This Deed of Guarantee executed on this _____ day of _____, 202X_ 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 favor of The Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry, Government of India, Vanijya Bhawan, New Delhi 110011 (hereinafter referred as "DPIIT") represented by <PMA Name>, having its registered office at _____, acting as the Project Management Agency (PMA) for Production Linked Incentive (PLI) Scheme for White Goods.

WHEREAS

- A. [.....], a company incorporated in India under the provisions of the Companies Act, 2013 and having its Registered Office at [-----] (herein after referred to us "the Applicant" which expression unless repugnant to the subject or context includes its successors, Legal representatives and permitted assigns) and has been awarded approval under the above scheme vide Letter Reference _____ Dated _____
- B. In terms of the undertaking dated ----- and Clause 10.12 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 t h e Applicant of its obligations.

NOW THEREFORE THIS DEED WITNESSETH AS FOLLOWS

- A. The Guarantor hereby irrevocably guarantees the due and compliance of terms by the Applicant of all its obligation under the said undertaking and approval letter, as amended from time to time.
- B. The Guarantor shall, without demur, pay to DPIIT sums not exceeding in aggregate _____ (INR -----) within five (5) bank working days (as per the Reserve Bank of India) of receipt of a written demand thereof from DPIIT / <PMA Name> stating that the Applicant has failed to meet its obligations under the said undertaking. The Guarantor shall have not to go into the veracity of any breach or failure on the part of the Applicant or validity of the demand so made by DPIIT/<PMA Name> and shall pay the amount specified in the demand notwithstanding any direction to the contrary given or any dispute whatsoever raised by the Applicant or any other person. The Guarantor's obligations hereunder shall subsist until all such demands are duly met and discharged in accordance with the provisions hereof;
- C. The Guarantor agrees that its liability under this guarantee shall in no manner be affected by any such variation, alteration, modification, waiver dispensation and that no further consent of the Guarantor is required for giving effect to any such variation, altercation, modification, waiver dispensation with or release of security;
- D. This Guarantee shall be irrevocable and shall remain in full force and effective till
- 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 Rs. _____ (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 HEREIN ABOVE WRITTEN

SIGNED AND DELIVERED by _____ Bank by the hand of _____ its _____ and authorized official

UNDERTAKING FOR BANK GUARANTEE AGAINST INCENTIVE**ON PROVISIONAL BASIS***(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. 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 Approval of Claim	
2.	Validity period of BG	
3.	Amount of BG	

- B. In case of loss, mutilation, force majeure or any other eventualities, with respect to Original BG (favouring DPIIT, held at PMA), DPIIT / PMA will

not be liable for the same and the onus would be with us to arrange for alternate / duplicate BG in place of the original BG.

- C. We also understand that the BG will be released to us in line with the new clause.

Date

Signature