



Ministry of Steel
Govt. of India



मेकॉन लिमिटेड
(भारत सरकार का संस्थान)
MECON Limited
(A GOVT. OF INDIA ENTERPRISE)

**Booklet on
PRODUCTION
LINKED
INCENTIVE
SCHEME
(PLI)**



For Specialty Steel

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1. Background

Keeping in view Hon'ble Prime Minister's vision of making the country 'Atmanirbhar' and to enhance its manufacturing capabilities and boost Exports, an outlay of around INR 1.97 lakh crore has been announced in Union Budget 2021-22 for PLI schemes for 13 key sectors of the economy. The PLI Schemes are expected to enable the setting up of a widespread supplier base for the global champions established under the scheme. It will help bring scale and size in key sectors and create future global champions. Besides, all the units put together would help India to generate massive primary & secondary employment opportunities, enhance manufacturing capability and domestic consumption, reduce import dependency and boost exports.

A summary of incentive outlay of 13 key sectors under PLI scheme is listed below in **Table-1**:

Table-1

Sl. No.	PLI Scheme Sector	Implementing Ministry/ Department	Incentive Outlay (INR Cr)
1	Food Processing Industry	Ministry of Food Processing Industry	10,900
2	National program on High Efficiency Solar PV module	Ministry of New & Renewable Energy	4,500
3	Telecom & networking products	Dept. of Telecom	12,195
4	Medical devices	Dept. of Pharmaceuticals	3,420
5	Advanced Chemistry cell battery	Niti Ayog and Dept. Of Heavy Industries	18,100
6	IT Hardware	Ministry of Electronics and Information Technology	5,000
7	Large Scale Electronics Manufacturing	Ministry of Electronics and Information Technology	40,951
8	White Goods (ACs & LED)	Ministry of Commerce	6,238
9	Key Starting materials/ DIs/Active pharmaceutical ingredients	Dept. of Pharmaceuticals	6,940

Sl. No.	PLI Scheme Sector	Implementing Ministry/ Department	Incentive Outlay (INR Cr)
10	Specialty Steel	Ministry of Steel	6,322
11	Automobiles & Auto Components	Department of Heavy Industries	57,042
12	Textile Products: MMF segment and technical textiles	Ministry of Textiles	10,683
13	Pharmaceuticals drugs	Department of Pharmaceutical	15,000
	TOTAL		1,97,291

Iron & Steel industry, being a core industry and an engine of economic growth, plays a vital role in development of nation's infrastructure, creation of manufacturing base, development of industries, generation of employment and providing revenue to national exchequer, due to its strong forward & backward linkages with other sectors of the economy.

India's journey in Iron & Steel started early way back in 1889 from Bengal Iron & Steel Company. In its long march of more than a century, it could reach a crude steel capacity of ~144 Mt in 2020-21 with a production of around 103.5 Mt of crude steel. The capacity utilization is abysmally low at ~76.5%. Majority of the steel plants including integrated steel plants, are located in the Purvanchal region of the country, comprising of iron ore rich states of Odisha, Chhattisgarh, Karnataka and Jharkhand and some parts of northern Andhra Pradesh. The plants on the western zone were mainly set up near the coastal area and to take advantage of the natural gas found in the Bombay High. As a result, these plants were originally envisaged to use mainly DRI and scrap through electric arc furnace route, although later on, due to non-availability and high cost of natural gas, preference towards DRI have given way to setting up of blast furnaces with gradual change over towards BF-BOF route. On the southern side, RINL was set up near the coastal area of Vishakhapatnam to take advantage of sea based transport for key raw materials and export of finished goods. JSW in Vijayanagar, Karnataka, started with new technology Corex-2000 along with BOF based steel making but later on completely switched over to blast furnace based steel making owing to several reasons, in the process adding larger and larger blast furnaces to take advantage of economy of scale. JSPL, started with one of the largest coal based DRI facility in Raigarh, Chhattisgarh, moved into steel making using DR-EAF route. Later on due to various limitations of coal based DRI, they switched over to BF/DRI-EAF (with hot metal) route for steel production. For their green field

project at Angul Odisha, they went ahead with world's first coal gasification based DRI production based EAF route to produce steel. However, due to deallotment of coal mines and several other factors, they went ahead with large blast furnace based BF-BOF route steel making. The following graph (**Figure-1**) depicts the Transformational Journey of Indian Steel Industry since 1889.

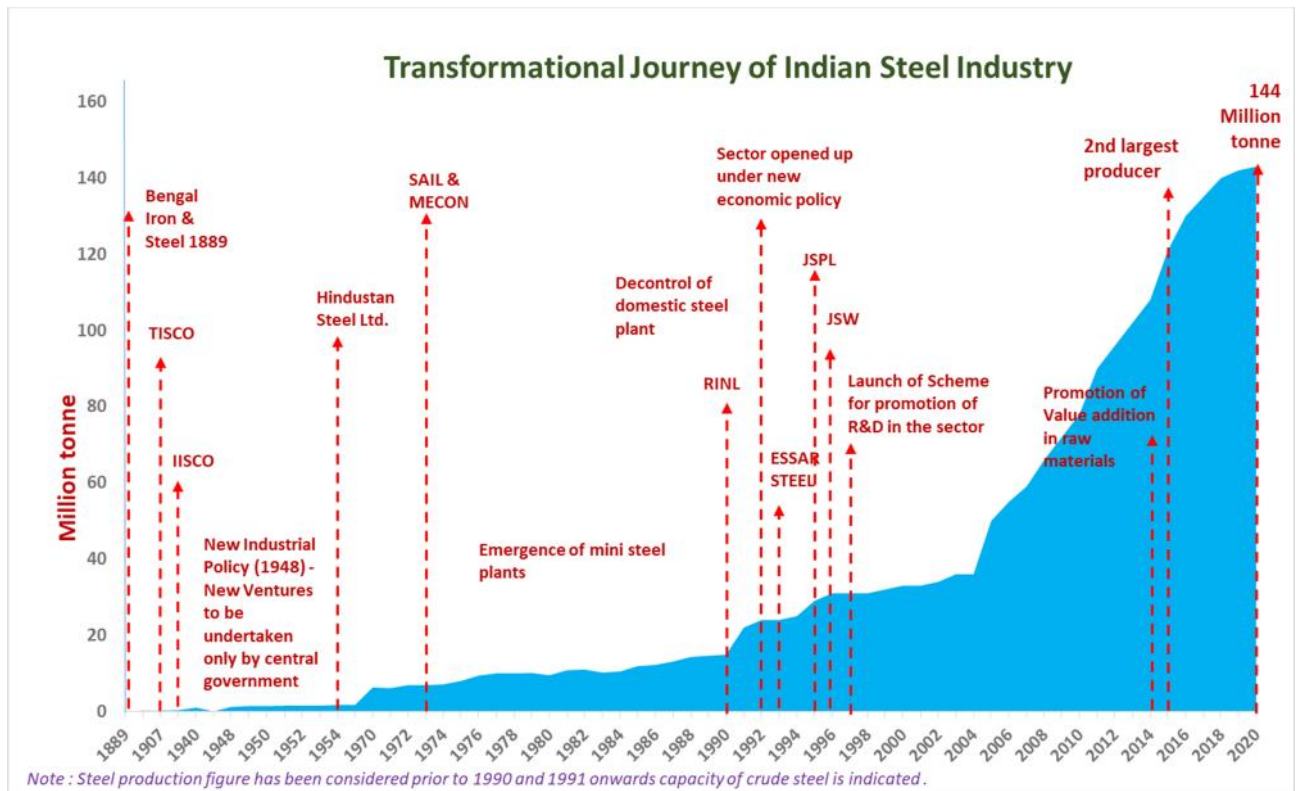


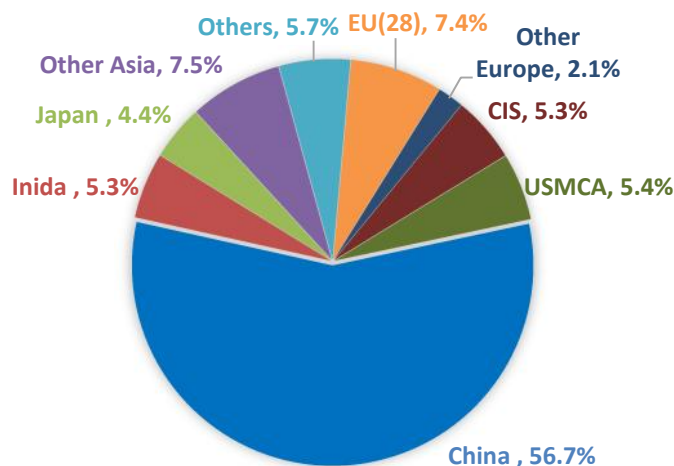
Figure 1: Transformational journey of India Steel Industry

Today India is the 2nd largest producer of steel in the world contributing around 6 % to the world steel production. The National Steel Policy (NSP-2017) envisages to achieve 300 Mt steel capacity by 2030-31. With Indian economy, leaving COVID-19 impact behind, bouncing back with V-shaped recovery and riding on high growth trajectory, predicted to clock double digit growth and Indian infrastructure development continued to take center-stage with large scale investment through National Pipeline project, there seems to be no looking behind. This augurs extremely well for steel industry, with large scale expansion plans being made by major players alongside re-structuring to drive consolidation and make the industry more productive and competitive.

As per World steel Association, The crude steel production in the world in 2020 was 1878 Mt with China alone producing over 56% of the global production. India, though second in steel production, remains way behind China, with a share of only 5.3%. As can be seen, in the last 2-3 decades, the steel industry has completely shifted towards Asia, which accounts for nearly

3/4th of the total crude steel production in the world. The **Figure-2** below depicts the contribution of various countries/regions in the world steel production in 2020.

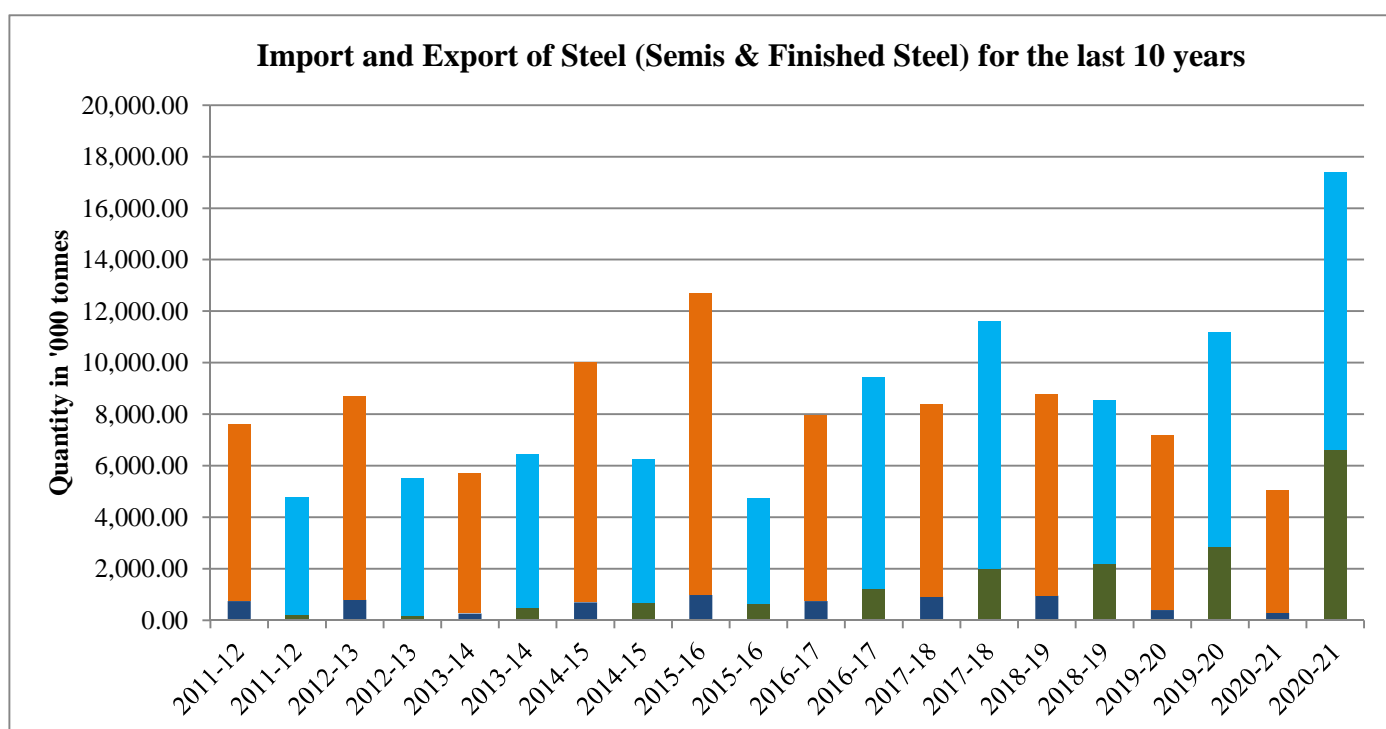
CRUDE STEEL PRODUCTION -2020
WORLD TOTAL :1878 MILLION TONNES



Source: World Steel Association

Figure 2: country/region wise contribution of steel production in 2020

The trend of import-export of finished steel including semis in India, in terms of value and quantity for the last 10 years, can be depicted from the following graphs :-



■ Import of Semis ■ Import of Finished Steel
■ Export of Semis ■ Export of Finished Steel

Figure 3: Import and Export of Steel in Quantity

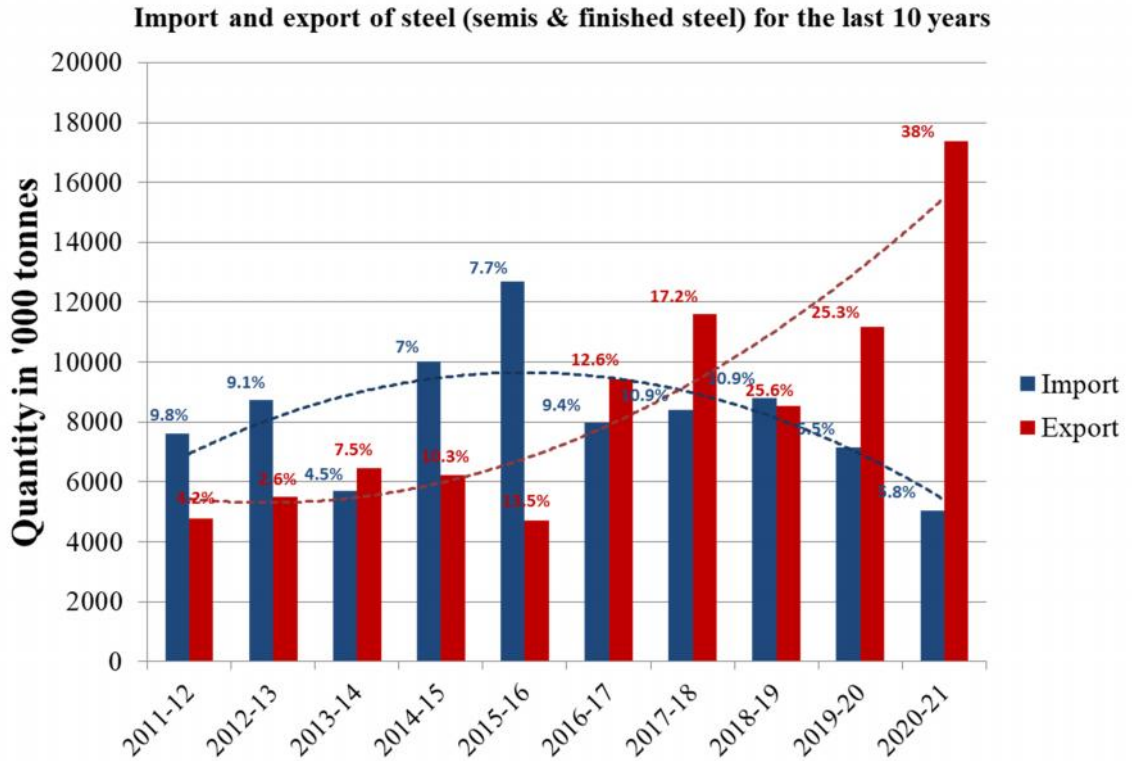


Figure 4: Trend of Import and Export of Steel (in Quantity)

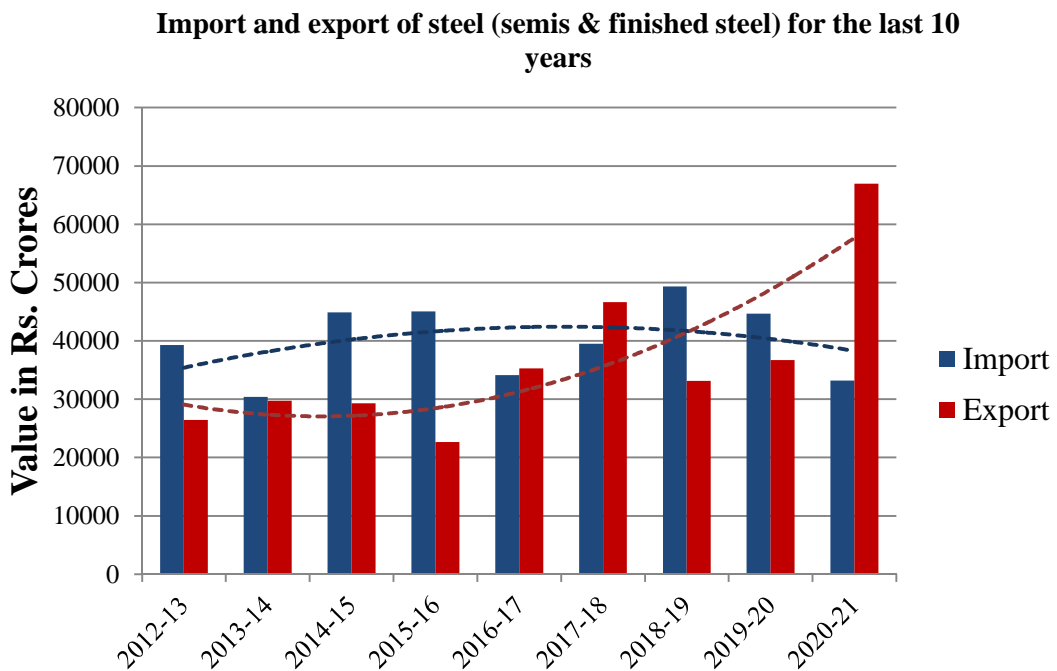


Figure 5: Trend of Import and Export of Steel (in Value)

As can be observed from the foregoing graphs that Indian exports both in terms of quantity & value have increased substantially during the last two years, however, semies content in the exports have also gone up substantially from 25% to 38%. Therefore, despite India being net exporter of steel in the last 2 years, there is a cause for concern due to low value addition.

Indian steel industry operates at a lower end of the value chain in steel trade as can be seen from the following figure:

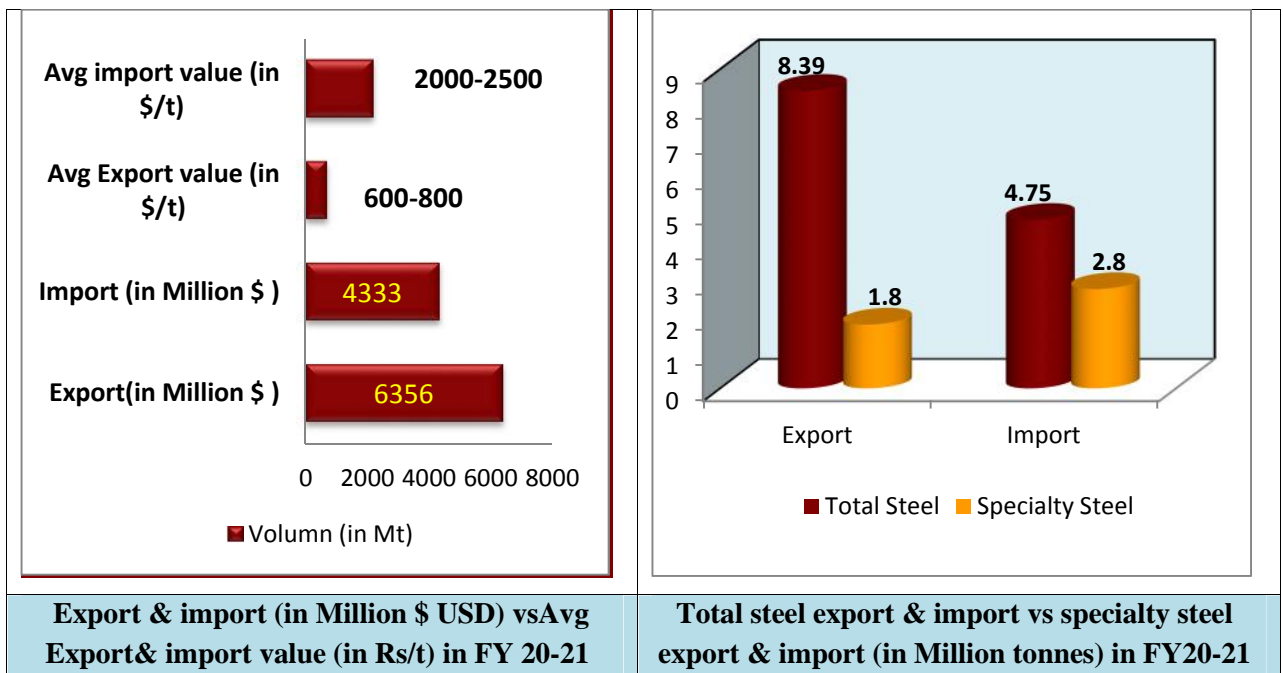


Figure 6 : Export import comparison-total steel vs specialty steel

The main reason for such skewed figures in our steel import and export is our limited production capacities of higher grades of specialty steel, lack of technological know-how as well as lack of cost competitiveness in the export market. The reasons for our lack of cost competitiveness in higher grades of steel, include higher Effective Tax Rate on input materials used in steelmaking, lack of technological know-how & thriving eco-system, higher lead time in delivery and higher cost of capital and logistics in the country.

Thus there is a need to incentivize the domestic steel industry to move up the value chain by focusing on increasing production of 'Specialty Steel'. As per a study of the NITI Aayog¹, the Indian steel industry suffers from a disability of USD 80-100 per ton of steel, on account of factors including higher logistics and infra cost, higher power cost and import duty on coal, taxes and duties on iron ore and higher capital cost. As per the Indian Steel Association, Indian steel industry suffers from 8-9% disability on account of non-Modvatable taxes and duties such

¹“Need for a new steel policy”, NITI Aayog

as taxes on fuel, coal compensation cess, royalty, NMET, DMF on minerals, etc. This disadvantage translates into higher cost of production for the Indian steel industry. As a result, it is not able to produce and sell ‘Specialty Steel’ grades to the domestic users as it is expensive by 10-20% as compared to imported steel, especially from the FTA countries.

The country has good and growing demand of high-grade automotive steel, electrical steel, special steel and alloys for strategic applications. This vision can only be achieved if the domestic steel industry is incentivized to enhance the production of such ‘Specialty Steel’ grades within the country.

By introduction of PLI scheme, both the Integrated Steel producers and MSMEs will be the beneficiaries. It is also expected that introduction of PLI scheme will bring additional estimated investment of Rs. 39600 crores in setting up of new plants for producing Specialty steel which has potential for creating additional capacity of approx. 25 million tons in the country, in downstream steel making.

2. **PLI Scheme for Specialty Steel - Objective**

Presently Indian steel industry operates at the low end of value chain in steel manufacturing. The objective of the PLI Scheme is to incentivize manufacturing of specialty steel grades to boost the domestic production and attract significant investment for production of ‘Specialty Steel’ in the country. It will also help the Indian steel industry mature in terms of technology as well as move up the value chain



Figure 7: PLI scheme objective

3. Scheme at a Glance:

3.1. Target Segments: The PLI scheme for specialty steel is applicable on 5 nos. broad product categories which are further sub-divided into 25 product sub-categories. They are given as under:

A. Coated/Plated Steel Products
• Galvannealed/Galvanized Iron-Auto Grade
• Tin mill Products
• Al-Zn Coated
• Colour Coated
• Coated/Plated products of Metallic/Non-Metallic Alloys
B. High Strength/Wear Resistant Steel -
• Hot Rolled Coil, Sheets and Plates of American Petroleum Institute (API) Gr 52<=X<=70
• HR Coil, Sheets and Plates API Gr >X-70
• High Tensile Sheets, Coil, and Plates (YS>=450Mpa)
• High Tensile Auto Gr Steel including Advanced High Strength Steel (AHSS) (Cold Rolled Closed Annealed)
• Boiler Grade/Pressure Vessels grade steel
• QT/Abrasion Resistant and Wear Resistant steel
C. Specialty Rails-
• Asymmetric rails
• Head Hardened rails
D. Alloy Steel Products and Steel Wires -
• Tool & Die Steel
• Valve steel
• Bearing steel
• Precipitation Hardened Stainless Steel
• Automotive Powertrain Component grades of steel
• Tyre Bead wire
• C' Class Zinc Coated Wire
• Zinc - Aluminium Coated Wire
• Tyre Cord (Brass Coated)
• Oil Tempered Spring Steel Wire
E. Electrical Steel -
• Cold Rolled Non-Grain Oriented (CRNO)
• Cold Rolled Grain Oriented (CRGO) steel

Further, the category-wise projected production, import & export of specialty steel have been assessed (in 000't) which are enumerated in **Figure-8** below:

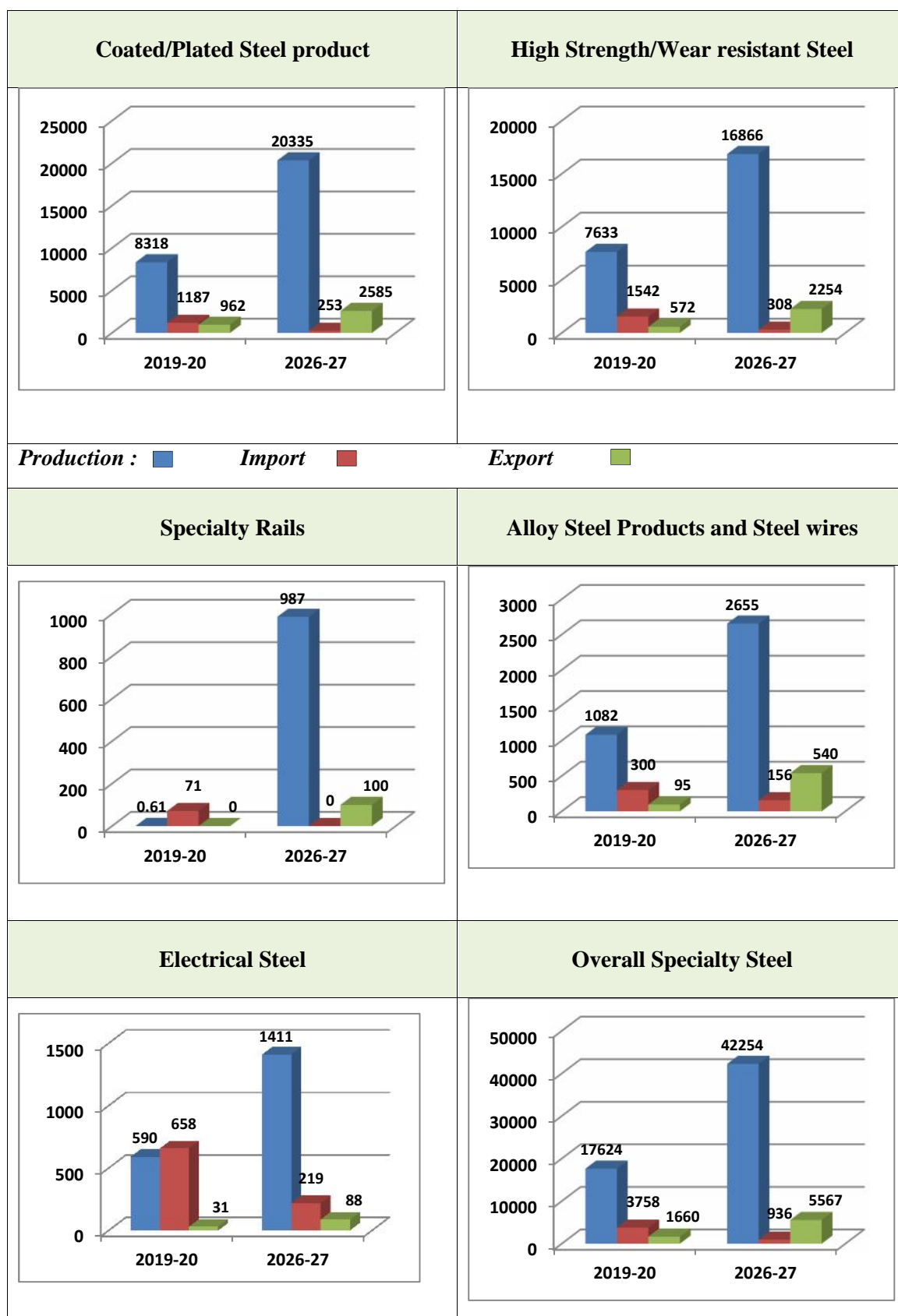


Figure 8: Projected production, import & export of target segments under speciality steel (in 000't)

3.2. Tenure of PLI Scheme:

- Tenure of the scheme is five (05) years with FY 2023-24 as initial year. The initial year may, however, be deferred by up to two (02) years in case of specific product categories within the overall budgetary allocation.

	Tenure for Production year	Tenure for Incentive disbursement year
As per Scheme	FY 2022 – 23 to FY 2026-27	FY 2023 – 24 to FY 2027-28
In case of specific product categories, initial year deferred by two (2) years	FY 2024 – 25 to FY 2028-29	FY 2025–26 to FY 2029 – 30

- If considered necessary, due to any special/ adverse circumstances (Force majeure condition), the selected company(ies) may be allowed to avail the incentive within an extended period of up to one (01) year by allowing deferment of the initial year (FY2022-23) by one year i.e. to FY2023-24 (with PLI payable in FY 2024-25) but the overall period for availing incentive being limited to a maximum Period of five (05) years with the approval of Empowered Group of Secretaries (EGoS).

3.3. Incentive Outlay

Total indicative incentive outlay under the scheme is Rs 6322 crores.

The distribution of indicative incentive outlay year-wise and among product categories is shown in **figure-9** and **figure-10** respectively.

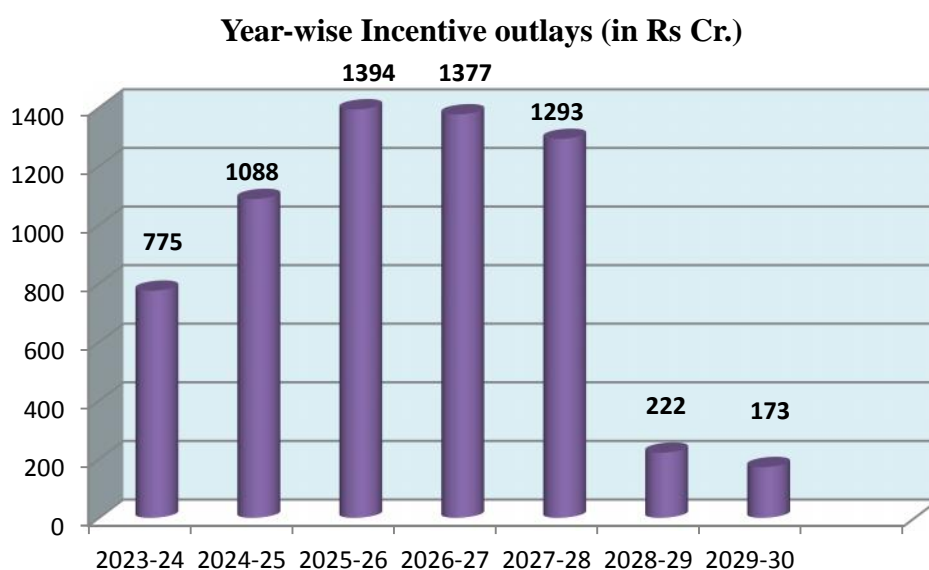


Figure 9 : Year-wise indicative incentive outlays

Product category-wise incentive outlays (in Rs Cr.)

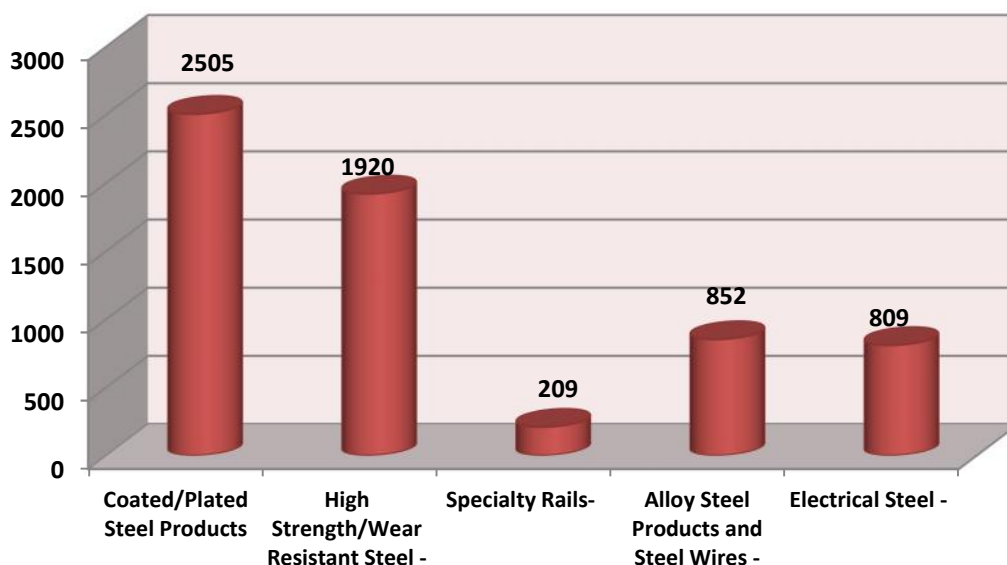


Figure 10: Product category-wise indicative incentive outlays

3.4. **PLI Rate :**

Table 2: Year-wise PLI rate for each product sub-category

PLI Slab	PLI -A	PLI -B	PLI -C
Product sub-category covered under PLI slab	<ul style="list-style-type: none"> Galvanneal/GI-Auto-Gr Coated/Plated products of Metallic/Non-Metallic alloys Al-Zn coated (Galvalume) Colour Coated HR Coil, Sheets and Plates API Gr 52<=X<=70 High Tensile Sheets, Coil, Plates, YS>=450Mpa Asymmetric Rails Head Hardened rails Alloy Steel: Bearing Steel 	<ul style="list-style-type: none"> Tin mill Products Auto Gr Steel AHSS (CRCA) Boiler Quality, Pressure Vessels QT / Abrasion Resistance and Wear Resistance Alloy Steel: Tool and Die Steel Alloy Steel: Valve Steel Automotive power train steel Precipitation Hardened Stainless Steel Tyre Bead wire C' Class Zinc Coated Wire Zinc - Aluminium Coated Wire Tyre Cord (Brass Coated) Oil Tempered Spring Steel Wire CRNO 	<ul style="list-style-type: none"> CRGO
PLI rate	2022-23	4%	8%
	2023-24	5%	9%
	2024-25	5%	10%
	2025-26	4%	9%
	2026-27	3%	7%

4. Key Terminologies

Terminology	Explanations
Committed investment	Investment committed by an applicant against manufacturing of a particular product sub-category, should be (equal to or more than) the specified unit investment given in Table-3 .
Eligible Company	It refers to applicant company that satisfies the eligibility criteria.
Group Company(ies)	Group Company(ies) shall mean two or more enterprises which, directly or indirectly, are able to: Exercise 26% or more of voting rights in other enterprises; or Appoint more than 50% of members of the Board of Directors in the other enterprise, as defined in FDI policy circular of 2017.
Incremental Production	Production derived from sales over a given period minus the production derived from sales in the previous year over the corresponding period.
Incremental Sales	Sales over a given period minus the sales in the previous year over the corresponding period.
Limiting investment	It is defined as the following for a particular sub-category: Case-1: Applicant has applied for single unit for a particular product sub-category 80% of committed investment, or unit investment as given in Table-3 , whichever is lower Case-2: Applicant has applied for two simultaneous units, at same location, for a particular product sub-category 80% of committed investment, or 1.8 x unit investment as given in the Table-3 , whichever is lower Case-3: Applicant has applied for three simultaneous units, at same location, for a particular product sub-category 80% of committed investment, or 2.5 x unit investment as given in the Table-3 , whichever is lower
Limiting incremental production rate	80% of the committed annual incremental production rate or Threshold annual incremental production rate for given product sub category , whichever is higher
Permissible Investments	Investment made after the date of gazette notification of

Terminology	Explanations
	PLI Scheme (July 29, 2021) in equipment/technology etc. as per the list of permissible investments for each sub-category (Refer Appendix – III).
Selected Company	It refers to eligible company / companies, after approval of Competent Authority, as shall be notified.
Unit Capacity	It refers to rated capacity of the plant to produce eligible product(s) of a given product sub-category.
Unit Investment	It refers to investment commensurate with unit capacity.

5. Eligibility Criteria for Selection:

- Companies or JV, registered in India under the Companies Act 2013, ensuring end-to-end manufacturing of applied product sub-category domestically, where the input material is melted and poured within the country using iron ore/scrap/sponge iron/pellets, etc.
- Third party outsourcing is allowed upto 20% value addition.
- Applicants whose accounts are declared as NPA as per RBI guidelines or willful defaulter or reported as fraud by any bank, financial institution or non-banking financial company etc. would be considered ineligible. Further there should not be any insolvency proceedings admitted against the applicant in NCLT, etc.
- The net worth of the company (including that of the group companies)/JV, in immediate preceding financial year of the date of application submission, shall not be less than 30% of the total committed investment across all the applied product sub-categories.
- In case of new company/group companies/JV incorporated after 31/03/2021 i.e. in FY22, net worth for such company(ies) shall not be less than 30% of the total committed investment across all the applied product sub-categories, prior to the date of filing of application.
- Qualifying eligibility thresholds value- respective product sub-category-wise :
 - Minimum Annual incremental production rate.
 - Minimum Unit capacity to be installed.
 - Minimum Investment to be made in line with the List of permissible investments.

Each applicant shall commit investment against each applied product sub-category during PLI Scheme period after the date of gazette notification along with year-wise phasing of investment. The committed investment by applicant against a particular sub-category has to be equal or more than the minimum unit investment specified in **Table-III**.

- In case an applicant applies for more than one unit (say, 2 units or 3 units, etc.) at the same location for simultaneous installation, the following criteria need to be fulfilled for committed investment
 - For simultaneous installation of two units with single combined investment, the committed investment by the applicant has to be equal or more than the 1.8 times of unit investment specified in the scheme document.
 - For simultaneous installation of three units with single combined investment, the committed investment by the applicant has to be equal or more than the 2.5 times of unit investment specified in the scheme document.
- In case an applicant applies for more than one unit (say, 2 units or 3 units, etc.) at different locations, each unit shall be evaluated independently.

Table 3 lists the minimum qualifying threshold values of annual incremental production rate, unit capacity, and investment against each product sub-category.

Table 3: Minimum qualifying threshold values of annual incremental production rate, unit capacity, and investment

Broad category	Sl. No.	Sub-category	Minimum unit capacity to be installed by each applicant for PLI eligibility	Nos. of unit proposed	Minimum investment by each applicant for PLI eligibility	Expected total investment	Minimum year-on-year incremental production rate for PLI eligibility
			(in '000 tonne)	(in nos.)	(in Cr)	(in Cr)	(in %)
Coated/Plated Steel Products	1	Galvanneal/GI-Auto-Gr	400	1	700	700	10
	2	Tin mill Products	200	5	600	3000	20
	* 3 (a)	Coated/Plated products of Metallic/Non-Metallic alloys	250	8	200	5200	10
	3 (b)	Al-Zn coated (Galvalume)	250	18	200		30
	4	Colour Coated	250	17	300	5100	20
High Strength/Wear resistant Steel	5 (a)	HR Coil, Sheets and Plates API Gr 52<=X<=70	4500	2	2750	5500	25
	5 (b)	HR Coil, Sheets and Plates API Gr>X-70					20
	5 (c)	High Tensile Sheets, Coil, Plates, YS>=450					10
	6	Auto Gr Steel AHSS (CRCA: Cold rolled closed annealed)	900	1	1000	1000	15
	7 (a)	Boiler Quality, Pressure Vessels	1200	1	2500	2500	15
	7 (b)	QT / Abrasion Resistance and Wear Resistance					30

Broad category	Sl. No.	Sub-category	Minimum unit capacity to be installed by each applicant for PLI eligibility	Nos. of unit proposed	Minimum investment by each applicant for PLI eligibility	Expected total investment	Minimum year-on-year incremental production rate for PLI eligibility
			(in '000 tonne)	(in nos.)	(in Cr)	(in Cr)	(in %)
Specialty Rails	8 (a)	Asymmetric Rails	-	1	350	350	20
	8 (b)	Head Hardened rails	-				40
Alloy Steel Products and Steel wires	9 (a)	Alloy Steel: Tool and Die Steel	80	4	100	350	20
	9 (b)	Alloy Steel: Valve Steel					15
	10	Alloy Steel: Bearing Steel	80	11	100	1050	15
	11	Automotive powertrain steel	80	7	100	700	10
	12	Precipitation Hardened Stainless Steel	1	1	100	100	30
	13	Tyre Bead wire #	30	6	100	600	20
	14	C' Class Zinc Coated Wire ##	30	3	100	300	10
	15	Zinc - Aluminium Coated Wire ##	30	3	100	300	10
	16	Tyre Cord (Brass Coated) ###	30	2	600	1445	20
	17	Oil Tempered Spring Steel Wire	7	1	30	30	30
² Electrical Steel	18	CRGO	200	2	5000	10000	40
	19	CRNO	200	2	700	1400	10

Notes:-

1. *Product sub-category 3(a) shall include coated/plated metallic/ Non-metallic alloy products that are not covered in sub-category 1,2, 3(b), and 4 covered under product category Coated/ Plated Steel Products
2. For subcategories 5(a), 5(b), 5(c): 7(a), 7(b); 9(a), 9(b): the applicant may apply for one, two or all the sub-categories with single minimum investment. However the selected company has to enter MoU with Ministry of Steel separately for each sub-category.

List of permissible investments has been provided in **Appendix-III**.

- Ñ An eligible company availing benefit under the PLI scheme of Ministry of Steel may avail benefit under other scheme such as the Remission of Duties and Taxes on Exported products (RoDTEP) or those of the State Governments.
- Ñ An eligible company availing benefit under the PLI scheme of Ministry of Steel is not barred from availing benefits under PLI schemes of other Ministries / Departments for

products other than those identified under the PLI Scheme for 'Specialty Steel'. However, the eligible investments/sales considered for benefits under this scheme shall not be considered for fiscal benefits under PLI schemes of other Ministries / Departments.

6. Application Process :

- Ñ Application shall be submitted through an online portal **within 90 days** from the date, as may be notified separately. No application shall be received after expiry of the due date so fixed.
- Ñ After closure of application submission window, a one-time correction window of 15 days shall be available for completeness of uploaded supporting documents only, However, no change in the main application form will be permitted.
- Ñ An applicant may apply in multiple sub-categories and would be eligible to enter multiple MoUs with the Ministry of Steel. However, the incentive payable shall be capped at Rs.200 Crore per company (including that of group companies / JV) per year across all product categories.
- Ñ In absence of sufficient / desired number of applicants in a product sub-categories, the application window may be reopened, for the respective product sub-category, with the approval of the competent authority.
- Ñ Selected companies under the PLI scheme shall have to sign a MoU with the Ministry of Steel valid till the final year of PLI disbursement of the product sub-category they wish to participate in, adhering to the commitments given at the time of selection.
- Ñ Performance security of 0.5 % of the committed investment shall be submitted along with MoU.

A typical application flow chart is given in **Figure -11**

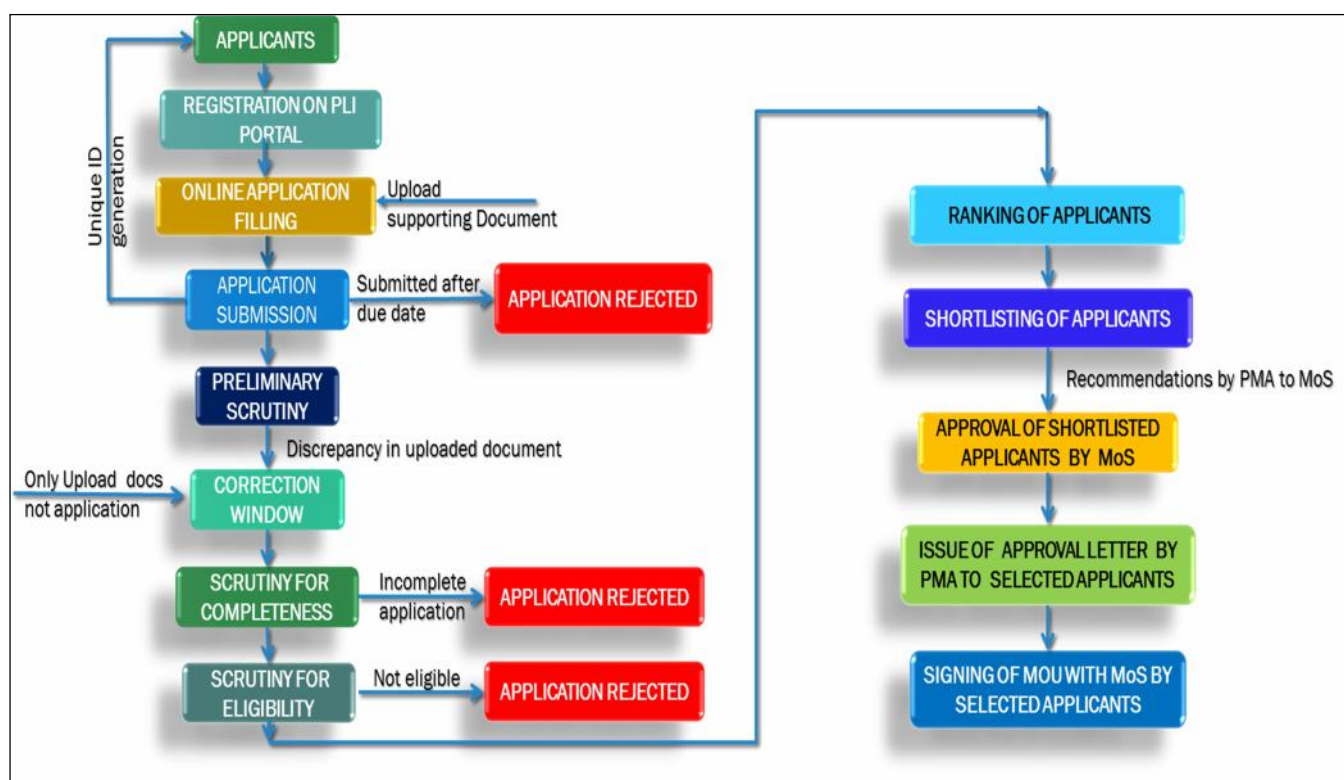


Figure 11 : Application process flow

7. Online Portal :

Application(s) can be made on the online portal. **(URL of online portal will be notified separately).**

- Detailed instructions for online filling-up of the application form are **Appendix- II**.
- Upon submission of an application, a unique Application ID no. shall be generated by the portal. The applicant shall refer to this ID for all future correspondences and references pertaining to the Scheme.

8. Selection Process :

- Eligible companies shall be evaluated & ranked based on the following criteria:

Parameters	weightage
Committed annual incremental production	50%
Committed Investment	50%

- The eligible company securing highest score shall be Ranked 1 followed by the eligible company securing second highest score and so on. The selection of the eligible companies shall be in the order of their ranks.

- In cases where the same rank has been secured by the eligible companies, the final selection shall be based on the following rules (in the following descending order)
 - Eligible company committing to upfront investments shall be given priority as indicated in PLI Scheme document.
 - Eligible company who has applied first shall be given priority over others, all else being equal.
 - The number of selected applicants in each product sub-category shall be limited by the cumulative unit capacity during PLI Scheme period by the eligible candidates to match the projected production at the end of the final year of the scheme.

9. Eligibility for Claiming Incentive

- Committed investment is a condition to be fulfilled prior to commencement of production and claiming incentive.
- In case the actual permissible investment made by each selected company is less than the limiting investment for a product sub-category, the selected company shall not be eligible for any incentive and the selected company shall be out of the scheme.
- In case the selected company has applied for more than one unit, at the same location, in a particular product sub-category,
 - In case of two units, 50 % of the limiting investment should be fulfilled on the ground prior to claiming incentive for production from first unit.
 - In case of three units, 33 % of the limiting investment should be fulfilled on the ground prior to claiming incentive for production from first unit.
 - Similarly, production from the last unit shall be eligible for claiming incentive provided 100% of limiting investment has been achieved before commencement of production from the last unit.
- However, payments scheduled, after commencement of production, as per contract shall be considered as deemed investment (such as on account of commissioning, Performance Guarantee test, Final Acceptance Certificate etc.) and shall be added to the investment already made.
- PLI calculation in the year of commencement of production shall be based on actual production in that year, subject to achievement of 80 % of the committed production in that year, derived from net sales value (in Rs.) or else the actual production shall not qualify for incentive in the first year of commencement of production.

- As the scheme would be fund limited, in case a company fails to meet the limiting incremental production rate in a year, no incentive shall be payable to the respective company in that year. However, it shall still be eligible to claim the PLI benefit under the scheme in the subsequent years, if it meets the year-on-year limiting incremental production rate for that year.

10. Calculation of Incentive

Incentive per eligible company (including that of group companies / JVs) will be applicable on incremental production of manufactured steel grades year on year worked out with reference to production in the previous year or the base year, whichever is higher subject to the annual ceiling of Rs 200 crores. In case baseline production is nil, production target for the first year will be arrived at by working backwards from the production target at the end of five years at the projected CAGR.

Based on the actual eligible production/ incremental production in a year, the incentive shall be calculated as per the formula given below:

$$\text{Incentive} = (A/B) \times (B \text{ or } C \text{ or } D, \text{ whichever is lowest}) \times (\text{PLI rate as applicable})/100$$

A = Incremental sales in current year#

B = Weighted Average sales price of the applicant in current year

C = Weighted Average sales price in base year (Refer **Appendix-IV**)

D = Weighted Average sale price in current year \$

Current year : means year for which PLI has been claimed

\$ To be worked out by JPC and notified by PMA every year

11. Implementing Bodies

Project management agency (PMA)

- Nodal Agency responsible for providing secretarial, managerial and implementation support and carrying out other responsibilities as assigned by Ministry of Steel
- Creation and maintenance of an online system/ portal for receiving, examination and processing of applications
- Making appropriate recommendations to the Competent Authority for approval of applications under PLI Scheme after verifying eligibility and carrying out ranking
- Examination of claims for disbursement of incentive and making appropriate recommendations to the Competent Authority
- Submission of quarterly progress reports on the progress and performance of PLI Scheme to the competent authority

Competent authority

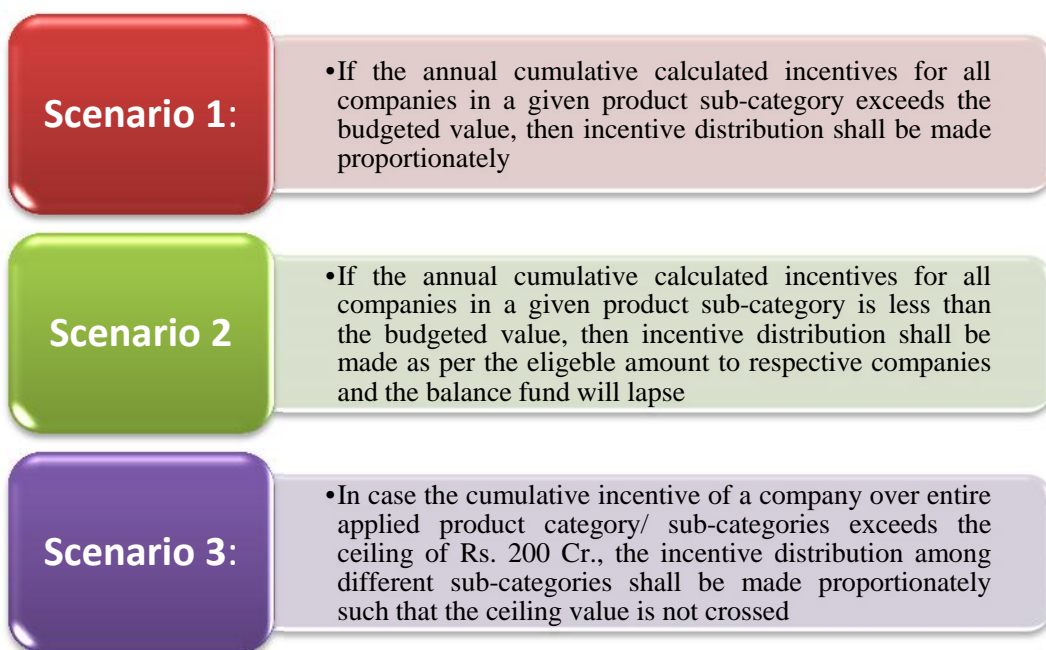
- The Competent Authority shall be as delegated by Ministry of Steel.
- Will consider list of applicants as per the category/sub-category under targeted segments with the rankings as recommended by the PMA for approval of the selected candidates under the PLI Scheme.
- Will consider and accord approval to claims for disbursement, as examined, and recommended by the PMA, for disbursement of incentive. The disbursement of incentive to the claimant shall be directly made by Ministry of Steel.

Empowered Group of Secretaries (EGoS)

- (EGoS) headed by the Cabinet Secretary constituted to monitor the PLI scheme.
- Ensure uniformity of all PLI schemes, undertake periodic review of the outgo under PLI Scheme and take appropriate action to ensure that the expenditure is within the prescribed outlay.
- Ensure that the total amount of incentives payables do not exceed the financial outlay irrespective of the number of Applicants under different Target Segments.
- May revise incentives rates, ceilings, Target segments, and eligibility criteria as deemed appropriate during the tenure of PLI Scheme and amend PLI Scheme and the Guidelines, if necessary.
- In case of a Force Majeure event, the EGoS may amend, modify, or withdraw any clauses under PLI Scheme

12. Disbursement of Incentive :

- Ñ For claiming incentives under the PLI Scheme, Selected companies will be required to submit claims for disbursement of incentive to the PMA.
- Ñ Claims for disbursement of incentive shall be filed within 7 months from the end of the financial year to which the claim pertains. For example, Claim for say, FY23-24 has to be submitted within 31st October, 2024.
- Ñ The PMA shall verify eligibility and assess incentive payable to an applicant and recommend the same to the competent authority.
- Ñ The Competent Authority will examine the claims for approval of incentive disbursement.
- Ñ After approval for disbursement of incentive by competent authority, the same will be disbursed by Ministry of Steel under intimation to PMA.
- Ñ If the PMA or Ministry of Steel, at any stage, finds or comes to know and become satisfied that eligibility under the Scheme and /or disbursement of incentives have been obtained by manipulation or misrepresentation or by furnishing of false information, Ministry of Steel may ask the applicant to refund the incentives along with interest calculated at twice the rate of 3 years SBI MCLR prevailing on the date of disbursement, compounded annually, after giving an opportunity to the applicant of being heard by the competent authority.
- Ñ The distribution of incentive under different situation shall be as per the following :



Explanation of Scenario-3 : If cumulative incentive over entire applied sub-categories in a year, say comes out to be Rs. 250 Cr, then incentive distribution among different sub-categories shall be obtained by multiplying the incentive calculated against each sub-category with a factor $(200/250 \text{ i.e.} = 0.8)$.

- All documents including application, annexure, and undertaking, submitted by the applicant have to be signed/self-certified through authorized signatory having power of attorney.
- An applicant shall intimate the PMA of any change in the share holding pattern during the tenure of the Scheme, after updating with the Registrar of Companies (RoC).
- Any change in the shareholding pattern of an applicant leading to a successor-in-interest during the tenure of the Scheme, shall be intimated by PMA to the Competent Authority.
- In case of a successor-in-interest or having the effect of change in nature of the company, all investment undertaken by the Applicant to whom approval was accorded under the Scheme, would be considered for 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.
- The successor-in-interest shall in writing express willingness to the competent authority to comply and adhere to all the terms & conditions of the MoU signed by the previous applicant.
- The application of successor-in-interest shall be examined by the competent authority and approval may be accorded. After getting the approval, the successor-in –interest shall have to sign a fresh MoU with Ministry of Steel agreeing to all terms & conditions as accepted by the previous applicant. His participation or his continuance shall be considered only after MoU is signed with Ministry of Steel.
- The selected applicant shall have to submit different performance security against each applied product sub-category. For example, if an applicant applies and is selected for 3 product sub-categories, he has to submit 3 different performance security @0.5 % of the committed investment against each case. The performance security has to be valid throughout the PLI scheme period. In case, the company is unable to meet its committed production, thereby not able to claim for incentive, for the two consecutive years during the scheme period, his performance security may be en-cashed subject to approval by the competent authority.
- The decision of competent authority regarding selection of companies, claim & disbursement of incentive, amount of incentive etc. shall be final & binding.
- For promotion of transparency and equity, keeping in view the various instructions of the Central Vigilance Commission (CVC) regarding adoption of an Integrity Pact in the matter

of procurement, it has been decided to obtain undertaking(s) from applicants under the Scheme. In this regard, the selected companies need to submit required format of undertakings.

- Each applicant shall submit a general undertaking in the prescribed format.
- Ministry of Steel (MoS) shall constitute and notify a "Grievance Redressal Committee" to oversee the complaints/ grievances arising out of the PLI scheme at any stage of the scheme.
- In case required, Ministry of Steel reserves the right to issue addendum containing further instructions / changes with regard to various provisions, to be notified as part of scheme guidelines.

14. Audit

- Ministry of Steel shall be empowered to conduct a financial, functional, and technical audit of the selected company / companies who have signed MoU for claiming incentive under the scheme.
- The statutory audit shall be conducted by CAG.

15. List of Appendices

Appendix-I	PLI Scheme for Specialty Steel – Gazette Notification
Appendix-II	Application Form
Appendix-III	List of Permissible Investment
Appendix-IV	Reference weighted price for base year 2019-20
Appendix-V	FAQs



भारत का राजपत्र The Gazette of India

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असाधारण
EXTRAORDINARY

भाग I—खण्ड 1
PART I—Section 1

प्राधिकार से प्रकाशित
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इस्पात मंत्रालय

अधिसूचना

नई दिल्ली, 29 जुलाई, 2021

विषय: भारत में विशेष इस्पात के लिए उत्पादन-संबद्ध प्रोत्साहन योजना (पीएलआई)

फा.सं. एस-21018/1/2020-ट्रेड-टैक्स-भाग (1).—

1. पृष्ठभूमि

मंत्रिमंडल ने भारत में विशेष इस्पात के लिए 6,322 करोड़ रूपए के परिव्यय के साथ वित्त वर्ष 2023-24 से 2029-30 तक कार्यान्वित की जाने वाली उत्पादन-संबद्ध प्रोत्साहन योजना (पीएलआई) योजना को अनुमोदन प्रदान कर दिया है।

2. उद्देश्य

विशेष ग्रेड इस्पात के लिए पीएलआई योजना का उद्देश्य देश में ऐसे इस्पात ग्रेड के विनिर्माण को बढ़ावा देना है। वर्तमान में, भारत इस्पात विनिर्माण की मूल्य श्रृंखला के निचले स्तर पर संचालन करता है, जहाँ प्रति टन औसत प्राप्ति केवल ₹ 51,000 - ₹ 58,000 है, इसके विपरीत हमारे इस्पात आयात का औसत मूल्य प्रति टन लगभग ₹ 1,46,000-₹ 1,83,000 है। पीएलआई प्रोत्साहन 'विशेष इस्पात' के घरेलू उत्पादन को बढ़ावा देगा और देश में 'विशेष इस्पात' के उत्पादन हेतु महत्वपूर्ण निवेश को आकर्षित करेगा। यह भारतीय इस्पात उद्योग को प्रौद्योगिकी के मामले में परिपक्व होने के साथ-साथ मूल्य श्रृंखला में आगे बढ़ने में मदद करेगा।

3. प्रोत्साहन की मात्रा

यह योजना पात्र कंपनियों को तालिका-1 में दी गई दरों पर उत्पादन-संबद्ध प्रोत्साहन प्रदान करेगी।

तालिका 1

पीएलआई स्लैब	2022-23	2023-24	2024-25	2025-26	2026-27
पीएलआई – क	4%	5%	5%	4%	3%
पीएलआई – ख	8%	9%	10%	9%	7%
पीएलआई – ग	12%	15%	15%	13%	11%

4. प्रोत्साहन स्लैब

प्रोत्साहन स्लैब को वर्तमान उत्पादन के आधार पर प्रस्तावित किया गया है, यानि उन विशेष ग्रेडों के लिए उच्चतर प्रोत्साहन है, जो वर्तमान में या तो भारत में उत्पादित नहीं होते हैं या कम मात्रा में उत्पादित होते हैं, जिसके परिणामस्वरूप इनका अपेक्षाकृत वृहत आयात होता है। इन विशेष इस्पातों के औसत मूल्य को ध्यान में रखते हुए, इन ग्रेडों के आयात के परिणामस्वरूप देश से अत्यधिक विदेशी मुद्रा का बहिर्गमन होता है।

5. लक्ष्य सेगमेंट

यह योजना निम्नानुसार सूचीबद्ध पाँच (05) सांकेतिक उत्पाद श्रेणियों पर लागू होगी:

5.1. यह योजना निम्नानुसार सूचीबद्ध पाँच (05) सांकेतिक उत्पाद श्रेणियों पर लागू होगी:

- 5.1.1. लेपित/प्लेटेड इस्पात उत्पाद
- 5.1.2. उच्च शक्ति/घिसाव प्रतिरोधी इस्पात
- 5.1.3. स्पेशियलटी रेल
- 5.1.4. मिश्र धातु इस्पात उत्पाद और स्टील वायर
- 5.1.5. इलेक्ट्रिकल स्टील

उपर्युक्त पाँच उत्पाद श्रेणियों के अंतर्गत उत्पाद उप-श्रेणियों की निर्देशक सूची, पात्रता मापदंडों के साथ पीएलआई स्लैब का विवरण परिशिष्ट-ग पर संलग्न है। ये सांकेतिक हैं तथा विवरण योजना दिशा-निर्देशों में अधिसूचित किया जाएगा। यदि आवश्यक समझा गया तो सचिवों के अधिकारप्राप्त समूह (ईजीओएस) के अनुमोदन द्वारा इस्पात मंत्रालय द्वारा यथा-निर्धारित अनुसार व्यापक श्रेणियों, उप-श्रेणियों, पात्रता मापदंडों, पीएलआई दरों आदि में कोई भी परिवर्तन किया जा सकता है।

6. पात्रता

- 6.1. कंपनी अधिनियम, 2013 के तहत भारत में पंजीकृत कंपनी, जो निर्धारित 'विशेष इस्पात' ग्रेड के एंड-टू-एंड निर्माण में लगी हुई है, बशर्ते इनपुट सामग्री को लौह अयस्क/स्क्रेप/स्पंज आयरन/पैलेट का उपयोग कर देश में ही पिघलाया और ढाला जाता हो, इस योजना के तहत प्रोत्साहन के लिए आवेदन करने के पात्र होंगे।
- 6.2. संयुक्त उद्यम भी इस योजना में भाग लेने हेतु पात्र है।
- 6.3. आवेदन की तिथि के अनुसार कंपनी (समूह की कंपनियों सहित)/जैवी की निवल संपत्ति कुल प्रतिबद्ध निवेश के 30% से कम नहीं होनी चाहिए, जैसा कि दिशानिर्देशों में अधिसूचित किया गया हो।
- 6.4. तीसरे पक्षों (समूह कंपनियों या जैवी के बाहर) के माध्यम से कुल मूल्यवर्धन के अधिकतम 20% का भार उठाने की अनुमति होगी; हालांकि, ऐसे मामलों में प्रोत्साहन का दावा केवल उसी कंपनी द्वारा किया जा सकता है, जिसने पीएलआई योजना के तहत पात्र अंतिम उत्पाद उप-श्रेणी का विनिर्माण किया है।

- 6.5. पीएलआई योजना के तहत भागीदारी हेतु पात्र होने के लिए कंपनी द्वारा प्रतिबद्ध की जाने वाली प्रस्तावित न्यूनतम अर्हक पात्रता सीमा के विवरण को योजना दिशानिर्देशों में अधिसूचित किया जाएगा। श्रेणीवार उत्पाद प्रत्याशित कुल निवेश और पीएलआई पात्रता के लिए न्यूनतम वृद्धिशील उत्पादन की सांकेतिक सूची अनुलग्नक-ग के रूप में संलग्न है।
- 6.6. यदि आवश्यक समझा जाता है तो किसी भी पात्रता मानदंड में कोई भी परिवर्तन इस्पात मंत्रालय द्वारा सचिवों के अधिकारप्राप्त समूह (ईजीओएस) के अनुमोदन से किया जा सकता है।
- 6.7. इस्पात मंत्रालय की पीएलआई योजना के तहत लाभ प्राप्त करने वाली पात्र कंपनी अन्य योजनाओं के तहत लाभ, जैसे कि निर्यात उत्पादों पर शुल्क और करों की छूट (आरओडीटीईपी) या राज्य सरकारों की योजनाओं का लाभ उठा सकती है।
- 6.8. इस्पात मंत्रालय की पीएलआई योजना के तहत लाभ प्राप्त करने वाली पात्र कंपनी को 'विशेष इस्पात' के लिए पीएलआई योजना के तहत निर्धारित उत्पादों के अलावा अन्य मंत्रालयों/विभागों की पीएलआई योजनाओं के तहत लाभ प्राप्त करने पर रोक नहीं है। तथापि, इस योजना के तहत लाभ के लिए समझे गए पात्र निवेशों/बिक्री पर अन्य मंत्रालयों/विभागों की पीएलआई योजनाओं के अंतर्गत वित्तीय लाभ के लिए विचार नहीं किया जाएगा।

7. चयन

- 7.1. कंपनी अधिनियम, 2013 के तहत भारत में पंजीकृत पात्र कंपनियों/संयुक्त उद्यमों (इसके बाद पात्र कंपनी/कंपनियों के रूप में संदर्भित) को शॉर्टलिस्ट करने हेतु एक पारदर्शी चयन प्रक्रिया को योजना के दिशानिर्देशों में अधिसूचित किया जाएगा।
- 7.2. उत्पादन-संबद्ध प्रोत्साहन का दावा करने के लिए योजना में भाग लेने की इच्छुक पात्र कंपनियाँ निर्धारित प्रारूप में यथा-अधिसूचित आवेदन शुल्क के साथ आवेदन करके योजना में शामिल हो सकती हैं।
- 7.3. पात्र कंपनियों को मानकों पर प्रतिबद्धताएं करने की आवश्यकता होगी, यानि न्यूनतम वर्ष-दर-वर्ष वृद्धिशील उत्पादन और निवेश, जो फ्रंट-लोडेड हो या हिस्सों में किए गए हों।
- 7.4. आवेदनों की जाँच की जाएगी और आवेदक द्वारा प्रस्तावित पाँच उत्पाद श्रेणियों या उप-श्रेणियों में से प्रत्येक में से पात्र आवेदकों का चयन किया जाएगा।
- 7.5. पात्र कंपनियों में से प्रत्येक उत्पाद-श्रेणी/उप-श्रेणी में निम्नलिखित मानदंडों के आधार पर चयन किया जाएगा:-
 - 7.5.1. न्यूनतम वर्ष-दर-वर्ष वृद्धिशील उत्पादन प्रतिबद्धता – कुल भार 50%
 - 7.5.2. उस उत्पाद-श्रेणी/उप-श्रेणी के लिए न्यूनतम निवेश प्रतिबद्धता – कुल भार 50%। 7.5.2.1 प्रत्येक उत्पाद-श्रेणी/उप-श्रेणी में होने वाला अनुमत्य निवेश योजना दिशानिर्देशों में अधिसूचित किया जाएगा।
- 7.6. योजना की अधिसूचना की तारीख के बाद पात्र कंपनियों द्वारा किए गए निवेश को पीएलआई योजना के तहत 'पात्र निवेश' माना जाएगा, बशर्ते कि यह निवेश संबंधित उत्पाद श्रेणी/उप-श्रेणी के लिए अनुमत्य निवेश की सूची में से हों। इस प्रकार किए गए निवेश को योजना अवधि के दौरान आवेदकों द्वारा किए जाने वाले कुल निवेश में गिना जाएगा। उत्पादन श्रेणी/उप-श्रेणी वार 'अनुमत्य निवेशों की सूची' योजना दिशानिर्देशों में अधिसूचित की जाएगी।
- 7.7. अनुमत्य निवेशों की सूची में योजना दिशानिर्देशों में यथा-अधिसूचित पूँजीगत अनुसंधान एवं विकास में निवेश, प्रौद्योगिकी हस्तांतरण पर व्यय, बौद्धिक संपदा अधिकारों के लिए भुगतान, गुणवत्ता नियंत्रण उपकरण शामिल होंगे।
- 7.8. प्रभारी मंत्री के अनुमोदन के बाद, शॉर्टलिस्ट की गई पात्र कंपनियों को, इस्पात मंत्रालय द्वारा चयनित कंपनियों के रूप में अधिसूचित किया जाएगा।

- 7.9. पीएलआई योजना के अंतर्गत चयनित कंपनियों को चयन के समय की गई प्रतिबद्धताओं का पालन करते हुए इस्पात मंत्रालय के साथ एक समझौता ज्ञापन पर हस्ताक्षर करना होगा, जो पीएलआई संवितरण के अंतिम वर्ष तक वैध होगा।
- 7.10. निष्पादन प्रतिभूति जो कि प्रतिबद्ध निवेश के 0.5% से कम नहीं हो सकती, जैसा कि योजना दिशानिर्देश में अधिसूचित किया जाए, समझौता ज्ञापन के साथ प्रस्तुत की जाएगी।
- 7.11. योजना दिशानिर्देशों में पूर्व अर्हता एवं चयन मानदंड संबंधी विवरण अलग से अधिसूचित किए जाएंगे।

8. अन्य शर्तें

- 8.1. योग्य कंपनियों के पास फ्रंट-लोडिंग निवेश या अंशों में निवेश का विकल्प होगा। यदि संभावित निर्माता कुछ शमनकारी परिस्थितियों जैसे कि अप्रत्याशित घटना के कारण निवेश अनुसूची में आस्थगन चाहता है, तो उस पर सचिवों के अधिकारप्राप्त समूह (ईजीओएस) के अनुमोदन से विचार किया जा सकता है। तथापि, पीएलआई के पूर्ण संवितरण का दावा करने के लिए पात्र कंपनियों द्वारा पूर्ण संचयी निवेश करने की आवश्यकता होगी।
- 8.2. वैसी पात्र कंपनियों को वरीयता दी जाएगी जो योजना अवधि के दौरान अपने निवेश को फ्रंट-लोड करने की प्रतिबद्धता देंगे। निवेश प्रतिबद्धता का मूल्यांकन बैंक दर को ध्यान में रखते हुए दर पर बढ़ागत शुद्ध वर्तमान मूल्य, जो योजना दिशानिर्देशों में अधिसूचित किए जाएं, के आधार पर किया जाना प्रस्तावित है।
- 8.3. चूंकि यह योजना सीमित निधि वाली होगी, इसलिए यदि कंपनी किसी भी दिए गए वर्ष में प्रतिबद्ध सीमा को पूरा करने में विफल रहती है, तो उसे उस वर्ष के लिए कोई लाभ नहीं मिलेगा। तथापि, यह अगले वर्ष इस योजना के तहत लाभ प्राप्त करने के लिए पात्र होगी यदि यह उस वर्ष के लिए निर्धारित संचयी प्रतिबद्ध सीमाओं को पूरा करेगी। निदर्शक अनुमानित वृद्धिशील उत्पादन का विवरण परिशिष्ट-ख में दर्शाया गया है। प्रत्येक उत्पाद उप-श्रेणी के लिए अनुमानित वृद्धिशील उत्पादन का विवरण योजना दिशा-निर्देशों में अधिसूचित किया जाएगा।
- 8.4. कोई पात्र कंपनी कई उत्पाद-श्रेणियों/उप-श्रेणियों में भाग लेने के लिए आवेदन कर सकती है और मंत्रालय के साथ कई समझौता ज्ञापनों को निष्पादित करने के लिए पात्र होगी। तथापि, सभी श्रेणियों/उप-श्रेणियों में देय वार्षिक प्रोत्साहन ₹200 करोड़ प्रति पात्र कंपनी (समूह कंपनियों/जेबी सहित) पर सीमित होगा।
- 8.5. एक ही कंपनी के कई श्रेणियों/उप-श्रेणियों के लिए आवेदन करने की स्थिति में, निवेश भी उप-श्रेणियों के बीच अलग-अलग होंगे।

9. योजना की अवधि

- 9.1. इस योजना के अंतर्गत मिलने वाला प्रोत्साहन अधिकतम पांच (05) वर्ष की अवधि के लिए प्रदान किया जाएगा। योजना के दिशा-निर्देशों में अधिसूचित किए जाने वाले विवरणों के आधार पर विभिन्न कंपनियों द्वारा हासिल की गई उपलब्धियों के आधार पर प्रोत्साहन राशि वित्त वर्ष 2023-24 से 2029-30 तक जारी की जाएगी। प्रोत्साहन पात्र कंपनियों को वर्ष-दर-वर्ष आधार पर वृद्धिशील उत्पादन के लिए देय होगा बशर्ते कि उत्पादन प्रत्येक उत्पाद श्रेणी के लिए निर्धारित पात्र सीमा से अधिक हो एवं भारत में निर्मित 'विशेष इस्पात' के लिए प्रतिबद्ध योग्य निवेश सीमा की उपलब्धि हो और यह पीएलआई योजना के अंतर्गत कवर हो। पांच (05) वर्ष की अवधि वित्त वर्ष 2022-23 (पीएलआई को वित्त वर्ष 2023-24 में जारी किया जाना है) से प्रारंभ होगी। तथापि, प्रारंभिक वर्ष को कुल बजटीय आवंटन के भीतर विशिष्ट उत्पाद श्रेणियों के मामले में दो (02) वर्ष तक के लिए आस्थगित किया जा सकता है।
- 9.2. यदि आवश्यक समझा जाता हो, तो किन्हीं विशिष्ट/प्रतिकूल परिस्थितियों के कारण पात्र कंपनियों को आरंभिक वर्ष को एक वर्ष तक आस्थगित करने की अनुमति देकर एक (01) वर्ष तक की विस्तारित अवधि के भीतर प्रोत्साहन का लाभ उठाने की अनुमति प्रदान की जा सकती है, लेकिन प्रोत्साहन का लाभ उठाने के लिए समग्र अवधि सचिवों के अधिकारप्राप्त समूह (ईजीओएस) के अनुमोदन से अधिकतम पांच वर्ष (05) तक सीमित होगा।

10. आधार वर्ष: वित्तीय वर्ष 2019-20 को आधार वर्ष माना जाएगा।**11. प्रोत्साहन परिव्यय**

- 11.1. **कुल प्रोत्साहन:** योजना के तहत प्रत्याशित सांकेतिक वार्षिक प्रोत्साहन परिव्यय और संचयी प्रोत्साहन परिव्यय तालिका-2 में यथा-उल्लिखित है।

तालिका-2

वित्त वर्ष	परिव्यय (₹ करोड़ में)
2023-24	775
2024-25	1088
2025-26	1394
2026-27	1377
2027-28	1293
2028-29	222
2029-30	173
कुल	6322

- 11.2. वर्ष-वार परिव्यय सांकेतिक है जिसमें प्रभारों से संबंधित लागत शामिल है।

- 11.3. **प्रति कंपनी प्रोत्साहन:** प्रति पात्र कंपनी (समूह कंपनियों/जैवी सहित) प्रोत्साहन ₹200 करोड़ की वार्षिक उच्चतम सीमा के अध्यक्षीन पिछले वर्ष या आधार वर्ष में उत्पादन, इनमें से जो भी अधिक हो, के संदर्भ में वर्ष-दर-वर्ष परिकलित विनिर्मित इस्पात ग्रेड के वृद्धिशील उत्पादन पर लागू होगा। यदि बेसलाइन उत्पादन शून्य है, तो पहले वर्ष के लिए उत्पादन लक्ष्य पांच साल के अंत में उत्पादन लक्ष्य और अनुमानित सीएजीआर से पीछे की ओर कार्य करके प्राप्त किया जाएगा। प्रोत्साहन की गणना के उद्देश्य से, वृद्धिशील उत्पादन आंकड़े आवेदक द्वारा प्रस्तुत लेखा परिक्षित वार्षिक बिक्री डेटा से प्राप्त किए जाएंगे और इन्हें चालू वर्ष के लिए भारित औसत बिक्री मूल्य (करों का निवल) से विभाजित किया जाएगा, जिसके लिए प्रोत्साहन का दावा किया जा रहा है। इस प्रकार प्राप्त वृद्धिशील उत्पादन के आंकड़ों को चालू वर्ष या आधार वर्ष (2019-20) के लिए औसत प्रति टन बिक्री मूल्य (करों का निवल) से गुणा किया जाएगा और देय प्रोत्साहन की गणना करने के लिए पीएलआई दर (जैसा लागू हो) से गुणा किया जाएगा।

क = पिछले वर्ष या आधार वर्ष, जो भी अधिक हो, के संदर्भ में चालू वर्ष में वृद्धिशील बिक्री

ख = चालू वर्ष में भारित औसत बिक्री मूल्य (करों का निवल)

ग = आधार वर्ष (2019-20) में भारित औसत बिक्री मूल्य

प्रोत्साहन = (क/ख) x (ख या ग, जो भी कम हो) x (पीएलआई दर, जैसा लागू हो)/100

*वर्तमान वर्ष का अभिप्राय उस वर्ष से है जिसके लिए पीएलआई का दावा किया गया है।

12. संगणना का आधार

- 12.1. वृद्धिशील उत्पादन का आकलन निर्मित 'विशेष इस्पात' ग्रेड के बिक्री संबंधी आंकड़ों के आधार पर किया जाएगा। पात्र कंपनियाँ बिक्री के आंकड़े इस्पात मंत्रालय द्वारा सत्यापन के अध्यक्षीन लेखापरीक्षित प्रमाणपत्रों के साथ प्रस्तुत करेंगी। इसके बाद वृद्धिशील उत्पादन उस ग्रेड के भारित औसत बिक्री मूल्य का उपयोग करके परिकलित किया जाएगा।

12.2. पीएलआई की गणना की विस्तृत रूप-रेखा को योजना दिशानिर्देशों में अधिसूचित किया जाएगा।

13. योजना के कार्यान्वयन के लिए नोडल एजेंसी

13.1. इस योजना के कार्यान्वयन में सहायता हेतु इस्पात मंत्रालय एक एजेंसी को नियुक्त कर सकता है।

13.2. ऐसी नोडल एजेंसी एक परियोजना प्रबंधन एजेंसी (पीएमए) के रूप में कार्य करेगी और सचिवीय, प्रबंधकीय और कार्यान्वयन संबंधी सहायता प्रदान करने और इस्पात मंत्रालय द्वारा समय-समय पर सौंपे गए अन्य कर्तव्यों को पूरा करने के लिए जिम्मेदार होगी। पीएमए के विस्तृत गठन, कामकाज और जिम्मेदारियों का विस्तृत ब्यौरा योजना दिशानिर्देशों में अधिसूचित किया जाएगा।

14. अनुमोदन एवं संवितरण प्रक्रिया

14.1. चयनित कंपनियों की सूची इस्पात मंत्रालय द्वारा इस्पात मंत्री के अनुमोदन से अधिसूचित की जाएगी।

14.2. एक बार अधिसूचित होने के उपरांत, प्रत्येक चयनित कंपनी योजना दिशानिर्देशों में अधिसूचित प्रारूप में योजना के निबंधन और शर्तों का पालन करने की प्रतिबद्धता करते हुए मंत्रालय के साथ समझौता ज्ञापन (एमओयू) पर हस्ताक्षर करेगी।

14.3. पीएलआई दावा उस चयनित कंपनी (कंपनियों) द्वारा प्रस्तुत किया जाएगा जिसके साथ मंत्रालय ने समझौता ज्ञापन पर हस्ताक्षर किए हैं। पीएलआई दावा को प्रस्तुत करने के तरीके योजना दिशानिर्देशों में अधिसूचित किए गए अनुसार होंगे।

14.4. योजना के तहत प्रोत्साहन 01-04-2022 से प्रभावी होगा और वित्तीय वर्ष 2023-24 में देय होगा या जैसा कि योजना दिशा-निर्देशों में उत्पाद श्रेणी/ उप-श्रेणी के लिए अधिसूचित किया गया हो।

14.5. चूंकि यह योजना सीमित निधि वाली है; इसलिए देय प्रोत्साहन इस योजना के लिए आवंटित बजट से अधिक नहीं होगा। इसके अलावा, देय वार्षिक प्रोत्साहन सभी उत्पाद श्रेणियों में प्रति पात्र कंपनी (समूह कंपनियों/जोड़ी सहित) ₹200 करोड़ तक सीमित होगा।

15. सचिवों का अधिकारप्राप्त समूह (ईजीओएस)

15.1. मंत्रिमंडल सचिव की अध्यक्षता में सचिवों का अधिकारप्राप्त समूह (ईजीओएस) पीएलआई योजना की निगरानी करेगा, योजना के अंतर्गत व्यय की आवधिक समीक्षा करेगा, सभी पीएलआई योजनाओं की एकरूपता सुनिश्चित करेगा और यह सुनिश्चित करने के लिए उचित कार्यवाही करेगा कि व्यय निर्धारित परिव्यय के भीतर है।

15.2. यदि आवश्यक समझा जाता हो, तो योजना में कोई भी संशोधन इस्पात मंत्रालय द्वारा ईजीओएस के अनुमोदन से किया जा सकता है।

16. लेखापरीक्षा

16.1. इस योजना के अंतर्गत प्रोत्साहन का दावा करने के लिए समझौता ज्ञापन पर हस्ताक्षर करने वाली चयनित कंपनी/कंपनियों का वित्तीय, कार्यात्मक और तकनीकी लेखापरीक्षा करने के लिए इस्पात मंत्रालय को अधिकार दिया जाएगा।

16.2. सांविधिक लेखापरीक्षा नियंत्रक एवं महालेखा परीक्षक (सीएजी) द्वारा की जाएगी।

रसिका चौबे, अपर सचिव

परिशिष्ट-क

‘विशेष इस्पात’ के उत्पादन, आयात और निर्यात के निदर्शक अनुमान एक नज़र में

उत्पाद श्रेणी	निदर्शक अनुमानित उत्पादन		निदर्शक अनुमानित आयात		अनुमानित आयात		सांकेतिक पीएलआई राशि
	2019-20	2026-27	2019-20	2026-27	2019-20	2026-27	
	1	2	3	4	5	6	
	('000 टन में)						(₹ करोड़)
लेपित/प्लेटेड स्टील उत्पाद	8318	20335	1187	253	962	2585	2505
उच्च शक्ति/ घिसाव रोधी इस्पात	7633	16866	1542	308	572	2254	1920
स्पेशियलिटी रेल	0.61	987	71	0	0	100	209
मिश्र धातु इस्पात उत्पाद और स्टील वायर	1082	2655	300	156	95	540	852
इलैक्ट्रिकल स्टील	590	1411	658	219	31	88	809
प्रशासनिक प्रभार							27
कुल	17624	42254	3758	936	1660	5567	6322

परिशिष्ट-ख

निदर्शक अनुमानित वृद्धिशील उत्पादन

उत्पाद श्रेणी	वर्ष	उत्पादन ('000 टन)
लेपित/प्लेटेड स्टील उत्पाद	2019-20	8318
	2020-21	9330
	2021-22	10509
	2022-23	11886
	2023-24	13501
	2024-25	15405
	2025-26	17657
	2026-27	20334
उच्च शक्ति/ घिसाव रोधी इस्पात	2019-20	7633
	2020-21	8554
	2021-22	9492
	2022-23	10568
	2023-24	11808
	2024-25	13244

	2025-26	14916
	2026-27	16866
स्पेशियलटी रेल	2019-20	1
	2020-21	37
	2021-22	212
	2022-23	286
	2023-24	386
	2024-25	526
	2025-26	719
	2026-27	987
मिश्र धातु इस्पात उत्पाद और स्टील वायर	2019-20	1082
	2020-21	1305
	2021-22	1463
	2022-23	1639
	2023-24	1837
	2024-25	2061
	2025-26	2318
	2026-27	2608
इलैक्ट्रिकल स्टील	2019-20	590
	2020-21	632
	2021-22	678
	2022-23	726
	2023-24	778
	2024-25	885
	2025-26	989
	2026-27	1123
	2027-28	1237
	2028-29	1411

परिशिष्ट- ग

उत्पादन उप-श्रेणियों, सांकेतिक पीएलआई स्लैब और पात्र सीमाओं की निदर्शक सूची

व्यापक श्रेणी	क्रम. संख्या	उप-श्रेणी	बेसलाईन उत्पाद (वित्त वर्ष 2019-20) ('000 टन में)	प्रति उत्पाद श्रेणी यूनिट क्षमता ('000 टन में)	प्रति उत्पाद श्रेणी यूनिट निवेश (करोड़ ₹ में)	कुल अनुमानित निवेश (करोड़ ₹ में)	अनुमानित सीएजीआर	पीएलआई पात्रता हेतु न्यूनतम वर्ष-दर-वर्ष वृद्धिशील उत्पादन	पीएलआई की सांकेतिक दर
लेपित/प्लेटेड स्टील उत्पाद	1	गैल्वेनियल/जीआई-ऑटो-जीआर	550	400	700	700	10%	10%	पीएलआई - क
	2	टिनमिल उत्पाद	512	200	600	3000	16%	20%	पीएलआई - ख
	3 (क)	धातु/गैर-धातु अलॉय के लेपित/प्लेटेड उत्पाद	3972	250	200	5200	6%	10%	पीएलआई - क
	3 (ख)	एल्युमिनियम-जस्ता लेपित (गैल्वल्यूम)	1024	250			27%	30%	पीएलआई - क
	4	रंग लेपित	2260	250	300	5100	16%	20%	पीएलआई - क
उच्च शक्ति/घिसाव रोधी इस्पात	5 (क)	एचआर कॉइल, शीट्स और प्लेट एपीआई जीआर 52<=एक्स<=70	1254	4500	2750	5500	23%	25%	पीएलआई - क
	5 (ख)	एचआर कॉइल, शीट्स और प्लेट एपीआई जीआर >एक्स-70	0				20%	20%	पीएलआई - ख
	5 (ग)	हॉई टेन्साइल शीट्स, कॉइल, प्लेट्स वायएस>=450	5364				7%	10%	पीएलआई - क
	6	ऑटो गियर इस्पात एचएसएस (सीआरसीए)	485	900	1000	1000	11%	15%	पीएलआई - ख
	7 (क)	बॉयलर गुणवत्ता, प्रेशर वेसल	470	1200	2500	2500	15%	15%	पीएलआई - ख
	7 (ख)	क्यूटी / घर्षण प्रतिरोध और घिसाव प्रतिरोध	60				30%	30%	पीएलआई - ख
स्पेशियलिटी रेल	8 (क)	अससमित रेल	0	-		350	20%	20%	पीएलआई - क
	8 (ख)	हेड हार्डेन्ड रेल	0.61	-			42%	40%	पीएलआई - क
मिश्र धातु इस्पात	9 (क)	अलॉय इस्पात: टूल एंड डाइ स्टील	52	250	350	350	18%	20%	पीएलआई - ख

उत्पाद और स्टील वायर	9 (ख)	अलॉय इस्पात: बॉल्व इस्पात	17	250			13%	15%	पीएलआई - ख
	10	अलॉय इस्पात: बियरिंग इस्पात	463	250		1050	13%	15%	पीएलआई - क
	11	ऑटोमेटिक पावर ट्रेन इस्पात	376	250		700	8%	10%	पीएलआई - ख
	12	प्रेसिपिटेशन एंड हार्डेन्ड स्टेनलेस इस्पात	1	1	100	100	26%	30%	पीएलआई - ख
	13	टायर बीड वायर	86	100	300	600	18%	20%	पीएलआई - ख
	14	सी श्रेणी जस्ता लेपित तार	0	100	300	300	8%	10%	पीएलआई - ख
	15	जस्ता- एल्युमीनि लेपित तार	0	100	300	300	8%	10%	पीएलआई - ख
	16	टायर कोर्ड (पीतल लेपित)	85	100	700	1445	18%	20%	पीएलआई - ख
	17	ऑयल टेम्पर्ड स्प्रिंग इस्पात वायर	2	50	30	30	30%	30%	पीएलआई - ख
इलेक्ट्रिकल स्टील	18	सीआरजीओ *	27	200	5000	10000	40%	40%	पीएलआई - ग
	19	सीआरएनओ	563	200	700	1400	7%	10%	पीएलआई - ख
कुल			17624			39625			

MINISTRY OF STEEL

NOTIFICATION

New Delhi, the 29th July, 2021

SUBJECT: PRODUCTION LINKED INCENTIVE SCHEME (PLI) FOR SPECIALTY STEEL IN INDIA

F. No. S-21018/1/2020-TRADE-TAX-PART(1).—

1. INTRODUCTION:

The Cabinet has approved the Production Linked Incentive (PLI) Scheme for Specialty Steel in India to be implemented over FY 2023-24 to FY 2029-30 with a budgetary outlay of ₹ 6,322 crore.

2. Objective

The objective of the PLI Scheme for specialty grade steel is to promote manufacturing of such steel grades within the country. Presently, India operates at the low end of the value chain for steel manufacturing, with an average realization per ton being ₹ 51,000-₹ 58,000 only, in contrast to our steel import which have an average value per ton of about ₹ 1,46,000 - ₹ 1,83,000. PLI incentive will boost the domestic production of 'Specialty Steel' and attract significant investment for production of 'Specialty Steel' in the country. It will also help the Indian steel industry mature in terms of technology as well as move up the value chain.

3. Quantum of Incentive

The Scheme will extend production-linked incentive at the rates given in Table-1 to eligible companies.

Table-1

PLI Slab	2022-23	2023-24	2024-25	2025-26	2026-27
PLI – A	4%	5%	5%	4%	3%
PLI – B	8%	9%	10%	9%	7%
PLI – C	12%	15%	15%	13%	11%

4. Incentive Slabs

The incentive slabs have been proposed based on the current production i.e., higher incentive for those specialty grades which are currently either not produced in India or are produced in small quantities resulting in relatively large import. Considering the average value of these specialty steel, import of these grades results in a substantial forex outflow from the country.

5. Target Segments

5.1 The Scheme shall be applicable for five (05) indicative product categories, listed as follows:

- 5.1.1 Coated/Plated Steel Products
- 5.1.2 High Strength/Wear Resistant Steel
- 5.1.3 Specialty Rails
- 5.1.4 Alloy Steel Products and Steel Wires
- 5.1.5 Electrical Steel

An illustrative list of product sub-categories under the above five product categories, the PLI slabs along with eligibility criteria is enclosed as Appendix-C. These are indicative and the details will be notified in the Scheme guidelines. If considered necessary, any changes in the broad categories, sub-categories, eligibility criteria, PLI rate etc. may be carried out as may be decided by the Ministry of Steel with the approval of EGoS.

6. Eligibility

- 6.1 A company registered in India under the Companies Act 2013, that is engaged in end-to-end manufacturing of the identified 'Specialty Steel' grades, subject to the input material being melted and poured within the country using iron ore/scrap/sponge iron/pellets etc., shall be eligible to apply for incentive under the Scheme.
- 6.2 Joint ventures are also eligible to participate in the scheme.
- 6.3 The net worth of the company (including that of the group companies)/JV as on date of the application shall not be less than 30% of the total committed investment as may be notified in the guidelines.
- 6.4 It would be permissible to undertake a maximum 20% of the total value-addition through third parties (outside the group companies or JVs); the incentive in such cases can however only be claimed by the company that has manufactured the end product sub-category that is eligible under the PLI Scheme.
- 6.5 Details of the proposed minimum qualifying eligibility thresholds to be committed by the company will be notified in the Scheme guidelines. An illustrative list of product category-wise expected total investment and minimum incremental production for PLI eligibility is enclosed as Appendix-C.
- 6.6 If considered necessary, any change(s) in any eligibility criteria may be carried out by the Ministry of Steel with the approval of the Empowered Group of Secretaries (EGoS).
- 6.7 An eligible company availing benefit under the PLI Scheme of Ministry of Steel may avail benefits under other schemes such as the Remission of Duties and Taxes on Exported Products (RoDTEP) or those of the State Governments.

- 6.8 An eligible company availing benefit under the PLI Scheme of Ministry of Steel is not barred from availing benefits under PLI schemes of other Ministries/Departments for products other than those identified under the PLI Scheme for 'Specialty Steel'. However, the eligible investments/sales considered for benefits under this scheme shall not be considered for fiscal benefits under PLI schemes of other Ministries/Departments.

7. Selection

- 7.1 A transparent selection process to shortlist eligible companies/JVs registered in India under the Companies Act 2013 (Hereinafter referred to as eligible company/companies) shall be notified in the Scheme guidelines.
- 7.2 Eligible companies desirous of participation in the Scheme for claiming Production-linked incentive can join the Scheme by applying in the prescribed format along with application fee as may be notified.
- 7.3 Eligible companies would be required to make commitments on parameters, namely, minimum year-on-year incremental production and investment which can be front-loaded or made in tranches.
- 7.4 Applications shall be scrutinized, and selection of eligible applicants made under each of the five product categories/sub-categories as offered by the applicant.
- 7.5 From among the eligible companies, selection in each product category/sub-category shall be on the basis of the following criteria –
- 7.5.1 Minimum YoY incremental production commitment – Overall weightage 50%
- 7.5.2 Minimum investment commitment for the product category/sub-category – Overall weightage 50%.
- 7.5.2.1 The details of permissible investment in each product category/sub-category shall be notified in the Scheme guidelines.
- 7.6 Investment which has been made by the eligible companies, after the date of notification of the Scheme, will be considered 'eligible investment' under the PLI Scheme subject to the condition that these investments are from among the list of permissible investments for the relevant product category/sub-category. The investment so made will count towards total investment committed to be made by the applicants during the Scheme period. Product category/sub-category-wise 'list of permissible investment' shall be notified in the Scheme guidelines.
- 7.7 List of permissible investment would include investment in R&D which is capitalised, expenditure on Transfer of Technology, payments towards Intellectual Property rights, quality control equipment etc., as may be notified in the Scheme guidelines.
- 7.8 Shortlisted eligible companies, after approval of the Minister-in-Charge, shall be notified as the selected companies by the Ministry of Steel.
- 7.9 Selected companies under the PLI Scheme shall have to sign a Memorandum of Understanding with the Ministry of Steel with validity till the final year of PLI disbursal adhering to the commitments made at the time of selection.
- 7.10 Performance Security which may not be less than 0.5% of the committed investment, as may be notified in the Scheme guidelines, shall be submitted along with the Memorandum of Understanding.
- 7.11 Details of pre-qualification and selection criteria shall be notified in the Scheme guidelines.

8. Other Conditions

- 8.1 Eligible companies will have the option of front-loading investment or in tranches. In case the prospective manufacturer seeks a deferment in the investment schedule owing to some mitigating circumstances such as force majeure, the same may be considered with the approval of

EGoS. However, full cumulative investment will be required to be made by the eligible companies to claim complete disbursement of PLI.

- 8.2 Preference shall be given to eligible companies committing to front-load their investment during the scheme period. The investment commitment is proposed to be evaluated based on Net Present Value discounted at the rate keeping in view the Bank Rate, as may be notified in the Scheme guidelines.
- 8.3 As the Scheme would be fund limited, in case the company fails to meet the committed threshold in any given year, it will not receive any benefits for that year. However, it will be eligible to receive the benefits under the scheme for the next year if it meets the cumulative committed thresholds defined for that year. The illustrative projected incremental production is as indicated in Appendix-B. The details of the projected incremental production for each product sub-category will be notified in the Scheme guidelines.
- 8.4 An eligible company may apply to participate in multiple product categories/sub-categories and will be eligible to enter multiple MoUs with the Ministry. However, the annual incentive payable shall be capped at ₹200 crore per eligible company (including that of group companies/JV) across all categories.
- 8.5 In case of the same company applying for multiple categories/sub-categories, the investment shall also be distinct.

9. Tenure of the Scheme

- 9.1 Incentive under the Scheme shall be provided for a maximum period of five (05) years. The release of incentive will be from FY 2023-24 to 2029-30 based on the achievements made by different companies in keeping with the details to be notified in the Scheme guidelines. The incentive shall be payable to eligible companies for incremental production on a year-on-year basis, subject to such production being above the eligible threshold prescribed for each product category and achievement of committed eligible investment threshold for 'Specialty Steel' manufactured in India and covered under the PLI Scheme. The period of five (05) years will commence from FY 2022-23 (PLI to be released in FY 2023-24). The initial year may, however, be deferred by up to two (02) years in case of specific product categories within the overall budgetary allocation.
- 9.2 If considered necessary, due to any special/adverse circumstances, the eligible companies may be allowed to avail the incentive within an extended period of up to one (01) year by allowing deferment of the initial year by one year but the overall period for availing incentive being limited to a maximum period of five (05) years with the approval of Empowered Group of Secretaries (EGoS).

10. Base Year: Financial Year 2019-20 shall be treated as the base year.

11. Incentive Outlay

11.1 Total Incentive: The expected indicative annual incentive outlay and cumulative incentive outlay under the Scheme is as mentioned in Table-2.

Table-2

Financial Year	Outlay (in ₹ Cr)
2023-24	775
2024-25	1088
2025-26	1394
2026-27	1377
2027-28	1293

2028-29	222
2029-30	173
Total	6322

11.2 The year-wise outlay is indicative which includes the cost incurred towards Administrative charges.

11.3 Incentive Per Company: Incentive per eligible company (including that of group companies/JV) will be applicable on incremental production of manufactured steel grades year-on-year worked out with reference to production in the previous year or the base year, whichever is higher, subject to an annual ceiling of ₹200 crores. In case baseline production is Nil, production target for the first year will be arrived at by working backwards from the production target at the end of five years and the projected CAGR. For the purpose of calculating incentive, incremental production figures shall be derived from audited annual sales data submitted by the applicant and divided by the weighted average sales price (net of taxes) for the current year for which incentive is being claimed. The incremental production figures thus derived would be multiplied by average per ton sales price (net of taxes) for the current year or the base year (2019-20) whichever is less and multiplied by PLI rate (as applicable) to calculate the payable incentive.

A = Incremental sales in current year with reference to previous year or the base year whichever is higher

B = Weighted Average sale price (net of taxes) in current year

C = Weighted Average sales price (net of taxes) in the base year (2019-20)

Incentive = (A/B) x (B or C, whichever is lower) x (PLI rate as applicable)/100

*Current year means the year for which PLI has been claimed.

12. Basis of Computation

12.1 Assessment of incremental production shall be made on the basis of the sales figures of the manufactured 'Specialty Steel' grades. The sales figures shall be submitted by the eligible companies along with audited certificates which will be subject to verification by the Ministry of Steel. The incremental production shall thereafter be worked out using the weighted average sales price of that grade.

12.2 Detailed modalities of computation of PLI will be notified in the Scheme guidelines.

13. Nodal Agency for implementation of the Scheme

13.1 Ministry of Steel may engage an Agency to assist in implementation of the Scheme.

13.2 Such Nodal Agency shall act as a Project Management Agency (PMA) and be responsible for providing secretarial, managerial and implementation support and carrying out other responsibilities as may be assigned by the Ministry of Steel from time to time. Detailed constitution, functioning and responsibilities of the PMA will be notified in the Scheme Guidelines.

14. Approval and Disbursement Process

14.1 The list of selected companies shall be notified by the Ministry of Steel with the approval of Minister of Steel.

14.2 Once notified, each selected company shall sign a Memorandum of Understanding (MoU) with the Ministry committing to abide by the terms and conditions of the Scheme in the format as may be notified in the Scheme guidelines.

- 14.3 PLI claim shall be submitted by the selected company(ies) with whom the Ministry has signed a MoU. Modalities of submission of PLI claim shall be as notified in the scheme guidelines.
- 14.4 Incentive under the Scheme shall be effective from 01.04.2022, payable in FY 2023-24 or as may be notified for the product category/sub-category in the Scheme guidelines.
- 14.5 The Scheme is fund-limited; hence the incentive payable shall not exceed the budgeted allotment for the Scheme. Further, the annual incentive payable shall be capped at ₹200 crore per eligible company (including that of group companies/JVs) across all product categories.

15. Empowered Group of Secretaries (EGoS)

- 15.1 The Empowered Group of Secretaries (EGoS) headed by the Cabinet Secretary shall monitor the PLI Scheme, undertake periodic review of the outgo under the Scheme, ensure uniformity of all PLI Schemes, and take appropriate action to ensure that the expenditure is within the prescribed outlay.
- 15.2 If considered necessary, any modification(s) in the Scheme may be carried out by Ministry of Steel with the approval of EGoS.

16. Audit

- 16.1 Ministry of Steel shall be empowered to conduct a financial, functional, and technical audit of the selected company/companies who have signed MoU for claiming incentive under the Scheme.
- 16.2 Statutory audit shall be conducted by CAG.

RASIKA CHAUBE, Addl. Secy.

Appendix-A

Indicative projections of Production, Import and Export of 'Specialty Steel' at a glance

Product Category	Indicative projected Production		Indicative project- ed Import		Projected Export		Indicative PLI Amount
	2019-20	2026-27	2019-20	2026-27	2019-20	2026-27	
	1	2	3	4	5	6	8
	(in '000 Tonnes)						(₹-Cr)
Coated/Plated Steel Products	8318	20335	1187	253	962	2585	2505
High Strength/Wear resistant Steel	7633	16866	1542	308	572	2254	1920
Specialty Rails	0.61	987	71	0	0	100	209
Alloy Steel Products and Steel wires	1082	2655	300	156	95	540	852
Electrical Steel	590	1411	658	219	31	88	809
Administrative Charges							27
Total	17624	42254	3758	936	1660	5567	6322

Appendix-B

Illustrative Projected Incremental production

Product Category	Year	Production (‘000 tonnes)
Coated/Plated Steel Products	2019-20	8318
	2020-21	9330
	2021-22	10509
	2022-23	11886
	2023-24	13501
	2024-25	15405
	2025-26	17657
	2026-27	20334
High Strength/Wear resistant Steel	2019-20	7633
	2020-21	8554
	2021-22	9492
	2022-23	10568
	2023-24	11808
	2024-25	13244
	2025-26	14916
	2026-27	16866
Specialty Rails	2019-20	1
	2020-21	37
	2021-22	212
	2022-23	286
	2023-24	386
	2024-25	526
	2025-26	719
	2026-27	987
Alloy Steel Products and Steel wires	2019-20	1082
	2020-21	1305
	2021-22	1463
	2022-23	1639
	2023-24	1837
	2024-25	2061
	2025-26	2318
	2026-27	2608
Electrical Steel	2019-20	590
	2020-21	632
	2021-22	678
	2022-23	726
	2023-24	778
	2024-25	885
	2025-26	989
	2026-27	1123
	2027-28	1237
	2028-29	1411

Appendix-C

Illustrative list of product Sub-categories, indicative PLI Slabs and eligibility thresholds

Broad Category	Sl. No.	Sub-category	Baseline production (FY 2019-20) (in '000 tonnes)	Unit capacity per product line (in '000 tonnes)	Unit Investment per product line (in ₹ Cr)	Expected Total Investment (in ₹ Cr)	Projected CAGR	Minimum year-on-year Incremental production for PLI eligibility	Indicative Rate of PLI
Coated/ Plated Steel Products	1	Galvanneal/GI-Auto-Gr	550	400	700	700	10%	10%	PLI - A
	2	Tin mill Products	512	200	600	3000	16%	20%	PLI - B
	3 (a)	Coated/Plated products of Metallic/Non-Metallic alloys	3972	250	200	5200	6%	10%	PLI - A
	3 (b)	Al-Zn coated (Galvalume)	1024	250			27%	30%	PLI - A
	4	Colour Coated	2260	250	300	5100	16%	20%	PLI - A
High Strength / Wear resistant Steel	5 (a)	HR Coil, Sheets and Plates API Gr 52<=X<=70	1254	4500	2750	5500	23%	25%	PLI - A
	5 (b)	HR Coil, Sheets and Plates API Gr >X-70	0				20%	20%	PLI - B
	5 (c)	High Tensile Sheets, Coil, Plates, YS>=450	5364				7%	10%	PLI - A
	6	Auto Gr Steel AHSS (CRCA)	485	900	1000	1000	11%	15%	PLI - B
	7 (a)	Boiler Quality, Pressure Vessels	470	1200	2500	2500	15%	15%	PLI - B
	7 (b)	QT / Abrasion Resistance and Wear Resistance	60				30%	30%	PLI - B
Specialty Rails	8 (a)	Asymmetric Rails	0	-		350	20%	20%	PLI - A
	8 (b)	Head Hardened rails	0.61	-			42%	40%	PLI - A
Alloy Steel Products and Steel wires	9 (a)	Alloy Steel: Tool and Die Steel	52	250	350	350	18%	20%	PLI - B
	9 (b)	Alloy Steel: Valve Steel	17	250			13%	15%	PLI - B
	10	Alloy Steel: Bearing	463	250		1050	13%	15%	PLI - A

		Steel							
	11	Automotive power train steel	376	250		700	8%	10%	PLI - B
	12	Precipitation Hardened Stainless Steel	1	1	100	100	26%	30%	PLI - B
	13	Tyre Bead wire	86	100	300	600	18%	20%	PLI - B
	14	C - Class Zinc Coated Wire	0	100	300	300	8%	10%	PLI - B
	15	Zinc - Aluminium Coated Wire	0	100	300	300	8%	10%	PLI - B
	16	Tyre Cord (Brass Coated)	85	100	700	1445	18%	20%	PLI - B
	17	Oil Tempered Spring Steel Wire	2	50	30	30	30%	30%	PLI - B
Electrical Steel	18	CRGO	27	200	5000	10000	40%	40%	PLI - C
	19	CRNO	563	200	700	1400	7%	10%	PLI - B
Total			17624			39625			

Application Form- Production Linked Incentive Scheme (PLI) for Specialty Steel Products

1.1 Company Overview

Full Name of the Company :

Company intends to apply as

☐ Individual

 ☐ Group company

 ☐ JVs
Please Tick whichever applicable:

Registered Office Address with complete contact details	Address: City- State- Pin Code- Office telephone no(STD) Office fax no(STD) Mob No.- Email-
Corporate Office Address with complete contact details	Address: City- State- Pin Code- Office telephone no(STD) Office fax no(STD) Mob No.- Email-
Website	
CIN No	
PAN No	

In case of JVs/ group companies, details of companies including address with whom applicant has tied- up business for incentive :

	Company Name	CIN No	Address
Company 1	<input type="text"/>	<input type="text"/>	<input type="text"/>
Company 2	<input type="text"/>	<input type="text"/>	<input type="text"/>
Company 3	<input type="text"/>	<input type="text"/>	<input type="text"/>

1.2 Product against which PLI is applied :

Sl. No	Broad Category	Sl. No	Sub-category	Tick on applied product sub-categories
A	Coated/ Plated Steel Products	1	Galvanneal/ GI-Auto-Gr	
		2	Tin mill Products	
		3 (a)	Coated/ Plated products of Metallic/ Non-	
		3 (b)	Al-Zn coated (Galvalume)	
		4	Colour Coated	
B	High Strength/ Wear resistant Steel	5 (a)	HR Coil, Sheets and Plates API Gr 52=X<=70	
		5 (b)	HR Coil, Sheets and Plates API Gr>X-70	
		5 (c)	High Tensile Sheets, Coil, Plates,YS>=450	
		6	Auto Gr Steel AHSS (CRCA)	
		7 (a)	Boiler Quality, Pressure Vessels	
		7 (b)	QT/ Abrasion Resistance and Wear	
C	Specialty Rails	8 (a)	Asymmetric Rails	
		8 (b)	Head Hardened rails	
	Alloy Steel Products and Steel wires	9 (a)	Alloy Steel: Tool and Die Steel	
		9 (b)	Alloy Steel: Valve Steel	
		10	Alloy Steel: Bearing Steel	
		11	Automotive Powertrain steel	
		12	Precipitation Hardened Stainless Steel	
		13	Tyre Bead wire	
		14	C- Class Zinc Coated Wire	
		15	Zinc- Aluminium Coated Wire	
		16	Tyre Cord (Brass Coated)	
		17	Oil Tempered Spring Steel Wire	
E	Electrical Steel	18	Cold Rolled Grain Oriented (CRGO)	
		19	Cold Rolled Non-Grain Oriented (CRNO)	

(to be available in drop down menu in the web based application form)

(All fields are mandatory)

2.1 Authorised Signatory

Name	Designation	PAN	Email	Mobile No.	Address

Upload Authorization Letter to be uploaded in Document Uploads section

2.2 Statutory Auditor Details

Name of the Firm

FRN Number

Financial Year Employed

2.3 Current Manufacturing Facilities in India

Location with address	GSTN no	Saleable Steel products	Annual capacity (in Metric Tonne/yr)	Major plant facilities

- Note :**
1. Upload GST Registration Certificates

(All fields are mandatory)

3.0 Details of eligibility condition

1. I agree to produce applied product under PLI Scheme through Individual/JVs company/companies that is engaged in end-to-end manufacturing of steel products where the input materials melted/made and cast within the country using iron ore/iron ore pellets/sponge iron/steel scrap ☐
2. Value addition through third party : Y/N
If yes, % of value addition (Allowed up to 20%)
3. Net-worth of the company at the end of preceding financial year w.r.t year of filling application
4. No. of proposed plant units for the Applied Product Sub Category :
Single unit :
Multiple units : (Please tick on appropriate boxes)
5. Basic details of proposed plant units for the applied product sub category :

a) For Single unit

Unit No.	Unit Location	Unit Capacity (in Metric Tonne per Year)	Year of Commissioning

b) For Multiple units

i) units located at same locations

Unit No.	Unit Location	Unit Capacity (in Metric Tonne per Year)	Year of Commissioning

Note: unit located at same location means unit installed at same plant premises.

ii) units located at different locations

Unit No.	Unit Location	Unit Capacity (in Metric Tonne per Year)	Year of Commissioning

6. Committed rate of annual incremental production (unit wise) :

(in Metric tonne)

Production Year	Committed Production (Qty) of steel product under Target Segment	Committed rate of annual Incremental production (%)
Unit No. :		
2022-2023		
2023-2024		
2024-2025		
2025-2026		
2026-2027		
2027-2028		
2028-2029		

Note :

- a. The aforementioned committed rate of incremental production will be binding for the applicant and shall be used for Ranking among the all eligible bidders based on the relevant provision of scheme & guidelines.
 - b. For specific product categories/sub-categories, the first year for incentives calculation will start from FY 24-25.
7. Committed investment details- unit wise (for the proposed plant units for the applied product sub category)

Unit No :

Summary of investment for the project:

In Rs Cr.

Sl. No	Item description	Investment made before date of Notification of scheme (i.e 29 th July 2021)	Investment proposed to be made after date of Notification of scheme	Total investment	Remarks
I	II	III	IV	V = III + IV	VI
A	Main Technological facilities				
1.	Facility 1	xxx	Xxx	xxx	
2.	Facility 2	xxx	Xxx	xxx	
3.	
	Sub-total of Main facilities				
B	Auxiliary/Supporting facilities				
1.	Power Distribution, Shop electrics & illumination				
2.	Gas and fuel facilities				
3.	Water supply facilities				
4.	Material Handling facilities				
5.	Compressed air station				
6.	Pollution control facilities				
7.	Lab facilities				
8.	Repair Shop				

9.	Infrastructure facilities (Railway lines, Road etc.)				
10.	Other Misl. Facilities (if any)				
	Sub-total of Auxiliary/ Supporting facilities				
C	Building & Civil works				
1	Factory buildings				
2	Non-factory buildings				
	Sub-total of Building & Civil works				
D	Design Engineering consultancy & Project management.				
E	Research & Development and Transfer of Technology				
F	Total investment excl. Land, preliminary & preoperative expenses and Interest during construction				
G	Land cost (if any)				
H	Preliminary & preoperative expenses	xxx	Xxx	xxx	
I	Interest during construction	xxx	Xxx	xxx	
J	Total investment incl. preliminary & preoperative expenses and Interest during construction	xxx	Xxx	xxx	

Note :

- The above details is required to be furnished unit-wise
- In case of an on-going project, investment made before date of Notification of scheme shall be furnished. However, investments made after the date of Gazette notification regarding the scheme shall only be considered under permissible investment.
- For permissible investment, refer Annexure-IV of PLI Scheme Guidelines.

Year wise phasing of investment
(made after date of notification of scheme)

In Rs Cr

Year	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29	Total
Unit No. :									
Value of Investment									
Unit No. :									
Value of Investment									
Grand Total :									

Note :

All Investments must be completed before commencement of production except the investment on account of payment scheduled after commissioning as per contract agreements (such as payment against commissioning, payment on establishment of PG parameter & issue of PG certificate, Issue of final acceptance certificate (FAC)

4.1 Details of proposed plant to be set up under targeted segment

1. Unit No. :
2. Unit Location
3. Location details.

Village
Block
Dist.
State
Pin

4. Whether land is acquired.: Yes / No
If Yes, Land details :
5. Whether statutory clearances are taken.: Yes / No
If yes, details of statutory clearance (Like EC clearance, Water linkage, Power linkage, Factory clearance etc.)
6. What are major units of the proposed plant?
(Please mention in max. 1000 words)

7. Implementation period with start date of the project :
8. Expected month along with year of commissioning of plant :
9. Whether any feasibility report of the project is prepared? : Yes / No
If yes, please submit the feasibility report.
10. Whether Financial closure for the proposed project is occurred : Yes / No
If yes, Details of source of fund :

Equity	
Debt	
Total	

in Rs Cr

11. Proposed Plan for Employment Generation from the Project.

Cumulative Employment	FY21-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
On-roll labour/ employees								
Contractual								
Apprentice								
Total Cumul. Employment								

Note : Cumulative employment to be given from the start of the project

4.2 Historical Data for Net Sales of all saleable products (incl. Target segments of products as applicable)

Sl. No. for sub- category	Sub-category	Export Sales		Domestic Sales		Total Sales	
		Qty (t)	Value (Rs Cr.)	Qty (t)	Value (Rs Cr.)	Qty (t)	Value (Rs Cr.)
A	Target segment of products						
1	Galvanneal/ GI-Auto-Gr						
2	Tin mill Products						
3 (a)	Coated/ Plated products of Metallic/ Non-Metallic alloys						
3 (b)	Al-Zn coated (Galvalume)						
4	Colour Coated						
5 (a)	HR Coil, Sheets and Plates API Gr 52<=X<=70						
5 (b)	HR Coil, Sheets and Plates API Gr>X-70						
5 (c)	High Tensile Sheets, Coil, Plates, YS>=450						
6	Auto Gr Steel AHSS (CRCA)						
7 (a)	Boiler Quality, Pressure Vessels						
7 (b)	QT/ Abrasion Resistance and Wear Resistance						
8 (a)	Asymmetric Rails with end forging						
8 (b)	Head Hardened rails						
9 (a)	Alloy Steel: Tool and Die						
9 (b)	Alloy Steel: Valve Steel						
10	Alloy Steel: Bearing Steel						
11	Automotive Powertrain steel						
12	Precipitation Hardened Stainless Steel						

13	Tyre Bead wire						
14	C- Class Zinc Coated Wire						
15	Zinc- Aluminium Coated Wire						
16	Tyre Cord (Brass Coated)						
17	Oil Tempered Spring Steel Wire##						
18	Cold Rolled Grain Oriented (CRGO)						
19	Cold Rolled Non-Grain Oriented (CRNO)						
	Sub-total- Target segments of products (A)						
B	Other products						
	Product 1						
	Product 2						
						
	Sub-total: other products (B)						
	Total (A+B)						

Note :

- The above historical data has to be furnished separately for the FY 18-19, FY 19-20 & FY 20-21
- Net Sales means Gross Sales net of credit notes (raised for any purpose), discounts (including but not limited to cash, volume, turnover, target or for any other purpose), taxes, freight & insurances as applicable.

5.1 Bank Details of applicant:

Account holder Name	
Account No.	
Type of Account	
Name of the Bank	
Branch Code	
Branch IFSC Code	
Branch MICR Code	
Branch Name	
Branch Address	
Telephone/Fax nos. of Bank	
Email address:	

5.2 Application Fee Payment Details

Payment Date	Payment Reference No.	Bank Name	Amount(Rs.)

Payment shall be made through PMA's payment gateway system.

6 Declaration

The data, documents, declaration and any other information submitted in this application form is based on the latest information available with the company and, true and correct to the best of my knowledge & belief and nothing has been concealed there from. I have read and understood the provisions of the Production Linked Incentive Scheme (PLI) for manufacture of Specialty Steel Products as notified vide notification no. CG-DL-E-29072021-228562 dated July 29 2021 and relevant guidelines thereto and have submitted all information, data, documents and declaration in accordance with the same. I abide by the decision of Ministry of Steel with respect to acceptance of the application, eligibility under the Scheme, and any other related matter and the same will be final and binding on me. I/applicant shall be solely responsible in case application is rejected due to incomplete information and I am aware that no claim in this regard shall be entertained.

Auth. Signatory
Full Name:

Place: Designation:

Date:

List of Documents to be uploaded along with application form:

1. Certificate of Incorporation (Issued by ROC)
2. Memorandum & Articles of Association (Submitted to ROC)
3. PAN Card
4. Business Agreement : JV (if applicable)
5. Letter of Authorization by Board of Directors or Managing Director or Equivalent
6. GST Registration No.
7. Annual Report of Applicant company : FY 2018-19, FY 2019-20 & FY 2020-21
8. Feasibility report of the project (if available)
9. Application Fee Payment Proof
10. Integrity Undertaking (Format A) of Annexure-VIII
11. Any other relevant documents

INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM (ANNEXURE-II)**General Instructions:**

1. Application form shall be filled only in English language.
2. All monetary figures should be provided only in INR.
3. All the information has to be provided and no input should be left blank.
4. Documents should be uploaded in pdf format as per the appendix of the Annexure-II
5. All the documents before uploading has to be self-certified with seal of the company
6. Please check your eligibility as given in the scheme document and PLI Scheme guidelines before filling up the application form.
7. After successful submission of the application form (Annexure-II) along with all uploaded documents, applicant should take print of all the documents, duly signed (Authorised signatory) and send the full set to PMA within 15 days of the online application submission.

Point wise instruction:**1.1 Company Overview**

Provide full legal name of the company applying under PLI Scheme (Only this company can claim the PLI incentive).

Tick the suitable box applicable – Applying as individual/ group company/ JVs

1.2 Only one product sub-category per application is permitted. For applying in more than one sub-category, submit separate application form for each selected product sub-category.**2.1 Provide details of the Authorised signatory****2.2 Provide details of the Statutory Auditors****2.3 Provide details of the current manufacturing facilities**

- GST Registration Certificates to be uploaded in Document Uploads section
- Applicant is requested to furnish the details of product category/sub category-wise annual capacity & sales qty. If the applicant is already producing the target Segment of product sub categories as indicated in scheme document/guideline, then those sub-category-wise required information is requested to furnish.

3.0 Provide details to meet the eligibility condition as per the PLI scheme& guidelines:

- Check the box to ensure that end-to-end steel manufacturing is within India.
- Select yes/No as applicable : in case of there is any value addition expected from third party in order to produce the selected product sub-category
- Provide % value addition, as applicable
- Provide Net-worth of the company on the preceding year of the applying this application
- Provide No. of proposed plant units for the Applied Product Sub Category, along with its location, capacity (in Metric tonne) & year of commissioning.
- Committed incremental production details : Applicant shall submit the committed the unit-wise value

of incremental production for the Target Segment of products as a part of eligibility requirement in the format as given in the application.

- Investment details: Summary of unit-wise estimated investment for the project has to be furnished in the format as given in application form.
 - In case of an on-going project, investments made before and after the date of Gazette notification of the PLI scheme shall be separately indicated in the format as given in application form
 - Investments made after the date of Gazette notification regarding the scheme shall only be considered under permissible investment.
 - In case of investment catering to target segment of products and other products, then such investment shall be suitably apportioned to derive the value of permissible investment. Basis of such apportioned shall be furnished by the applicants.
- Provide unit-wise phasing of the investment in the given format.

4.1 Details of proposed plant to be set up under targeted segment.

- Under expected date of commissioning of plant, month & year of commissioning of the plant to be indicated.

4.2 Provide historical Data for Net Sales of all saleable products (incl. Target segments of products as applicable): Net Sales means Gross Sales net of credit notes (raised for any purpose), discounts (including but not limited to cash, volume, turnover, target or for any other purpose), taxes, freight & insurances as applicable.

5.1 Provide bank details of applicant

5.2 Provide details of application fee payment

6 Read the declaration carefully and sign the print version of the application.

List of permissible investments**1. General Terms and Conditions**

- Investments made after the date of Gazette notification regarding the scheme shall only be considered.
- Investments made towards the setting up plant facilities required to produce target segment of product(s) shall only be considered under permissible investment.
- Input material(s) to produce each product sub-category has been defined in table-1 of this annexure.
- Investment made in downstream facilities of input material to produce specified product sub-category(ies) under the target segment shall only be considered under permissible investment. No investment in upstream facilities to produce input material shall qualify under permissible investment.
- Expenditure on consumables and raw material used for manufacturing shall not be considered as Investment
- The date of payment made would be considered as the date of investment under the scheme. All Investments must be completed before commencement of production except the investment on account of payment scheduled after commissioning as per contract agreements such as payment on establishment of performance guarantee (PG) parameter, issue of PG certificate, and issue of final acceptance certificate (FAC).
- In case of ongoing expansion project, payment made after the date of notification of scheme shall only be considered under permissible investment.
- Investment made in refurbishing/ relocation of existing plant & equipment within India shall not be permitted under permissible investment.
- Plant and equipment brought from abroad and installed in India to create additional new capacity, shall be permitted under permissible investment.
- The head of investment, based on which eligibility is being determined, must be capitalized in the books of accounts of the applicants.
- In case of new investment in common facilities/ auxiliary/ utility facilities/ equipment catering to the applied product sub-category and other products, such

List of permissible investments

investment shall be suitably apportioned to derive the value of permissible investment for the applied product sub-category.

2. Plant, Machinery, and Equipment

- The cost of Plant & Machinery shall include cost of equipment & technological structure pertaining to the facilities as required to produce target segment of product(s). It shall also include the cost of auxiliary and supporting facilities like Power distribution, Shop electric & illumination, utilities, Pollution control facilities, Fire fighting facilities, Material handling facilities, laboratory facilities, roll & repair shop, etc. pertaining to the main equipment/facilities as required to produce target segments of products. It shall also include expenditure on packaging, freight / transport, insurance, design & engineering, erection & commissioning & spares etc. of the plant, machinery, equipment, and auxiliary & supporting facilities. All non- creditable taxes and duties would be included in such expenditure.
- Plant, machinery, and equipment shall be procured through legally valid documents after payment of applicable taxes and duties.
- Plant, machinery, and equipment must be purchased / leased in the name of the applicant. In cases where these are being leased, the lease should be in the nature of a financial lease within the meaning of Accounting Standard 19 - Leases or Indian Accounting Standard (Ind-AS) - 116 Leases, as may be applicable to the applicant, as notified by Ministry of Corporate Affairs or any other appropriate authority from time to time.

3. Research and Development (R&D)

- Expenditure incurred on Research and Development (R&D) shall include expenditure on IPR, patents, Royalty and copyrights for R&D etc. required to produce target segment of product(s). If royalty is being paid as one-time payment for patented products and is capitalized in books of account then the same shall be considered under investment whereas royalty paid as recurring nature, shall be considered as revenue expenditure (not as capital investment). All non-creditable taxes and duties would be included in such expenditure.

List of permissible investments

- The applicant shall provide a statutory auditor certificate and purchase agreements in respect of cost of technology, IPRs, patents, royalty and copyrights.

4. Transfer of Technology (ToT)

- Expenditure incurred on Transfer of Technology documents shall include cost of technology and initial technology purchase required to produce target segments of products. All non-creditable taxes and duties would be included in such expenditure.
- The applicant shall provide a statutory certificate in respect of expenditure related to Transfer of Technology Agreements.

5. Building& Civil works:

- The expenditure incurred towards construction of buildings and civil works (including works buildings, welfare buildings etc.) required to produce target segments of products shall be considered under permissible investment categories.
- All non-creditable taxes and duties would be included in such expenditure

6. Land & infrastructure :

- The expenditure incurred towards Land & construction of infrastructure (road and railway network line, external water supply, external power supply etc.) required to produce target segments of products shall be considered under permissible investment categories.
- In case of brownfield project, Investment towards augmentation of existing infrastructure, utilities, and auxiliary facilities, to cater to the needs of new facilities created through new investment for production of a particular product sub-category under target segments, shall be considered but limited to a max. of 15 % of the committed investment.
- All non-creditable taxes and duties would be included in such expenditure

List of permissible investments**7. Preliminary & Pre-operative expenses and Interest during construction (IDC) :**

- The expenditure incurred towards Preliminary & Pre-operative expenses and Interest during construction required to produce target segments of products shall be considered under permissible investment categories.
- Preliminary & Pre-operative expenses includes cost of studies (like preparation of prefeasibility report on any type of report prepared for the project) and investigation (viz. Soil Testing, Testing of Materials, Site Survey, Geological Surveys etc.), establishment charges, start-up expenses etc.

8. Broad and Indicative list of technological facilities for permissible investment

The broad and indicative list of technological facilities specific to each product sub-category is given below in table-1 along with starting material for production. In addition to these specific permissible investment under each sub-categories, general investment shall also be permissible such as mentioned above – investment in auxiliary and supporting facilities (quality control & quality assurance, pollution control, fire fighting, etc.), Research & Development, transfer of technology, Building & Civil works, Land & Infrastructure (only related to manufacturing of applied sub-category products), and preliminary expenses including IDC.

Table - 1

Indicative list of major technological facilities considered under permissible investment specific to each product sub-category

Sl. No.	Broad category	Sl. No.	Sub-category	Input material	Permissible major technological facilities ^{\$}
A	Coated/Plated Steel Products	1	Galvanneal / GI-Auto-Gr	CR Coil	HDGL line comprising of Entry Side Equipment, Electrolytic Cleaning Facility, Welder, Entry & Exit Looper, Furnace Equipment, Zinc pot, Cooling section, Galvanneal Furnace (for GA), Skin Pass Mill, Tension Leveler, Exit Side Equipment, Coil Transfer System, Weighing & Packaging line Associated electrics and automation
		2	Tin mill	CR Coils/TMBP	Annealing line, Double Cold Reduction mill, Coil Preparation Line, Electrolytic Tinning line, Coil Transfer System,

List of permissible investments

Sl. No.	Broad category	Sl. No.	Sub-category	Input material	Permissible major technological facilities ^{\$}
					Weighing & Packaging line Associated electrics and automation
		3(a)	Coated / Plated products of Metallic & Non-metallic alloys	CR Coils/ CRCA / Galvanised coils	Color coating line, Processing units, Inspection units, packaging line, etc. It may also have facilities listed in Sl. No. 1/2/3(b)/4.
		3(b)	Al –Zn coated (Galvalume)	CR Coils	Entry Side Equipment, Electrolytic Cleaning Facility, Welder, Entry & Exit Looper, Furnace Equipment, Galvalume pot, Cooling section, Skin Pass Mill, Tension Leveler, Exit Side Equipment, Coil Transfer System, Weighing & Packaging line Associated electrics and automation
		4	Colour coated	Galvanised/ Galvalume or any other coated coils	Color coating line (comprises of Entry Side Equipment, Welding Line, Cleaning Section, Entry & Exit Looper, Colour Processing units, Exit Side Equipment, Weighing & packaging line, Coil Transfer System Associated electrics and automation
B	High Strength / Wear resistant Steel	5(a)	HR Coil, Sheets and Plates API Gr 52 < = X <= 70	Cast Slabs	Reheating furnace, Conventional Hot Strip mill, Weighing & packaging line, Coil Transfer System Associated electrics and automation
		5(b)	HR Coil Sheets and Plates API		
		5(c)	High Tensile Sheets, Coil, Plates YS >= 450 Mpa		
		6	Auto Gr Steel AHSS (CRCA)	HR coils	Pickling Line & Tandem Cold Mill, Annealing line, Skin pass mill, Weighing & packaging line, Coil Transfer System, Acid regeneration plant Associated electrics and automation
		7(a)	Boiler Quality, Pressure Vessels	Cast Slabs	Reheating Furnaces, Plate mill, Inspection unit, Normalising Furnace, Weighing & packaging line Associated electrics and automation
		7(b)	QT / Abrasion Resistance and Wear Resistance		

List of permissible investments

Sl. No.	Broad category	Sl. No.	Sub-category	Input material	Permissible major technological facilities ^{\$}
C	Speciality Rails	8(a)	Asymmetric Rails	-	-
		8(b)	Head Hardened rails	Rails	Rail handling facility, Feeding Table, Induction Heating Head hardening unit, rail transfer system, Cold Saw, Gag Press, Inspection Unit Associated electrics and automation
D	Alloy steel Products and Steel wires	9(a)	Alloy Steel : Tool and Die Steel	Scrap/Sponge iron	Steelmaking (EAF/IF), secondary refining, Reheating furnace, Forging unit, Rolling mill, processing unit, heat treatment furnace, Inspection and packaging line Associated electrics and automation
		9(b)	Alloy Steel : Valve Steel		
		10	Alloy Steel : Bearing Steel	Billets/ bloom	Reheating furnace, Rolling mill, Packaging unit Associated electrics and automation
		11	Automotive power train steel	Billet/ bloom	Reheating furnace, Rolling mill, Processing units, heat treatment furnace, Inspection and packaging line Associated electrics and automation
		12	Precipitation Hardened Stainless	Billet/ bloom	Reheating furnace, Rolling mill, Processing units, heat treatment furnace, Inspection and packaging line Associated electrics and automation
		13	Tyre Bead wire	Billets	Reheating furnace, wire rod mill, drawing unit, Patenting, coating line, Packaging unit Associated electrics and automation
		14	C – Class Zinc Coated Wire	Wire rods	Heat treatment units, hot dip galvanizing/ Zinc coating, Inspection unit, Packaging unit Associated electrics and automation
		15	Zinc – aluminium coated Wire	Wire rods	Heat treatment unit, processing units, hot dip galvanizing, hot dip ZA alloy fluxing, Inspection unit, Packaging unit

List of permissible investments

Sl. No.	Broad category	Sl. No.	Sub-category	Input material	Permissible major technological facilities ^{\$}
					Associated electrics and automation
		16	Tyre cord (Brass Coated)	Billets	Reheating furnace, Wire rod mill, coarse drawing, patenting, intermediate drawing, final patenting. Brass plating, wet drawing, filament, stranding, tire cord making unit, Packaging unit
					Associated electrics and automation
		17	Oil Tempered Spring Steel Wire	Spring steel wire rods	Cleaning unit, Heat Treatment furnace, processing unit, Quenching and tempering furnace, Inspection unit, Packaging unit
					Associated electrics and automation
E	Electrical steel	18	CRGO	Hot metal/ Scrap	Steelmaking (EAF/BOF), Secondary refining (LF/VD/ VOD), Caster, Hot Strip Mill, Annealing, Pickling,, Cold Rolling Mill, Decarburization Line, MgO Coating Line, High Temperature Annealing line, Thermal Coating, Laser Scribing, Inspection, Packaging unit
					Associated electrics and automation
		19	CRNO	HR Coil	Pickling line, Annealing line, Cold Rolling Mill, Decarburization Line, Annealing Line, Insulation Coating line, Drying, Slitting. Inspection, Packaging unit
					Associated electrics and automation

\$In addition to the Technological equipment / facility, investment in the following major associated facilities for respective unit shall also be considered under the permissible investment:

- Civil Works
- Building & Technological Structure
- Lubrication & Hydraulic System
- Pneumatic System
- Shop Electrics

List of permissible investments

- Power Distribution System
- Fire Detection & Alarm System (FDA)
- Tele-communication & CCTV System
- Illumination System
- Material Handling System (Overhead crane, jib crane, fork lifter, hoist)
- Fluid System (water, gas, fuel, steam, compressed air)
- ACVS System
- Fire fighting system
- Interconnecting Piping
- Effluent Treatment Plant (ETP), Zero Liquid Discharge (ZLD), Sewerage Treatment Plant (STP)
- Shop drainage system
- Laboratory
- Roll shop & Workshop

Reference weighted price for Base year 2019-20

Sl. No.	Product Sub-Category	Average Baseline price, Rs/ t
1	Galvanneal / GI-Auto-Gr	55,000
2	Tin mill Products	60,000
3(a)	Coated/Plated products of Metallic/Non-Metallic alloys	65,000
3(b)	Al-Zn (Galvalume)	51,000
4	Colour coated	60,875
5(a)	HR Coil, Sheets and Plates API Gr 52<=X<=70	49,250
5(b)	HR Coil, Sheets and Plates API Gr >X-70	62,000
5(c)	High Tensile Sheets, Coil, Plates , YS>=450Mpa	41,000
6	HT : Auto Gr Steel incl. AHSS (CRCA)	53,000
7(a)	Boiler Quality, Pressure Vessels	75,000
7(b)	QT / Abrasion Resistance and Wear Resistance	65,000
8(a)	Asymmetric Rails	85,000
8(b)	Head Hardened Rails	65,000
9 (a)	Alloy Steel : Tool & Die Steel	1,87,500
9 (b)	Alloy Steel : Valve Steel	1,50,000
10	Alloy Steel : Bearing Steel	60,000
11	Automotive power train	56,000
12	Precipitation Hardened SS	2,50,000
13	Tyre Bead Wire	75,000
14	C' Class Zinc Coated Wire	2,21,700

Reference weighted price for Base year 2019-20

15	Zinc - Aluminium Coated Wire	2,58,650
16	Tyre Cord (Brass Coated)	1,84,750
17	Oil tempered Spring Steel Wire	1,33,020
18	CRGO	1,16,000
19	CRNO	54,000

Frequently Asked Questions (FAQs) on Production Linked Incentive (PLI) Scheme for Speciality Steel

1. What is PLI Scheme for specialty steel?

PLI stands for "Production Linked Incentive". The PLI scheme for speciality steel notified by Ministry of Steel, Govt. of India vide Gazette notification no.F.No.S-21018/1/2020-TRADE-TAX-PART(1) dated 29th July, 2021. The objectives of the PLI scheme for specialty steel is to promote manufacturing of special steel grades within the country and help the Indian steel industry mature in terms of technology as well as move up the value chain.

2. What is covered under specialty steel as per the PLI Scheme document?

(Ref. Para 5 of Appendix-I and Para 3.1 of PLI Booklet)

The scheme covering Specialty steel grades shall be applicable to the following five (05) indicative broad product categories:

- i. Coated/Plated Steel Products
- ii. High Strength/ Wear resistant Steel
- iii. Specialty Rails & Asymmetric, Head hardened
- iv. Alloy Steel Products and Steel wires
- v. Electrical Steel & CRGO, CRNO

These are further sub-divided into various product sub-categories. *For further details Refer Para 3.1 of the PLI Booklet.*

3. What is incentive outlay under the scheme?

(Ref. Para 11 of Appendix-I)

The annual incentive outlay and total incentive outlay over the scheme period are as indicated below:

Financial Year	Outlay (in ₹ Cr)
2023-24	775
2024-25	1088
2025-26	1394
2026-27	1377
2027-28	1293
2028-29	222
2029-30	173
Total	6322

4. What is the tenure of the scheme?

(Ref. Para 9 of Appendix-I and Para 3.2 of PLI Booklet)

Incentive under the scheme shall be provided for a maximum period of five (5) years. The period of five (5) years shall commence from FY 2022-23 (incentive to be released from FY 2023-24). The initial year may, however, be deferred by up to two (02) years in case of specific product categories within the overall budgetary allocation. The release of incentive will be from FY 2023-24 to 2027-28 (FY 2025-26 to 2029-30, in case of deferment by two years) based on the achievements made by different companies in keeping with the details given in the guidelines.

	Tenure for Production year	Tenure for Incentive disbursement year
As per Scheme	FY 2022 ó 23 to FY 2026-27	FY 2023 ó 24 to FY 2027-28
In case of specific product categories, deferment by two (2) years	FY 2024 ó 25 to FY 2028-29	FY 2025 ó 26 to FY 2029 ó 30

5. Can the scheme period be deferred?

(Ref. Para 9 of Appendix-I and Para 3.2 of PLI Booklet)

If considered necessary, due to any special/adverse circumstances (Force majeure condition), the selected company(ies) may be allowed to avail the incentive within an extended period of up to one (01) year by allowing deferment of the initial year (FY2022-23) with PLI payable in FY2023-24 by one year i.e. to FY2023-24 (with PLI payable in FY 2024-25) but the overall period for availing incentive being limited to a maximum Period of five (05) years with the approval of Empowered Group of Secretaries (EGoS).

6. Who can apply under the Scheme?

(Ref. Para 6 of Appendix-I and Para 5 of PLI Booklet)

Individual company/group companies or JV registered in India under the Companies Act 2013, desirous of manufacturing identified specialty steel grades, shall be eligible to apply for incentive under the scheme. The company shall ensure end-to-end manufacturing of applied product sub-category domestically, where the input material is melted and poured within the country using iron ore/scrap/sponge iron/pellets, etc. Third party outsourcing is allowed upto 20% value addition. However, an applicant must meet the criteria as specified in the scheme guidelines.

7. What are target segments of specialty steel products covered under PLI Scheme?

Target segments of specialty steel covered under the scheme are one and the same as specialty steel segments mentioned in question 2 above. Please refer para 3.1 of the PLI Booklet.

8. What is the mode of applying under the PLI scheme?

A company may apply for availing benefits under the scheme through an online portal dedicated for the purpose. **URL of online portal will be notified separately.**

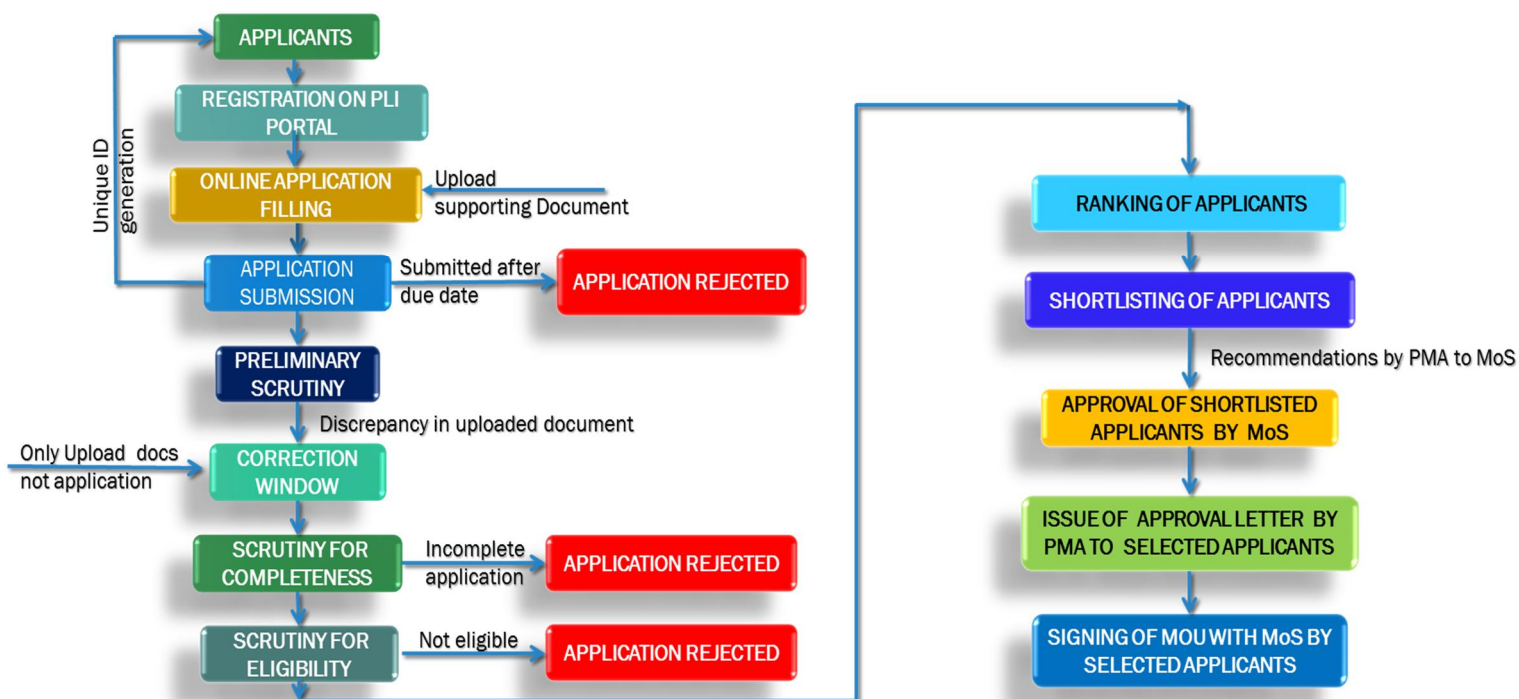
However, after on line submission, the applicant is required to submit the signed copy of the submitted application along with all the uploaded documents within 10 days from date of on line submission.

9. Is there any application fee?

Yes, A non-refundable and one-time application fees of Rs 1 lakh (plus applicable GST) for each application needs to be paid as per the prescribed mode of payment, without which no application shall be evaluated.

10. What are the steps in the application process?

Flowchart given below explains the various steps in the application process:



11. Can application be submitted through offline mode?

All applications shall be submitted along with uploading of the supporting documents (**Refer Appendix-II**) through an online portal to the Project Management Agency (PMA).

A physical copy of the submitted application duly signed by the authorized signatory along with all supporting documents needs to be submitted at the address, (which will be notified separately), within 10 days of the submission of on-line form.

12. Is applicant required to submit the signed copy of the application submitted online?

Yes. As explained in answer to question No. 11.

13. What are important dates related to application submission?

Important dates related to application submission are as follows.

- Start of application submission for all applicants : To be announced
- Application submission deadline for all applicants : To be announced
- Opening of Correction window for all applicants : To be announced
- Correction window deadline for all applicants : To be announced

14. Who is PMA and what is its role?

The Scheme will be implemented through a Nodal Agency referred as Project Management Agency (PMA) which will be responsible for providing secretarial, managerial and implementation support and carrying out other responsibilities as assigned by Ministry of Steel from time to time.

15. Who is the nodal officer of the PLI Scheme from PMA? What are his contact details?

Nodal Officer from PMA and his contact details shall be notified separately

16. Who is the nodal officer of the PLI Scheme from MoS? What are his contact details?

Shri Gopalakrishnan Ganesh, Deputy Secretary, Steel is the nodal officer of the PLI Scheme from Ministry of Steel. His contact details are as under :

Shri Gopalakrishnan Ganesh,
Deputy Secretary, Steel,
Ministry of Steel (MoS), Govt. of India,
Udyog Bhavan, New Delhi 6 110011
e-mail : gopalakrishnan.g@gov.in

17. What is application window i.e. the period for making an application under the Scheme?

A time period of 90 days shall be allowed for the filing of application from the date, as may be notified separately. No application shall be received after expiry of the due date so fixed.

18. What is correction window?

A onetime correction window of fifteen days (15 days) after close of application submission shall be available for completeness of supporting documents only, uploaded along with the main application form. However, no change in the main application form will be permitted.

19. Can applicant modify the main application after submission?

No

20. Can a company apply for multiple product categories/ sub-categories?

(Ref. Para 8.5 of Appendix-I)

Yes, a company may apply for as many products category/ sub-category as it desires. However, it needs to submit separate application for each product sub-category along with non-refundable application fee. The investment for each applied product sub-category shall also be distinct..

21. What are the eligibility criteria under PLI Scheme?

(Ref. Para 6 of Appendix-I and para 5 of PLI Booklet)

The major eligibility criteria are as follows:

- a. **Annual incremental production rate:** Each applicant shall submit annual incremental production rate (%) year-wise along with production quantity over the scheme period against each applied product sub-category. The committed annual incremental production rate must be equal to or more than the respective threshold incremental production rate mentioned in **Table -3 of PLI Booklet** for each product sub-category.
- b. **Unit capacity :** Each applicant shall submit unit capacity to be installed against each applied product sub-category. Each applicant needs to commit minimum unit capacity as per **Table-3 of PLI Booklet**.
- c. **Committed investment:** Each applicant shall commit investment against each applied product sub-category during PLI Scheme period after the date of gazette notification along with year-wise phasing of investment. The committed investment by applicant against a particular sub-category has to be equal or more than the minimum unit investment specified in **Table-3 of PLI Booklet**.

- In case an applicant applies for more than one unit (say, 2 units or 3 units, etc.) at the same location for simultaneous installation, the following criteria need to be fulfilled for committed investment
 - For simultaneous installation of two units with single combined investment, the committed investment by the applicant has to be equal or more than the 1.8 times of unit investment specified in the scheme document.
 - For simultaneous installation of three units with single combined investment, the committed investment by the applicant has to be equal or more than the 2.5 times of unit investment specified in the scheme document.
 - In case an applicant applies for more than one unit (say, 2 units or 3 units, etc.) at different locations, each unit shall be evaluated independently.
- d. The net worth of the company (including that of the group companies)/JV as on the date of application shall not be less than 30% of the total committed investment
- i. In case of new company/group companies/JV incorporated after 31/03/2021 i.e. in FY22, net worth for such company(ies) shall not be less than 30% of the total committed investment prior to the date of filing of application.
 - ii. In case applicant applies in multiple product sub-categories under target segments, then net worth criteria shall be checked with respect to total committed investment across all applied product sub-categories.
- e. It would be permissible to undertake a maximum 20% of the total value-addition through third parties (outside the group companies or JVs)

22. Is an applicant having existing unit producing specified product in the scheme eligible for PLI scheme under that product sub-category ?

Since the unit has become functional as a result of investment made prior to notification of the scheme, such applicant shall not be eligible.

23. What is threshold incremental production rate ?

It is the incremental production rate fixed by MoS for a given product sub- category and provided in **Table-3 of PLI Booklet**. Applicants are required to meet or exceed the threshold rate while committing annual incremental production rate to be eligible for participation in PLI scheme.

24. What is Committed rate of annual incremental production (%) year-wise over the entire scheme period ?

Each applicant shall submit annual incremental production rate (%) year-wise along with production quantity over the scheme period against each applied product sub-category. The committed annual incremental production rate must be equal to or more than the respective threshold incremental production rate mentioned in Table-3 for each product sub-category.

25. What Committed unit capacity is to be installed against each applied product sub-category?

A minimum unit capacity against installation of facilities under each product sub-category has been defined in **Table-3 of PLI Booklet**. While submitting application, an applicant must commit installing a unit having rated capacity \times the minimum unit capacity of its selected product sub-category.

26. What is Committed investment for a given product category/ sub-category along with year-wise phasing?

A minimum investment against installation of facilities under each product sub-category has been defined in **Table-3 of PLI Booklet**. An applicant must commit an investment \times the minimum investment given against its selected product sub-category. In addition to above, the year-wise phasing of the total investment committed under the scheme duration needs to be furnished.

27. What are permissible investments?

(Ref. Appendix III)

Refer "Appendix - III" for permissible investments under the PLI scheme.

28. Are investments made before the date of notification of the scheme eligible under permissible investment?

No. Only the permissible investments done on or after the date of scheme notification i.e. July 29, 2021 are eligible under the PLI scheme.

29. What is selection process under the Scheme?

(Ref. Para 8 of PLI Booklet)

Please refer 8 of the PLI Booklet.

30. How are the rankings of applicants determined?

While a detailed methodology of calculation of ranking shall be notified separately, however, there shall be 50% weightages to be assigned to committed annual incremental production during the scheme period and committed investment as per the list of

permissible investments.

31. What is evaluation criteria in case of tie in ranking between/ among the applicants for any given product category/ sub-category?

In case where the same rank has been secured by the eligible companies, the final selection shall be based on the following rules (in the following descending order)

- i. An eligible company committing to upfront investments shall be given priority as indicated in the PLI Scheme document.
- ii. Eligible company who has applied first shall be given priority over others, all else being equal.

32. How is incentive calculated under PLI scheme?

The incentive shall be calculated as per the formula given below :

$$\text{Incentive} = (A/B) \times (B \text{ or } C \text{ or } D, \text{ whichever is lowest}) \times (\text{PLI rate as applicable})/100$$

A = Incremental sales in current year #

B = Weighted Average sales price of the applicant in current year

C = Weighted Average sales price in base year (Refer **Annexure – V**)

D = Weighted Average sale price in current year \$

Current year : means year for which PLI has been claimed

\$ To be worked out by JPC and notified by PMA every year

However, a detailed methodology of incentive calculation shall be notified separately.

33. What are eligibility criteria for claiming the PLI?

Please refer **Para 9 of PLI Booklet**.

34. What is the Limiting investment?

The concept shall be applicable only to qualify at the time of incentive calculation. However, at the time of application, committed investment must equal or exceed unit investment.

It is defined as the following for a particular sub-category:

Case-1: Applicant has applied for single unit for a particular product sub-category

80% of committed investment, or unit investment as given in Table-3, whichever is lower

Case-2: Applicant has applied for two simultaneous units, at same location, for a particular product sub-category

80% of committed investment, or 1.8 x unit investment as given in the Table-3, whichever is lower

Case-3: Applicant has applied for three simultaneous units, at same location, for a particular product sub-category

80% of committed investment, or 2.5 x unit investment as given in the Table-3, whichever is lower

35. What is the Limiting incremental production rate?

It is defined as the following:

80% of the committed annual incremental production rate or Threshold annual incremental production rate as given in **Table-3** of PLI Booklet, whichever is higher.

36. What if an applicant company is not able to meet threshold incremental production rate for a given year?

For incremental production eligible for incentive in a year, the actual incremental production rate shall be equal to or more than the Limiting Incremental Production rate in that year.

In case an applicant company is not able to meet Limiting Incremental Production rate, then no incentive shall be payable to the company for that year.

37. What if an applicant company is not able to meet committed investment?

In case the actual permissible investment made by each selected company as per **Appendix – III**, is less than the limiting investment for a product sub-category, the selected company shall not be eligible for any incentive.

38. Are taxes and duties included in the expenditure that is considered towards Investment in the Scheme?

All non-creditable taxes and duties would be included in such expenditure.

39. Is the expenditure incurred on Land and Building covered under the Scheme?

Yes.

40. Can a company availing incentive under PLI scheme also claim incentive under other schemes of Govt. of India or State Governments?

(Ref. Para 6.7 & 6.8 of Appendix-I)

- i. An eligible company availing benefit under the PLI scheme of Ministry of Steel may avail benefit under other scheme such as the Remission of Duties and Taxes on Exported products (RoDTEP) or those of the State Governments.
- ii. An eligible company availing benefit under the PLI scheme of Ministry of Steel is not barred from availing benefits under PLI schemes of other Ministries / Departments for products other than those identified under the PLI Scheme for -Specialty Steel. However,

the eligible investments / sales considered for benefits under this scheme shall not be considered for fiscal benefits under PLI schemes of other Ministries / Departments.

- 41. What percentage of used/refurbished plant, machinery and equipment is considered as Investment under the Scheme and what are the other factors considered while importing or domestically procuring used / refurbished plant, machinery and equipment?**

(Ref. Appendix - III)

Used/refurbished plant, machinery and equipment are not permitted towards Investment under the Scheme.

- 42. Is the cost for R&D during the investment period included for the purpose of Investment under PLI Scheme?**

(Ref. Appendix - III)

Yes

- 43. Is there any annual ceiling on the incentive payable to each applicant?**

(Ref. Para 8.4 of Appendix-I)

The annual incentive payable shall be capped at 200 crore per eligible company (including that of group companies/JV) across all categories or sub-categories of the target product segments.

- 44. When can an applicant submit a claim for disbursements under PLI?**

Claims for disbursement of incentive shall be filed by the Selected companies within 7 months from the end of the financial year to which the claim pertains. For example, Claim for say, FY23-24 has to be submitted within 31st October, 2024.

- 45. What are the mandatory documents that need to be submitted along with the information submitted in the application form?**

(Ref. Appendix-II)

The Applicant needs to upload the mandatory documents in support of the information submitted in the application form as detailed in **Appendix II**.

- 46. What is EGoS?**

An Empowered Group of Secretaries (EGoS) shall be constituted to monitor the PLI scheme. The EGoS shall be headed by the Cabinet Secretary.

- 47. Who is Competent Authority?**

The Competent Authority shall be the Minister of Steel or as delegated by him.

- 48. Is there any requirement of submitting performance security? What is the underlying**

rationale for its submission? How much performance security is to be submitted?

Yes, following selection of the applicant for a particular product sub-category, selected company has to submit a performance security @ 0.5% of the committed investment, against the unit capacity for that product sub-category, as notified in the scheme document or guidelines, along with the memorandum of understanding. The performance security is desired so that applicant while submitting application and to secure higher ranking, may not resort to giving unrealistic commitment on investment, capacity and year-wise incremental rate of production. The performance security has to be valid throughout the PLI scheme period.

49. Will the performance security be separate for each product sub-category?

Yes. A company applying for say, 3 product sub-categories, and if selected in each of them, shall have to submit three (3) different performance security @0.5% of the committed investment against the unit capacity in each of the three product sub-categories, along with the respective Memorandum of Understanding.

50. Can the performance security be encashed?

Yes. In case, the company is unable to meet its committed production, thereby not able to claim for incentive, for the two consecutive years during the scheme period, his performance security may be en-cashed subject to approval by the competent authority.

51. What is the basis of computation of incentive ?

The assessment of incremental production shall be made on the basis of the sales figures of the manufactured "Specialty Steel" grades. The sales figures shall be submitted by the selected companies along with audited certificates. The incremental production shall be thereafter worked out using the weighted average sales price.

52. What is weighted average sale price ?

The weighted average sale price in a particular financial year for a particular product sub-category shall be determined in the following manner :

If Q1, Q2, Q3 -----up to say, Q10 quantities (in tonnes) of above product sub-category in a financial year are sold at P1, P2, P3----- up to say, P10 sales prices (in Rs.), then weighted average sale price = $(Q1.P1+Q2.P2+Q3.P3+.....Q10.P10) / (Q1+Q2+Q3+.....Q10)$ in Rs./tonne.

53. What are the mechanisms for resolution of complaints/grievances arising during the

tenure of the scheme ?

Ministry of Steel (MoS) shall constitute and notify a **Grievance Redressal Committee**” to oversee the complaints/ grievances arising out of the PLI scheme at any stage of the scheme.



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