Sectoral

Electronic Systems

1. 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.

2. What is the period for making an application under the PLI scheme?

In accordance with Para 6.1 of the Scheme, the Application Window shall be 4 months from the date of notification of the Scheme. Since the notification was published on 01.04.2020, applications under the Scheme shall be received upto 31.07.2020.

3. Can specified electronic components eligible under the Scheme be manufactured for any industry or application?

The items listed under the Target Segment, ‘Specified Electronic Components’ are agnostic to end-use or application and any company proposing to manufacture the items listed under the Specified Electronic Components (refer Annexure 1 of the PLI Guidelines) is eligible to apply under PLI Scheme subject to other eligibility and qualification criteria mentioned in the scheme notification and PLI guidelines.

4. What is the duration of the SPECS scheme?

SPECS shall be open for receiving applications for a period of 3 (three) years from the date of notification. Since the scheme was notified on 01.04.2020, applications under the scheme, complete in all respects, shall be received upto 31.03.2023. No application received after three years from the date of notification of the Scheme shall be considered for approval.
5. Will capital expenditure made before the date of application also be considered for determining eligible capital expenditure under SPECS?

Capital expenditure made on or after the date of acknowledgement of an application and within 5 years of date of acknowledgement of such application shall only be considered for determining eligible capital expenditure under the Scheme. Capital expenditure made before the date of acknowledgement of application under the Scheme shall not be considered for calculation of eligible capital expenditure under the Scheme. However, Capital expenditure made before the date of acknowledgement of application, but on or after the date of application, on the approved list of capital items, shall be considered for calculation of threshold.

6. Will the expenditure incurred on Land and Building be considered towards determining eligible capital expenditure under SPECS?

No, the expenditure incurred on land and building (including factory building / construction) required for the project / unit is not covered and, therefore, will not be considered towards determining eligible capital expenditure under the Scheme.

7. Can an applicant make more than one application under SPECS?

There is no restriction on any applicant from making multiple applications under the Scheme. A Project / Unit proposed under the Scheme may include manufacturing facilities at one or more proposed locations.

8. 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.

9. 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.

10. Is the total size of Ready Built Factory (RBF) sheds limited to 10% as under the EMC 2.0 scheme?

10% of the total saleable / leasable land area is the minimum requirement. The Project Implementation Agency may decide to earmark additional area for Ready Built Factory sheds depending upon the market / industry requirements.

11. What is the MSIPS scheme and is it still active?

In order to promote large scale manufacturing in the country, M-SIPS was announced by the Government in July, 2012 to offset disability and attract investments in Electronics System Design and Manufacturing (ESDM) Industries. The scheme provided incentives for investments on capital expenditure- 20% for investments in Special Economic Zones (SEZs) and 25% in non-SEZs. Applications under this scheme were received till December 31st 2018. The incentives however, will be made available for investments spanning a period of 5 years from the date of approval of the project.

12. What is the National Policy on Electronics 2019?

The National Policy on Electronics is a policy roadmap that has been created to position India as a global hub of Electronics System Design and Manufacturing (ESDM) by encouraging and driving capabilities in the country for developing core components including chipsets, and creating an enabling environment for the industry to compete globally. It aims to promote domestic manufacturing in the entire value chain of ESDM, to increase domestic value addition and reduce dependence on import of electronic goods, strengthen global trade linkages, facilitate programs & incentive frameworks to boost ESDM exports, develop capacities in all sub-sectors and promote the R&D ecosystem within India. The policy can be accessed from here.