

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

Dated: 11th March, 2021

Addendum

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

References:

- i. *PLI Scheme Notification No. CG-DL-E-01042020-218990 dated 1st April, 2020 in Part – I, Section 1 of the Gazette of India (Extraordinary) [F.No. No. W-28/1/2019-IPHW-MeitY]*
- ii. *Guidelines for the Operation of Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing dated 1st June, 2020 [F.No. No. W-28/1/2019-IPHW-MeitY]*

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

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

Para	Existing Para	Amended Para
2.12	Net Sales Turnover: Net Sales Turnover shall mean the Gross Sale Turnover net of credit notes (raised for any purpose), discounts (including but not limited to cash, volume, turnover, target or for any other purpose) and taxes applicable.	Net Sales: Gross Sales net of credit notes (raised for any purpose), discounts (including but not limited to cash, volume, turnover, target or for any other purpose), taxes applicable and <u>expenses pertaining to advertisement and sales promotion, and brand royalty.</u>

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

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

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

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

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

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

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

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

Competent Authority: *Competent Authority under the Scheme shall be defined as per delegation of powers for appraisal and approval of Public Funded Schemes and Projects vide OM No. 24(35)/PF-II/2012 dated 05.08.2016 issued by Department of Expenditure, Ministry of Finance or any subsequent modifications thereof. (EC Meeting held on 02.10.2020)*

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

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



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