

File /No. 31026/99/2020-Policy  
Government of India  
Ministry of Chemicals and Fertilizers  
Department of Pharmaceuticals

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Shastri Bhawan, New Delhi  
Dated the 20<sup>th</sup> October, 2023

**CORRIGENDUM**

**Subject:** - Modifications/ Clarifications in the Operational Guidelines for the Production Linked Incentive (PLI) Scheme for Pharmaceuticals - reg.

In continuation to corrigenda of even number dated 30.06.2021, 13.08.2021, 20.10.2022 and 17.03.2023, the undersigned is directed to convey the following corrigendum/addendum/ clarification w.r.t. the Operational guidelines of the Production Linked Incentive (PLI) Scheme for Pharmaceuticals dated 01.06.2021: -

Sl. No.	Clause	Existing Guidelines	Modifications Suggested
1.	7.2.3	7.2.3 The annual incentive allocation shall be made for each participant by DoP within the total incentive allocation per participant fixed for the entire tenure of the scheme as stated in the approval letter. The participant shall be eligible to draw incentive within that annual allocation.	7.2.3 The annual incentive allocation shall be made for each participant by DoP within the total incentive allocation per participant fixed for the entire tenure of the scheme as stated in the approval letter. The participant shall be eligible to draw incentive within that annual allocation.  7.2.3 (a) The annual incentive allocation to each applicant shall be as under:  i. Mandatory to avail Incentive by achieving eligible sales in 5 <sup>th</sup> and 6 <sup>th</sup> year under the scheme ii. Maximum annual incentive ceiling upto 20% (of total incentive over scheme period) for the first 4 years of the scheme tenure, subject to aggregate maximum 74% (of total incentive over scheme period) from FY 2022-23 to FY 2025-26. However, an allocation up to 33% in any-one year of claim period between FY 2022-23 to FY 2025-26 may be made for an applicant, subject to overall cap of

74% between FY 2022-23 to FY 2025-26.

iii. The allocation in any one of the first four years may be forgone for an applicant based on request of applicant.

Balance incentive allocation shall be made in last 2 years of the Scheme tenure, subject to minimum 10% allocation in FY 2027-28.

2. 7.2.3... 7.2.3.....

However, any incentive unutilised by one or more selected participant during a year may be used for paying additional incentive to other selected participants within that Group, provided that

- no participant shall receive additional incentive more than 40% of the allocated incentive to such participant for that year;
- no participant shall receive additional incentive more than 20% of the total incentive allocated to such participant over the entire tenure of the scheme, and
- all approvals of such additional incentive shall not exceed the budget allocated for the respective year and the budgetary outlay for the Scheme.
- The ceiling for incentive and additional incentive shall be as follows (in Rs. crore):

	Incentive Ceiling	Ceiling of Additional Incentive, if any	Total incentive Ceiling
Group A	1000	200	1,200
Group B	250	50	300
Group C	50	10	60

- However, the additional incentive is not an entitlement and is contingent upon savings available from unutilized

7.2.3 (b)

However, any incentive unutilised by one or more selected participant between FY 2022-23 to FY 2025-26 may be used for paying additional incentive to other selected participants within that Group, provided that

- no participant shall receive additional incentive more than 40% of the allocated incentive to such participant for that year;
- no participant shall receive additional incentive more than 20% of the total incentive allocated to such participant over the entire tenure of the scheme, and
- all approvals of such additional incentive shall not exceed the budget allocated for the respective year and the budgetary outlay for the Scheme.
- The ceiling for incentive and additional incentive shall be as follows (in Rs. crore):

	Incentive Ceiling	Ceiling Of Additional Incentive, if any	Total incentive Ceiling
Group A	1000	200	1,200
Group B	250	50	300
Group C	50	10	60

		incentive of other participants in that year.	<ul style="list-style-type: none"> <li>v. The additional incentive is not an entitlement and is contingent upon savings available from unutilized incentive of other participants in that year.</li> <li>vi. Application for additional incentive shall be submitted by the applicants in the 5<sup>th</sup> and 6<sup>th</sup> year of claim i.e. FY 2026-27 and FY 2027-28</li> <li>vii. Additional incentive to be allocated shall be worked out applicant wise as difference between total incentive due to an applicant on account of eligible sales by the applicant between FY 2022-23 to FY 2025-26 and the total incentive availed of by the applicant subject to ceiling of 74% for the period FY 2022-23 to 2025-26.</li> <li>viii. An applicant shall be eligible for additional incentive on incremental sales done in the 5<sup>th</sup> and 6<sup>th</sup> year [FY 2026-27 and FY 2027-28].</li> <li>ix. The incentive rate for additional incentive shall be same as stipulated in the guidelines for 5<sup>th</sup> and 6<sup>th</sup> year, respectively, in each product category based on the year in which it is paid.</li> <li>x. In case the unutilized incentive available under the scheme is less than the additional incentive due to all the eligible applicants, the amount shall be allocated on pro-rata basis.</li> </ul>
3.	7.2.3...	<p><b>7.2.3.....</b></p> <p>In no case the total incentive including additional incentive, if any, given to a participant <b>during the whole tenure of the scheme</b> would be more than Rs. 1200 crore for a Group A participant, more than Rs. 300 crore for a Group B participant and more than Rs. 60 crore for a Group C participant.</p>	<p><b>7.2.3 (c)</b></p> <p>In no case the total incentive including additional incentive, if any, given to a participant during the whole tenure of the scheme would be more than Rs. 1200 crore for a Group A participant, more than Rs. 300 crore for a Group B participant and more than Rs. 60 crore for a Group C participant.</p>

4.	7.3.3	<p><b>7.3.3</b> Claims for disbursement of incentive shall be filed along with supporting documents <b>immediately after the end of the quarter / half-year / year, within one month.</b></p> <p>If the claim is found to be in order, 75% of it shall be released and the remaining 25% shall be released after submission of final audited accounts of the Company.</p>	<p><b>7.3.3</b> Claims for disbursement of incentive shall be filed along with supporting documents <b>after the end of the quarter / half-year / year, as under:</b></p> <ul style="list-style-type: none"> <li>• For Quarterly claims – 45 days from the end of Quarter;</li> <li>• For Half-yearly claim – 60 days from the end of the half-year;</li> <li>• For Annual Claims – latest by June 15 of succeeding financial year to which the claim pertains</li> </ul> <p>If the claim is found to be in order, 75% of it shall be released and the remaining 25% shall be released after submission of final audited accounts of the Company. Claim for disbursement of incentive shall be filled along with supporting documents as per the timelines given above.</p>
5.	12.3	<p><b>12.3</b> In case of a successor-in-interest, all Investment undertaken by the applicant to whom approval was accorded under the Scheme, would be considered for determining eligibility, subject to approval and compliance with any other condition stipulated by the DoP, as may be deemed appropriate</p>	<p><b>12.3</b> In the event of a change to the successor-in-interest, any investment previously undertaken by the initial applicant whose approval was sanctioned under the Scheme will be acknowledged when establishing eligibility.</p> <p>Furthermore, if a company previously identified as part of the applicant's group, whose investments were included in the computation of minimum cumulative investment under the scheme, ceases to be affiliated with the applicant, as per clause number 2.13 of the scheme guidelines, the investment contributed by such disaffiliated group companies will no longer be counted in the calculation of the minimum cumulative investment for future incentive claims. To make up for this deficit in the investment, the applicant or the remaining group companies will need to compensate before making any subsequent incentive claims.</p>

3. All other Clauses in the PLI Scheme for Pharmaceuticals Operational guidelines dated 01.06.2021 remain the same.
4. This issues with the approval of the competent authority.

*Himanshu Roy*

(Himanshu Roy)

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To

1. NIC, DoP with the request to upload the same on the website of the Department
2. Members of the Scheme Selection and Steering Committee
3. Technical Committee Head / DCGI
4. Shri Deepak Kumar, GM, SIDBI (PMA)
5. PS to Minister, Chemicals and Fertilizers / PS to MoS, Chemicals and Fertilizers