



**PLI- WHITE GOODS STANDARD OPERATING PROCEDURE
(SOP) FOR VERIFICATION OF SALES, INVESTMENT AND
INCENTIVE CLAIM**



JULY 10, 2024

IFCI LIMITED

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AMENDMENT RECORD

Sr. No.	Version No.	Section / Clause / Para / line (As applicable)	Date of Amendment	Amendment made	Reasons of Amendment	Remarks
1.	1.0	-	20/04/2023	-	Initial Version	
2.	2.0	-	26/10/2023	-	Amendment in guidelines	
3.	2.1		19/03/2024	<ul style="list-style-type: none"> • Group Companies sales. • Revision in Initial Investment Period • Eligible products • Calculation of Incremental sales 	Clarity w.r.t Claim processing (approved Minutes of Meeting dated 19/03/2024)	The claim reports from the date of approval of MoM were processed as per the amended SOP.
4	2.2		22/04/2024	<p>Claim verification process elaborated, reference made to clauses of scheme guidelines placed in annexure.</p> <p>Annexures 4,5, 7,19 & 28 have been consolidated at Annexure 32</p> <p>Certificates for CE, Cost Accountant, SA ,MRL have been updated basis the learnings as well as to incorporate the necessary inputs for claim processing this year onwards.</p>		Feed-back received in the meeting of DPIIT dt 09/04/2024 & 22/04/2024
5	2.3		21/06/2024	<ul style="list-style-type: none"> • Stepwise procedure, through a flow chart and detailing procedure to be adopted at each stage by different agencies - timelines at each step can be indicated 	Observations made by IFW - IFD, DPIIT mail dated 17/05/2024	Flow chart at various stages of claim processing has been incorporated

				<ul style="list-style-type: none"> • Discretion to make changes/ modifications in the SoP, • Only Target segment sales to be considered for claim processing • Faceless claim verification process 		<p>Discretion to make changes/ modifications in the SoP rests with DPIIT</p> <p>Online - Claim verification process is already in place</p>
6	2.4	37.2	18/07/2024	<ul style="list-style-type: none"> • Added details of Compliance (Advisory) structure 	Observations made by DPIIT	Details of Compliance (Advisory) has been incorporated

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Background

PLI Scheme for manufacturing components of white Goods (Air conditioners & LED lights) was notified by DPIIT on 16.04.2021 and the Scheme Guidelines were published on 04.06.2021. Further amendments to the Scheme Guidelines were issued on 16.08.2021, 24.02.2022 and 09.10.2023 (*Please refer guidelines dated October 23, 2023*). IFCI Ltd was appointed as Project Management Agency (PMA) for the Scheme on 12.04.2021.

As per Scheme Guidelines, PMA is inter-alia responsible for determination of Baseline for Sales of Manufactured Goods and Investment for approved applicants; verification of thresholds investments and threshold sales for determining eligibility for disbursement of incentive along with verification of the reconciliation of disbursement claims with prescribed documents.

1. Scope & Objective

A Standard Operating Procedure (SOP) is being formulated to define the scope and methodology of verification for PMA to give appropriate recommendation on the matters listed above. This SOP will act as a reference only and in case of any discrepancy, Scheme guidelines will prevail. DPIIT will have the discretion to make changes / modifications in the SOP from time to time as per the requirement.

This SOP prescribes a comprehensive and standardise procedures to determine base line sales, minimum cumulative incremental investment, minimum net incremental sales for the claim of the incentive. The formats of certificates & undertakings and other underlying documentation on certain aspects, where specific stipulation is not there in the Scheme Guidelines has also been elaborated in the SOP .

2. Verification Methodology

The verification methodology under this SOP is being formulated to balance the 'ease of doing business' with 'scope of verification' and timely claims processing by PMA. All the incentive claims to be submitted by the applicant is required to be certified by the Statutory Auditors at transaction level.

The verification and documentation process are based on the obligation of the applicant to furnish complete and correct data without any intention to defraud the PMA or Govt. of India or any other regulatory agency. Therefore, the process strives to avoid duplicity of verification and relies on the good governance standards of compliance on the part of the applicant as well as the sample verification by PMA.

The verification process shall rely upon management and governance structure of the applicant, relevant compliance under other Acts like GST, Income Tax, Companies Act and consistency of data as per financial statements across various returns and filing.

In case of Applicants selected basis the financials criteria of 'Applicant & Its Group Companies', only the financial data of those specific group companies considered during the initial selection under the scheme will be examined during claim verification process for the tenure of the scheme.

(i) Management & Governance

The accuracy, thoroughness, internal controls procedures followed and completeness of the submitted data, disclosure by the management in the notes to accounts, undertakings provided by the management and certificate from Statutory Auditor and information by the applicant are essential to maintain the PMA's reliance on factual integrity.

PMA will receive data for baseline establishment and incentive claim duly signed by the Authorised Signatory (online portal has been developed to receive all incentive claims). During verification, supporting data, documents and clarification may be provided to PMA by any officer so designated for this purpose by the applicant company. Any queries to applicants are made online via correspondence module – online PLI WG Portal. The documents submitted or any clarification provided through email shall be equally acceptable.

(ii) Compliance under Other Acts (Statutory Compliances)

This SOP proposes to corroborate the information and documentation as per financial statements (Audited) with regulatory filings under GST Act, Income Tax Act and Companies Act to ascertain the consistency of sales data. The consistency of data across the compliance chain under different statutes provides reasonable assurance as to completeness and accuracy of the data.

(iii) Consistency of Data

It is expected that data provided by the participant at aggregate level should be consistent with financial statements, underlying ledgers and statutory returns filed under GST and Income Tax Act. At transaction level, data being verified by Statutory Auditor should be supported with underlying vouchers and appropriate internal documents (like invoice, approvals, inventory records, Goods Receipt Note etc.) and external documents (like purchase order by the buyers, balance confirmation, business agreement etc.) as may be required for a particular transaction.

3. Business Diversity & SOP

The PLI Scheme provides to incentivise the sales of eligible products under the target Segment goods manufactured in India. The Business operations of each applicant may be different, due to varying product profile, customer base, geographical diversification, management structure, internal controls & documents maintenance system etc.

Further, there is no pre-defined benchmarking in the Scheme or pre-approved investment/ sales plan to be assessed against the actual results. Various scenarios basis the nature of project namely- Green field, Brown field, combination of Green Field and Brownfield; Mode of sales – Direct Only ;Group Company only ; Captive only ; Direct Sales along with Captive ; Direct Sales along with Group Company as well as Captive etc.

This SOP provides general guidance for claim verification methodology and documentation procedures. The SOP may be required to be improvised to incorporate the learnings from verification of entities to bring more standardisation in approach.

4. Basis of Verification & Scope Limitation

(i) Method of Accounting

Accrual system of accounting is one of the widely used method for preparation of financial statements as per section 133 of The Companies Act, 2013 and rules made thereunder requires all companies to follow 'accrual' system of accounting. It is further assumed that books of accounts have been prepared with the assumption of 'going concern'.

(ii) Consistency of Accounting Policies and Management Estimates

The consistency of accounting policies and basis of management estimates is very important to give unbiased results about the calculation of sales and investment for the purpose of the Scheme Guidelines. A certificate is also being obtained from the Statutory Auditors of the applicant on this matter.

(iii) Scope Limitation

The verification procedures proposed under this SOP relies upon the completeness and correctness of data submitted by the applicants and the procedures outlined in the SOP may not be adequate to detect any concealment or fraudulent activity by the applicant. PMA shall obtain all data, documents, representation, and response to the queries submitted by applicant in good faith and assume the same to be correct and complete. The verification procedures adopted by PMA

may have some inherent limitation on the conclusion drawn as the reporting is based on data submitted by the applicant and certified by Independent Auditors.

The internal control procedures and facts & figures pertaining to reasonableness of cost, capacity of plant and machinery provided by the applicant must be certified by the Statutory Auditors of the applicant as well the Chartered engineers certificate /Cost account certificate as applicable. All information to be contained in the report will be compiled in good faith, collected from reliable sources, including information furnished by the applicant and PMA shall not be held liable for any inaccuracy in the reports arising due to any misrepresentation or inaccurate information furnished by the applicant.

The verification process and underlying documentation proposed under this SOP is an evolving process and may be further reviewed/updated/improved from time to time. PMA in consultation and approval of DPIIT may make the necessary changes in the SOP, if required.

5. Verification of Baselines Sales – Eligibility for claim

5.1 Baseline Sales

As per Clause 2.9 of the Scheme Guideline, for the applicant meeting the pre-qualification criteria based on financial statements for F.Y. 2020-21, the computation of net incremental sales of eligible products shall be done on the basis of net sales turnover of eligible products in the base year (2019-20) or F.Y 2020-21, whichever is higher.

Further, Baseline sales will be revised in case of addition of eligible products during the claim year under consideration. Accordingly, Statutory Auditor's certificate for baseline sales, Cost Accountant Certificate for captive consumption/sales to group will be revised in the baseline year.

In the event of manufacturing of eligible product at vendor location/sub-contracting, the sales from such products will not be considered for determination of baseline sales.

Verification of Baselines sales

- Sample verification of Invoice (SOP Section 17)
- Review of sales from financial statements
- Sales reconciliation from GSTR – 9, GSTR – 9C (SOP Section.19)
- Analysis of Sales returns (SOP Section. 18)
- Analysis of Advertisement and sales promotion expenses. (SOP Section.20)
- Analysis of brand royalty's expenses. (SOP Section.21)
- Related party Transaction (SOP Section 23)
- PMA further verifies the E-way bills form Sales register as per SA certificate (SOP Section.14)

6. Greenfield Project/Brownfield Project

Investment under the Scheme is one of the major eligibility criteria for claiming incentive. Investment made in both Greenfield and Brownfield projects 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.

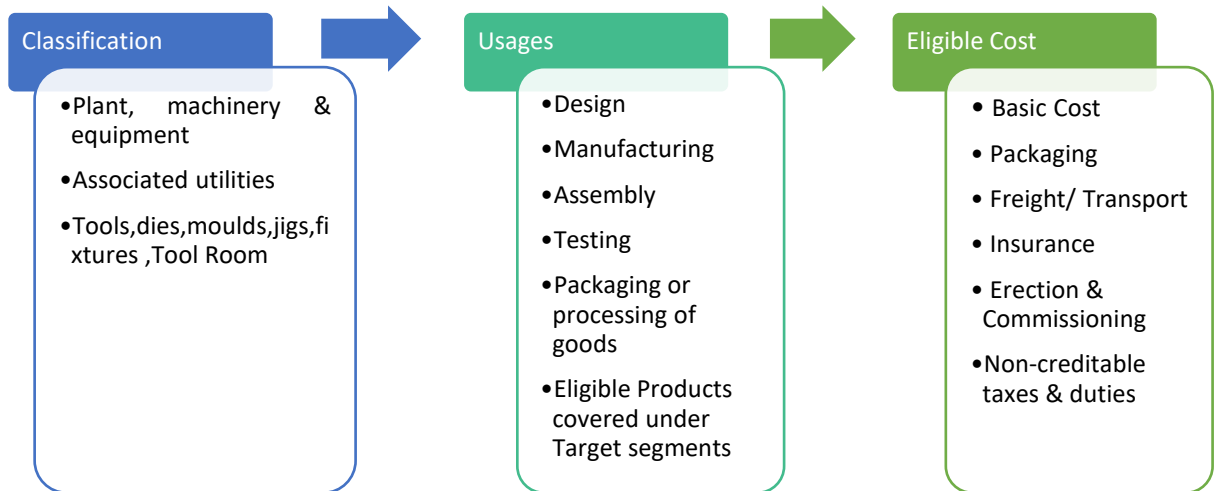
Investment in land and building (including factory building or construction) required for the project or unit shall not be considered as eligible investment.

7. Verification of Committed Investment

Clause 2.11 of Scheme Guidelines defines committed investment as the amount of cumulative investment committed by the applicant to set-up manufacturing facilities for manufacturing of eligible product(s).



7.1 Eligible Investment



In case of R&D and Transfer of Technology, expenditure capitalised in the audited

7.2 Assets Verification Process

- The date of capitalisation of the investment on or after 01/04/2021 in the audited financial statements of the selected applicant shall be considered as the date of investment under the Scheme. Capex registers in the format provided by IFCI, shall be obtained. No second hand/ used/ refurbished plant, machinery, equipment, utilities shall be used to manufacture the eligible product. (*An Undertaking to be obtained*). The heads of investment, based on which eligibility is determined, should be capitalized in the audited financial statement of the applicants as certified by the Statutory Auditor.

For the purpose of calculating threshold Investment, only expenditure on Investments which is eligible investment as defined in clause 8 of the scheme guidelines shall be considered.

- Reconciliation of total addition to fixed assets with balance sheet and capex register.
- Verification of 25% of the assets value wise capitalized during the claim Period.
- Insurance cover of assets purchased.
- Third Party Agreements shall also be obtained by PMA, if necessary.
- CE certificate from empanelled CE of PMA in the format prescribed under Annexure 10 of the SOP as per clause 14.4.2 of the scheme guidelines.
- For R&D and Transfer of Technology, expenditure capitalised in the audited financial statement shall only be considered. It shall exclude revenue expenditure.
- Statutory Auditor certificate and purchase agreements in respect of the cost of technology, IPRs, patents and copyrights in respect of R&D expenses and expenditure related to Transfer of Technology Agreements shall be relied on.

- Lease agreement, the data provided by applicant in the capex register, claim application form and management representation letter.
- For assets lying with third party n appropriate undertaking(s) from the person having custody of these equipment/ components along with valid legal agreement(s) for the said transaction(s) including that of insurance for those assets shall be obtained.
- Location of assets mentioned in the capex register of the applicant, must be certified by the SA provided for the year of claim . A copy of relevant agreement with third parties and undertaking as well as undertakings shall be obtained (Annexure-4A and Annexure-4 B) as applicable
- Applicant shall submit a management certificate regarding Adequacy of Insurance for the Eligible Investment in the format as per Annexure 7 attached along with copies of the insurance policies.

8. Determination of Eligible Products sales under the target segment

In case there is any revision in the gestation period w.r.t to the Gestation period change by the applicant must be duly recorded in the claim report, with their approval dates noted from the approval's letters issued in this regard.

There could be two types of adjustments in the unit price based on the timing of adjustment:

- (i) At the time of sales invoice, and
- (ii) Post issuance of sales invoice through Debit/Credit note or through some other modes including provision for discounts & rebates, price variance etc. In case any such adjustment has been accrued in the books, but not accounted for in the individual customer account shall also be considered.
- (iii) The amount considered post adjustment of all benefits/ deduction shall be considered for the purpose of calculation of incentive on eligible products. Further, any amount paid/payable by applicant to the customers against sales consideration received for eligible product shall be adjusted from the eligible product sales.

9. Date of Commercial production (DOCP)

GST Invoice for actual date of commercial production will be verified by PMA with the documents and statutory compliances of process from production of eligible product to First GST sales invoice. Format of undertaking is enclosed at **Annexure no 23**.

10. Eligibility of Incentive

Any eligible products subsequently approved by DPIIT must be duly recorded in the claim report, with their approval dates noted from the approval's letters issued in this regard.

- For Greenfield Investment Baseline capacity will be 'Nil' however for Brownfield Investment PMA shall rely on the capacity certified by CE.
- The incremental sales or production stemming from the newly established capacity, without factoring any pre-existing production capacity to be considered by PMA while arriving at incremental sales considering the fact that Clause 2.25 of Scheme Guidelines defining Incremental Sales of Eligible Product(s) mentions about the Sales of eligible product(s) in the Base Year.
- The baseline sales for the Greenfield Project shall be taken as Nil for the applicant which have not sold the eligible product during the year F.Y. 19-20/F.Y. 20-21 under the Scheme. *A Management declaration shall also be taken from the applicant in this regard.*
- At least 60% of the net incremental sales, including captive consumption, shall comprise of the Eligible Products used in the manufacturing of ACs and LED Lights.

Nature of Product	Mode of Sales	Verification Process
Eligible Product(s) – Target Segment	Direct Only	A Management declaration <i>Annexure 26</i> shall be sought from the applicant.
	Group Company Only	
Captive Consumption – Only		
Finished Goods –Target Segment <i>(at least 60 % of eligible products captively consumed in finished products)]</i>	Captive Consumption on Finish Goods(s) for Target Segment is at least 60%.	Annexure VIII of Statutory auditors' certificate.
Finished Goods – Non-Target Segment <i>(maximum 40 % of eligible products captively consumed in finished products)]</i>	Captive Consumption on of components for Non-Target Segment Finish Product(s) Sales	

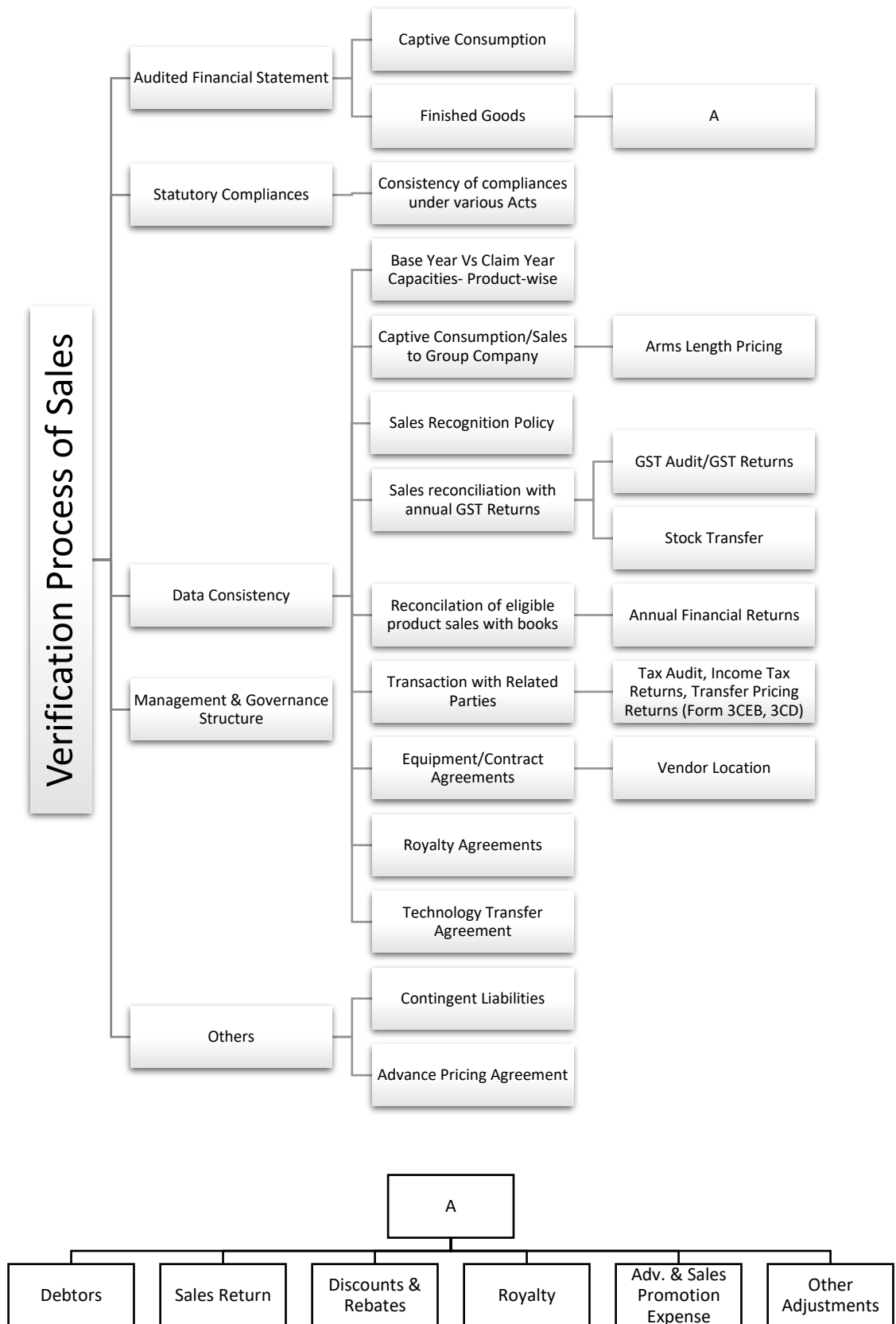
Combination of Captive Consumption and Direct Sales		
Eligible Product(s) – Target Segment	Direct Sales of Eligible Product(s) – Target Segment is greater than Captive sales.	A Management declaration Annexure 26 shall be sought from the applicant.
	Captive consumption of Eligible Product(s) – Target Segment is greater than Direct sales.	Annexure VIII of Statutory auditors' certificate.

11. Quantum of Incentive

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. The amount of incentive shall be capped on the following basis (*Ref Appendix-I or Appendix-IA, as the case may be.*)

12. Verification of Sales

Flow Chart – Process



12.1 Eligibility of Product

There may be a case where an applicant is engaged in multiple products at multiple locations and trading as well as manufacturing activity in the Eligible products. Besides, there is usually income other than operations in form of interest income, govt. subsidy etc. Therefore, it is imperative that a systematic approach should be followed to identify the sales of eligible products under target segments manufactured by the applicant.

Verification Process

- **Identification of Manufacturing Location:** The manufacturing location of the plant should be considered as per the approval letter issued to applicant. In case, there is any change in location of the project, which was not finalised at the time of approval, change in location may be considered with the approval of DPIIT. The manufacturing location/ plants considered for the purpose of eligible products under the target segment Sales should be categorically identified and mentioned in the report.

Further, the address of manufacturing location considered for sales should be registered under GST certificate in the name of the applicant.

- **Sale of Manufactured eligible Components under Target Segment:** There could be a case where an applicant is engaged in the trading as well as manufacturing of the goods covered under Target Segment.
 - The applicant is required to provide a statement showing sales from trading & manufacturing of target Segment separately duly supported Statutory Auditor certificate.
 - The details of target segment sales eligible for incentive is certified by Statutory Auditors as per format attached.
- **Management Representation:** Management representation letter is to be provided on the correctness and completion of methodology for identification of Target Segment Goods and Trading & Manufacturing Sales. (ref. annexure 1)

13. Sales Recognition – Timing

Timing of sales recognition is an important factor to decide whether sales has been correctly accounted in the accounting period to which it belongs. Invariable timing and event of sales recognition shall be influenced by the contractual arrangements between parties and business practices.

Verification

- The revenue recognised by the applicant with respect to goods and services must comply with the accounting policy followed by them.
- PMA will refer the accounting policy disclosed by the applicant in the financial statements and follow the same for determination of correct revenue recognition.
- An event of revenue recognition shall be identified like dispatch from the factory or delivery to the desired location of customer or delivery to custom Port (in case of export sales) or any other, whatever is being followed consistently by the applicant.
Any sales accounted for by the applicant for eligible product or finished products in which eligible products captively consumed but not meeting the revenue recognition criteria, such sales or captive consumption in relation to such finished products shall be disallowed. For example, if revenue is to be booked at the time of dispatch but recognised before dispatch from the factory (as ascertained from date of e-way bill/ shipping bill etc.). Such sales or captive consumption in relation to such finished products shall not be considered for the purpose of incentive.

14. Movement of Goods

E-way bill generated under GST provides supporting evidence as to movement of goods. In case for any reason, the applicant is not required to prepare an e-way bill under the provisions of GST Act, such sales shall be considered eligible for incentive.

For any transaction where applicant is required to generate an e-way bill for eligible products or finished products where in eligible products are being captively consumed under GST Act, but e-way bill has not been generated, sales of such captively consumed eligible products shall not be considered for incentive under PLI Scheme.

15. Pricing & Adjustment

Product pricing is an integral element of the sales and decided by the businesses. PMA will consider the transaction pricing as recorded in the books of accounts. For transaction with related parties', evaluation process is given separately (refer para 23). Incentive shall be calculated at lower of actual sales price (post adjustment of any discount, credit note etc.) and Quoted Sales Price at invoice level. The data has to be provided as per Annexure VI of Statutory Auditor Certificate.

The sales price should confirm to the following: -

Exchange Rate in case of export: As per GST Act, export invoice is issued as per exchange rate for foreign currency notified under Custom Act (on a fortnightly basis). Whereas for accounting purpose, companies may be using the exchange rate of issued by RBI time to time.

- It is proposed to consider exchange rate as per invoice issued under GST Act, to be considered uniformly to all participants.
- Applicants may be pricing their export sales with varied commercial terms such as Ex-Factory, FOB (Free on Board), CIF (Cost Insurance & Freight, etc. This variation may be observed across different applicants and also for various transactions of the same applicant.
- To bring standardization in incentive claim, it proposed that FOB value of the export sales may be considered for the purpose of incentive calculation.
- In the event of any reversal of variable considerations viz performance bonus, and penalty etc, same shall be deducted from sales of eligible products to arrive at net sales.
- However, reversal of variable consideration in relation to earlier year before 1st April 2019/2020 as the case may be shall not be considered for the purpose of baseline determination.

16. Captive Consumption & sales to group companies.

As per clause 11.1 (g) Scheme allows for at least 60% of the net incremental sales, including captive consumption to be used in manufacturing of ACs and LED lights. Balance 40% of incremental sales can be generated from manufacturing of other products, using same investment done under PLIWG.

In case, the applicant is manufacturing Sub-components & components products of target segments goods during the year and Both Subcomponents and components are eligible product under the scheme, Turnover for incentive shall be considered as follows.

Case-I: Sub-components is used for manufacture of components of target segment goods, then only Captive consumption or sale of components shall be considered as eligible turnover under the scheme.

Case-II Both Sub-components & components has been sale to third party, then sale value of aforesaid sub-components & components shall be considered as eligible turnover under the scheme.

Example: XYZ Ltd is manufacturing Transformer (Sub components) & Led drivers (components) for manufacturing of LED Lights during the year. XYZ Ltd applied for both Transformers and Led Driver as eligible products under the scheme.

Case I-Transformer is used for manufacture of LED Drivers for manufacturing of LED Lights, then only captive consumption of Led Drivers /sale of Led Drivers for manufacturing of LED Lights during the year shall be considered as eligible turnover under the scheme.

Case II-Both Transformer & Led drivers has been sale to third party, Sale value of both transformer & Led Drivers shall be considered as eligible turnover under the scheme.

Illustration provided at Annexure 29.

In case, the applicant is manufacturing Sub - components and sale the sub-components to its group company and group company is also manufacturing, the components for manufacturing of Led Lights. Both Sub components and components are eligible product under the scheme. The applicant company and group company apply for sub components and components under the scheme, then eligible sale of sub-components as per scheme guidelines for applicant shall be deducted from eligible sale of components as per scheme guidelines for the purpose of calculating turnover under scheme for group companies.

17. Sample verification for sales of Eligible products under Target Segment Goods

The key characteristic of the sales transactions is large volume and repeated transactions with similar structure and substance. The accuracy of the sales transaction largely depends upon the internal control system of the organisation.. Further, they assess the accuracy and completeness of the overall data at transaction level, sample basis of invoices may be verified in detail.

Therefore, the verification of sales invoices on sample basis may serve the purpose of arriving at the conclusion of completeness and correctness of the data.

A sales register shall be obtained from the applicant in the format prescribed under **Annexure 9**. A sample of Sales vouchers shall be selected in such a way to cover minimum 1% of the sales value and 100 number of invoices in a claim. The following parameters shall be considered for selection of sample:

- (i) Invoice issued to parties with highest sales,
- (ii) Invoice issued in the last 15 days of the claim period,
- (iii) Invoices having lowest sales value,
- (iv) Invoices having largest sales value.

Verification of the sample of invoices is to be carried out from production to sales realisation and a report be compiled as per format given in **Annexure –9A &B**

18. Sales Return

- In case of return of Sales of Eligible Products, the gross sales shall be reduced by the amount corresponding to such return of sales. Clause 11 (e) of the Scheme Guidelines states that if, 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.
- Applicant to submit the accounting of sales return and identify the ledgers pertaining to sales return during the period for quantification of amount of sales return. Sales return shall be deducted from the sales of eligible product at the value booked in the accounts, in the year of Sales return.
- In case of base year, the sales return pertaining to sales of earlier year i.e., 1st April 2019, as the case may be shall not be deducted from the baseline sales.
- In case of Buy-Back of eligible products by the company from the debtors instead of sales return, it shall be considered as sales return during the year.

19. Regulatory Filings & Reconciliation

Clause 12.1 of the Scheme Guidelines provides applicants shall be required to submit a claim for disbursement of incentive on annual basis for the sales made in a financial year along with its audited financial statements. Actual disbursement of PLI for a respective year will be subsequent to that year.

Claim for disbursement of incentive shall be filed by the applicant latest by **15th January** in the following financial year to which the claim pertains.

In accordance with the Scheme Guidelines, it is considered appropriate that the revenue booked by the applicant may be reconciled with the following regulatory filings:

- ❖ Income Tax Return
- ❖ Annual return filed under Companies Act
- ❖ GST Returns (Monthly and Annual)
- ❖ Applicant shall also provide a statement of reconciliation of eligible sales with monthly GST returns.

While the regulatory filings of 'Income tax return' under Income Tax Act, 1961 and 'Annual return' filed under Companies Act, 2013 provides reconciliation with Total revenue, GST returns provides reconciliation with total revenue, as well as product wise (Based on HSN Code).

Reconciliation with GST is one good indicator that sales on which incentive is being paid has been subject to tax levy as per prevailing rule and reported to the authorities.

Therefore, it is prescribed that:

- PMA will reconcile the annual income of financial statements with the ITR and Annual Return filed under Companies Act and GST Act.
- Reconciliation of sales claimed under PLI Scheme shall be taken as certified by the Statutory Auditor's of the applicant (appended with Statutory auditors Certificate).
PMA shall also review the reconciliation statement and cross-check the adjustments made with accounting data viz sales, sales return, other deduction, sales of other products/ services, trading sales etc.

20. Sales Promotion Expenses

Clause 2.31 of the scheme guideline mentioned in the definition of Net Sales Turnover shall mean the Gross Sales 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 of for any other purpose), net of traded goods and taxes applicable and expense pertaining to **advertisement and sales promotion and brand royalty.**

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

Deduction of Sales Promotion (SP) & Advertisement Expenses

It is the responsibility of the management to make disclosure in the P&L Statement in line with the nature of expenses, Expense appearing under the head 'sales promotion & advertisement expense must be supported by A certificate from Statutory Auditors .

Method to arrive at the Deduction.

- a) To ascertain if there are any expenses towards sales promotion & advertisement, the accuracy of the profit and loss account and the representations supplied by the management

- b) No linkage is required in the quantum of expense and eligible product sales under Target Segment sales as the deduction is provided in the Scheme in the ratio of expense to sales.
- c) The rate of deduction shall be arrived at by dividing the expenses on Sales Promotion & Advertisement by total sales of company (**SP Exp. Rate = Expenses on Sales Promotion & Advertisement/ Total Sales) *100**)
- d) Apply rate arrived at 'c' above to the Eligible Products sales considered under the Scheme to arrive at '**Net Sales = Eligible Products Sales – (Eligible Products sales * SP Exp. Rate)**

The Scheme Guidelines doesn't define the meaning of **Total Sale**. It is understood that sales and promotion exp. are usually incurred to promote the main business of the company. Therefore, total sales of all the products (manufactured or traded) and shall be considered as part of total sales. Any income from service (export of services, commission etc.), other ancillary income like interest income, govt. incentives etc. shall not be considered as part of total revenue for the purpose of computation of SP Expense Rate. All the expenses pertaining to Advertisement, Sales & Promotion expense shall be net of reimbursement.

All expenses under the head '**sales promotion & advertisement**' shall be considered for deduction irrespective of the purpose for which same it has been incurred or geography wherein such expenditure was incurred, whether in India or abroad.

21. Royalty Expenses

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)*.

Method to arrive at the Deduction.

The arrangement of royalty and payment mechanism depends upon the contractual agreement between the parties and may be in various forms. In SOP, a standard operating procedure for arriving at royalty expense has been formulated (in cases where royalty is paid as a % of the product sales) which may be modified according to arrangement of royalty exp. in other cases.

- To ascertain if there are any royalty expenses, PMA shall rely upon the P&L A/C and certificate from Statutory Auditor, representation from the Management.

- Royalty agreements shall be obtained from the applicants along with the methodology applied for calculation of royalty expenses with sales of each product on which royalty has been paid. **(Annexure 6)**

Calculation Steps.

- Check calculation and reconcile the sales and expense with the overall financial statements.
- Arrive at a rate of deduction by dividing the royalty amount on eligible products by sales of eligible products considered under the Scheme **(Royalty Rate = Brand Royalty Exp./ Total Sales *100)**
- Apply this % to the Eligible products sales considered under the Scheme to arrive at **'Net Sales' =Eligible Product Sales –(Eligible product Sales * Royalty Rate)**

Royalty other than Brand Royalty

Any other form of royalty expenses like technical know-how etc. shall not be deducted from the Eligible Products Sales.

22. Debtors Verification

Debtors shall be verified for checking realisation of sales. The outstanding balance of debtors as on the last day of claim period with ageing will give a suitable perspective for sales realisation.

Therefore, following procedure may be adopted for verification of debtors:

- **Ageing of Debtors:** Auditor's Certificate is being obtained on the aging of outstanding balance of debtors pertaining to eligible products as on the last day of the period of incentive claim. PMA may make enquiries into any debtor outstanding for more than 6 months, any abnormal changes in the balance of composition of debtors and assess whether the same would have any impact on sales of Target Segment Goods.
- **Balance Confirmation:** PMA may seek balance confirmation from the debtors directly selected in a random manner. The balance confirmation shall be sought in such a manner to cover at least 25% of the outstanding balance of debtors or maximum 5 parties. The format of seeking balance confirmation from the debtors is attached at **Annexure 11.**

Applicant may fill the format with necessary instructions to the debtor to confirm the balance. The balance confirmation letter may be emailed/sent through courier to the concerned debtor by PMA.

The applicant should ensure that at least 75% of the debtors from whom confirmation has been sought should be received for report closure. For example, if balance confirmation was sought from 5 debtors, at least 4 debtors should confirm the balance as per their books of accounts.

Treatment of difference in balance confirmation:

- In case there is any difference in the balance outstanding as per participant and confirmed by the debtor, participant will submit the reason of difference in the balance confirmation.
- In case non receipt of balance confirmation from debtors of the applicant the same shall be reported in the claim verification report.

23. Related Party Transaction

The Scheme Guidelines specifically defines the Related Party transaction and provides that all Related Party transaction shall be subject to compliance with relevant statute.

Clause 2.35 defines Related Parties 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.

The verification process for Related Party Transaction will be as under:

Identification & Reporting of Related Party Transactions

As per Accounting Standard – 18, a company is required to disclose the name of the related parties in the notes to account along with nature and amount of transaction with such related parties. For the purpose of identification of related parties and amount of transaction with related parties, as well as the disclosure by the management in the notes to accounts.

Indian Accounting Standard (Ind AS) 24 requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of a parent, venture or investor presented in accordance with Indian Accounting Standard.

Consistency of Disclosure: Related party transaction disclosed in the financial statements should have been reported in regulatory filing also. Applicant will submit a comparison of related party transaction (party wise and based on the nature of transaction) between financial statement, Tax Audit form 3CD and Transfer Pricing form 3CEB (if applicable).

Compliance Structure for Related Party Transactions

Related party transaction in relation to Notified Products having any impact over sales and investment to be considered under Scheme Guidelines should be complied with the requirement of Companies Act, 2013 and Income Tax Act, 1961.

Compliance under Companies Act, 2013: Companies Act provides governance mechanism for approval of related party transactions. The requirement of approval and the approving authority may be different depending upon the structure of the company (i.e., Private Company or Public Company of Public Listed Company or a subsidiary or holding company of a Public Listed Company). The related party transactions should be approved by Board of Directors of Participant Company under section 188 of the Companies Act.

Reporting Under Income Tax Act, 1961: Under Income Tax Act, the transaction of expenses with related parties defined u/s 40A(2)(b) needs to be reported in Form 3CD. Further in case of any entity having international transactions with associated enterprises or having domestic specified transaction exceeding the prescribed limit are required to file Form 3CEB with documentation on transfer pricing.

In such cases, price mechanism for transaction with related parties should be in sync with the regulatory filing under Income Tax Act and the pricing mechanism should be applied at transaction level instead of overall basis. In case an applicant is not required to file Form 3CEB, the pricing should be approved as per Companies Act.

The amount as per disclosure in the financial statements may be cross checked with regulatory filings. It is expected that applicant should be complying with the relevant provisions of Companies Act and Income Tax Act holistically for all the transactions irrespective of any impact on sales or investment under the Scheme.

Adjustment by the assessing authorities

The assessment under Income Tax Act 1961 and other regulatory statutes takes time to complete and invariably happens long timer after claim of the incentive, therefore PMA is taking an undertaking from the applicants to inform PMA, if any adjustment has been made in any related party transaction.

24. Reasonableness of Cost

For the purpose of determination of reasonableness of the cost of plant, machinery and equipment installed, PMA will rely on certificates from Chartered Engineer (CE) and PMA will verify the cost of acquisition of assets as recorded in the books of the account. In case of related party, verification procedures as per para 23 in the SOP.

25. Analysis of Shareholding Pattern

The 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 and the resultant change in Successor –in Interest, if any shall be intimated by PMA for approval of DPIIT to consider disbursal of incentives.

- In case of change in successor-in-interest, all Incremental Investments 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.
- Further FDI should be in compliance with the FDI Policy 2020, amended from time to time.

26. Site Visit by PMA

- Visits to manufacturing locations of applicants are approved as per the internal process laid out at PMA (IFCI). Further the site visit reports are jointly signed by PMA as well as the applicant, to avoid any ambiguity in reporting.
- PMA shall plan for the site visit when the verification process is on the verge of completion.
- PMA shall co-ordinate with the applicant for site visit schedule and availability of the assets ID and invoices for such assets are to be physically verified.
- Asset ID, Unique model/sl. No. on the assets, assets working condition to be verified during the site visit besides the status of production activity/plant working condition.
- PMA to collect all pending compliance certificates, if any and collect the original certificates, if any including copy of insurance, after checking its validity.
- PMA shall physically verify capex items representing not less than 25% of the eligible capex.

27. Internal Control Systems

Sales transactions are in the nature of repeated transactions with the similar structure and substance in large volume. The accuracy of the sales transaction largely depends upon the internal control system of the organisation.

28. Incentive Claim

Periodicity of the incentive claim

Clause 12.3 of the Scheme Guidelines provides that an applicant may submit a claim for disbursement of incentive on annual basis for the sales made in a financial year along with its audited financial statements.

PMA shall process claim for disbursement of incentive within 45 days from the date of receipt of complete claim documents along with all supporting documents and make appropriate recommendations to DPIIT.

The Guidelines empowers applicant to file the claim as soon as threshold sales and investment criteria are met. Accordingly,

- i. 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 the 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.

Clause 12.3 further provides claims for any period shall be made only once, unless withdrawn, and no subsequent part claims shall be allowed for the said period.

- ii. However, in case applicant withdraws entire claim before completion of verification and submits a revised claim, the revised claim can be considered.
- iii. In case where applicant submits a claim and verification report has been submitted to DPIIT, it will not be allowed to revise the claim without approval from DPIIT.

Clause 12.4 provides that Claims for disbursement of incentive shall be filed by the applicant latest by 15th January in the following financial year to which the claim pertains. Accordingly,

- iv. For the purpose of this clause, Financial Year shall be considered period ending on 31st Day of March. Companies Act has also defined the financial year u/s 2(41) as such.

No claim shall be entertained after 15th January from the end of the financial year to which claim pertains. For example, incentive claims for the sales up to March 2023 shall not be accepted after 15th January 2024.

However, in case applicant has submitted the claim before 15th January 2024; the verification and processing of incentive may continue after 15th January also.

29. Roll over effect of disallowance.

For example, sales were disallowed in one period as accounted for without dispatch of goods from the factory, whereas the revenue recognition event is 'dispatched from the factory' as per regularly followed accounting policies. Such claims shall not be allowed for incentive in the subsequent period, when goods are dispatched, as claim for one period can be made only once and also applicant should not have claimed incentive on the sales which is not correctly accounted as per its own accounting policy.

30. Regulatory Filings (QRR) under the scheme.

As per the scheme, 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.

31. Calculation of Incentive

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 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 of Eligible Products manufactured by the applicant in the base year.
- **Captive Consumption and Sales to Related Party**
 - In case of 100 % captive consumption of eligible product(s) or sales of eligible product(s) by the selected applicant only to group companies (related party as per Ind-AS-24/AS-18), 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 the lower of the actual per unit cost of production of the said eligible product and a margin of 5%, as certified by a Cost Accountant in practice, who is a member of The Institute of Cost and Management Accountants of India, or the sales price offered to the group company(ies).

Sales to related Party

- In case a selected applicant is selling the eligible products to a group company and also to a non-group company, 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) multiplied by the lower of the actual per unit cost of production of the said eligible product and a margin of 5%, as certified by a Cost Accountant in practice, who is a member of The Institute of Cost and Management Accountants of India, or the sales price offered to the group company(ies) for determining total value of transaction between the related parties.

32. Recovery of Excess Incentive

1. As per clause 12.4 of the Scheme Guidelines, in the event, of any discrepancy observed between Statutory Compliances and records provided at the time of filing of claim(s). the applicant shall “Refund the excess incentive availed along with the interest; the 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 “
2. As per clause 12.7 of the Scheme Guidelines, in case of excess claims disbursed, the applicant shall reimburse DPIIT for any incentive amount refundable along with interest calculated at 3years SBI MCLR prevailing on date of disbursement, compounded annually (for the period between excess payment and date of refund by the applicant.
3. Further as per the Exit Clause 15.1 of the amended Guidelines, if any selected applicant declines the offer of approval under the scheme at any stage or exits the scheme without making full committed investment for reasons whatsoever,
 - a. the bank guarantee furnished by the selected applicant shall be invoked as per the provisions of the clause 10.9 of the scheme guidelines and
 - b. the applicant shall have to refund the incentive availed by it under the scheme till such date along with interest calculated at the 3years SBI MCLR compounded annually.

33. Management Representation Letter & Undertakings

Management Representation Letter (MRL)

Management representation and assurances are very essential part of the verification process. During verification, there could be a variety of management assurances and representation, which are relied upon by PMA during verification.

To document all such assurances and have confirmation of management on the completion and accuracy of the data, a management representation letter signed by authorised signatory under the Scheme and Managing Director/ Director/ CEO of the company shall be obtained.

An indicative format of the Management Representation Letter is appended at **Annexure 1**.

The format is indicative as it will be modified after the completion of verification but before finalisation of report to include all such management representation, which needs to be documented.

Management Undertakings

As per the Scheme Guidelines, there are several undertakings or certificates to be provided by the applicant company at the time of filing their incentive claim and post approval of claim. The Applicant shall furnish undertakings w.r.t Integrity Compliance duly signed by its authorised signatory as enclosed at Annexure-III of Appendix III. And appendix IV

A list of the undertakings to be obtained along with the reference to relevant format is given hereunder:

Sl. No.	Guidelines Ref.	Title of undertaking	Annexure
1.		Covering letter for incentive claim	2
2.	Clause 8.1.3	Undertaking regarding tools, dies, moulds, jigs, fixtures and parts, accessories, components and spares	4
3.	Clause 8.1.5	Declaration from the company (for every year during the tenure of the scheme) for usage of machinery in regular course of manufacturing of the goods under the Target Segment approved.	5
4.	Clause 1 (Appendix iv C)	Undertaking for no deviation from Eligible products under target segment	19
5.	Clause 2 (Appendix iv C)	Certificate from Company Secretary of the company stating that all clearances like statutory, environmental, etc. have been obtained.	8
6.	14.5.2 of the scheme	Undertaking for Integrity Compliance	13

Sl. No.	Guidelines Ref.	Title of undertaking	Annexure
7.	Clause 5.1 (Appendix iv C)	Undertaking from the applicant as per format given in Appendix of the Scheme Guidelines (Integrity compliance part B)	14
8.	Clause 5.2 (Appendix iv C)	An agreement / indemnity bond on prescribed formats from the applicant that if at a later stage its claim is found to be false or excessive it would be liable to return the amount disbursed with interest calculated at 3 years SBI MCLR prevailing on the date of disbursement, compounded annually.	17
9.	Clause 5.3. (Appendix iv C)	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.	12
10.	11.1 (c) or (d)	Certificate from Cost Accountant in case of in-house consumption of Eligible product. /sales to group company	18
11	Annexure IV of scheme	Consent for audit of manufacturing site/office	25

No deviations from the formats shall be allowed.

34. Auditors' Certificate

The Guidelines states that the applicant shall furnish a certificate from Statutory Auditor to claim incentive. It is therefore, considered suitable to devise a standard format of Auditor's Certificate to bring standardisation in reporting by the auditor w.r.t. Guidance Note and provision of Scheme Guidelines.

It is to be noted that:

- The Statutory Auditor must provide a certificate based on their examination of the information contained in the books of accounts and other records of the company as per the format attached.
- It is the responsibility of the auditor to plan their audit procedures as per their professional judgement and obtain sufficient audit evidence to support the assertions made in the certificate. The same is not required to be part of the auditor's certificate. PMA will not examine the adequacy

of audit procedures performed by the auditor or the basis of assertions made by them in the certificate.

- The standard format of certificate contains the opinion if auditor have no reservation/ qualification/ emphasis of matter in the certificate and given a clean opinion. In case auditor have any reservation of opinion, it must be brought in the opinion paragraph of the certificate bringing out clearly the impact of such certificate on sales of Target Segment Goods or investment made in that period.
- **Specific situations:** It was observed that sometimes there is change in auditor or specific certification given by an auditor other than statutory auditor (for e.g., Tax Audit or Transfer Pricing Certificate). In such cases, current statutory auditor may refer to the certificate provided by other auditor with their opinion and may be considered for processing the claim.

The format of certificate to be obtained from Statutory Auditor is appended as Annexure 9A&B.

35. General Conditions

- 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.
- Mere assembly of finished goods shall not be incentivized.
- 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.
- 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.
- 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.
- The incremental sales of eligible products should be commensurate with created production capacity from investments committed under the scheme. Sample illustration for Incremental sales calculation: -

- A) Standard capacity as on 31.03.20=1,00,000 units
 B) Standard capacity as on 31.03.23=1,80,000 units
 C) Actual production/sales quantity on 31.03.20=80,000 units @ Rs.70 & sales value Rs.56,00,000/-
 D) Actual Quantity sale/production during the claim year =1, 60,000 Units @ Rs.75 & Sales value Rs.1,20,00,000
 E) Incremental sale/production quantity (D-C) = 80,000
 F) Incremental Standard Capacity (under PLIWG) (B-A)= 80,000
 G) Incremental production/ under new investment under PLIWG as certified by Chartered Engineer (CE): - 70,000
 H) Weighted average sales/cost price in the claim year: - Rs.75 per unit

Calculation of incremental sales quantitate as follows:-

X. Incremental sales = Claim year sales - Base year sales

Y. Incremental sale as per CE certificate = Incremental production/ under new investment under PLIWG as per CE Certificate (G) * Weighted Average sales price /cost certified by Statutory Auditor /Cost Accountant# (H)

(Cost plus 5% as per scheme guidelines)

Pricing difference in base year to claim year will be ignored while calculating incremental sales.

Whichever is lower (X or Y)

Now in this illustration

$$X= 1,20,00,000-56,00,000 = 64,00,000$$

$$Y= 70000*75 =52,50,000$$

$$\text{Incremental sales}= 52,50,000$$

(Applicant will qualify for the incentive if applicant meets both threshold sales for the claim year & cumulative investment under the scheme.

Weighted Average Price: Average price of all product including Direct Sales & Captive consumption, irrespective of varied products specification.

- Weightage Average Sales Price, including Captive consumption of all eligible products.
- In case of Captive consumption Weighted Average price of either Cost of Products or Actual cost of goods Sold of all eligible Products.
- Incremental Capacity - Calculation of Incremental sale shall be arrived out either basis cost of production or cost of goods sold as certify by cost Accountant as well as Statutory Auditor basis of Capacity certify by Chartered Engineer.
- Cost accountant certificate is also based on weighted average price of all eligible product irrespective of products modals.

36. Adjustments proposed by PMA

As per Clause 13.2 (v) of the Scheme Guidelines, responsibilities of PMA include verification of eligibility and claim and recommendation of disbursement of incentive.

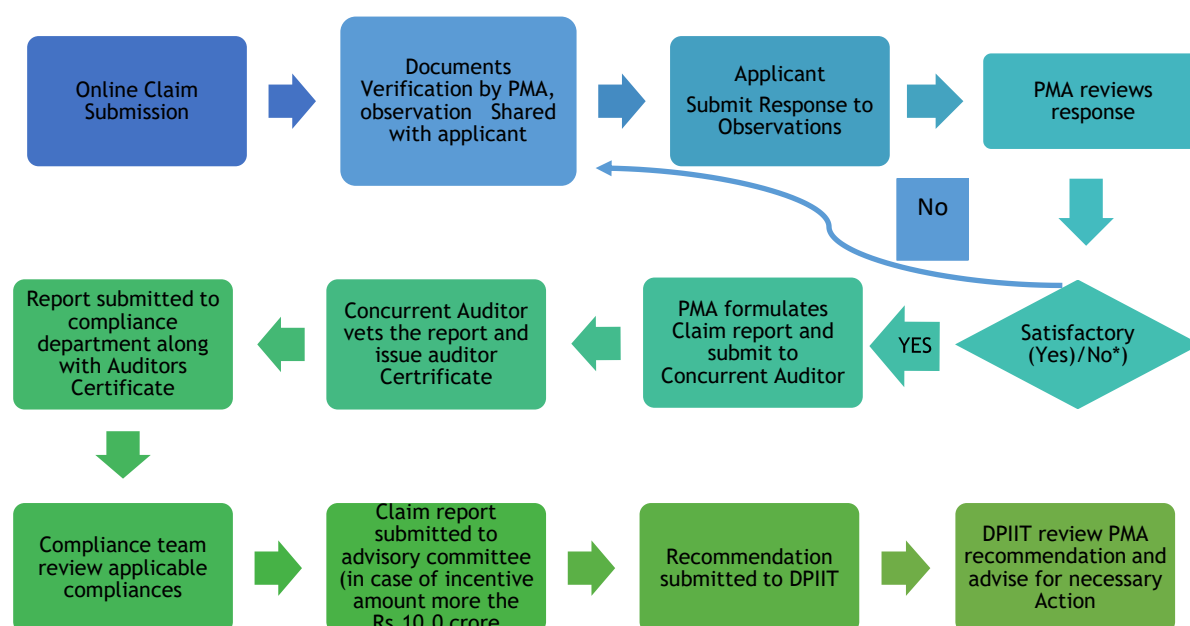
Recommendation of incentive will involve quantification of incentive payable after completion of verification procedure by PMA. There may be a case where claims filed by applicant may need some adjustment in the amount of sales or investment and consequentially in the incentive claim amount.

In this regard, it is prescribed that PMA shall be authorised to propose adjustment in the incentive amount claimed by the applicant in their report with details and nature of such adjustment. The adjustment proposed by the PMA shall be subject to approval by the Competent Authority. While proposing any adjustment in the incentive claim or sales or investment amount submitted by applicant:

- PMA, as far as, possible will be relying upon the documents submitted by the applicant and have a proper supporting of the adjustments proposed.
- There may be some cases, where the clear quantification of the adjustment is not available, and the applicant is also either unable to provide or may not provide exact quantification of adjustment. To make a recommendation to DPIIT on incentive payable, it is required to quantify the incentive payable to the applicant. PMA shall make adjustment as per the best assessment with the rational to arrive at the amount.

37. Approval Process for Claim Recommendation

37.1 Stepwise Procedure – Detailing procedures adopted at each stage



37.2 Escalation Process

- i. The PMA shall review the claim documents submitted by the applicant within 15 days of claim submission and intimate to the applicant for any query in data/ deficiency in documents. It is expected that applicant should respond to the queries within next 10 days.
- ii. In case of no response from the applicant PMA will escalate the matter to DPIIT.
- iii. In case it is considered that the critical information/ documents required for submission to PMA report is not submitted, PMA will escalate the matter to DPIIT with a status of pending data/ information.
A joint meeting amongst DPIIT, PMA and Applicant will be convened to discuss the status and Applicant is required to provide concrete timelines for submission of complete information & documents.
- iv. PMA will submit the incentive claim report/status report (as the case may be) to DPIIT within **45** days from the end of such timelines committed by the applicant based on the data available by that time.
- v. DPIIT shall be competent authority to extend the timelines or instruct PMA to consider data provided after the original committed timelines. In such case, timelines of 15 days for

submission of report by PMA shall be considered from the date of last data submission by the applicant.

- vi. In case of no satisfactory response / incomplete response to observations is received from the applicant or it is considered that the critical information/ documents required for submission to PMA report is not submitted, PMA will escalate the matter to DPIIT with a status of pending data/ information. DPIIT shall be competent authority to extend the timelines or instruct PMA as the case may be.

A. Formulation of Claim Verification Report by PMA

PMA will submit a report to addressing Joint Secretary, DPIIT on the incentive claim foreach applicant.

Verification Report: PMA shall submit a verification report as per format given in Annexure 21 & 22.

B. Formulation of Claim Verification Report by PMA

- i. The verification of Investments by PMA inter-alia involves the following (SOP Section 7)
- a) Reconciliation of incremental investment with financial statement, FAR code as per FAR addition register maintained by the company, for identification of approved manufacturing location of Investment. based on chartered engineer's certificate.
 - b) Sample Verification of Invoice of incremental Investment
 - c) Third party agreement verification for assets lying at third party. Other expense separation which are not as meeting the criteria as per scheme guidelines
 - d) Verification of Self-fabricated machinery if any not part of investment
 - e) Associate utility certified by statutory auditor further to check whether creditable duties is not forming part of investment.
 - f) Leasehold deed in case of assets is on financial lease
 - g) Verification of Insurance
- ii. The verification process of net incremental sales followed by PMA includes the following:
- a) review of sales from financial statements;
 - b) Invoice checking from eligible sales register as per SA certificate (SOP Section .17)
 - c) Sales reconciliation from GSTR – 9, GSTR – 9C (SOP Section.19).
 - d) PMA further verifies the E-way bills form Sales register as per SA certificate (SOP Section.14)

- e) Incremental sales verification from SA certificate in consideration with incremental CE certificate and Cost accountant certificate form claim year & base year (SOP Section. 19, 34, 28)
 - f) Verification of Related party transaction of eligible investment & Sales (SOP Section. 23)
 - g) Verification of SA certificate from audited financial statement as well as Verification of Shipping bill for Export sales. (SOP Section.15).
 - h) Analysis of Sales returns (SOP Section. 18); and
 - i) Analysis of Advertisement and sales promotion expenses. (SOP Section.20);
 - j) Analysis of brand royalty's expenses. (SOP Section.21);
 - k) Debtor Verification - on sample basis. (SOP Section 22).
- iii. Further PMA also conducts Site visits for all approved manufacturing locations where investment are being made for eligible products under the scheme (SOP Section.26) to take stock of onsite progress before processing any incentive claim.
- The draft claim verification report is prepared by the PMA team based on above verification & documents/certificates submitted by the applicant as per the Scheme Guidelines and SOP.
 - All documents & certificates signed digitally are acceptable for claim processing, documents which are not digitally signed shall be contained stamp & signed on every page.
 - The applicant's supplementary documents, which include digital signatures, will be accepted in electronic format.

C. Claim Verification Report – Processing by PMA

- The claim reports formulated is vetted by Independent external concurrent auditors as per the Scheme Guidelines and SOP.
- The Independent external concurrent auditors are appointed following the internal process followed by the PMA and presently the fee of these auditors is being borne by the PMA.
- The observations of the auditors are compiled.

D. Review by Compliance Team

- Upon receipt of Independent external concurrent auditor certificate, the claim report is placed before the internal Compliance team headed by the compliance head.
- All compliances in respect of submission of Memo recommending disbursement is confirmed by Compliance team.
- The Compliance (Advisory) department as on date is headed by the GM, may be subject to change based on organizational structure and requirements.

E. Review by Advisory Committee

The claim reports of applicants of certain value of claim (currently above Rs. 10 crore) are placed before internal Committee of Advisory Function comprising of representatives from Advisory functions as well as compliance(Advidory) department. The internal process of the PMA is subject to change from the time.

1. For claims above Rs.10.0 crore, the Committee for Advisory Function will comprise of following members:
 - i. Concerned GM/DGM of the Scheme Division (for matter related to overall advisory department like empanelment of Concurrent Auditors, senior most GM of the Advisory Function shall be the member)
 - ii. 3 GMs/DGMs (In-Charge) heading Advisory verticals
 - iii. GM/DGM Internal Audit/Risk department and
 - iv. GM/DGM Compliance Dept.
 - v. Senior most GM out of the above will head the Committee. Senior most officer reporting to the concerned GM/ department head shall be the member secretary. Quorum of the committee shall be 4 members out of which presence of GM/DGM, Compliance shall be mandatory.
 - vi. In case of an Incentive claim exceeding ₹ 100 crore, CGM (Advisory) will be additional member and will Chair the committee.
 - vii. MD & CEO will be authorised to change the composition of the committee from time to time as per organization structure and requirements

Note: The composition of the Advisory Committee and the internal approval process are as of date and may be subject to change based on organizational structure and requirements

38. Disbursement Mechanism

The PMA shall submit the claim recommendation and make appropriate recommendations to the Competent Authority (DPIIT). The Competent Authority will consider claims for disbursement, as examined, and recommended by the PMA, for disbursement of incentive. 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 as per scheme guidelines.

39. Annexures for Disbursement and Claim Processing

Annexure-1: Format for Management Representation Letter

To,

Date:

IFCI Limited,
 Project Management Agency for PLI Scheme for White Goods of DPIIT
 IFCI Tower,
 61 Nehru Place
 New Delhi: 110019

Reference:

Approval letter issued by IFCI in favour of _____ (*company name*) under the Production Linked Incentive Scheme for White Goods vide letter no. _____ dated for application no _____ dated _____ filed online via portal for Committed Investment _____ and Investment category _____ ; Target Segment _____;and Eligible Product(s) _____;

_____ (*hereinafter referred as ' _____ ' or 'the Company'*) has received approval from the competent authority under Production Linked Incentive (PLI) Scheme for Promoting Domestic Manufacturing of white goods in India.

Gestation Period		
Committed Investment		Target Segment
Claim Period		
Eligible Product(s)	1. 2. <i>(Please mention all the approved eligible product(s))</i>	

For the aforesaid purpose, company has submitted Incentive claim on the sales of Target Segment Goods manufactured in India by company as under: -

Product Segment	Amount (Rs. Crore)
Sales of eligible product, eligible for incentive (A)	
Sales of eligible product in case of fully captive consumption (cost of production plus mark up of 5%) (B)	
Sales of eligible product in case of sales to group company (C) (Lower of sales price to group company & cost of production with a markup of 5%)	
Total sales = A+B+C	
Less: Baseline sales for the period	
Incremental sales for the period	
Threshold Sales for the period	
Incentive claimed @6% /5%/4%on threshold sales	
Eligible Investment in greenfield project/Brownfield Project set-up under the scheme for eligible product	

In this regard we confirm that:

1. The computation of sales of Eligible Products manufactured in India by _____, including the creation and maintenance of all accounting and other records supporting its contents is solely the responsibility of the Company's Management.
2. The Company's Management is responsible for designing, implementing, and maintaining internal controls relevant to the computation, preparation, and presentation of the sales of Target Segment Goods and Eligible Products manufactured in India by the Company. The management is responsible for applying all accounting policies consistently, appropriate basis of preparation and making estimates that are reasonable in the circumstances.
3. The Company's Management is also responsible for ensuring that the Company complies with the requirements of the PLI Scheme and for providing all relevant information to the Project Management Agency established under the PLI Scheme.
4. All data and certificates submitted to PMA for claim of incentive under PLI has been perused and are found to be in order. However, at any time, any discrepancy is observed, or any information provided is found to be incorrect or incomplete or in the event of undertakings and confirmations given during the course of verification is found to be incorrect, _____ shall be fully responsible for that.
5. The company agrees to indemnify, defend and hold IFCI Ltd. its affiliates, officers, employee, agents, representatives, and assigns harmless from and against any and all losses, damages, fines, penalties, suits, actions, and other claims which are attributable to M/s ----- (Name of the Applicant) or its employees, agents, representatives, assigns, arising out of resulting from any inaccuracy or breach of any of the representations or warranties or acts, omissions or misrepresentations or failure to comply with PLI Scheme or submission of correct information or correct

We confirm to the best of our knowledge and belief, the following representations given to you in connection with verification of sales and investment are correct and complete:

General

1. All the accounting policies and basis of estimates applied for computation of sales and investment for the purpose of incentive are in uniformity with those applied in Audited financial statements for ___ months ended _____ 202x. Further, there has been no change in the accounting policies and basis of management estimates applied in the financial statements from earlier year.

Related Party Transaction

1. The statement of transaction with Related Parties as given in incentive claim application is complete and correct.
2. The Company shall immediately inform to PMA for any disallowance/ addition/ adjustments made in any assessment proceedings under Income-tax Act, 1961 or any regulatory action is taken under any Act w.r.t. to transactions with Related Parties having any effect on sales or investment for the year 202x-2x.
3. It is confirmed that the pricing adopted for sales considered for incentive under PLI scheme is in line with Transfer Pricing filing under income tax act.
4. There is no dispute pending under Income-tax Act in any forum with respect to transaction with related parties having an impact on sales and investment for the claim period.
5. All compliances with respect to assessment of transaction value being at arm's length price and disclosure of transactions, under the Income-tax Act, 1961 and the Companies Act, 2013 have been complied with.

Sales of Eligible Products:

1. Sales for Eligible Products has been identified, computed, and reconciled with financial statements and provides correct and complete data of the sales, sales return and related information at the level of each invoice.
2. An incentive has been claimed at Actual Sales Price at each invoice level.
3. In case of in-house consumption of eligible product, the same has been claimed at actual cost of production plus mark up of 5% under the scheme or sales price to group company whichever is lower.
4. In case of sales to group companies of eligible products, the same is claimed at lower of sales price offer to group company or cost of production plus mark up of 5% under the scheme.
5. The sales invoices for export sales have been issued as per exchange rate notified by Central Board of Indirect Taxes and Customs (CBIC)/..... and incentive has been claimed as per export Rate on the invoice. In case of export, sales have been considered on FOB basis.

6. The value of sales of eligible products considered under PLI Scheme is net of any debit/credit note, discounts, rebates, claims, any amount payable/ paid against sales consideration received from buyer or any other adjustments. Further, the effect of all such adjustment/ deduction has been considered on accrual basis as per books of accounts whether the effect has been given in individual buyers account or not.
7. There is no unsettled discount, rebate, credit note, disputes in FY 202x-2x which have not been deducted from the sales of eligible products.
8. The revenue of ₹..... Crore from trading of eligible products has not been considered in the sales eligible for incentive or the company is not engaged in any trading activity.
9. The sales amount of eligible products contains only sales of eligible products manufactured by the company in the Greenfield Project /Brownfield project approved and setup under the Scheme Guidelines.

Greenfield/brownfield Project

1. We have set-up the greenfield project/brownfield project, as defined under clause 2.21 /clause 2.10 of the Scheme Guidelines, for Eligible Product: <Product Name> at <address>.
2. The actual date of commercial production is <dd/mm/yyyy> as defined under clause 2.8.
3. We have made total investment of <₹ crore> till <date> against the committed investment of <₹ crore> in the application towards Greenfield/brownfield project proposed under the scheme.
4. Entire capex of _____ crore claimed under the Scheme are eligible for capitalization as per relevant provision of Companies Act, 2013 and relevant Accounting Standards followed by the Company.
5. All capex items are located in India and meant for direct utilization in the manufacturing process like design, manufacturing, assembly, testing, packaging or processing of approved eligible product i.e.
6. No expenses have been allocated to the capex claim under the Scheme Guidelines except purchase price, non-creditable duties & taxes, packaging, insurance, freight and expenses on erection & commissioning of machinery & equipment.
7. All capex items are new and no second hand/used/refurbished Plant and Machinery, equipment, utilities or R&D expense has been used in the Greenfield/brownfield project.
8. Investments on account of Transfer of Technology include cost of technology and initial technology purchases relating to the approved eligible products only. Such investment on account of transfer of technology is upto 5% of the total committed investment only and amounts to Rs.which is _____% of the total committed Investment.
9. The software procured in R&D have been procured /licensed though legally valid documents after payment of applicable taxes and duties. Investments on account of R& D

is relating to the approved eligible products only. Such investment on account of R& D does not exceed 15% of the total committed investment of Rs. _____ as approved under the scheme ,and amounts to Rs.which is _____% of the total committed Investment.

10. That the capex related to R&D is related to the expenditure on in-house and captive R&D only, directly attributable to goods for which application is made and R&D is leading to manufacturing of related products i.e. all stages in the entire value chain of the product proposed to be manufactured including software integral for manufacturing / functioning of the product. We are claiming Rs. ___crore under R&D comprising ‘Test and measuring instrument’ Rs____, ‘purchase of design tools’ Rs____, ‘software cost’ Rs____, ‘license fee for R&D’ Rs____, ‘expenditure of technology’ Rs____, ‘IPR’ Rs____, ‘Patents and Copyright for R&D’ Rs____. Total cost of R & D is Rs____, out of the total claim of Rs.-- ----- crore which is -----% of the total committed Investment

Statutory Due & Compliance

1. We certify that the company has complied with all statutory compliance with respect to Central/State Government and Local Authorities laws, orders, regulations, and other legal requirements, regarding the business and affairs of the Company for the claim year as on 31st March 20XX. The details of pending statutory compliance (if any), have been attached as Annexure 1.
2. The Details of statutory dues which were payable and disputed as on 31st March 20XX and subsequently been paid as per due date have been attached as an Annexure 2.

Yours Sincerely

Authorized Signatory

Place:

Date:

Annexure-1

Sr. No	Nature of Compliance	Due date	Reason for delay

Annexure-2

Sr. No	Name of Statute	Nature of Dues	Disputed/non-disputed	Gross Amount	Amount paid	Period to which amount relates

Annexure-2: Covering Letter for Incentive claim from Company

To,

Date: Month xx, 202X

IFCI Limited,
Project Management Agency for PLI Scheme for White Goods of DPIIT
IFCI Tower,
61 Nehru Place
New Delhi: 110019

Subject: Submission of disbursement claim form for the period dd/mm/yyyy to dd/mm/yyyy

Ref: Approval letter number: IFCI/____ dated _____ for application under PLI Scheme for White Goods

Dear Sir,

We _____, (hereinafter referred to as 'we' or 'our' or 'the Company' or ' '), have obtained an in principal approval letter dated _____ as regards our application reference no. as mentioned above for Production Linked Incentive (PLI) Scheme introduced by the Government of India for encouraging domestic manufacturing of Air Conditioner and LED Lights in India.

Gestation Period		
Committed Investment		Target Segment
Claim Period		
Eligible Product(s)	1. 2. <i>(Pl mention all the approved eligible product(s))</i>	

In compliance with the provisions of PLI Scheme, we, hereby submit the application for disbursement of incentives for the period dd/mm/yyyy to dd/mm/yyyy along with the requisite enclosures as listed below. We confirm that the claims are complete in all respects to the best of our knowledge. The incentives envisaged under the scheme have been computed below for the reference of your good self.

Net incremental sales of eligible product (A)	Threshold Incremental Sales for eligible products (B)	Rate of incentive (%) (C)	Total eligible incentives sought by the Company (B) * (C)
		6/5/4	

Thanking you

Yours Sincerely,
Authorized Signatory *Signature and seal of company*

Place:

Date:

Annexure -3: Disbursement Claim Form: Production Linked Incentive Scheme (PLI) for White Goods (Mention Name of Target Segment –Air Conditioner and LED Lights)

To,

Date: Month xx, 202X

IFCI Limited,
Project Management Agency for PLI Scheme for White Goods of DPIIT
IFCI Tower,
61 Nehru Place
New Delhi: 110019

Reference:

Approval letter issued by IFCI in favour of _____ (*company name*) under the Production Linked Incentive Scheme for White Goods vide letter no. _____ dated for application no _____ dated _____ filed online via portal for Category _____ ; Target Segment _____ ;and Eligible Products _____

Declaration

This is to declare that:

1.	Incremental Investment and Net Incremental Sales of White Goods applicable for determining eligibility	
2.	Base year Sales of eligible products under Target Segment (Base Year) for which applicant was made.	
3.	Period for which Incentives are being claimed	

This declaration has been issued in requirement under the Disbursement claim form under the Guidelines for operation of Production Linked Incentive Scheme (PLI) for White Goods as per File No. P-29014/101/2020-LEIPart (1)-DPIIT issued by Department for Promotion of Industry and Internal Trade dated 4th June, 2021.

For Company name

Authorized Signatory

Signature and seal of company

Place:

Date:

Annexure - 4 : Format for undertaking for Tools, Moulds and Dies not lying at Third party Location.

To,

Date: Month xx, 202X

IFCI Limited,
Project Management Agency for PLI Scheme for White Goods of DPIIT
IFCI Tower,
61 Nehru Place
New Delhi: 110019

Reference:

Approval letter issued by IFCI in favour of _____ (*company name*) under the Production Linked Incentive Scheme for White Goods vide letter no. _____ dated for application no _____ dated _____ filed online via portal for Category _____ ; Target Segment _____ ; and Eligible Products _____ Production Linked Incentive (PLI) Scheme for White Goods notified vide Gazette Notification No. P-29014/101/2020-LEI DPIIT dated 4th June 2021 and PLI scheme Guidelines issued thereunder, as amended from time to time

Guidelines for the operation of Production Linked Incentive Scheme (PLI) for White Goods dated 4th June 2021 (F. No. P-29014/101/2020-LEIPart (1)-DPIIT), as amended from time to time.

Gestation Period		
Committed Investment		Target Segment
Claim Period		
Eligible Product(s)	1. 2. <i>(Pls mention all the approved eligible product(s))</i>	

Declaration

This is to declare that no assets claimed as eligible investment under the Scheme Guidelines including any tools, dies, moulds, jigs, fixtures and parts, accessories, components, and spares are lying outside the premises of M/s _____

This declaration has been issued in requirement under the Clause 8.1.3 under the Guidelines for operation of Production Linked Incentive Scheme (PLI) for White Goods as per File No. P-29014/101/2020-LEIPart (1)-DPIIT issued by Department for Promotion of Industry and Internal Trade dated **4th June, 2021**.

For Company name

Authorized Signatory

Signature and seal of company

Place:

Date:

Annexure-4A: Format for undertaking for Tools, Moulds and Dies lying at Third Party Location

To,

Date: Month xx, 202X

IFCI Limited,
Project Management Agency for PLI Scheme for White Goods of DPIIT
IFCI Tower,
61 Nehru Place
New Delhi: 110019

Reference:

Approval letter issued by IFCI in favour of _____ (*company name*) under the Production Linked Incentive Scheme for White Goods vide letter no. _____ dated _____ for application no _____ dated _____ filed online via portal for Category _____ ; Target Segment _____;and Eligible Products _____

Production Linked Incentive (PLI) Scheme for White Goods notified vide Gazette Notification No. P-29014/101/2020-LEI DPIIT dated 4th June 2021 and PLI scheme Guidelines issued thereunder, as amended from time to time

Guidelines for the operation of Production Linked Incentive Scheme (PLI) for White Goods dated 4th June 2021 (F. No. P-29014/101/2020-LEIPart (1)-DPIIT), as amended from time to time.

Gestation Period		
Committed Investment		Target Segment
Claim Period		
Eligible Product(s)	1. 2. 3. <i>(Pl mention all the approved eligible product(s))</i>	

Declaration

This is to declare that out of the assets claimed as eligible investment under the Scheme for the claim period <.....>the following assets, (which are in the nature of mention if they are tools, dies, moulds, jigs, fixtures and parts, accessories, components, and spares) are lying outside the premises of M/s_____.<Applicant >. The list of assets and parties is as follows:

Sl. No.	Name of Party and location	Asset Description	Asset Type	Amount	Date of Agreement	Reason for asset lying with third party

The above assets have been located at the respective party's premises and are governed by legal agreements relating to their custody ownership, maintenance and upkeep including that of Insurance of the assets located at the third party location.

This declaration has been issued as per the requirement under the Clause 8.1.3 under the Guidelines for operation of Production Linked Incentive Scheme (PLI) for White Goods.

For Company name

Signature and seal of company

Authorized Signatory

Place:

Date:

Annexure-4B: Undertaking from Third Party with whom assets are lying.

From

Company name

Address

To,

Date: Month xx, 202X

IFCI Limited,
Project Management Agency for PLI Scheme for White Goods of DPIIT
IFCI Tower,
61 Nehru Place
New Delhi: 110019

Through Name of Applicant

Address

Subject: Confirmation in respect of PLIWG Assets lying in the Premises of Third Party.

This undertaking relates to the assets provided to us under Agreement dated ____ between _____ (Applicant company name) and _____ (third party company giving this undertaking) for carrying out production of for _____ (applicant company name) by using such moulds/assets or repair & maintenance or any other purpose (please specify).

We hereby acknowledge and confirm that the moulds/assets available with us are presently located at _____ (address of plant location) for above mentioned purpose.

SL. No.	Asset Identification No.	Asset description/ Nature	Quantity

For _____ (name of company giving undertaking)

Signature and seal of company

Authorized Signatory

(Name & Designation)

Annexure - 5: Format for declaration of usage of machinery

To,

Date: Month xx, 202X

IFCI Limited,
Project Management Agency for PLI Scheme for White Goods of DPIIT
IFCI Tower,
61 Nehru Place
New Delhi: 110019

Reference:

Approval letter issued by IFCI in favour of _____ (*company name*) under the Production Linked Incentive Scheme for White Goods vide letter no. _____ dated for application no _____ dated _____ filed online via portal for Category _____ ; Target Segment _____; and Eligible Products _____

Production Linked Incentive (PLI) Scheme for White Goods notified vide Gazette Notification No. P-29014/101/2020-LEI DPIIT dated 4th June 2021 and PLI scheme Guidelines issued thereunder, as amended from time to time.

Guidelines for the operation of Production Linked Incentive Scheme (PLI) for White Goods dated 4th June 2021 (F. No. P-29014/101/2020-LEIPart (1)-DPIIT), as amended from time to time.

Gestation Period		
Committed Investment		Target Segment
Claim Period		
Eligible Product(s)	1. 2. 3. <i>(Pl mention all the approved eligible product(s))</i>	

DECLARATION

This is to declare that _____ (*company name*) has utilised the incremental investment in Plant & Machinery over the base period 2019-20 and claimed as eligible capex under PLI Scheme, in the regular course of manufacturing of the goods covered under the target segment approved i.e. Air Conditioners and LED Lights (name of the product category and products).

This declaration has been issued as required under Clause 4.2.6. under the Guidelines issued for operation of Production Linked Incentive Scheme (PLI) for White Goods.

For *company name*
Signature and seal of company

Authorized Signatory

Place:

Date:

Annexure- 6 : Table for Royalty reconciliation with Audited Financial Statement for F.Y. 20XX-XX

Rs.

Products Covered	Brand Royalty				
	Sales Amount on which Royalty paid (A)	Sales portion on which royalty not paid (import) (B)	Sales portion on which royalty paid (C)=A-B	Royalty Rate %	Royalty Amount
1.					
2.					
3...					
Total sales from manufacturing activity on which Brand Royalty is applicable (A)					
Sales from contract manufacturing on which Brand Royalty is applicable					
Sales from manufacturing activity on which Brand Royalty is not applicable					
Total sales					
Total Sales from manufacturing activity as per audited balance sheet					
Difference					-

For _____ (name of company giving undertaking)

Signature and seal of company

Authorized Signatory

(Name & Designation)

Annexure - 7: Details of Insurance Coverage

To,

Date: Month xx, 202X

IFCI Limited,
Project Management Agency for PLI Scheme for White Goods of DPIIT
IFCI Tower,
61 Nehru Place
New Delhi: 110019

Reference:

Approval letter issued by IFCI in favour of _____ (*company name*) under the Production Linked Incentive Scheme for White Goods vide letter no. _____ dated for application no _____ dated _____ filed online via portal for Category _____ ; Target Segment _____ ;and Eligible Products _____

Guidelines for the operation of Production Linked Incentive Scheme (PLI) for White Goods as per File No. P-29014/101/2020-LEIPart (1)-DPIIT issued by Department for Promotion of Industry and Internal Trade, White Goods division dated **4th June 2021**

Detail of Insurance policies for Plant , Machinery and Equipment's is placed below:

#	Type of Insurance (Assets covered)	Policy No.	Name of Insurer	Start date of cover	End date of cover	Amount (₹ crore)

Yours Sincerely

Authorized Signatory

Place:

Date:

Annexure- 8: Format of Certificate from Company Secretary regarding clearances/approvals required.

To,

Date: Month xx, 202X

IFCI Limited,
Project Management Agency for PLI Scheme for White Goods of DPIIT
IFCI Tower,
61 Nehru Place
New Delhi: 110019

Reference:

Approval letter issued by IFCI in favour of _____ (*company name*) under the Production Linked Incentive Scheme for White Goods vide letter no. _____ dated for application no _____ dated _____ filed online via portal for Category _____ ; Target Segment _____ ;and Eligible Products _____

Production Linked Incentive (PLI) Scheme for White Goods notified vide Gazette Notification No. P-29014/101/2020-LEIDPIIT dated 4th June 2021 and PLI scheme Guidelines issued thereunder, as amended from time to time.

Guidelines for the operation of Production Linked Incentive Scheme (PLI) for White Goods as per File No. P-29014/101/2020-LEIPart (1)-DPIIT issued by Department for Promotion of Industry and Internal Trade, White Goods division dated 4th June 2021

Approval Details

Gestation Period		
Committed Investment		Target Segment
Claim Period		
Eligible Product(s)	1. 2. <i>(Pl mention all the approved eligible product(s))</i>	

In connection with our incentive claim under PLI Scheme for White Goods for the period from **1st April, 20xx to xx Month, 20xx**, this is to certify that _____ (*company name*), a Company incorporated under Companies Act, 1956 having CIN: _____, has obtained all requisite regulatory and statutory clearances, approval, licenses including environmental clearances required by law for the purpose of manufacturing of eligible products under target segment goods i.e. Air Conditioners and LED Lights at its all units situated at

- (i)
- (ii)

The approvals were available and valid throughout the period for which incentive is being claimed.

Detail of such statutory approvals is given hereunder:

Sr. No.	Particulars of the approvals / Certifications	Location	Approving Authority	Valid Upto

Certification: -

Based on my/our examination of such information/documents and explanation furnished to me/us by the management and to the best of my/our knowledge and belief,

I/We hereby certified that, the company has not violated any provision/ guidelines of the Companies Act 2013, and no punishment/penalty was imposed on the company/ director for the same.

For (*company name*).....

Company Secretary Place: [●]

Date: [●]

Annexure-9 A : Statutory Auditors' Certificate (Baselines Sales & Investment)

To,

Date: Month xx, 202X

IFCI Limited,
Project Management Agency for PLI Scheme for White Goods of DPIIT
IFCI Tower,
61 Nehru Place
New Delhi: 110019

1. We do hereby confirm that we are Independent statutory Auditors of M/s _____ Limited (hereinafter referred to as "the company") for FY 2019-20 and F.Y 2020-21 Appointed under section 139 of the Companies Act, 2013.
2. This certificate is being issued in connection with determination of baseline sales of manufactured goods covered under Target Segment and investments for the company, under Production Linked Incentive Scheme (PLI) for White Goods notified vide notification No. CG-DL-E-16042021-226671 dated 4th June 2021 read with guidelines for the operation of PLI for White Goods dated 16th April , 2021, as amended from time to time (hereinafter referred as 'the PLI Scheme').
3. It is confirmed that we have followed the relevant code of conduct issued by ICAI w.r.t. independence of Auditors and provisions of Companies Act, 2013. (name of statutory auditor's firm) or any of our associates or affiliate concerns/ entities are not engaged in providing any services to or business with, the applicant which may pose any potential 'conflict of interest' in submission of this certificate or non-compliance with the code of ethics issued by ICAI or provisions of Companies Act, 2013.
4. The accompanying Statement appended at Annexure I to VIII (collectively referred to as 'the Statement') has been prepared by the Company for eligible products covered under the target segment goods (*please strike out whichever is not applicable*) as defined under the PLI Scheme.

Management's Responsibility

5. The accompanying Statement, including the creation and maintenance of all accounting and other records supporting its contents, is solely the responsibility of the Company's Management. The Company's Management is responsible for designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, applying an appropriate basis of preparation, and making estimates that are reasonable in the circumstances.

6. The Company's Management is also responsible for ensuring that the Company complies with the requirements of the PLI Scheme and for providing all relevant information to the Project Management Agency established under the PLI Scheme.

Auditor's Responsibility

7. Pursuant to the requirements of the PLI Scheme, it is our responsibility to provide a certificate based on our examination of the information contained in the Statement with reference to the books of accounts and other records of the Company, on the matters listed under the head "Independent Auditor's Opinion".
8. Revenue from eligible products under the target segment so far as it relates to _____ (*other group company name, if applicable*), has been reported by us based on Independent Auditors certificate prepared by independent auditors of _____ (*other group company name, if applicable*) dated *Month xx, 202x, / Month xx, 202x & Month xx, 202x*, which has been furnished to us by the management and our opinion in respect of amount, so far it relates to such revenue, is based solely on the report of such other auditors and other procedures performed by us (*strike out, if not applicable*).
9. We have verified the fixed assets register, sales register, GST returns and all other relevant financial, secretarial, and statutory records of the company for the period from 1st April 2019 to 31st March 2020/ from 1st April 2019 to 31st March 2020 and 1st April 2020 to 31st March 2021 for the purpose of arriving at the baseline sales of Eligible Products manufactured by the company covered under target segment. and base line Investment respectively.
10. (a) The financial statements of the Company for the year ended 31 March 2020 /for the year ended 31 March 2020 & for the year ended 31 March 2021 were audited by us on which we had issued an unmodified audit opinion vide our report dated Month DD, 202x /our report dated Month DD, 202x & dated Month DD, 202x. Our audit of these financial statements was conducted in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

b) The audit of internal financial controls with reference to financial statements of the Company as of 31 March 2020 /as of 31 March 2020 & as of March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date was performed by us in accordance with the criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, on which we had issued an unmodified opinion vide our report dated MM DD, 20YY /our report dated MM DD, 20YY. & dated MM DD, 20YY.

We conducted our examination of the Statements in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

11. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
12. Our engagement for this certificate includes performing procedures to obtain sufficient appropriate audit evidence on the applicable criteria mentioned in paragraph 6 above. The procedures selected depend on the auditor's judgement.

Independent Auditor's Opinion

Based on our examination as stated above and based on the information and explanations given to us by the Company's management, we report that:

I. General

- a) The Company has considered the audited financial statements for the year ended 31 March 2020/ for the year ended 31 March 2020 & for the year ended 31 March 2021 prepared under Companies Act, 2013 for arriving at the at the information given in the accompanying Statement.
- b) The accounting policies, methods and assumptions of management's estimates used by the Company in the preparation of the financial statements and there have been no change in the said accounting policies, methods and assumptions during the year ended 31 March 2020/ the year ended 31 March 2020 & the year ended 31 March 2021. Further, the accounting policies, methods and assumptions of management's estimates used for preparation of financial statements have been applied for the preparation of information given in the Statement.

II. Sales Eligible Products covered under the target segments manufactured by _____(company name).

- c) the information relating to, (i) net sales of manufactured eligible products covered under the target Segments for the year ended 31st March 2020 /for the year ended 31st March 2020 & for the year ended 31st March 2021` and Annexure I & VIII are in agreement with the books of accounts of the Company and Scheme Guidelines
- d) The Baseline Sales have been arrived after giving effect of sales returns, taxes, discounts, rebates, credit notes, claims if any. Further, there are no unsettled claims other than those which have already been provided for in the books of accounts and adjusted in the baseline sales and no disputed claims against the baseline sales of manufactured eligible products covered under target segment.

- e) The baselines sales of eligible products covered under the target segments have not been adjusted by the amount of sales returns, taxes, discounts, rebates and credit notes and claims & cost escalation pertaining to earlier years i.e. prior to 1st April 2019 /1st April 2019 & 1st April 2020.
- f) There are no expenses pertaining to Advertisement and Sales Promotion and Brand Royalty in FY 2019-20/ FY 2019-20 & FY 2020-21, therefore no deduction required from baselines sales on account of these items OR the expenses pertaining to Advertisement and Sales Promotion and Brand Royalty has been deducted from the net sales of manufactured Target Segment goods and manufactured Eligible Product.
- g) The ageing of outstanding debtors as at 31 March 2020 / as at 31 March 2021 in connection with target segment Goods as provided in Annexure- IV to the Statement is in agreement with the books of accounts and appropriation policy followed by the Company on a regular basis.
- h) The sales amount of manufactured goods containing captive consumption of eligible products and eligible product under the target segment as per GST returns reconciles with sales of manufactured goods containing captive consumption of eligible products and eligible products as per books of account, as provided in Annexure - III to the Statement.
- i) The relevant compliances under Companies Act 2013, Indian Accounting Standard 24 and Income Tax Act 1961, have been made with respect to transaction with Related Parties.
- j) The sales amount of eligible product contains only sales of eligible product manufactured by the company in the Brownfield Project approved and setup under the Scheme Guidelines.
- k) For the purpose of Baseline, the Cost of Production in case of in-house consumption or sales to group company has been considered at invoice level. Accordingly, the sales of eligible product..... Eligible for incentive is Rs..... for captive consumption and the sales of eligible product..... Eligible for incentive is Rs..... for sales to group companies.
- l) The project set up by the company is Brownfield project as per clause 2.21 of the scheme guidelines and date of commercial operation is As per clause 2.13 of the scheme guidelines.
- m) The consolidated manufacturing revenue from target segment furnished by the company is Rs. _____ Crore for qualification criteria in the application for PLI Scheme of manufactured goods in the target segment / category in India, in the base year.

*The manufacturing revenue of eligible goods covered under the target segments of the Company is INR _____ for the FY 2019-20 /for FY 2020-21

III. Investment

- n) The amounts relating to baseline for investment of Company as a whole as at 31 March 2020 as stated in Annexure V of the Statement are in agreement with books of accounts of the Company.

IV. Internal Controls

- o) The Company has adequate internal controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020 based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.
- p) The internal control procedures on revenue recognition, allocation of sales consideration, pricing policy, settlement of discounts & rebates, capitalisation of fixed assets and other areas relevant to determination of baseline sales and investment of manufactured eligible products under target segment is operating effectively

Restriction on Use

The certificate is being submitted to IFCI Limited (Project Management Agency) and at the request of Board of Directors of the Company solely for the purpose of Production Linked Incentive Scheme and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For (Name of the Firm)

Chartered Accountant

Firm Registration NO :

UDIN :

Date :

Place :

Annexure I

Statement of Baseline Sales of Manufactured Target Eligible Products covered under target segments and Baseline Investment

Name of applicant	
Product Applied for	
Application reference no.	
Target Segment	
Eligible Product	

Net Sales of eligible products covered under the target segment for F.Y 2019-2020

Particulars (in ₹)	FY 2019-2020 Actual sales as per books of accounts for sales of eligible product or sales of finished products containing captive consumption of Eligible products	Eligible Sales (Cost of Production)	Eligible sales
Baseline Sales of Manufactured Eligible products covered under Target Segment Goods – (<i>company name</i>)-Sales to Non-Group company			
Baseline Sales of Manufactured Eligible products covered under Target Segment Goods – (<i>company name</i>)-Sales To Group Company.			
Baseline Sales of Manufactured Eligible products covered under Target Segment Goods – (<i>Company Name</i>)-Captive Consumption			
Net Sales of eligible products			
Less: Advertisement and sales Promotion			
Less:- Brand Royalty			
Net Sales of eligible products manufactured under the target Segment goods (A)			
Net Sales of eligible products for applicant's group(B)			
Total=A+B			

Product wise Quantity sold (Includes captive consumption) and Weighted Average cost plus sales(as applicable)price per unit

Product Name	Quantity Sold (Includes captive consumption) A	Weighted Average price cost plus sales (as applicable) Per unit B	Total (A* B)
Grant Total			

Net Sales of eligible product covered under the target segment for F.Y 2020-21

Particulars (in ₹)	FY 2020-21 Actual sales as per books of accounts for sales of eligible products or sales of finished products containing captive consumption of Eligible products	Cost of Production	Eligible sales
Baseline Sales of Manufactured Eligible products covered under Target Segment Goods – (company name)-Sales To Non Group Company		NA	
Baseline Sales of Manufactured Eligible products covered under Target Segment Goods – (company name)-Sales To Group Company			
Baseline Sales of Manufactured Eligible products covered under Target Segment Goods – (Company Name)-Captive Consumption			
Net Sales of eligible products			
Less: Advertisement and sales Promotion			
Less:- Brand Royalty			
Net Sales of eligible products manufactured under the target Segment goods (A)			
Net Sales of eligible products for applicant's group(B)			
Total=A+B			

Product wise Quantity sold (Includes captive consumption) and Weighted Average cost plus sales(as applicable)price per unit

Product Name	Quantity Sold (Includes captive consumption) (A)	Weighted Average price cost plus sales (as applicable) Per unit (B)	Total (A* B)
Grant Total			

Baseline Sales claimed by applicant.

Net sales of eligible products for 2019-2020 (A)	
Net sales of eligible products for 2020-21 (B)	
Net Baseline sales = Higher of A & B	

Note 1-Eligible sales in case of sales to group company will be lower of actual sales price offer to group company & cost of production plus marked up of 5% under the scheme.

Note 2-Eligible sales in case of captive consumption will be lower of actual sales price offer to group company & cost of production plus marked up of 5% under the scheme.

Reconciliation of Sales as per Books of Accounts and Annual GST Return

Particulars		As per Audited Financials (Amt. in ₹)
		for FY 2019-20/F. Y 2019-2020
Revenue from operations		
Other Income		
A	Total Turnover as per Audited Financials	
Reconciliation Adjustments:		
(-) Interest Income not forming part of GSTR returns		
(+) Unadjusted Advances at the end of the Financial Year		
(-) Unadjusted Advances at the beginning of the Financial Year		
(+) Sales booked in April 2020 as per financials but invoice raised in FY 19-20 for GST purposes.		
(-) Sales booked in April 2019 as per financial, but invoice raised in FY 19-20 for GST purposes.		
(+) Export of Sales in March 2020 but revenue booked in April 2020		
(-) Export Sales in March 2019 but revenue booked in April 2019		
(+) Scrap Sales booked in Memo Account and Other GLs - Not part of financial statements		
(+) Deemed Supply in Schedule I		
(+) Credit Notes accounted for in the Annual Audited Accounts but are not permissible under GST (Commercial credit note for Rebate and Price Protection)		
(+) / (-) Misc. Income, claims and accrual not forming part of GST returns		
(+) / (-) Any other items, please add rows		
(+) / (-) Stock Transfer		
B	Total Adjustment	
(A - B)	Total Sales as per GST Return	

Note: In case of no figure please mention NIL

Reconciliation of Sales as per Books of Accounts and Annual GST Return for manufactured goods under Target Segment of the company

Particulars (in ₹)		FY 2019-20/F. Y 2020-21
Total Sales per GST Returns		
Less:	Branch Transfer & Other Stock Transfer not considered as sales	
	Sales of products manufactured other than A.C & LED Lights	
	Sales of non-eligible products components.	
	Income from services provided*	
	Sales of eligible products in which investment are not made during the claim period	
	Services Covered under Reverse Charge Mechanism	
	Sales of Traded products	
Sales of Manufactured Target Segment Goods as per GST Returns		
Add: Adjustment carried out in the books of accounts, but not forming part of GST returns		
1.	Please specify broad nature of adjustment and give details	
Less: Adjustment not carried out in the books of accounts but forming part of GST returns.		
2.	Please specify broad nature of adjustment and give details	
Sales of manufactured goods covered under Target Segment, as per Books of Accounts		

Debtors related to manufactured goods covered under Target Segment of the company:

Name of the debtor	Balance as on		Outstanding for			
	March 31 2019/20	March 31 2020/21	less than 3 months	more than 3 months	more than 6 months	more than 12 months
TOTAL – (A)						
Debtors Other Than Target Segment –(B)						
GRAND TOTAL (A+B)						

Debtor appropriation policy:

(Please provide a note on policy followed by applicant for appropriation of payment from debtors following by the Company and confirm whether the debtor aging has been arrived at using the same appropriation policy.)

Baselines for Investment of the company as of March 31, 2020:

Heads of Investment (in ₹)	Gross Block	Accumulated Depreciation	Net Block
(A) Property, Plant and Equipment			
Land & Building			
Plant & Equipment			
Furniture and Fixtures			
Vehicles			
Office equipment			
Bearer Plants			
Others (Specify nature)			
Electric Installations			
Tools & Dies			
Computers			
Right of Use Assets - Leasehold Building			
(B) Intangible Assets			
Software			
License & Franchise	-	-	-
Brands or trademarks	-	-	-
Others (Specify nature)	-	-	-

Annexure VI

Format of Sales register of eligible products & finished product (Target segments) in which eligible products captive consumed for FY 2019-20

<u>GSTIN/ UIN of Buyer</u>	<u>Buyer's Name</u>	<u>Related Party (Y/N)</u>	<u>Invoice Number</u>	<u>Invoice date</u>	<u>Product Description (Model/ Make or Identification Number)</u>	<u>HSN Code</u>	<u>Quantity</u>	<u>Domestic/ Export</u>	<u>Forex currency</u> USD/euro or any other	<u>Exchange rate as per books</u>	<u>Exchange rate as per GST</u>	<u>Invoice value</u>	<u>FOB value of export sales</u>	<u>Place Of Supply</u>	<u>E- way Bill date</u>	<u>E- way Bill No.</u>
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<u>Shipping bill no.</u>	<u>Shipping bill date</u>	<u>Applicable % of Tax Rate</u>	<u>Invoice Type</u>	<u>Value considered for PLI*</u>
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*this is the value net of credit notes, discounts, taxes and expenses pertaining to advertisement and sales promotion and brand royalty.

To be signed by auditor and also to be provided in excel file.

Format of Sales register of eligible products & finished product (Target segments) in which eligible products captive consumed for FY 2020-21

<u>GSTIN/ UIN of Buyer</u>	<u>Buyer's Name</u>	<u>Related Party (Y/N)</u>	<u>Invoice Number</u>	<u>Invoice date</u>	<u>Product Description (Model/ Make or Identification Number)</u>	<u>HSN Code</u>	<u>Quantity</u>	<u>Domestic/ Export</u>	<u>Forex currency</u> USD/euro or any other	<u>Exchange rate as per books</u>	<u>Exchange rate as per GST</u>	<u>Invoice value</u>	<u>FOB value of export sales</u>	<u>Place Of Supply</u>	<u>E- way Bill date</u>	<u>E- way Bill No.</u>
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<u>Shipping bill no.</u>	<u>Shipping bill date</u>	<u>Applicable % of Tax Rate</u>	<u>Invoice Type</u>	<u>Value considered for PLI*</u>
--------------------------	---------------------------	-------------------------------------	---------------------	--------------------------------------

Annexure VII

All transactions with Related Parties will be subject to provisions of relevant statutes and Accounting Standard-18 as amended from time to time. for F.Y 2019-2020

Description	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Key Management Personnel	Relatives of Key Management Personnel	Total
Purchases of goods							
Sales of goods							
Purchase of fixed assets							
Sales of fixed assets							
Rendering of services							
Receiving of services							
Agency arrangement							
Leasing or hire purchase arrangements							
Transfer of research and development							
Licence agreements Finance (including loans and equity contributions in cash or in kind)							
Guarantees and collaterals							
Management contracts including for deputation of employees							

All transactions with Related Parties will be subject to provisions of relevant statutes and Accounting Standard-18 as amended from time to time. for F.Y 2020-21.

Description	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Key Management Personnel	Relatives of Key Management Personnel	Total
Purchases of goods							
Sales of goods							
Purchase of fixed assets							
Sales of fixed assets							
Rendering of services							
Receiving of services							
Agency arrangement							
Leasing or hire purchase arrangements							
Transfer of research and development							
Licence agreements Finance (including loans and equity contributions in cash or in kind)							
Guarantees and collaterals							
Management contracts including for deputation of employees							

Quantity Detail of captive consumption of eligible product during the year ended 31st march 2020

Annexure-VIII

Eligible Product Name	Opening Quantity	Quantity Produced during the year	Quantity consumed in finished product produced during the year	Quantity consumed in finished product sold during the year	Closing quantity

Annexure- 9 B : Statutory Auditors' Certificate (Incremental Sales & Investment)

To,

Date: DDMMYYYY

IFCI Limited,
Project Management Agency for PLI Scheme for White Goods of DPIIT
IFCI Tower,
61 Nehru Place
New Delhi: 110019

1. We do hereby confirm that we are Independent Auditors of M/s _____ Limited (hereinafter referred to as "the company") for FY 202x-2x & F.Y 202x-2x / FY 202x-2x & F.Y 202x-2x & F.Y 202x-2x Appointed under section 139 of the Companies Act, 2013.
2. This certificate is being issued in connection with determination of incremental sales of manufactured goods covered under Target Segment and investments for the company, under Production Linked Incentive Scheme (PLI) for White Goods as notified vide notification No. P-29014/101/2020-LEI DPIIT dated 4th June 2021, read with guidelines for the operation of PLI for White Goods entities dated 16th April , 2021 (F. No. P-29014/101/2020-LEIPart (1)-DPIIT), as amended from time to time (hereinafter referred as 'the PLI Scheme').
3. It is confirmed that we have followed the relevant code of conduct issued by ICAI w.r.t. independence of Auditors and provisions of Companies Act, 2013. Further,name of statutory auditor's firm) or any of our associates or affiliate concerns/ entities are not engaged in providing any services to or business with the applicant which may pose any potential 'conflict of interest' in submission of this certificate or could potentially result in non-compliance with the code of ethics issued by ICAI or provisions of Companies Act, 2013.
4. The accompanying statements appended at Annexure I to Annexure X (collectively referred to as 'the Statements') have been prepared by the Company for eligible product under the target segment goods (i.e. Air Conditioners and LED Lights) (please strike out whichever is not applicable)) under the PLI Scheme.

Management's Responsibility

5. The accompanying Statements, including the creation and maintenance of all accounting and other records supporting its contents, is solely the responsibility of the Company's Management. The Company's Management is responsible for designing, implementing, and maintaining internal control relevant to the preparation and presentation of the Statement, applying an appropriate basis of preparation, and making estimates that are reasonable in the circumstances.

6. The Company's Management is also responsible for ensuring that the Company complies with the requirements of the PLI Scheme and for providing all relevant information to the Project Management Agency appointed under the PLI Scheme.

Auditor's Responsibility

7. Pursuant to the requirements of the PLI Scheme, it is our responsibility to provide a certificate based on our examination of the information contained in the Statements with reference to the books of accounts and other records of the Company, on the matters listed under the head "Independent Auditor's Opinion".
8. Revenue from eligible products under the target segment so far as it relates to _____(other group company name, if applicable), have been reported by us based on Independent Auditors certificate prepared by independent auditors of _____(other group company name, if applicable) dated Month xx, 202x which have been furnished to us by the management and our opinion in respect of amount so far it relates to such revenue is based solely on the report of such other auditors and other procedures performed by us (strike out, if not applicable).
9. We have verified the fixed assets register, sales register, GST returns and all other relevant financial, secretarial, and statutory records of the company for the period from 1st April 202x to 31st March 202x for the purpose of arriving at the information contained in Annexure I to X of this certificate.
10. (a)The Audited Financial Statements of the Company for the year ended 31st March 202x & for the year ended 31st March 202x / for the year ended 31st March 202x & for the year ended 31st March 202x & for the year ended 31st March 202x were audited by us on which we had issued an unmodified audit opinion vide our report dated MM DD, 20YY & our report dated MM DD/ our report dated MM DD, 20YY & our report dated _____ & our report dated MM DD, 20YY . Our audit of these financial statements was conducted in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
 - b) The audit of internal financial controls with reference to financial statements of the Company as of 31 March 202x in conjunction with our audit of the financial statements of the Company for the year ended on that date was performed by us considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, on which we had issued an unmodified opinion vide our report dated MM DD, 20YY & our report dated MM DD, 20YY / our report dated MM DD, 20YY & our report dated MM DD, 20YY & our report dated MM DD, 20YY .
 - c) The Company's Audited Financial Statements for the year ended 31st March 202x were subject to audit as mentioned in para 10(a) above

We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

11. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
12. Our engagement for this certificate includes performing procedures to obtain sufficient appropriate audit evidence on the applicable criteria mentioned in paragraph 6 above. The procedures selected depend on the auditor's judgement.

Independent Auditor's Opinion

Based on our examination as stated above and based on the information and explanations given to us by the Company's management, we report that:

V. General

- a) The Company has considered the audited financial statements for the year ended 31st March 202x & for the year ended 31st March 202x/ for the year ended 31st March 202x & for the year ended 31st March 202x & for the year ended 31st March 202x prepared under Companies Act, 2013 for arriving at the information given in the accompanying Statements.
- b) The accounting policies, methods and assumptions of management's estimates used by the Company has been applied consistently in the preparation of the financial statements and there has been no change in the said accounting policies, methods and assumptions during the year ended 31 March 202x & the year ended 31 March 202x/ the year ended 31 March 202x & the year ended 31 March 202x & the year ended 31 March 202x. Further, the accounting policies, methods and assumptions of management's estimates used for preparation of financial statements have been applied for the preparation of information given in the Statements.

VI. Sales of Eligible Products manufactured under the Target segments by _____ (*company name*).

- c) the information relating to net sales of manufactured eligible products covered under the target segments for the period 1st April 202x to 31st March 202x and year ended 31st March 202x and Annexure I to X are in agreement with the books of accounts of the Company and Scheme Guidelines.
- d) The net sales have been arrived after giving effect of sales returns, taxes, discounts, rebates, credit notes, claims if any. Further, there are no unsettled claims other than those which have already been provided for in the books of accounts and adjusted in the sales and there

are no disputed claims against the sales of manufactured goods covered under target segment.

- e) The Net sales of the manufactured Eligible Products under the target Segments for the company and its group company for the period from to over sales for the period from to is ₹ crore. The consolidated sales of company and its group company has not less than net sales of manufactured eligible products under target segment goods applicable for applicant and its group company in base year and also achieved the threshold incremental sales of manufactured eligible products under target segment goods applicable for Year x i.e. FY 202x-2x.
- f) The incremental sales of the manufactured Eligible Products under the target Segments for the period from to over sales for the period from to is ₹ crore. The company has achieved the threshold incremental sales of manufactured eligible products under target segment goods applicable for Year x i.e. FY 202x-2x.
- g) There are no expenses pertaining to “Advertisement and Sales Promotion and Brand Royalty” in FY 202x-2x, therefore no deduction required from sales on account of these items OR the expenses pertaining to Advertisement and Sales Promotion and Brand Royalty has been deducted from the net sales of manufactured eligible products under target segment goods
- h) The ageing of outstanding debtors as at 31 March 202x in connection with Eligible Products under Target segment as provided in Annexure- II to the Statement is in agreement with the books of accounts and appropriation policy followed by the Company on a regular basis.
- i) The sales amount of manufactured goods containing captive consumption of eligible products and eligible products as per GST returns reconciles with sales of manufactured goods containing captive consumption of eligible products and eligible products as per books of account, as provided in Annexure – III.
- j) The relevant compliances under Companies Act 2013, Indian Accounting Standard 24 and Income Tax Act 1961, have been made with respect to transaction with Related Parties.
- k) The sales amount of eligible product contains only sales of eligible product manufactured by the company in the Brownfield/Greenfield Project approved and setup under the Scheme Guidelines.
- l) For the purpose of Incentive, the Cost of Production in case of in-house consumption or sales to group company has been considered at invoice level. Accordingly, the sales of eligible product Rs Eligible for incentive is Rs..... for captive consumption and the sales of eligible product Rs Eligible for incentive is Rs..... for sales to group companies.

- m) The project set up by the company is Brownfield/Greenfield project as per clause 2.21 of the scheme guidelines and date of commercial operation is As per clause 2.13 of the scheme guidelines.

VII. Investment

- n) The Company has applied for the gestation period 1st April 2021 to 31st March 2022/1st April 2021 to 31st March 2023 with committed investment ₹ _____
- o) The company has actual cumulative eligible investment of ₹ _____ for the period from _____ to _____ and the threshold investment criteria has been complied with for the financial year under consideration.

Cumulative Eligible Investment Details

Particular	Amount (Rs. In Crore)
Eligible Investment in FY 21-22 (Gross Book Value)*	
Eligible Investment in FY 22-23 (Gross Book Value)*	
Eligible Investment in FY 23-24(Gross Book Value)*	NA
Eligible Investment in FY 24-25(Gross Book Value)*	NA
Eligible Investment in FY 25-26(Gross Book Value)*	NA
Eligible Investment in FY 26-27(Gross Book Value)	NA
Total	
Less:- Sold/Written off Eligible Investment (if any) for investment period as on 31 st March 20XX	
Eligible Investment in FY 21-22 (Gross Book Value)	
Eligible Investment in FY 22-23 (Gross Book Value)	
Eligible Investment in FY 23-24(Gross Book Value)	NA
Eligible Investment in FY 24-25(Gross Book Value)	NA
Eligible Investment in FY 25-26(Gross Book Value)	NA
Eligible Investment in FY 26-27(Gross Book Value)	NA
Total (B)	
Net Cumulative Investment as on 31st March 20XX (A-B)	

*(As per SA Certificate)

- p) There is a total amount of ₹ crore capitalised in the audited Financial statement during the period from To, out of which investment of ₹ has been considered as eligible under PLI Scheme. Detail of head wise assets is attached as **Annexure IV** and individual assets register is attached at **Annexure VI**.
- q) Entire investment of ₹ claimed under the Scheme is eligible for capitalisation as per relevant provision of Companies Act, 2013 and relevant Accounting Standards followed by the Company. Therefore, the same is considered as eligible for capitalisation in the audited financial statement.
- r) The date of capitalisation of the investment on or after 01/04/2021 in the audited financial statements of the selected applicant has been considered as the date of the investment under the scheme.

- s) The investments which are yet to be capitalised (CWIP) as on the date of claim period have not been considered while calculating the investment for the year of claim.
- t) No second hand / used/ refurbished plant, machinery, equipment, utilities or research and development equipment, used to manufacture the eligible product.
- u) With reference to clause 8.4.1 of the Scheme Guidelines, the amount of Associated Utilities claimed under eligible investment is
- v) The investment claimed as eligible under the Scheme is not subject to any other Govt. PLI Incentive.
- w) No expenses have been allocated to the capex claim under the Scheme Guidelines except purchase price, non-creditable duties & taxes, packaging, insurance, freight, and expenses on 'erection & commissioning' of machinery/ equipment purchased during the period from 1st April 202x to 31st March 202x.
- x) Investments on account of Transfer of Technology include cost of technology and initial technology purchased relating to the eligible product. The investment on account of Transfer of Technology does not exceed 5% of the total committed investment cost and is amounting to Rs. _____ which is _____ % of the total committed investment approved under the scheme. Further the cost incurred is inclusive of all non-creditable taxes and duties.
- y) The Software associated with R&D relating to the manufacturing of eligible products under the PLI-WG scheme has been procured / licensed (**strikeout whichever is not applicable**) through legally valid documents after payment of applicable taxes and duties. The Investments on account of R& D does not exceed 15% of the total committed investment cost and is amounting to Rs. _____ which is _____ % of the total committed investment approved under the scheme. Further the cost incurred is inclusive of all non-creditable taxes and duties.
- z) The relevant compliances under Companies Act 2013, Ind As 24 (may change the reference to relevant accounting standard if company is following I GAAP) and Income Tax Act 1961, have been made with respect to transaction with Related Parties.

Internal Controls

- a) The Company has adequate internal controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March 202x & as at 31st March 202x / at 31st March 202x & as at 31st March 202x & as at 31st March 202x considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.
- b) The internal control procedures on classification of trading & manufacturing revenue, identification of manufactured Target Segment goods in the books of accounts, revenue recognition, allocation of sales consideration, pricing policy, settlement of discounts & rebates,

capitalisation of property, plant and equipment and other areas relevant to determination of sales and investment of manufactured target segment goods is operating effectively.

Restriction on Use

The certificate is being submitted to IFCI Limited (Project Management Agency) and at the request of Board of Directors of the Company solely for the purpose of Production Linked Incentive Scheme and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For (Name of the Firm)

Chartered Accountant

Firm Registration NO :

UDIN :

Date :

Place :

Annexure I

Statement of Sales of Manufactured Target Segment Goods and Eligible Products

Name of applicant	
Product Applied for	
Application reference no.	
Target Segment	
Eligible Product	

A. Net Sales Of Eligible Products For Applicant And Its Group Company

Particulars (in ₹)	Actual sales as per books of accounts for sales of eligible products or sales of finished products containing captive consumption of Eligible products	Cost of Production (Eligible Products)	Eligible sales
Sales of Manufactured Eligible products covered under Target Segment Goods – (company name)-Sales To Non Group Company		NA	
Sales of Manufactured Eligible products covered under Target Segment Goods – (company name)-Sales To Group Company			
Sales of Manufactured Eligible products covered under Target Segment Goods – (company name)-Captive Consumption			
Net Sales of eligible products			
Less:-Advertisement and sales Promotion			
Less:-Brand Royalty			
Net Sales of eligible products manufactured under the target Segment goods (A)			
Net Sales of eligible products for applicant`s group(B)			
Total=A+B			

Product Wise Quantity Sold (Includes Captive Consumption) And Weighted Average Price Cost Plus Sales (As Applicable) Per Unit

Product Name	Quantity Sold (Includes captive consumption) (A)	Weighted Average price cost plus sales (as applicable) Per unit (B)	Total (A* B)
Grant Total			

Net Sales Of Eligibles Products Based On Incremental Capacity Certify By Chartered Engineer.

Particulars	Amount (in Rs)
Incremental Sales of Eligible products in claim year base on incremental capacity certify by Chartered engineer before adjustment	
Less: Advertisement and sales promotion	
Less: Brand Royalty	
Incremental Sales of Eligible products in claim year base on incremental capacity certify by Chartered engineer (D)	

Net Incremental sales

Particulars	Amount (in Rs)
Net Sales of eligible products in base year for applicant only(A)	
Net Sales of eligible products in claim year for applicant only(B)	
Net Incremental Sales of Eligible products in claim Year(B-A)=C	
Net Incremental Sales of Eligible products in claim year based on incremental capacity certify by Chartered engineer (D)	
Sales not meeting incremental capacity E=C-D	

Note 1-Eligible sales in case of sales to group company will be lower of actual sales price offer to group company & cost of production plus mark up of 5% under the scheme.

Note 2-Eligible sales in case of captive consumption will be lower of actual sales price offer to group company & cost of production plus mark up of 5% under the scheme.

Reconciliation of Sales as per Books of Accounts and Annual GST Return

Particulars		As per Audited Financials (Amt. in ₹)
		for FY 20XX-XX
Revenue from operations		
Other Income		
A	Total Turnover as per Audited Financials	
Reconciliation Adjustments:		
(-) Interest Income not forming part of GSTR returns		
(+) Unadjusted Advances at the end of the Financial Year		
(-) Unadjusted Advances at the beginning of the Financial Year		
(+) Sales booked in April 2020 as per financials but invoice raised in FY 19-20 for GST purposes.		
(-) Sales booked in April 2019 as per financial, but invoice raised in FY 19-20 for GST purposes.		
(+) Export of Sales in March 2020 but revenue booked in April 2020		
(-) Export Sales in March 2019 but revenue booked in April 2019		
(+) Scrap Sales booked in Memo Account and Other GLs - Not part of financial statements		
(+) Deemed Supply in Schedule I		
(+) Credit Notes accounted for in the Annual Audited Accounts but are not permissible under GST (Commercial credit note for Rebate and Price Protection)		
(+ / -) Misc. Income, claims and accrual not forming part of GST returns		
(+ / -) Any other items, please add rows		
(+ / -) Stock Transfer		
B	Total Adjustment	
(A – B)	Total Sales as per GST Return	

Note: In case of no figure please mention NIL

Annexure III

Reconciliation Of Sales As Per Books Of Accounts And GST Return For Manufactured Goods Under Target Segment Of The Company

Particulars (in ₹)		FY 202x-2x
Total Sales per GST Returns		
Less:	Branch Transfer & Other Stock Transfer not considered as sales	
	Sales of products manufactured products and not containing captive consumption of eligible product.	
	Income from services provided	
	Sales of Non-eligible components.	
	Sales of eligible products in which investment are not made during the claim period	
	Services covered under 'Reverse Charge Mechanism'	
	Sales of traded products	
Sales of Manufactured Target Segment Goods as per GST Returns		
Add: Adjustment carried out in the books of accounts, but not forming part of GST returns		
1.	Please specify broad nature of adjustment and give details	
Less: Adjustment not carried out in the books of accounts, but forming part of GST returns.		
1.	Please specify broad nature of adjustment and give details	
Sales of manufactured eligible goods covered under Target Segment, as per Books of Accounts		

Annexure IV

Debtors Related To Manufactured Goods Covered Under Target Segment & Finished Products In Which Eligible Products Captively Consumed Of The Company

Name of the debtor	Balance as at		Outstanding for			
	March 31 2019	March 31 2020	less than 3 months	more than 3 months	more than 6 months	more than 12 months
TOTAL – (A)						
Debtors Other Than Target Segment –(B)						
GRAND TOTAL (A+B)						

Debtor appropriation policy:

(Please provide a note on policy followed by applicant for appropriation of payment from debtors following by the Company and confirm whether the debtor aging has been arrived at using the same appropriation policy.)

Annexure V

Particulars	Opening Gross block (as on April 01, 2022)			Gross Value of Additions (from 1st April 2022 to 31st march 2023)			Gross Block of Deletion (from 1st April 2022 to 31st march 2023)		Closing Gross block (as on 31st March, 2023)		
	Gross Block as on April 01 2022	Cumulative eligible Investment as on April 01 2022	Cumulative ineligible Investment as on April 01 2022	Total Addition	Addition considered for PLI Scheme	Addition not Considered as PLI scheme	Deletions claimed as eligible for PLI scheme in opening block of assets	Deletions not claimed as eligible for PLI scheme in opening block of assets	Gross Block on March 31st, 2023	Cumulative Eligible investment as on March 31, 2023	Cumulative investment ineligible as on March 31, 2023
(A) Property, Plant and Equipment											
Land & Building											
Plant & Equipment											
Furniture and Fixtures											
Vehicles											
Office equipment											
Bearer Plants											
Others (Specify nature)											
Electric Installations											
Tools & Dies											
Computers											
Right of Use Assets - Leasehold Building											
(B) Intangible Assets											
Software											
License & Franchise											
Brands or trademarks											
Others (Specify nature)											

Note:-Figure should be for two years i.e. 1st April 2021 to 31st march 2023 for the applicant which applied for gestation Period for two year (applicable for 1st year claim)

Annexure VI

Format of Sales register of eligible products & finished product (Target segments) in which eligible products captive consumed. For f.y 20xx-xx

GSTIN/ UIN of Buyer	Buyer's Name	Related Party (Y/N)	Invoice Number	Invoice date	Product Description (Model/ Make of Identification Number)	HSN Code	Quantity	Domestic / Export	Forex currency (USD/euro or any other)	Exchange rate as per books	Exchange rate as per GST	Invoice value	FOB value of export sales	Place of Supply	Of date	E-way Bill No.	E-way Bill
---------------------	--------------	---------------------	----------------	--------------	--	----------	----------	-------------------	--	----------------------------	--------------------------	---------------	---------------------------	-----------------	---------	----------------	------------

Shipping Bill No.	Shipping Bill Date	Applicable % Of Tax Rate	Invoice Type	Value Considered For PLI*
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*this is the value net of credit notes, discounts, taxes and expenses pertaining to advertisement and sales promotion and brand royalty.

To be signed by auditor and also to be provided in excel file.

Annexure VII

Format for capex register

Sr. No.	Asset Description/ Capex item as per Invoice/ applicant	Capex Item as per FAR	Fixed OR Asset Register (FAR) reference No. for capitalisation	Location (please mention name of third party, where assets are lying)	Related Party of Transaction	Old/ refurbished/New	Re-lease or Purchase please mentioned nature of lease operating/finance)	Vendor code	Name of the Vendor	Bill/ Invoice Number	Bill date	Currency	Base value	Ex Rate	Total INR	Goods Receipt Slip		
																GR Number	GR Date	Quantity

Bill of Entry (in case of imported P&M)	Imported Items	Domestic Items	Non-Creditable Duties & Taxes (specify nature)	- Creditable Duties & Taxes (specify nature)	Freight	Insurance	Other Exp. (please specify nature)	Total	Final asset no	Amount Capitalised (INR)	Capitalisation date	Manufacturing process where used	GL code where capitalised	GL Name	Classification of P&M as per PLI Scheme like moulds, rigs, process machinery, ties

To be signed by auditor and also to be provided in excel file.

Related Party – Transaction Details

All transactions with Related Parties will be subject to provisions of relevant statutes and Accounting Standard-18 as amended from time to time.

Description	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Key Management Personnel	Relatives of Key Management Personnel	Total
Purchases of goods							
Sales of goods							
Purchase of fixed assets							
Sales of fixed assets							
Rendering of services							
Receiving of services							
Agency arrangement							
Leasing or hire purchase arrangements							
Transfer of research and development							
Licence agreements Finance (including loans and equity contributions in cash or in kind)							
Guarantees and collaterals							
Management contracts including for deputation of employees							

Annexure-IX

Quantity detail of captive consumption of eligible product during the year ended 31st March 20XX

Eligible Product Name	Opening Quantity	Quantity Produced during the year	Quantity consumed in finished product produced during the year	Quantity consumed in finished product sold during the year	Closing quantity

Annexure X

S. No.	Particulars	Unit	FY 2019-20	Period of Claim
1	Investment Actualized (Cumulative)	INR		
		Crore		
	a) Equity			
	b) Debt			
	c) Internal Accrual			
2	Employment as on Date of Filing Claim (Cumulative)	Numbers		
3A	Revenue from Operations — Domestic	INR		
	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. Finished Goods – Target segment (at least 60% of eligible product captively consumed in finished product)			
	iii. Finished Goods – Non-Target segment (maximum 40% of eligible product captively consumed in finished product)			
	iv. Other Goods			
	b) Trading Activity			
	c) Services Activity			
3B	Revenue from Operations — Exports [net of credit notes, discounts, and taxes applicable and expenses pertaining to advertisement and sales promotion, and brand royalty]			
	a) Manufacturing Activity			
	i. Eligible Products			
	ii. Finished Goods – Target segment (at least 60% of eligible product captively consumed in finished product)			
	iii. Finished Goods – Non-Target segment (maximum 40% of eligible product captively consumed in finished product)			
	iv. Other Goods			
	b) Trading Activity			
c) Services Activity				
3C	Total Revenue from Operations (Domestic Sales & Exports)			

4	Sales Quantity	Numbers		
	[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. Finished Goods – Target segment (at least 60% of eligible product captively consumed in finished product)			
	iii. Finished Goods – Non-Target segment (maximum 40% of eligible product captively consumed in finished product)			
	iv. Other Goods			
	b) Trading Activity			
5	Details of Import	INR		
	CIF plus non-creditable taxes / duties			
	a) Raw Material / Parts / Components used for manufacturing			
	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			

Annexure-10 A: On the Letterhead of CE – Chartered Engineers Certificate
(Claim Processing)

To

IFCI Limited
IFCI Tower
61, Nehru Place
New Delhi – 110019

This certificate is being issued in connection with Production Linked Incentive Scheme (PLI) for promoting domestic manufacturing of AC and LED Light in India (hereinafter referred as 'PLI Scheme') as notified vide **Notification No. CG-DL-E-16042021-226671 dated 16.04.2021** read with operational guideline dated **4th June 2021**, as amended from time to time (hereinafter referred as 'the PLI Scheme').

M/s XXXXXXXXX was approved under PLI Scheme vide letter no. IFCI/XXXXXX issued by IFCI Limited (Project Management Agency appointed under the Scheme).

Xxxxxx (name of the CE firm) is empaneled with IFCI Ltd. for evaluation of asset class 'Plant, Machinery & Equipment' vide letter no. Dated valid tillissued by IFCI. (Copy Attached). M/s..... (applicant name) appointed us (Copy of letter attached)

- a. To evaluate and give a certificate on status of compliance with eligibility criteria of Greenfield/Brownfield Project and Committed investment for the period 20XX – 20XX by (name of the applicant) under PLI Scheme. We have carried out the physical inspection of the plant, examined the relevant records and other documents to evaluate whether applicant has met the eligibility criteria of Greenfield /Brown field Project and Committed Investment under Production Linked Incentive (PLI) Scheme for FY 20XX-20XX.
- b. To carry out an independent verification/determination of Claim production capacities for the claim year 20XX-20XX of (name of the applicant) under PLI Scheme. We have carried out the physical inspection of the plant and machinery installed, examined the relevant records for determining claim capacity of all the manufacturing processes involved in the production of eligible products for FY 20XX-20XX. In this regard, we enclosed the capacity of F.Y & incremental capacity generated from incremental investments for the year in **annexure III and annexure IV**.

1. **Detail of Project set-up by applicant:**

Sl. No.	Particulars	Details
1.	Name of the Applicant	
2.	Project Address	
3.	Eligible products being manufactured	
4.	Committed investment during the Scheme Period	
5.	Threshold Investment up to 31 st March 20XX	
6.	Eligible investment physically verified of the investment period 20xx-20xx	₹ (Detail attached as Annexure I)
7.	Date of site visit and company officials facilitating the inspection	Date: Company Official (please give name and designation)
8.	Whether project has been set-up in a new factory premises or the existing factory premises	
9.	Whether claimed Associated Utilities are exclusive to PLI-White Goods or shared with other activities.	
10	Whether plant was operational on the date of visit?	
11.	Status of Land & Building (leased/ Owned/ Common Facilities with any other person or group company)	

Cumulative Eligible Investment Details	
Particular	Amount (Rs. In Crore)
Eligible Investment in FY 21-22 (Gross Book Value) *	
Eligible Investment in FY 22-23 (Gross Book Value) *	
Eligible Investment in FY 23-24 (Gross Book Value) *	NA
Eligible Investment in FY 24-25 (Gross Book Value) *	NA
Eligible Investment in FY 25-26 (Gross Book Value) *	NA
Eligible Investment in FY 26-27 (Gross Book Value) *	NA
Total	
Less: - Sold/Written off Eligible Investment (if any) for investment period as on 31 st March 20XX	
Eligible Investment in FY 21-22 (Gross Book Value)	
Eligible Investment in FY 22-23 (Gross Book Value)	
Eligible Investment in FY 23-24(Gross Book Value)	NA
Eligible Investment in FY 24-25(Gross Book Value)	NA
Eligible Investment in FY 25-26(Gross Book Value)	NA
Eligible Investment in FY 26-27(Gross Book Value)	NA
Total (B)	
Net Cumulative Investment as on 31st March 20XX (A-B)	

*As per CE Certificate

2. We visited the project site on and the photograph of the site with visiting team is attached at **Annexure II**:

3. In case of projects set-up in exclusive manufacturing facility:

The project set-up by (name of applicant) at for eligible products (i)..... (ii) (given name of the products) is a Greenfield Project as defined under clause 2.21 of the Scheme Guidelines. **OR**

In case of projects set-up under existing manufacturing premises:

The project set-up by (name of applicant) at for eligible products (i)..... (ii) (give name of the products) is a Brownfield Project as defined under clause 2.10 of the Scheme Guidelines

All the Plant & Machinery, Associated Utilities or R&D Equipment being utilized in the production of eligible projects are new. No second hand/ used/ refurbished plant, machinery, equipment, utilities has been used to manufacture the eligible products approved under PLI Scheme in compliance with clause 14.1.4. of the Scheme Guidelines.

4. The capex items claimed for eligibility criteria of committed investment under the PLI Scheme are required for the manufacturing of eligible products (i)..... (ii) (give name of the products) and all such plant & machinery have been installed in the factory premises of **M/s** **at**

5. All capital items which have been claimed as products eligibility criteria of investment are being used in regular course for the manufacturing of eligible product under PLI scheme and the cost of investment claim under PLI scheme is reasonable.

6. All capital items have been purchased at prices that are in our opinion reasonable and in-line with prevailing market value as on the date of the purchase.

7. With reference to clause 8.4.2 of the Scheme Guidelines, the amount of Associated Utilities claimed under eligible capex is

8. We Confirm that utilization of the Plant, Machinery and Equipment for manufacturing of eligible product(s) under target segment for financial year for which the applicant is claiming incentive under the Scheme.

9. The manufacturing of the eligible products in the Greenfield /brownfield Project meets the criteria set up under clause 2.21 & clause 2.10 of the Scheme Guidelines.

10. The capex items included in Eligible Capex are installed at the Project Location except for certain items situated at third parties/ vendors whose details are furnished as **annexure V**

11. We have examined the insurance policies for capex items considered under Eligible Investment. Company has taken insurance cover for an amount of ₹_____ crore. Extract of insurance policies is furnished as **annexure VI**. In our view insurance cover obtained by the Company for the Eligible Investment is adequate.

12. The manufacturing process flow diagram (MPFD) of each eligible product is attached as

Annexure-VII. We have observed the manufacturing process followed by the Company and the same is in line with the MPFD(s) attached.at **annexure VII.**

13. Site Photographs with GPS coordinates (the factory premises, visiting team from CE and company official (give name and designation) should be appearing in photograph at **annexure – II.**

Declarations

1. It has been ensured that the information furnished is true and correct in all respects, no part of it is false or misleading and no relevant information has been concealed or withheld.
2. We have requisite expertise, experience, and qualification to evaluate the project and give this certificate.
3. Neither of our director/ partner/ proprietor or employee has any present or prospective interest in the Greenfield /Brown Field Project or (name of the applicant).
4. Neither I nor any of my partners or director or employee is a partner, director or an employee of (name of applicant) or its associated concerns.
5. This report is issued without prejudice or conflict of interest.

Signature & Seal of CE with Membership number

Annexure-I

Attached to CE Report Ref No. xxxxx dated xxxx

Classification as per PLI Scheme #	Usage in Production Process #	Asset No. in FAR	Description as per FAR	Capitalization Date	Balance Sheet Head	Amount Capitalized

As per clause 2.26 of Scheme guidelines, expenditure on Plant & machinery, Equipment and Associated Utilities (including tool room), used in the Design, Manufacturing, Assembly, Testing, Packaging or Processing of eligible products covered under target segments.

Annexure – II

Photos of Site Visit

Photographs should include following:

- i. Photos of factory entrance with GPS coordinates.
- ii. External and internal view of factory including manufacturing operations.
- iii. Photo of visiting team from CE and Company officials.
- iv. A one-page note covering each capex item at least for top 20 high value/ critical items of Eligible Investment and covering at least 25% of the items by value in the format provided below:

Format for one-page note on select capex items:

#	Machine/ Asset Name	Model#	Serial#	Make/ Manufacturer	Fixed Asset Code/ Asset ID	Building where installed

Invoice#	Invoice date	Description of Asset as per Invoice	Name of Seller/ Vendor	Status (Running/ Idle/ Under maintenance/ To be commissioned/ etc.)	Amount Capitalized (₹)

Photo of Asset:

--

Determination of Claim year capacity

1	Manufacturing location(s) Location-1 Location-2 Location-n	Date of Inspection(s)	Greenfield/Brownfield/Both
2	Actual Investment: up to March 31 st 20XX		
3	Eligible products manufactured:		
4	No. of working shift on the date of site visits		
6	Production/Manufacturing capacity as per the Machinery installed p.a (claim year capacity)	Item	Quantity
7	Present Utilization of total production/manufacturing Capacity by unit p.a (Actual capacity)	Item	Quantity

- **Chartered engineers' comments/opinions on inspection findings:**

- i. We have thoroughly inspected all the machines/items described above and hereby we confirm that they are in compliance with the records.
- ii. We have verified the Eligible product wise Manufacturing Process Flow Charts and is in conformity with the productions processes observed at the manufacturing location(s) for the following Eligible Products.
 - a. Product 1
 - b. Product 2
 - c. ...Product n
- iii. We have verified the number of eligible products manufactured in the year (20XX-20YY) from the examination of the ERP/internal production records provided by the company, explanations provided by the company and the capacity of the Production lines as detailed in the process flow chart and information submitted in the PLI-White Goods portal and the capacity for the locations visited and on the basis of our verification, the baseline capacity(ies) is(are) as under:

Details Of Average Capacity Utilization Of Company's Products At The Company's Manufacturing Facilities For The Specified Periods:

S. No	Name of Eligible Products	Standard capacity* as on 31.03.2024	No of products manufactured in the year F.Y 2023-24	No of Days the products was/were manufactured in the Year	Number of Manufacturing Shifts per day	No. of Products manufactured per day per shift in the year	Variance as per CE's findings
Location – 1							
	P1						
	P2						
	...Pn						
Location – 2..... n							
	P1						
	P2						
	...Pn						

Notes:

- 1) The information relating to the installed capacity as of the dates included above are based on 'various assumptions'*(*details are given under in foot note*) and estimates that have been taken into account for calculation of the installed capacity. The assumption is also based on the three (3) shifts that the Company is running for eight (8) hours a shift. The assumptions and estimates taken into account include the following: (i) Number of working days in a fiscal year-300, (ii) Number of days in a month-30, (iii) Number of shifts in a day- 3, (iv) Number of hours- 8 in a shift and (v) Schedule preventive maintenance days-8.
- 2) The information relating to the actual production as of the dates included above are based on the examination of the ERP/internal production records provided by the Company, explanations given, the period during which the manufacturing facilities operate in a fiscal year, expected operations, availability of raw materials, downtime resulting from schedule maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies.

*Assumptions

- 1.
- 2.
- 3.

Incremental Capacity for the claim Year

S. No	Name of Eligible Products	Standard Capacity* as on 31.03.2024 (A)	Standard Baseline Capacity as per Original Baseline Certificate (B)	Standard incremental Capacity as on 31.03.2024 (C=A-B)	Base Year actual Production as per CE Certificate	No. of products manufactured in the year F.Y 2023-24	Incremental no. of products manufactured in the year 2023-24
Location 1							
	P1						
	P2						
	...Pn						
Locations 2 to n							
	P1						
	P2						
	...Pn						

Annexure -V**Details of assets at third parties**

1. Following assets claimed as Eligible Investment under the Scheme Guidelines are lying outside the premises of the Company at premises of third parties which are its vendors/ suppliers/ etc. The list of such assets and parties is as follows:

#	Name of Party*	Asset details	Gross book value (₹ crore)	Date of Agreement	Reason for asset lying with third party/ supplier

In case significant value of assets are currently situated at premises of third parties CE may visit such third parties and confirm presence/ utilization of such assets for manufacturing of eligible products.>

Annexure -VI

Details of Insurance Cover for Eligible Investment

#	Type of Insurance (Assets covered)	Policy No.	Name of Insurer	Start date of cover	Details of risks covered	End date of cover	Amount (₹ crore)

Annexure -VII

Manufacturing Process

<The manufacturing process flow diagram (MPFD) for each eligible product is to be included here. CE should also include its observations comments, especially in case of any material variation in actual process being followed.>

Annexure-10 B : On the Letterhead of CE – Chartered Engineers Certificate

(Determination of Baseline Capacity)

Date: DD/MM/YYYY

To

IFCI Limited
IFCI Tower
61, Nehru Place
New Delhi – 110019

I, the undersigned, confirm that I am duly registered as a chartered engineer with the Institution of Engineers (India) bearing registration number XXXXXXXX and that I am authorized and competent to issue this certificate. Further, I confirm that the aforesaid registration is valid as on date hereof, and as such, I am duly qualified to issue this certification.

This certificate is being issued in connection with Production Linked Incentive Scheme (PLI) for promoting domestic manufacturing of AC and LED Light in India (hereinafter referred as ‘PLI Scheme’) as notified vide **Notification No. CG-DL-E-16042021-226671 dated 16.04.2021** read with operational guideline dated **4th June 2021**, as amended from time to time (hereinafter referred as ‘the PLI Scheme’).

M/s XXXXXXXXX was approved under PLI Scheme vide letter no. IFCI/XXXXXX issued by IFCI Limited (Project Management Agency appointed under the Scheme) as per the following details:

Target Segment(s) & Investment Category:	
Eligible Product(s) proposed to be manufactured::	
Committed Investment:	
Base Year:	2019-20
Financial Year for Prequalification:	20XX-XX

Pursuant to the engagement letter dated XX.XX.20XX, we (name of CE firm) empaneled with IFCI Ltd have been engaged to carry out an independent verification/determination of baseline production capacities for the base year 20XX-20XX of (name of the applicant) under PLI Scheme. We have carried out the physical inspection of the plant and machinery installed, examined the relevant records for determining baseline capacity of all the manufacturing processes involved in the production of eligible products for FY 20XX-20XX.

In this connection, we, hereby report and certify the data as given below:

1	Name of the Company	M/s	
2	Manufacturing location(s) Location-1 Location-2 Location-n	Date of Inspection(s)	Greenfield/Brownfield/Both
3	Committed Investment:		
4	Eligible products manufactured:		
5	No. of working shift on the date of site visits		
6	Production/Manufacturing capacity as per the Machinery installed p.a (Baseline capacity)	Item	Quantity
7	Present Utilization of total production/manufacturing Capacity by unit p.a (Actual capacity)	Item	Quantity

Note: For Greenfield Investment, Baseline Capacity will be “Nil”. The baseline capacity data will be determined for Brownfield Investment only.

- **Chartered engineers’ comments/opinions on inspection findings:**

- iv. We have thoroughly inspected all the machines/items described above and hereby we confirm that they are in compliance with the records.
- v. We have verified the Eligible product wise Manufacturing Process Flow Charts and is in conformity with the productions processes observed at the manufacturing location(s) for the following Eligible Products.
 - a. Product 1
 - b. Product 2
 - c. ...Product n
- vi. We have verified the number of eligible products manufactured in the base year (20XX-20YY) from the examination of the ERP/internal production records provided by the company, explanations provided by the company and the capacity of the Production lines as detailed in the process flow chart and information

submitted in the PLI-White Goods portal and the capacity for the locations visited and on the basis of our verification, the baseline capacity(ies) is(are) as under:

Details of average capacity utilization of company's products at the company's manufacturing facilities for the specified periods:

S. No	Name of Eligible Products	Standard capacity* as on 31.03.2020	No of products manufactured in the year F.Y 2019-20	No of Days the products was/were manufactured in the Year	Number of Manufacturing Shifts per day	No. of Products manufactured per day per shift in the year	Variance as per CE's findings
Location – 1							
	P1						
	P2						
	...Pn						
Location – 2..... n							
	P1						
	P2						
	...Pn						

Notes:

- 3) The information relating to the installed capacity as of the dates included above are based on various assumptions and estimates that have been taken into account for calculation of the installed capacity. The assumption is also based on the three (3) shifts that the Company is running for eight (8) hours a day. The assumptions and estimates taken into account include the following: (i) Number of working days in a fiscal year-300, (ii) Number of days in a month-30, (iii) Number of shifts in a day- 3, (iv) Number of hours- 8 and (v) Schedule preventive maintenance days-8.
- 4) The information relating to the actual production as of the dates included above are based on the examination of the ERP/internal production records provided by the Company, explanations given, the period during which the manufacturing facilities operate in a fiscal year, expected operations, availability of raw materials, downtime resulting from schedule maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies.

• **Declarations/Certifications:**

6. It has been ensured that the information furnished is true and correct in all respects, no part of it is false or misleading and no relevant information has been concealed or withheld.
7. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and is my personal, unbiased professional analyses, opinions and conclusion.
8. I have no present or prospective interest in this company, and I have no personal interest or bias with respect to the parties involved.
9. Neither I nor any of my partners or director or employee is a partner, director or an employee of (name of applicant) or its associated concerns.
10. This report is issued without prejudice or conflict of interest.
11. I agree to keep the information regarding the engagement strictly confidential.

Signature & Seal of CE

Name of CE:

IE Membership Number:

Date:

Annexure-11: Format of seeking balance confirmation from the debtors

(On the letter head of Applicant company)

Debtor Balance Confirmation/email

DD/MM/YYYY

Party Name

Address

Sub: Request for direct balance confirmation to Project Management Agency (PMA)

Reference: *Production Linked Incentive (PLI) Scheme for White Goods (hereinafter referred to as PLI Scheme) Gazette Notification No. P-29014/101/2020-LEI DPIIT dated 4th June 2021, and PLI Scheme Guidelines issued thereunder, as amended from time to time.*

Dear Sir,

IFCI Ltd. has been appointed as Project Management Agency (PMA) for PLI Scheme for White Goods by Department for Promotion of Industry & Internal Trade (DPIIT).

For the purpose of sales verification of *Target Segment* comprising of _____ (as defined under PLI Scheme), kindly confirm directly to PMA that the balance of Rs. _____ (Rupees _____ Only) pertaining to sales of _____ (as appearing in books of *Applicant company name*) is payable by _____ (name of debtor/s) as on xx Month 202x for the claim period 20XX-XX.

The confirmation letter may be sent to PMA. A stamped envelope addressed to PMA is enclosed for your convenience, addressed as under:

Shri _____, Dy. General Manager

IFCI Ltd, 61, Nehru Place, New Delhi- 110019

A duly signed letter may be returned directly to IFCI Ltd., IFCI in the enclosed envelope. Your prompt action on this request will be appreciated.

Kindly return this form in its entirety.

Yours Faithfully,

[Name of Authorized Signatory]

(To be signed and given by the debtor)

To

IFCI Limited, PMA for PLI Scheme for White Goods
IFCI Tower
61, Nehru Place
New Delhi- 110019

(A) We hereby confirm the debit balance of INR _____ (Rupees _____ Only) as on XX Month 202x as appearing in _____ (name of *Applicant Company's*) books is correct as per our books.

OR

(B) The debit balance of INR _____ (Rupees _____ Only) as on xx Month 202x for the period 20XX-XX as appearing in *Applicant Company's* books is not in agreement with our books. The debit/credit balance as per our books is INR _____ only and the discrepancies are detailed here as under

Particulars	Period	Amount	Reasons for Difference

[Date]

Authorized Signatory: _____

Name: _____

Designation: _____

Rubber Stamp: _____

Customer Code:

Customer Name:

Annexure-12: Format for Board Resolution

The applicant agrees to the terms and conditions of the PLI Scheme and Guidelines while securing the incentive amount.

Extract of the Resolution passed by the Board of Directors of (*company name*) held on DD/MM/YYYY at the Registered office of the company situated at (*address*) held at (*time*).

Acceptance of the Terms & Conditions as laid down in Production Linked Incentive (PLI) Scheme for White Goods

This is with reference to incentive claim of filed by on the incremental sales of on the incremental sales of for the period from to under PLI Scheme for White Goods (hereinafter referred as PLI Scheme). The Board of Directors have pursued the incentive claim filed by and compliances made by under PLI Scheme and resolve as follows:

“RESOLVED THAT the consent of Board of Directors is accorded for accepting and agreeing to abide by the terms and conditions as laid down in **Production Linked Incentive (PLI) Scheme for White Goods , Guidelines and Supplementary Guidelines**, while securing the incentive amount on behalf of the company and in the best interest of the company.

RESOLVED THAT Board of Directors have taken note of the incentive claim filed by the (name of the company) and documents, certificates, management undertakings and other representations made with the incentive claims. It is confirmed that has complied with the Scheme Guidelines and approval letter dated while filing the incentive claim under PLI Scheme.

RESOLVED FURTHER THAT Mr..... and, be and are hereby jointly or severally authorized to execute the indemnity bond/ agreement in the format prescribed under PLI Scheme for refund of any excess incentive, as per Scheme Guidelines.

For (*company name*)

Name of person (Authorized Signatory)

Designation

Date:

Place:

Annexure-13: Format for Integrity Compliance (at the time of filing the claim)

To,

Date: Month xx, 202X

IFCI Limited,
Project Management Agency for PLI Scheme for White Goods of DPIIT
IFCI Tower,
61 Nehru Place
New Delhi: 110019

Reference:

Approval letter issued by IFCI in favour of _____ (*company name*) under the Production Linked Incentive Scheme for White Goods vide letter no. IFCI/CASD/DPIIT/PLI-201006xxx dated for application no _____ dated _____ filed online via portal for Category _____

Production Linked Incentive (PLI) Scheme for White Goods notified vide Gazette Notification No. CG-DL-E-16042021-226671 dated 16.04.2021 and PLI scheme Guidelines issued thereunder, as amended from time to time

Guidelines for the operation of Production Linked Incentive Scheme (PLI) for for White Goods as per File No. P-29014/101/2020-LEI-DPIIT issued by Department for Promotion of Industry and Internal Trade, White Goods division dated 4th June 2021

Gestation Period	
Committed Investment	Target Segment
Claim Period	
Eligible Product(s)	1. 2. 3. <i>(Pl mention all the approved eligible product(s))</i>

Subject: Integrity Compliance in Production Linked Incentive Scheme

1. Whereas, the applicant namely _____ (*company name*) has submitted an application under Production Linked Incentive Scheme (PLI) for White Goods to Department for Promotion of Industry and Internal Trade (DPIIT), Government of India seeking incentive for the applications pertaining to manufacturing of _____ (*Eligible Products*) till dd/mm/yyyy at the following locations:
 - a)
 - b)
 - c)

2. Now, therefore, the applicant including its officers /representatives commits and undertake that he will take all measures necessary to prevent corruption. He commits to observe the following principles during his 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 DPIIT's officer(s) or consultant or agency representative (appraisal/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 in any advantage or 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 authorised agents and 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 shall disclose any and all payments it 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 three 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 the PLI, the amount disbursed to applicant be recoverable along with interest calculated at three 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.

5. In the event the selected applicant declines the offer of approval under the Scheme at any stage or exits the scheme without making full committed investment for reasons whatsoever, in such case the applicant shall have to refund the incentive availed by it under the scheme till such date along with interest calculated at the prevailing 3-year SBI MCLR compounded annually

The contents of the above undertaking have been gone through and after understanding the same is being executed given onday of Month, 2022.

For *Company Name*

Name:

Designation: Director/CEO/MD

Place:

Date:

Note : Pl mention DIN No for the Director signing the Undertaking is Mandatory.

Annexure -14: Format for Integrity Compliance Part B (before release of incentive claim)

To,
IFCI Ltd.
Project Management Agency for PLI Scheme for White Goods of DPIIT
IFCI Tower, 61, Nehru Place
New Delhi – 110019

Date: Month xx, 2022

Reference:

Approval letter issued by IFCI in favour of _____ (*company name*) under the Production Linked Incentive Scheme for White Goods vide letter no. _____ dated _____ for application no _____ dated _____ filed online via portal for Category _____

Production Linked Incentive (PLI) Scheme for White Goods notified vide Gazette Notification No. CG-DL-E-16042021-226671 dated 16.04.2021 and PLI scheme Guidelines issued thereunder, as amended from time to time

Guidelines for the operation of Production Linked Incentive Scheme (PLI) for for White Goods as per File No. P-29014/101/2020-LEI-DPIIT issued by Department for Promotion of Industry and Internal Trade, White Goods division dated **4th June 2021**

Gestation Period	
Committed Investment	Target Segment
Claim Period	
Eligible Product(s)	1. 2. 3. <i>(Pl mention all the approved eligible product(s))</i>

Subject: Integrity Compliance in Production Linked Incentive Scheme

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 (DPIIT), 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 (appraisal or / and verification agency appointed by DPIIT to handle the application) involved in the process of dealing with application or to any third person any material or other benefit which he / she is not legally entitled to in order to obtain in exchange any advantage of any kind whatsoever before or during or after the process of the application for grant of approval or disbursement of incentives under PLI.
4. And whereas, the application submitted by the applicant has been given the approval by DPIIT vide its communication no.....dated.....
5. And whereas, the applicant has submitted a claim for disbursement of incentive dated to the PMA for claiming incentives of INR.....
6. And whereas, the PMA has considered the claim for disbursement of incentive and is in the process of disbursement / release of incentives on the claim dated.....
7. Now, therefore, 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

Director Name _____ (Pl provide DIN No _____)

(Seal /Stamp)

Date: Place:

Note : Pl mention DIN No for the Director signing the Undertaking is Mandatory.

Annexure-15: Format for Undertaking for refund of Incentive (Fraud Detection) – Post Claim Submission

To,
IFCI Ltd.
Project Management Agency for PLI Scheme for White Goods of DPIIT
IFCI Tower, 61, Nehru Place
New Delhi - 110019

Date: Month xx, 2022

Reference:

Approval letter issued by IFCI in favour of _____ (*company name*) under the Production Linked Incentive Scheme for White Goods vide letter no. IFCI/CASD/DPIIT/PLI-201006xxx dated for application no _____ dated _____ filed online via portal for Category _____ ; Target Segment _____ ;and Eligible Products _____

Production Linked Incentive (PLI) Scheme for White Goods notified vide Gazette Notification No. CG-DL-E-16042021-226671 dated 16.04.2021 ,and PLI scheme Guidelines issued thereunder, as amended from time to time

Guidelines for the operation of Production Linked Incentive Scheme (PLI) for White Goods as per File No. P-29014/101/2020-LEI-DPIIT issued by Department for Promotion of Industry and Internal Trade, White Goods division dated 4th June 2021.

Gestation Period	
Committed Investment	Target Segment
Claim Period	
Eligible Product(s)	1. 2. 3. <i>(Pl mention all the approved eligible product(s))</i>

UNDERTAKING

We, M/s _____ (*company name*) hereby, acknowledge that the incentive that would be provided to us under the Production Linked Incentive Scheme (PLI) for White Goods, notified by Department for Promotion of Industry and Internal Trade vide Notification CG-DL-E-16042021-226671 dated 16.04.2021 will be provided to us based on, and after relying upon information provided by us to avail the said incentives.

We hereby confirm that the information provided by us for availing the sales incentive are 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 ongoing basis and further undertake to immediately apprise the Department for Promotion of Industry and Internal Trade about any change in the status of information provided by us to avail the said incentives.

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 confirmation stated in 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 three years SBI MCLR prevailing on the date of disbursement, compounded annually for the period between excess payment and date of refund.\

In the event the selected applicant declines the offer of approval under the Scheme at any stage or exits the scheme without making full committed investment for reasons whatsoever, in such case the applicant shall have to refund the incentive availed by it under the scheme till such date along with interest calculated at the prevailing 3-year SBI MCLR compounded annually

We acknowledge that the remedies provided in para 3 & para 4 above are not the exclusive remedies available with the Department for Promotion of Industry and Internal Trade and are without prejudice to any legal remedies available with Department for Promotion of Industry and Internal Trade for events mentioned in para 3 & para 4

For *company name*

Authorized Signatory

Name :

Designation

Place:

Date:

Note : If Authorised Signatory is a Director, then DIN No is Mandatory)

Annexure-16: Format for Undertaking Management Certificate Undertaking for refund of Incentive (Provisional GST Reconciliation)

Claim Submission

To,
IFCI Ltd.
Project Management Agency,

Date: Month xx, 2022

IFCI Tower, 61, Nehru Place
New Delhi – 110019.

UNDERTAKING

I/we, _____, S/o or D/o of Shri _____, and _____, S/o or D/o of Shri _____, do hereby solemnly affirm/declare/agree and undertake as follows

2. That I/we, am/are _____, _____ <Designation in the Company> of M/s _____ <Name of the Company>; and _____ <Designation in the Company> of M/s _____ <Name of the Company> having its registered office at _____ and having Investment under the PLI Scheme for White Goods, for the Target Segment of <_____> and Eligible Product(s) _____ <Eligible Product(s)> at the following Manufacturing Plant(s)/Location(s):-

- (i) **<Plant Name 1>, Location, (Address)**
- (ii) **<Plant Name 2>, Location, (Address)**
- (iii)

3. That M/s _____, were issued approval letter No. _____ Dated _____ by Department for Promotion of Industry and Internal Trade(DPIIT) through the PMA under Production Linked Incentive Scheme(PLI) for White Goods(herein referred to as PLIWG), notified by DPIIT vide Gazette Notification No. CG-DL-E -16042021-226671 dated 16.04.2021 and PLI Scheme Guidelines issued thereunder and as amended from time to time.

4. That I have been duly authorized by the Board of said Company to affirm this undertaking for the purpose of filings related to Baseline determination and Claim and other matters relating to the PLIWG.

5. That M/s _____ (**Company Name**) hereby, acknowledges that the incentive that would be provided to the company under PLIWG, notified by Department for Promotion of Industry and Internal Trade shall be provided to them is based on, and after relying upon

information, documents and other certificates provided by the Company to the satisfaction of PMA to avail the said incentives.

6. That the GST annual returns has been filed and its reconciliation for the Target Segment goods in the books of accounts has not been completed and hence the company is issuing a Management Certificate pending the GST reconciliation for the target segment of goods and eligible products under the PLIWG and its certification by the Statutory Auditor.

7. That the management certificate issued in lieu of Statutory Auditor's certificate on GST reconciliation of GSTR Return with books of accounts for target segments goods and eligible product(s) manufactured and sold under the PLIWG Scheme for availing the incentive are reasonable and adequate and that no material fact/information that may have an adverse impact on the claim being assessed for availing the said incentives has been concealed.

8. That it is acknowledged and confirmed that the foregoing averment is on an ongoing basis and further undertake to immediately apprise the Department for Promotion of Industry and Internal Trade and the PMA, PMA about any change in the status of information provided by the company to avail the said incentives.

9. That in the event of any of the information and calculations provided by the company as part of the aforesaid certificate to avail the said incentives is found to deviate from that provided by the statutory auditor certificate for GST reconciliation with GSTR annual return with books of account for target segments goods and eligible product resulting in excess payment of incentive. The company shall refund the excess amount of incentives availed by them along with interest calculated based on three-year SBI MCLR prevailing on the date of disbursement of the claim, compounded annually for the period between excess payment and date of refund.

10. This Undertaking is binding on the Applicant, its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this undertaking on behalf of the Applicant.

Authorised Signatory(ies)

Name :

Designation:

Annexure -17 : Format for agreement/indemnity bond if found that claim is false or excessive then refund of incentive disbursed with penalty.

FORMAT FOR INDEMNITY DEED

1. This DEED OF INDEMNITY is executed on at New Delhi by(company name) with CIN No _____ , PAN No _____ having its registered office at _____ hereinafter referred to as 'Indemnifying Party' (which expression shall, unless repugnant to the context or meaning thereof, include its successors, administrators, representative and permitted assignees), in favour of Department for Promotion of Industry and Internal Trade (DPIIT), Govt. of India, hereinafter referred to as the 'Indemnified Party' (which expression shall unless repugnant to the context or meaning thereof, include its successors and assignees).
2. WHEREAS the Indemnifying Party has applied for availing incentive of Rs..... vide Application dated on Incremental sales of Rs....., for the period from..... to under or in terms of the Production Linked Incentive (PLI) Scheme for White Goods (PLIWG) notified vide notification no. *CG-DL-E-16042021-226671 dated 16.04.2021*, Guidelines for operation of PLIWG dated *04.05.2021*, as amended from time to time.
3. And Whereas the Indemnifying Party has read and understood all clauses of the Production Linked Incentive (PLI) Scheme for White Goods (PLIWG) notified vide notification no. *CG-DL-E-16042021-226671 dated 16.04.2021*, Guidelines for operation of PLIWG dated *04.05.2021*, as amended from time to time and has after careful consideration made the application for availing the incentives under the Scheme and the Indemnifying Party will not in the future claim ignorance of any of the clauses/compliances of the Scheme and any amendments thereto.
4. And Whereas the said Application of Indemnifying Party was appraised and has been approved on the basis of averments, representations, warranties, undertakings, confirmations; etc. made by the Indemnifying Party along with the Application and documents submitted therewith and any other documents submitted subsequently.
5. And Whereas the Indemnified Party has, based on the averments, representations, warranties, undertakings etc. made by the Indemnifying Party in the Application, approved the said Application vide Letter no dated dd.mm.yyyy indicating the approval under the scheme.
6. And Whereas, the Indemnifying Party has submitted disbursement application dated dd.mm.yyyy and on examination of the same, Indemnified Party(DPIIT) has approved the release of incentive to the Indemnifying Party for an amount of(..... only), on the terms and conditions set out in the Scheme and in the PLIWG approval letter dated
7. NOW, THEREFORE, in consideration for the Approval accorded by the Indemnified

Party and proposed release/ disbursement of incentives, the Indemnifying Party hereby irrevocably agrees to indemnify and keep fully indemnified the Indemnified Party (which includes each officer/ employee/ outsourced professionals/ consultants/PMA who have worked upon or are working in relation to the Application with the Indemnified Party (beneficiaries under this Indemnity) against all costs, expenses, losses, claims (including any third party claims), including all costs related to attorney fees, all losses related to loss of reputation, loss of business, loss of income, profits, revenue etc. arising out of or suffered by the Indemnified Party (and each of the beneficiaries under this Indemnity) due to any acts or omissions of the Indemnifying Party or due to any averments, representations, warranties, undertakings etc. made by the Indemnifying Party in the Application (or thereafter for availing the incentives under the Scheme) being false, incorrect, inaccurate or being breached by the Indemnifying Party.

8. The Indemnifying Party further agrees to refund to the Indemnified Party upon demand, the entire PLIWG incentives disbursed to the Indemnifying Party along with interest calculated at 3 years SBI MCLR prevailing on the date of disbursement, compounded annually, in the event any averments, representations, warranties, undertakings etc. made by the Indemnifying Party in the Application are found false, incorrect, inaccurate or are found breached by the Indemnifying Party, without any protest or demur.

Mr./Ms. _____(Name and Designation)_____
and/or Mr./Ms. _____(Name and Designation),
its authorised official pursuant to the Resolutions of its Board of Directors
passed in that behalf on _____.

Signing Directors DIN Number.

Place:
Date:

Witness:

1.....
.....
Signature with Name,Designation & Address
2.....
Signature with Name, Designation & Address

Annexure-18: Format of Cost Accountant Certificate

To

IFCI Ltd.

Project Management Agency - PLI Scheme for White Goods

IFCI Tower, 61, Nehru Place

New Delhi – 110019

1. We do hereby confirm that we are Cost Auditors of M/s _____ Limited (hereinafter referred to as “the company”) for FY 202x-2x Appointed under section 139 of the Companies Act, 2013.

Or

We do hereby confirm that we are Cost Accountant Practitioner appointed for the purpose of issuing certificate as per the guidelines of the PLI Scheme of white goods for F.Y 202X-2X

2. This certificate is being issued in connection with determination of cost price of eligible products for the claim period from 1st April 20XX to 31st March 20XX, as per provisions of Production Linked Incentive Scheme (PLI) for promoting domestic manufacturing of eligible Product cover under the target segments in India as notified vide notification No. CG-DL-E-16042021-226671 dated 4th June 2021 read with guidelines for the operation of PLI for White Goods dated 16th April, 2021, as amended from time to time (hereinafter referred as ‘the PLI Scheme’).
3. It is confirmed that we have followed the relevant code of conduct issued by ICAI w.r.t. independence of Auditors and provisions of Companies Act, 2013. Further, (name of auditor’s firm) or any of our associates or affiliate concerns/ entities are not engaged in providing any services to or business with the applicant which may pose any potential ‘conflict of interest’ in submission of this certificate or could potentially result in non-compliance with the code of ethics issued by ICAI or provisions of Companies Act, 2013.
4. I/We have verified the cost data of the approved Eligible Product with reference to the books of account, inventory records, cost accounting records and other relevant documents and sought and obtained all the explanation and clarification, as deemed necessary for the purpose of this certificate.

5. The company has purchased Rs raw material from related parties as defined by the companies act 2013 at armlength prices. (***Product wise details attached as Annexure***)
6. Based on the information and explanations given to us and based on Cost Accounting Standards and Generally Accepted Cost Accounting principles and practices followed by the Industry, I/we certify that Price of eligible product for the period from 1st April 20XX to 31st March 20XX is ₹..... Per unit. The calculation of Price of eligible product is attached as ***Annexure***.

Seal & Signature of the Cost Accountant:

Membership No.:

Firm Reg. No.:

Place:

Date:

Annexure-I

A	General Information					
1	Name of the Manufacturer					
2	Address of the Manufacturer					
3	GSTIN of the Manufacturer					
4	Description of Eligible Product					
5	HSN Code of Eligible Product					
6	Period of Cost Statement					
B	Quantitative Information			Unit	Quantity	
1	Quantity produced					
C	Cost Information	Unit	Quantity	Rate	Amount	Cost per Unit
1	Cost of Material(Specify)					
	A.					
	B.					
	C.					
	Others					
2	Process Materials					
3	Cost of Utilities(specify)					
	A.					
	B.					
4	Direct Employee Cost					
5	Direct Expenses					
6	Consumable Stores and Spares					
7	Repairs and Maintenance Cost					
8	Quality Control Cost					
9	Research & Development Cost					
10	Technical Know-how Fee /Royalty, if any					
11	Depreciation/Amortization					
12	Other Production Overheads					
	Total cost per					
	ADD: Margin @ 5% under the scheme					
	Price of the Eligible Product					

Related Party Disclosure For Cost Of Production Of Eligible Product.

Annexure-II

Product Name	Nature of Related party	Name of Related Party	Quantity(If applicable)	Amount

Annexure-19: Undertaking for No Deviation from Eligible products.

To,

Date: Month xx, 202X.

IFCI Limited,
Project Management Agency for PLI Scheme for White Goods of DPIIT
IFCI Tower,
61 Nehru Place
New Delhi: 110019

Reference:

Approval letter issued by IFCI in favour of _____ (*company name*) under the Production Linked Incentive Scheme for White Goods vide letter no. _____ dated _____ for application no _____ dated _____ filed online via portal for Category _____

Production Linked Incentive (PLI) Scheme for White Goods notified vide Gazette Notification No. CG-DL-E-16042021-226671 dated 16.04.2021 and PLI scheme Guidelines issued thereunder, as amended from time to time

Guidelines for the operation of Production Linked Incentive Scheme (PLI) for for White Goods as per File No. P-29014/101/2020-LEI-DPIIT issued by Department for Promotion of Industry and Internal Trade, White Goods division dated 4th June 2021

Gestation Period	
Committed Investment	Target Segment
Eligible Product(s)	1. 2. 3. <i>(Pl mention all the approved eligible product(s))</i>

UNDERTAKING

We do hereby confirm that during the period from to, (name of the company) has manufactured (product name) and claimed incentive under PLI Scheme. There is no deviation between the product manufactured by (on which incentive is being claimed) and eligible products approved to us under the scheme and guidelines mentioned in the reference above.

This undertaking has been issued in requirement under Point 13 of Annexure 4 under the Guidelines for operation of Production Linked Incentive Scheme (PLI) for White Goods as per

File No. P-29014/101/2020-LEIPart (1)-DPIIT issued by Department for Promotion of Industry and Internal Trade dated 04.05.2021.

For Company name – Authorised Signatory

Mr./Ms. _____ (Name and Designation) _____

Stamp /Seal

Place:

Date

Annexure-20: Site Visit Report (Sample)

Production Linked Incentive (PLI) Scheme for White Goods (Air Conditioners and LED Lights)
SITE VISIT REPORT
<Applicant Company Name>

OVERVIEW

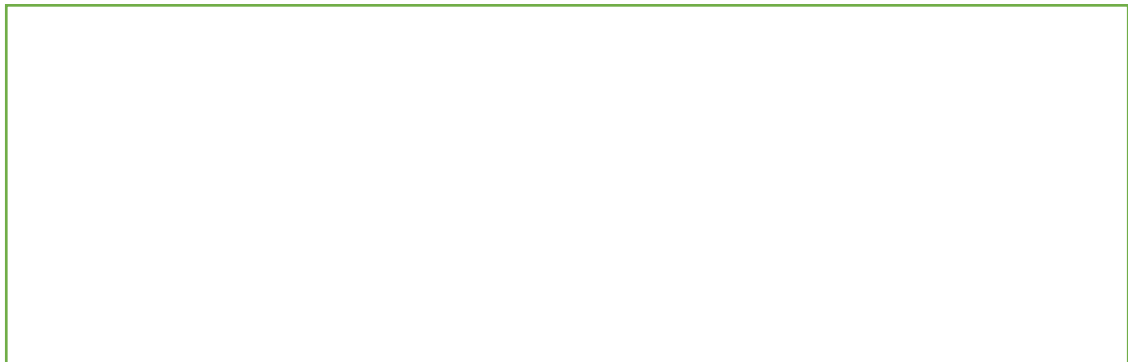
#	Particulars	Details
1	Application No.	
2	Name of the Manufacturing Company (Applicant/ its Subsidiary)	
3	Address of Plant	
4	a) Target Segment b) Investment Category	
5	Eligible Products Manufactured	i) ii)
6	Gestation Period	
7	a) Total Committed Investment b) Threshold investment for FY __ (investment year)	
8	GSTIN	
9	SEZ/ Non-SEZ	
10	Greenfield /Brownfield	
11	Status of availability of land	
12	Land Area	
9	Date of Site Visit	

	Purpose of Visit	
10	PMA's Officials who visited the site	<ul style="list-style-type: none"> • Mr/Ms ____, <Designation> • Mr/Ms i ____, <Designation>
	DPIIT Officials who visited the site if any	<ul style="list-style-type: none"> • Mr/Ms ____, <Designation> • Mr/Ms ____, <Designation>
11	Applicant's Officials met during Site Visit	<ul style="list-style-type: none"> • Mr/Ms ____, <Designation> (email, mobile) • Mr/Ms ____, <Designation> (email, mobile)

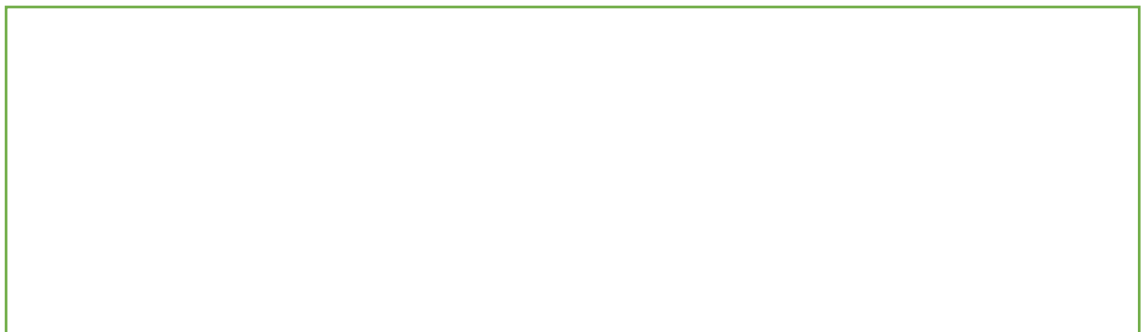
PROJECT LOCATION 1

2.1 Snapshot of Location on Map

GPS Location: Latitude: ____ °N, Longitude: ____ °E

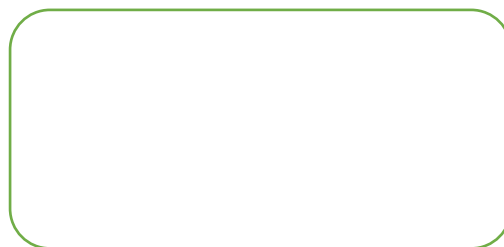
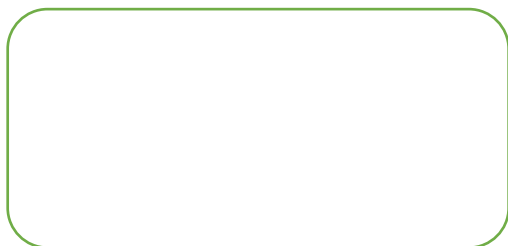


<Satellite View>



<Regular Map View>

2.2 Picture of Entry Gate displaying name & address of Unit



2.3 Investment (01/04/2021 to dd/mm/yyyy)

Investment reported by the Applicant, at this location, is as follows:

#	Asset Head	Amount (₹ crore)
1	Plant, Machinery & Equipment (PME)	
2	Associated Utilities (AU)	
3.	Tool, dies, moulds, jigs, fixtures	
4.	Tool Room investment, if any	
5	Research & Development (R&D)	
6.	Transfer of Technology (ToT)	
	Total	

2.4 Verification of Investment:

- <Obtain FAR from the Company. Also physically verify capex items representing not less than 30% of the eligible capex. For the identified sample, obtain one-pager for each asset in the format as per Annexure-I along with copy of invoices.>

Following is the list of assets verified physically on site:

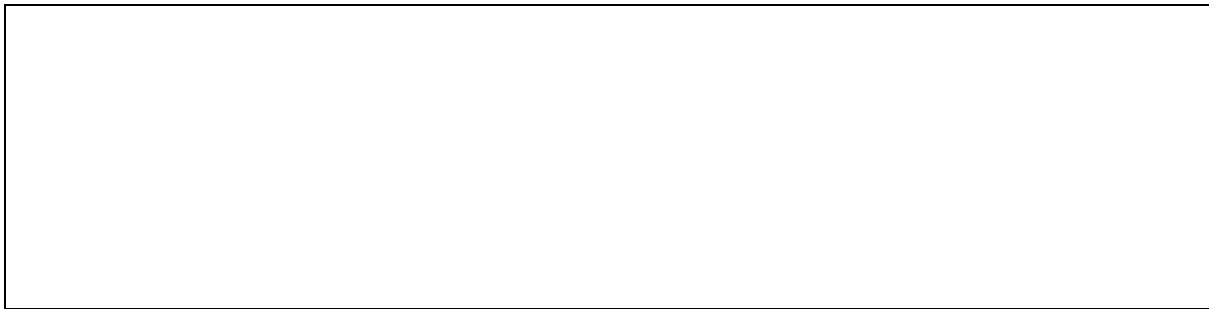
#	Machine/ Asset Name	Name of Seller/ Vendor	Building where installed	Invoice#	Invoice date	Amount Capitalized (₹)
1	Climatic Chamber	XYZ Machinery	R&D Unit			
	Total					

2.5 Products being manufactured at the Unit:

2.5.1 Eligible Products being manufactured at the unit are as follows:

- i) Name of Eligible Products
- ii) Production/Manufacturing capacity as per the Machinery installed p.a.
- iii) Present Utilization of total production/manufacturing Capacity by unit p.a. (Actual capacity)

Sample photo of each of the eligible products mentioned above:



2.5.2 Approved Eligible Products not being manufactured at the unit are as follows:

#	Name of Eligible Product	Remarks, if any

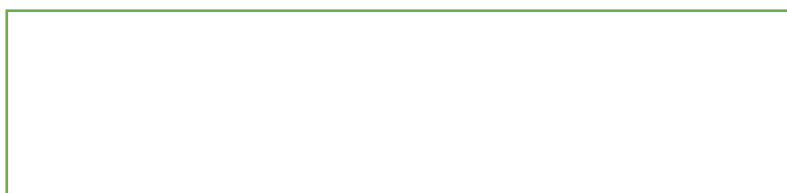
2.5.3 Whether any of the above eligible products is being planned to be manufactured during the year, if yes, please mention below:

2.5.4 Non-Eligible Products being manufactured at the unit are as follows: <give broad description>

2.6 Present manufacturing operations for Eligible products:

<If no eligible products are being manufactured then observe & describe any one main manufacturing process for non-eligible product>

Manufacturing Process Flow Diagram (MPFD):



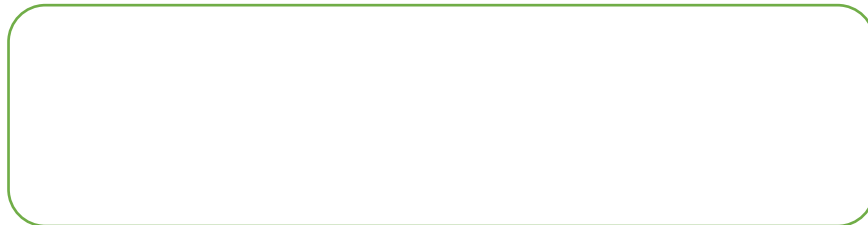
Simple flow chart



Manufacturing Process in photos:

1)	2)
3)	4)
5)	6)

<Please enclose one photo of PMA & Company officials conducting site visit>



#	Item	Particulars
1	Working hours per day	
2	Working days per annum	
3	No. of shifts in a day	

<If there is any notice board displaying daily/ shift-wise production/ employment data then include snapshot of same>

2.7 Employment

Employment (as on _____) : _____

Employment observed at the time of Visit: About _____

3. PROJECT LOCATION2 (delete if not applicable)

4. OTHER OBSERVATIONS, if any

1. This Site Visit report is prepared based on discussion with company officials and written submission made by the Applicant.
2. Further, visual observations during the visit have been considered.
3. The undersigned visited the aforementioned location(s) of the Applicant and the status of land/ building and project implementation is as mentioned in the report above.

(Name)
Designation IFCI Ltd. (PMA)

(Name)
Designation (Applicant)
(Plant ____)

(Name)
Designation (Applicant)
(Plant ____)

Date:

Annexure-I

Format for one-page note on selected capex items

#	Machine/ Asset Name	Model#	Serial#	Make/ Manufacturer	Fixed Asset Code/ Asset ID	Building where installed
1	Climatic Chamber					

Invoice#	Invoice date	Description of Asset as per Invoice	Name of Seller/ Vendor	Status (Running/ Idle/ Under maintenance/ To be commissioned/ etc.)	Amount Capitalized (₹)

Photo of Asset:

<front view>



<plate photo>



Along with invoice copy, MRN, e-way bill

Annexure-21: PMA verification report format (Sample)

To
Joint Secretary, DPIIT

Date :

Dear Sir,

Determination of Baseline/Incremental Sales (Eligible Product under the target segment) from manufacturing operations and Baseline/Incremental Investment for FY 20xx-xx

1. IFCI Ltd. (PMA) has been appointed as the Project Management Agency (PMA) for the Production Linked Incentive Scheme for.....
2. _____ (hereinafter referred as ‘_____’ or ‘the Company’) has submitted the baseline sales and investment along with a certificate from their Statutory Auditors M/s _____.

Responsibility of Management of _____(applicant company name)

3. It is the responsibility of _____(company name) to ensure that the Company complies with the requirements of the PLI Scheme all the time and to prepare and submit the correct and complete data for baseline sales of Eligible product under the target segment from manufacturing and baseline investment.
4. It is assumed that _____(company name) is fully aware of the Scheme Guidelines and provision having any financial effect on the baseline sales or investment and has submitted complete and correct data to PMA, as required under Scheme Guidelines.
_____(company name) is responsible for designing, implementing, and maintaining internal control relevant to the preparation and presentation of the Statement of Baseline Sales and Investment, applying appropriate basis of preparation, and making estimates.

Responsibility of PMA acting as PMA and Basis of Verification

5. As a Project Management Agency (PMA), PMA is responsible for determination of Baselines/Incremental Sales of Manufactured Eligible Goods under the target segment and Investment for approved applicants and making appropriate recommendation to DPIIT.
6. The principle of accounting, cut-off and other general assumptions following by PMA is given in **Appendix at Page** ____ to the verification report.

Recommendation by PMA on Baseline Sales and Investment

Applicant company has submitted the baseline sales of manufactured goods under Target Segment as follows:

(₹ in crore)

Particulars	1 st April 2019 to 31 st March 2020/1 st April 2020 to 31 st March 2021
	Eligible Product Sales under the target Segment
Baseline Sales submitted by applicants	
Adjustment proposed by PMA	
- Adjustment Note (1)	
Baseline Sales proposed by PMA	
Baselines Investment (Gross Block) as on 31 st March 2020	

Note (1): for explanation of adjustment

Annexure-22: PMA verification report format

(Incentive Claims)

To
Joint Secretary, DPIIT

Date:

Dear Sir,

Determination of Sales of eligible products under the target segment and Investment for FY 202x-2x

1. IFCI Ltd. (PMA) has been appointed as the Project Management Agency (PMA) for the Production Linked Incentive Scheme for promotion of domestic manufacturing.....and Memorandum of Understanding (MOU) dated 24th November 2020 between DPIIT and PMA.
2. _____ (hereinafter referred as ‘_____’ or ‘the Company’) has submitted the sales and investment along with a certificate from their Statutory Auditors M/s _____ dated xx/xx/202x.

Responsibility of Management of _____

3. It is the responsibility of _____ to ensure that the Company complies with the requirements of the PLI Scheme all the time and to prepare and submit the correct and complete data for sales of Eligible Product from manufacturing and investment.
4. It is assumed that _____ is fully aware of the Scheme Guidelines and provision having any financial effect on the sales and investment and has submitted complete and correct data to PMA, as required under Scheme Guidelines.
5. _____ is responsible for designing, implementing, and maintaining internal control relevant to the preparation and presentation of the Statement of Sales and Investment, applying appropriate basis of preparation, and making estimates in compliance with Scheme Guidelines.

Responsibility of PMA acting as PMA and Basis of Verification

6. As a Project Management Agency, PMA is responsible for verification of compliance with eligibility thresholds, determination of ‘Sales’ of Eligible Products and making appropriate recommendation to DPIIT on incentive claim by the applicant.
7. Basis of verification and accounting principles followed by PMA is given in **Appendix at page ____** with the report.

Recommendation by PMA on the Sales and Investment

_____ submitted the sales of eligible Products as ₹ _____ crore and ₹ _____ crore with Auditor's certificate dated _____

Accordingly, it is recommended:

- i. **Sales of eligible product** manufactured in India during the period from _____ to _____ over sales during _____ to _____ is ₹ _____ crore.
- ii. The company has applied for Gestation period ie 1st April 2021 to 31st March 2022/1st April 2021 to March 2023(**Strikeout what is not applicable**)
- iii. The company has opt for Greenfield project /Brownfield project set up for manufacturing of Eligible product under the Target segment in India.
- iv. **Investment** from 1st April 2021 to 31st March 202x for eligible product is ₹ _____ crore against the committed investment of ₹ _____. Therefore, the company has met the eligibility criteria of threshold investment as per clause _____ of the Scheme Guidelines.
- v. to accept the incremental sales and investment submitted by _____, as under:

(₹ crore)	
Particulars	Eligible Product
Net Incremental Sales in FY 202x-2x submitted by _____ (period of claim)	
Adjustment proposed by PMA	
Adjustment Note (1)	
Net Incremental Sales (period of claim) (after adjustment proposed by PMA)	

Note (1): for explanation of adjustment

The calculation of Net sales above is subject to following observations:

Observation, if any.....

Appendix

(A) Basis of Verification

1. PMA has obtained all data, documents, representation, and response to the queries raised during verification in good faith and assumed the same to be correct and complete.
2. PMA has reconciled the data with financial statement and certificate submitted by applicant to assess the accuracy and completeness and enquire into the matter considered relevant to the Sales and Investment, as detailed in the report attached herewith, without assessing the adequacy of internal control or test check verification of controls on transaction level.
3. PMA has placed reliance on assessment of Statutory Auditors about existence and operational effectiveness of the internal control system. The Statutory Auditors have issued unmodified opinion in this regard.

4. For the purpose of sales/ investment determination accrual method of accounting has been considered. It is further assumed that accounts have been prepared by the applicant on the basis of 'going concern assumption'.
5. PMA has placed reliance on the transaction value of sales and investment, as per books of accounts. Considering the dynamic nature of industry, there may be variation in the pricing between parties or different time periods.
6. Consistency of accounting policies and basis of management estimations across accounting periods as well as for computation of sales is of paramount importance. PMA has placed reliance on disclosure in Audited Financial Statements, Statutory Auditor's Certificate and Management Representation in this regard.
7. The verification and assessment procedures followed by PMA relies upon the completeness and correctness of data submitted by the applicants and may not be adequate to detect any concealment or fraudulent activity by the applicant.
8. PMA has not assessed the adequacy of the audit procedure followed by the Statutory Auditors and has relied upon the opinion given by the auditors. It is the responsibility of the auditors to comply with the ethical requirements of the Code of Ethics issued by ICAI and plan their audit procedure to obtain sufficient appropriate audit evidence to support their opinion.
9. PMA has obtained a Management Representation Letter from _____ (company name/LLP) duly signed by Managing Director of the Company and Authorized Representative under the Scheme. PMA has placed reliance on the facts and assurances provided by _____ (company name) in the aforesaid representation. The copy of letter is attached with this report as Annexure....

10. Compliance Checklist

Scheme Guidelines	Compliance Particular	Compliance (Yes/No)	Document Reference
Eligibly under the Scheme for incentive			
7.1	Eligibility Criteria for Sales (₹ xxx crore) & Investment (₹ xx crore)		
7.3	The incremental sales of eligible products should be commensurate with created production capacity from investments committed under the scheme.		
7.4	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 manufactured in India in the base year for applicants meeting the pre-qualification criteria on the basis of financial attributes of base year and higher of net sales turnover of eligible products in the base year or FY 2020-21, for applicants meeting the pre-qualification criteria on the basis of financial attributes of FY 2020-21; along with the corresponding threshold incremental net sales turnover of the selected applicant as detailed in Appendix-1 or Appendix- IA, as the case may be		
Investment under the Scheme			
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 the investment under the scheme.		
14.1.3	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.		

Scheme Guidelines	Compliance Particular	Compliance (Yes/No)	Document Reference
14.1.4	No second hand / used/ refurbished plant, machinery, equipment, utilities. shall be used to manufacture the eligible product		
14.4.3.i	Certificate from Statutory Auditor for Investment in Plant & machinery		
14.4.3.ii	Certificate from Statutory Auditor for Transfer of Technology		
14.4.3.iii	Certificate from Statutory Auditor for Associated Utilities		
14.4.3.iv	Certificate from Statutory Auditor and purchase agreements Cost of technology, IPRs, patents and copyrights along with purchase agreement		
14.4.4.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.		
14.4.4 ii	Committed Investment made by the applicant after carrying out the physical inspection of the manufacturing facilities		
14.4.2	Undertaking for Insurance Coverage		
14.4.3	Undertaking for conformity in quality Standard		
14.4.5	QRR Filing for the claim period		
8.1.2	Lease deed copy for ascertaining operational or financial lease		
8.1.3	Assets lying at third party locations		
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	Declaration from the company for usage of machinery in regular course of manufacturing of the goods under the Target Segment approved		
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.		

Scheme Guidelines	Compliance Particular	Compliance (Yes/No)	Document Reference
8.3.1	Investment in Transfer of Technology shall not exceed 15% of the total committed investment.		
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.		
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. However, the price of the Eligible product computed using Cost Plus method and also certified by a Cost Accountant in practice, who is a member of The Institute of Cost and Management Accountants of India shall constitute Arm's Length Price.		
2.35	Related Party Transactions		
Other Matters			
	Reconciliation of Target Segment Sales with books of account and GST Return		
	Undertaking in Format A		
Para 11.1(g)	Sales including captive consumption should be at least 60% used for manufacturing of Target segments goods		
12.4	Claim for disbursement of incentive shall be filed by the applicant latest by 15th January in the following financial year to which the claim pertains.		
Compliances for Disbursement Claim			
Annexure IV B (annexure-VIII)	Format certified by Statutory Auditors		
Annexure IV C (Para 1)	Undertaking from company regarding no deviation in Eligible Product and Target Segment		
Annexure IV	Certificate from Company Secretary regarding all clearances required by law like		

Scheme Guidelines	Compliance Particular	Compliance (Yes/No)	Document Reference
(Para 2)	statutory clearances, environmental clearances etc. have been obtained.		
Annexure IV			
(Point 15)			
Certificate from Statutory Auditor regarding:			
15.1	Committed annual and cumulative Incremental Investment applicable has been achieved		
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		
Appendix IV (Point 16.1)	Certificate from Chartered Engineer stating that the plant, machinery & equipment have been installed, the price is reasonable, as per the market value and the same are being used for manufacturing of approved eligible products.		
Documents Required post Approval of Claim:			
Annexure IV (Para 17)	Documents to be submitted post approval of claim		
17.1	Undertaking from the applicant as per Appendix		
17.2	An agreement / indemnity bond on prescribed formats from the applicant that if at a later stage its claim is found to be false or excessive it would be liable to return the amount disbursed with interest calculated at 3 years SBI MCLR prevailing on the date of disbursement, compounded annually.		
17.3	Board resolution		

Annexure-23: Undertaking for Date of commercial Production

Commencement of Date of Commercial Production for manufacturing of Eligible products approved under PLI Scheme for White Goods (Air Conditioner and LED Lights)

To,

Date: Month xx, 202X

IFCI Limited,
Project Management Agency for PLI Scheme for White Goods of DPIIT
IFCI Tower,
61 Nehru Place
New Delhi: 110019

Reference :

- PLI Scheme for White Goods notified vide notification no. CG-DL-E-16042021-226671 dated 16.04.2021 and the subsequent guidelines issued on 4.06.2021 and the amendments issued from time to time.
- Approval Letter issued by IFCI in favour of <Applicant Company Name> under PLI Scheme for White Goods (ACs and LEDs) for manufacture of Components of ACs and LEDs vide PMA Letter No. _____ dated _____ against application Number _____ dated _____ filed online via PLIWG Portal for manufacturing of the following Eligible Products:

Gestation Period		
Committed Investment		Target Segment
Eligible Product(s)	1. 2. 3. <i>(Pl mention all the approved eligible product(s))</i>	

DECLARATION

In this regard it is confirmed that:

We have set-up the < **Greenfield / Brownfield / Both Brownfield & Greenfield** > Manufacturing facilities project, as defined under clause 2.21/2.10 of the PLI white goods scheme guidelines, for manufacturing of Eligible Products.

We hereby confirm that the Date of Commercial Production (DOCP) as defined in clause 2.13 of the Scheme Guidelines has been achieved for the following Eligible product(s).The details are as under:

Eligible Product	Manufacturing Location(s)	GST Number	Installed capacity	Type of Investment (Green /Brown) in the location	Proposed DOCP As per Approval Letter	Actual Date of Comm Production (Date of GST Invoice) *	First GST Invoice Number	E-way Bill No.

* In Case of Captive Consumption of the eligible product; the Actual date of GST Invoice for the Goods in which the eligible product is part off, has to be mentioned.

It is also hereby confirmed that our manufacturing facility to manufacture the eligible product(s) has been set up with appropriate quality and testing facilities conforming to prescribed standards commensurate with committed incremental sales as per clause 5.4 of the PLI white goods scheme guidelines.

Copies of the following document(s) have also been submitted. (referred in table above associated with DOCP)

- a) GST invoice/invoices as issued for the eligible product being manufactured. Also, in case of Captive Consumption of eligible product, GST invoice of the Finished good(s) in which eligible product is being captively consumed to be provided.
- b) E way bill (*Wherever applicable*)
- c) GSTR -1 for month highlighting the GST Invoice
- d) GST Certificate for manufacturing Location(s) of the eligible product
- e) Customer(s) receipts of Invoice
- f) A stock register for the period during which eligible product has been produced and sold is also attached.
- g) For captive consumption of eligible products, a stock register of eligible products as well as finished goods for the period of production to sales are required.

As a reference, a few photographs of the manufacturing location and manufacturing lines associated with the manufacture of the eligible product are also attached.

Regards

Authorized Signatory

Director (Pl provide DIN No _____)

Name

Designation

Date

Place

(Seal /Stamp)

Note : Pl mention DIN No for the Director signing the Undertaking is Mandatory.

Annexure-24: PMA's letter to Concurrent Auditor

IFCI/DPIIT/PLI-WG/

Date: _____

To,

<Concurrent Auditor Firm>

Attn: Shri _____

Ref:

1. Production Linked Incentive (PLI) Scheme for White Goods Industry in India (**PLI-WG** Scheme) as notified by DPIIT vide dated 16.04.2021 and the Scheme Guidelines were published on 04.06.2021. Further amendments to the Scheme Guidelines were issued on 16.08.2021 and 24.02.2022.
2. Incentive claim application dated _____ filed by _____ Ltd. (Applicant) for the period 01/Apr/202_ to 31/Mar/202_.

Sub: Appointment as External Concurrent Auditor for incentive claim of _____ Ltd. under PLI-WG.

Dear Sir,

1. Please refer to our email/ letter dated _____ and your email/ letter dated _____.
2. We are pleased to confirm your appointment to verify Eligible Investment, Net Sales in Base Year (FY2019-20)/ (FY2020-21) Determined Sales for year ended 31/Mar/202_ and Eligible Incentive amount determined by PMA in the case of _____ Limited and whether the same is in line with the Scheme and Scheme Guidelines and supported by appropriate documentation. The fee payable is ₹ _____ (plus applicable taxes).
3. The scope of work is as follows:
 - 3.1. Correctness of the Eligible Investment, Net Sales in Base Year (FY2019-20/ FY2020-21/), Determined Sales for year ended 31/Mar/202_ and Eligible Incentive amount on the basis of data provided by the Applicant and computation by Project Management Agency (PMA) i.e. IFCI Limited.
 - 3.2. Whether aforesaid computation is supported by appropriate documents.
 - 3.3. Assess the broad scope of verification and opine if any further area needs to be verified/ documented to meet the requirements of the Scheme/ Scheme Guidelines.

- 3.4. Overall review of report prepared, and assertions made therein to opine that audit procedures performed by PMA are adequate and supported by appropriate documents/ representation from management/ opinion given by Statutory Auditors of the Applicant.
- 3.5. All information is to be kept confidential and the verification will be done at the premises of IFCI Ltd. at IFCI Tower, Nehru Place, New Delhi - 110019.
4. The report should be furnished to PMA within __ business days from the date of this letter.
5. Please acknowledge receipt and provide your acceptance of the terms.

Yours faithfully,

()
<designation>, IFCI Ltd.
PMA for PLI-WG

Annexure-25 Consent For Audit Of Their Manufacturing Locations

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

Annexure-26: Undertaking for End Use of Eligible Products

To,

Date: Month xx, 202x

IFCI Limited,
Project Management Agency for PLI Scheme for White Goods of DPIIT
IFCI Tower,
61 Nehru Place
New Delhi: 110019

Reference:

Approval letter issued by IFCI in favour of _____ (*company name*) under the Production Linked Incentive Scheme for White Goods vide letter no. _____ dated _____ for application no _____ dated _____ filed online via portal for Category _____

Production Linked Incentive (PLI) Scheme for White Goods notified vide Gazette Notification No. CG-DL-E-16042021-226671 dated 16.04.2021 and PLI scheme Guidelines issued thereunder, as amended from time to time

Guidelines for the operation of Production Linked Incentive Scheme (PLI) for for White Goods as per File No. P-29014/101/2020-LEI-DPIIT issued by Department for Promotion of Industry and Internal Trade, White Goods division dated 4th June 2021

Gestation Period		
Committed Investment		Target Segment
Eligible Product(s)	1. 2. <i>(Pl mention all the approved eligible product(s))</i>	

UNDERTAKING

We do hereby confirm that during the period from to, (name of the company) has manufactured eligible product as mentioned above and have claimed incentive under PLI Scheme.

Further to confirm that, we have sold at least 60% of the net incremental sales, including captive consumption (*strike out if not applicable*) of the eligible product used in the manufacturing of ACs /LED Lights (*strike out if not applicable*) in **Calculation of Incentive clause 11.1 (g)**

under Production Linked Incentive Scheme (PLI) for White Goods as per File No. P-29014/101/2020-LEI Part (1)-DPIIT issued by Department for Promotion of Industry and Internal Trade dated 04.05.2021.

For Company name (Authorized Signatory)

Director (Pl provide DIN No _____)

Name

Designation

Date

Place

(Seal /Stamp)

Note : Pl mention DIN No for the Director signing the Undertaking is Mandatory.

Annexure-27: Undertaking for Credit History for Claim Processing under PLI Scheme for White Goods (Air Conditioner and LED Lights)

In connection to our claim application under Production Linked Incentive Scheme for White Goods (Air Conditioners and LED Lights) as notified vide notification No. CG-DL-E-16042021-226671 dated 16.04.2021.

We, ____ (name of the applicant) a Company incorporated and registered under The Companies Act, 2013 (erstwhile Act of 1956) with Corporate Identity Number ____ and Permanent Account Number (PAN No.) ____ and having its Registered Office at ____), do hereby undertake as under:

1. That the names of the applicant/ its directors/ group companies in India, do not figure in any list of defaulters/ willful defaulters/ debarred list circulated by RBI/ CIBIL/ SEBI or any other Bank or Financial Institution and are not classified as bankrupt/ insolvent.
2. That the applicant and its group company(ies) neither have been declared as bankrupt or defaulter or reported any fraud by any Bank or Financial institution or non-banking financial company or placed under blacklist/ denied entity list by any state or central Government department/ agencies.
3. That there is no litigation/ dispute or proceedings pending against the applicant, its directors or any group company in India, in connection with any of the above-mentioned clause.
4. That we shall immediately inform Project Management Agency (PMA) and Department for Promotion of Industry and Internal Trade (DPIIT) in case of name of applicant/ its directors/ group companies in India is declared in any of the list mentioned above or any proceedings in relation to the above is initiated by RBI/ CIBIL/ SEBI and any Bank or Financial Institution.

Certification: Based on my /our examination of such information/documents and explanation furnished to me/us the management and to the best of my /our knowledge and belief.

I/We hereby certified that, the company has not violated /guidelines of the companies Act 2013, and no punishment/penalty was imposed on the company/director for the same.

For XXXXXXXXXXXX Limited

(XXX)

Company Secretary

Member Ship No :

Stamp

Date

Place

Annexure-28: Undertaking for Conformance to Quality Standards for manufacturing of Eligible products approved under PLI Scheme for White Goods (Air Conditioner and LED Lights)

To,

Date: Month xx, 20xx

IFCI Limited,
 Project Management Agency for PLI Scheme for White Goods of DPIIT
 IFCI Tower,
 61 Nehru Place
 New Delhi: 110019

Reference :

- PLI Scheme for White Goods notified vide notification no. CG-DL-E-16042021-226671 dated 16.04.2021 and the subsequent guidelines issued on 4.06.2021 and the amendments issued from time to time.
- Approval Letter issued by IFCI in favour of <Applicant Company Name> under PLI Scheme for White Goods (ACs and LEDs) for manufacture of Components of ACs and LEDs vide PMA Letter No. _____ dated _____ against application Number _____ dated _____ filed online via PLIWG Portal for manufacturing of the following Eligible Products:

Gestation Period		
Committed Investment		Target Segment
Eligible Product(s)	1. 2. 3. <i>(Pl mention all the approved eligible product(s))</i>	
Claim Period		

DECLARATION

In this regard it is confirmed that:

We have set-up the < **Greenfield / Brownfield / Both Brownfield & Greenfield** > Manufacturing facilities project, as defined under clause 2.21/2.10 of the PLI white goods scheme guidelines, for manufacturing of Eligible Products.

It is also hereby confirmed that in conformance with clause 14.3 of PLI White goods scheme guidelines all the eligible products manufactured by us are in conformity with the applicable regulatory norms, quality -standards and guidelines issued by the concerned authorities from time to time.

List of the Quality Certificates along with the applicable checklist are annexed.

- ..
- ...
-

Regards

Authorized Signatory

Director (Pl provide DIN No _____)

Name

Designation

Date

Place

(Seal /Stamp)

Note : Pl mention DIN No for the Director signing the Undertaking is Mandatory.

Annexure-29: Captive Consumption Illustrations

Example-:XYZ Limited and ABC Limited (group company) are manufacturing Transformer (Sub components) and Led Driver(components) respectively during the year. XYZ Limited sale Transformer to its group company ie ABC Limited during the year.Both XYZ Limited and ABC Limited applied for transformer and Led driver under the scheme respectively. Financial data of both companies are follows:

Case I:

XYZ Limited: Cost of transformer-Rs 100 and Sale price of transformer offered to ABC Limited-Rs 110

ABC Limited

Sale price of Led driver: to third party Rs 200

Calculation of Turnover for both companies under scheme.

XYZ Limited

A .Arm length Price:-cost of transformer+5% mark up= Rs 105

B.Sale price offer to ABC Limited –Rs 110

C Eligible Turnover under scheme(lower of A& B)-Rs 105

ABC Limited

A. Sale price of Led Driver to third party: Rs 200

B. Eligible Turnover of XYZ Limited :Rs 105

C Eligible Turnover under the scheme(A-B)-200-105=Rs 95

Case II

XYZ Limited: Cost of transformer-Rs 100 and Sale price of transformer offered to ABC Limited-Rs 90

ABC Limited

Sale price of Led driver: to third party Rs 200

Calculation of Turnover for both companies under scheme.

XYZ Limited

A .Arm length Price:-cost of transformer+5% mark up= Rs 105

B.Sale price offer to ABC Limited –Rs 90

C Eligible Turnover under scheme(lower of A& B)-Rs 90

ABC Limited

A. Sale price of Led Driver to third party: Rs 200

B. Eligible Turnover of XYZ Limited :Rs 90

C Eligible Turnover under the scheme (A-B)-200-90=Rs 110

Annexure-30: Incremental sales calculation Illustrations

- The incremental sales of eligible products should be commensurate with created production capacity from investments committed under the scheme. Sample illustration for:-

Calculation of incremental sales quantitate as follows:-

A) Standard Quantity of Production during the base year = 1,00,000 Units

B) Actual Quantity sale during the claim year = 1, 60,000 Units

C Incremental sale quantity (B-A) = 60000

X. Incremental sale as per sale value = Claim year sales - Base year sales

Y. Incremental sale as per quantity = Incremental sale quantity (C) * Weighted Average sales price / cost certified by Statutory Auditor / Cost Accountant

Whichever is lower (X or Y)

Weighted Average Price: Average price of all product including Direct Sales & Captive consumption, irrespective of varied products specification.

1. Weightage Average Sales Price, including Captive consumption of all eligible products.
2. In case of Captive consumption Weighted Average price of either Cost of Products or Actual cost of goods Sold of all eligible Products
3. Incremental Capacity - Calculation of Incremental sale shall be arrived out either basis cost of production or cost of goods sold as certify by cost Accountant as well as Statutory Auditor basis of Capacity certify by Chartered Engineer.
4. Cost accountant certificate is also based on weighted average price of all eligible product irrespective of products modals

Hence, the incremental sales or production stemming from the newly established capacity, without factoring any pre-existing production capacity to be considered by PMA while arriving at incremental sales considering the fact that Clause 2.25 of Scheme Guidelines defining Incremental Sales of Eligible Product(s) mentions about the Sales of eligible product(s) in the Base Year.

Annexure-31: Asset Tag - Format

Proposed size 6x6 inches (Permanent Fixture)

PLI WG– Investment <Year>

Unit <Location>

Fixed Asset Code No. (as per FAR)<____>

Name of the Fixed Asset <____>

Model No. <____>

Annexure-32 Consolidated Undertaking

(Annexures – 4, 5, 7, 19 & 28)

To,

Date: Month xx, 202X

IFCI Limited,
Project Management Agency for PLI Scheme for White Goods of DPIIT
IFCI Tower,
61 Nehru Place
New Delhi: 110019

Reference:

- Approval letter no. _____ dated _____ issued by IFCI

Subject: Undertaking – PLI White goods

We hereby provide this undertaking in accordance with Production Linked Incentive (PLI) Scheme for White Goods notified vide Gazette Notification No. CG-DL-E-16042021-226671 dated 16.04.2021 and PLI scheme Guidelines issued thereunder, as amended from time to time

UNDERTAKING

We confirm following:

Gestation Period		Claim Period	
Project Type	Greenfield Only	Brownfield Only	Both Green Field & Brownfield
Investment Details (Rs.in Cr)			
Committed Investment		Threshold Investment	Actual Investment
Target Segment		Eligible Product(s)	
Approved Manufacturing Location (s)	1. 2.		
Assets Lying at Third Party Location (Yes /No)			
Third Party Location (s)	1. 2.		

We hereby confirm that

- Our manufacturing **facility conforms to clause 14.3** of the PLI White Goods Scheme Guidelines. All eligible products manufactured by us comply with the applicable regulatory norms, quality standards, and guidelines issued by the relevant authorities.
 - **List of the Quality Certificates attached at Annexure-I.**
- There is **no deviation** between the product manufactured by us for which the incentive is being claimed and the product approved under PLIWG.
- Our manufacturing facility conforms to clause 4.2.6 of the PLI White Goods Scheme Guidelines regarding the **usage of machinery**. We declare that we have utilized the incremental investment in Plant & Machinery over the base period of 2019-20 and claimed it as eligible capex under the PLI Scheme. This investment has been used in the regular course of manufacturing goods within the approved target segment.
- In accordance with **Clause 14.2** of the Scheme Guidelines, **adequate insurance coverage** has been obtained for the assets claimed as eligible investment.
 - **Detail of Insurance policies for Plant, Machinery and Equipment is at Annexure-II.**
- In accordance with Clause 8.1.3 of the Scheme Guidelines, our **assets claimed as eligible investments** (including any tools, dies, moulds, jigs, fixtures and parts, accessories, components and spares) **are not located at third-party locations.**
- **Assets claimed as eligible investments** (including any tools, dies, moulds, jigs, fixtures and parts, accessories, components and spares) **are located at third-party location(s) as mentioned above. All these assets** are governed by legal agreements relating to their custody ownership, maintenance and upkeep including that of Insurance of the assets located at the third-party location.
 - **List of Assets lying at Third Party location is attached at Annexure-III.**

For Company name

Authorized Signatory (*Pl mention DIN No, if Director*)

Signature

Stamp

Place:

Date

Annexure I

List of the Quality Certificates attached

Annexure II

Detail of Insurance coverage

#	Type of Insurance (Assets covered)	Policy No.	Name of Insurer	Start date of cover	End date of cover	Amount (₹ crore)

Annexure -III

Assets Lying third party locations

Sl. No.	Name of Party and location	Asset Description	Asset Type	Amount	Date of Agreement	Reason for asset lying with third party

33. Abbreviations

MOU	Memorandum of Understanding
R&D	Research & Development
CE	Chartered Engineer
IPRs	Intellectual Property Rights
SAP	Systems Applications and Products in Data Processing
AS	Accounting Standard
GL	General Ledger
GST	Goods & Service Tax
GSTR	Goods & Service Tax Return
BOM	Bill of Material
PPE	Property, Plant & Equipment
HR	Human Resource
FS	Financial Statement
O/S	Outstanding
P&M	Plant & Machinery
ToT	Transfer of Technology
FY	Financial Year
CIBIL	Credit Information Bureau (India) Limited
LED	Light-emitting diode
PCB	Printed Circuit Board
R&D	Research & Development
TPA	Transfer Pricing Agreement
FOB /CIF	Freight on Board / Cost Insurance & Freight

Appendix 1

Appendix-I

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

Appendix-I

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
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

Appendix 1A

Appendix-1A

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

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) including metal clad PCBs
		(vi)	Mechanicals- Housing
		(vii)	Wire Wound Inductors
		(viii)	Drum Cores
		(ix)	Heat Sinks
		(x)	Diffusers
		(xi)	Ferrite Cores
		(xii)	LED Light Management Systems (LMS)
		(xiii)	Resistors
		(xiv)	Fuses
		(xv)	Capacitors
		(xvi)	Led Transformers
		(xvii)	Laminate for Printed Circuit Boards (PCBs) and Metal Clad PCBs
		(xviii)	Metallized film for capacitors

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