

Sectoral

Electronics Manufacturing

1. Are there any incentives or schemes for electronics system design and manufacturing sector unit?

Yes, Department of Electronics and Information Technology has launched the following schemes to promote domestic manufacturing of electronics items: Under the Modified Special Incentive Package Scheme (M-SIPS), 25% of Capex is eligible for subsidy (20% for units in Special Economic Zones) for all investments made in manufacturing of ESDM products. Production subsidy @10% of production turnover (ex-factory) in select high-tech units such as fabrication and ATMP of analog/mixed signal semiconductor chips, power semiconductors, LEDs etc. Preferential Market Access (PMA)- Preference to domestic manufacturers in Government procurement to promote domestic manufacturing in the country. Specified items must meet the specified safety standards under the Compulsory Registration Order (CRO) which has been brought into force from January 3, 2014. The CRO provides a framework to add other electronic items under this regime, thereby providing a quality barrier for unsafe and sub-standard electronic goods. For common facilities to be used by a set of units as part of a supply chain or in any other form of a cluster, assistance @ 50% subject to a ceiling of \$ 8 million is available for common facilities. Such common facilities could include testing facilities, training facilities, social infrastructure, as also up gradation of hard infrastructure including supply of water, power, roads and other logistics. Under the skill development scheme, 75-100% of the training fee is reimbursed for any specialized skills that may be required for prospective employees in India (training provided in any training facility recognized by Electronics Sector Skills Council) A scheme to support 3000 additional PhD (1500 in ESDM and 1500 in IT/ITES) was approved in 2014. Out of 1500 additional PhDs in ESDM, 500 are would be full time and 1000 would be part time. In addition, 100 PhDs (full-time) are to be supported by industry/State Government as a part of this scheme. Please refer link for details on incentives.

2. What is Electronics Development Fund Policy?

Electronics Development Fund Policy provides a framework to set up an Electronics Development Fund (EDF) as a Fund of Funds which will foster R&D and innovation in technology sectors like electronics, IT and nano-electronics. EDF will support Venture Funds and Angel Funds, which will be professionally managed and are dedicated to these sectors.

3. Can there be more than one Anchor Unit in an Electronics Manufacturing Cluster project as per the EMC 2.0 scheme?

There can be more than one Anchor Units for the purpose of fulfilling the criteria of minimum investment commitment and land purchase / lease as per Clause 2.1 of the Scheme Guidelines.

4. Can a Common Facility Center be built within a new Electronics Manufacturing Cluster project and claim benefits under the EMC 2.0 Scheme for both?

Yes. A CFC can be built within a new EMC project. However, the financial assistance eligible for such CFC will be considered as a part of the overall EMC Project and will be in accordance with the Scheme Guidelines.