

Dated: 24<sup>th</sup> December, 2021

**Subject: Modifications to the Guidelines dated October 20, 2021 for the Production Linked Incentive (PLI) scheme for Specialty Steel**

The Production-Linked Incentive (PLI) Scheme for Specialty Steel was notified vide Notification No. CG-DL-E-29072021-228562 dated 29.7.2021. For effective operation and smooth implementation of the scheme, detailed guidelines were issued by Ministry of steel on 20<sup>th</sup> October 2021.

2. Subsequently, suggestions and requests have been received from various Industry associations, industry players, potential applicants and other relevant stakeholders during Webinar organised by Ministry of Steel on 25<sup>th</sup> October, 2021 to deliberate the contours of PLI scheme for Specialty steel and its implementation with a view to enable wider industry participation and applicability of the scheme. Based on the same, following revisions and additions are hereby made in the Guidelines issued by Ministry of Steel on 20<sup>th</sup> October, 2021, hereinafter referred to as the Guidelines:-

Sl. No	Existing Clause	Revised/Added clause
1	<b>Para 2.2 to 2.4</b>	M/s MECON Ltd has been appointed as PMA. Date of inviting applications will be 29.12.2021. Application window will be kept open for 90 days i.e. till 29.3.2022. The application can be submitted at <a href="http://plimos.meconlimited.co.in">plimos.meconlimited.co.in</a> .  Relevant provisions in Para 2.2 to 2.4 stands modified accordingly.
2	<b>Para 2.40</b>  <b>Value addition:</b> Value Addition shall be the net selling price (invoiced price excluding net taxes and duties) minus the landed cost of all inputs at the manufacturing plant in India (including all non-creditable taxes & duties) as a proportion of the net selling price, in percent.	<b>Domestic Value addition:</b> Domestic value addition means - amount of value added in India which shall be the total value of the item to be procured / sold (excluding net domestic indirect taxes) minus the value of imported content in the item (including all customs duties) as

		a proportion of the total value of the item to be procured / sold, in percent. The 'domestic value addition' definition shall be in line with the DPIIT guidelines, and shall be suitably amended in case of any changes by DPIIT in the future.																		
3	<p>Para 3.1:</p> <p>(a).....The period of (5) years shall commence from FY 2022-23 (incentive to be released from FY 2023-24).....</p> <p>(b).....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).....</p> <p>(c)</p> <table border="1"> <thead> <tr> <th></th> <th>Tenure for Production year</th> <th>Tenure for Incentive disbursement year</th> </tr> </thead> <tbody> <tr> <td>As per Scheme</td> <td>FY 2022 – 23 to FY 2026-27</td> <td>FY 2023 – 24 to FY 2027-28</td> </tr> <tr> <td>In case of deferment by two (2) years</td> <td>FY 2024 – 25 to FY 2028-29</td> <td>FY 2025 – 26 to FY 2029 – 30</td> </tr> </tbody> </table>		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 deferment by two (2) years	FY 2024 – 25 to FY 2028-29	FY 2025 – 26 to FY 2029 – 30	<p>(a).....The period of (5) years shall commence from FY 2023-24 (incentive to be released from FY 2024-25).....</p> <p>(b).....The release of incentive will be from FY 2024-25 to 2028-29 (FY 2025-26 to 2029-30, in case of deferment by two years).....</p> <p>(c)</p> <table border="1"> <thead> <tr> <th></th> <th>Tenure for Producti on year</th> <th>Tenure for Incentive disburseme nt year</th> </tr> </thead> <tbody> <tr> <td>As per Scheme</td> <td>FY 2023 – 24 to FY 2027-28</td> <td>FY 2024 – 25 to FY 2028-29</td> </tr> <tr> <td>In case of deferment by two (2) years</td> <td>FY 2024 – 25 to FY 2028-29</td> <td>FY 2025 – 26 to FY 2029 – 30</td> </tr> </tbody> </table>		Tenure for Producti on year	Tenure for Incentive disburseme nt year	As per Scheme	FY 2023 – 24 to FY 2027-28	FY 2024 – 25 to FY 2028-29	In case of deferment by two (2) years	FY 2024 – 25 to FY 2028-29	FY 2025 – 26 to FY 2029 – 30
	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 deferment by two (2) years	FY 2024 – 25 to FY 2028-29	FY 2025 – 26 to FY 2029 – 30																		
	Tenure for Producti on year	Tenure for Incentive disburseme nt year																		
As per Scheme	FY 2023 – 24 to FY 2027-28	FY 2024 – 25 to FY 2028-29																		
In case of deferment by two (2) years	FY 2024 – 25 to FY 2028-29	FY 2025 – 26 to FY 2029 – 30																		
4	<p>Para 3.2:</p> <p>..... deferment of the initial year (FY 2022-23) with PLI payable in FY2023-24 by one year i.e. to FY 2023-24 (with PLI payable in FY 2024-25).....</p>	<p>..... deferment of the initial year (FY 2023-24) with PLI payable in FY 2024-25 by one year i.e. to FY 2024-25 (with PLI payable in FY 2025-26).....</p>																		

5	Para 12.2	<table border="1"> <thead> <tr> <th>PLI Slab</th> <th>2022-23</th> <th>2023-24</th> <th>2024-25</th> <th>2025-26</th> <th>2026-27</th> </tr> </thead> <tbody> <tr> <td>PLI-A</td> <td>4%</td> <td>5%</td> <td>5%</td> <td>4%</td> <td>3%</td> </tr> <tr> <td>PLI-B</td> <td>8%</td> <td>9%</td> <td>10%</td> <td>9%</td> <td>7%</td> </tr> <tr> <td>PLI-C</td> <td>12%</td> <td>15%</td> <td>15%</td> <td>13%</td> <td>11%</td> </tr> </tbody> </table>					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%	<table border="1"> <thead> <tr> <th>PLI Slab</th> <th>2023-24</th> <th>2024-25</th> <th>2025-26</th> <th>2026-27</th> <th>2027-28</th> </tr> </thead> <tbody> <tr> <td>PLI-A</td> <td>4%</td> <td>5%</td> <td>5%</td> <td>4%</td> <td>3%</td> </tr> <tr> <td>PLI-B</td> <td>8%</td> <td>9%</td> <td>10%</td> <td>9%</td> <td>7%</td> </tr> <tr> <td>PLI-C</td> <td>12%</td> <td>15%</td> <td>15%</td> <td>13%</td> <td>11%</td> </tr> </tbody> </table>					PLI Slab	2023-24	2024-25	2025-26	2026-27	2027-28	PLI-A	4%	5%	5%	4%	3%	PLI-B	8%	9%	10%	9%	7%	PLI-C	12%	15%	15%	13%	11%
		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%																																																				
PLI Slab	2023-24	2024-25	2025-26	2026-27	2027-28																																																						
PLI-A	4%	5%	5%	4%	3%																																																						
PLI-B	8%	9%	10%	9%	7%																																																						
PLI-C	12%	15%	15%	13%	11%																																																						
6	Para 13.3 .... For example, Claim for say, FY23-24 has to be submitted within 31 <sup>st</sup> October, 2024.	.... For example, Claim for say, FY24-25 has to be submitted within 31 <sup>st</sup> October, 2025.																																																									
7	Broad Category: Coated/Plated Steel products in Annexure-III	Revised portion is annexed as Appendix A.																																																									
8	Table-I, Annexure-IV	Revised portion is annexed as Appendix B.																																																									

3. The Guidelines issued on 20<sup>th</sup> October, 2021 shall be read as incorporating the above revisions and additions where ever applicable.

  
 (Rasika Chaube)  
 Additional Secretary to the Government of India

Copy to:

1. All concerned Ministries/Departments of Govt of India
2. All States/Union Territories
3. Cabinet Secretariat
4. Prime Minister's Office
5. NITI Aayog
6. Comptroller and Auditor General of India
7. AS&FA, Ministry of Steel
8. Industry Associations
9. Internal Circulation

**Appendix A (for replacing portion in Annexure-III of Guidelines)**

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	Expected total investment	Minimum year-on-year incremental production rate for PLI
			(in'000 tonne)	(in nos.)	(in ₹ Cr)	(in ₹ Cr)	(in %)
<b>Coated/Plated Steel Products</b>	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	26	200	5200	10
	3 (b)	Al-Zn coated (Galvalume)	250				30
	4	Colour Coated	250	17	300	5100	20

**Appendix B (for replacing portion in Table-I, Annexure-IV of Guidelines)**

Sl. No.	Broad category	Sl. No.	Sub-category	Input material	Permissible investment in major technological facilities
<b>B</b>	<b>High Strength / Wear resistant Steel</b>	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
		5(b)	HR Coil Sheets and Plates API		Associated electrics and automation
		5(c)	High Tensile Sheets, Coil, Plates YS >= 450 Mpa		
		6	Auto Gr Steel AHSS (CRCA)	HR coils/Cast Slabs	Pickling Line & Tandem Cold Mill, Annealing line, Skin pass mill, Weighing & packaging line, Coil Transfer System, Acid regeneration plant, Hot strip mill
		7(a)	Boiler Quality, Pressure Vessels	Cast Slabs	Reheating Furnaces, Plate mill, Inspection unit, Normalising Furnace, Weighing & packaging line
		7(b)	QT / Abrasion Resistance and Wear Resistance		Associated electrics and automation
<b>C</b>	<b>Speciality Rails</b>	8(a)	Asymmetric Rails	Asymmetric Rails	Forging Machine unit, rail cutting machine, Horizontal / vertical Straightening Press, Milling machine, Rail Transfer system, Storage & Inspection Beds, etc.
		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,
<b>D</b>	<b>Alloy steel Products and Steel wires</b>	13	Tyre Bead wire	Billets/Wire Rods	Reheating furnace, wire rod mill, drawing unit, Patenting, coating line, Packaging unit
		14	C – Class Zinc Coated Wire	Billets/Wire Rods	Reheating furnace, wire rod mill, Heat treatment units, hot dip galvanizing/ Zinc coating, Inspection unit, Packaging unit
		15	Zinc – aluminium coated Wire	Billets/Wire Rods	Reheating furnace, wire rod mill, Heat treatment unit, processing units, hot dip

Sl. No.	Broad category	Sl. No.	Sub-category	Input material	Permissible investment in major technological facilities
					galvanizing, hot dip ZA alloy fluxing, Inspection unit, Packaging unit  Associated electrics and automation
		16	Tyre cord (Brass Coated)	Billets/Wire Rods	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