

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:6745

ANSWERED ON:08.05.2013

PACKAGE FOR ELECTRONIC SECTOR

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Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

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- (a) whether the Government plans to provide a special package to industries in the electronics sector;
- (b) if so, the details thereof;
- (c) whether the Special Purpose Vehicle (SPV) has been constituted for Electronics Manufacturing Clusters Scheme;
- (d) if so, the details thereof and if not, the reasons therefor; and
- (e) the location-wise number of Electronic Manufacturing Clusters set up so far along with the funds allocated for the purpose?

Answer

MINISTER OF STATE FOR COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI MILIND DEORA)

(a) and (b): Yes, Sir. The Government has notified several initiatives for the electronics sector the main ones are;

i) Modified Special Incentive Package Scheme (MSIPS) applicable to 29 ESDM Verticals has been notified vide Notification No. 24 (10)/2010-IPHW-I dated 27th July 2012. The M-SIPS scheme provides Capex subsidy of 25% in non-SEZ and 20% within SEZ, Reimbursement of CVD/excise for capital equipment for non-SEZ units & Reimbursement of central taxes and duties for 10 years in select high- tech units like fabs. Guidelines for M-SIPS are available on DeitY website. These contain the detailed terms and conditions of the scheme and procedure to apply for the scheme along with the application formats, the list of category-wise requirement of minimum investment and the list of various ESDM verticals eligible for M-SIPS.

ii) Electronics Manufacturing Cluster (EMC) Scheme has been notified vide Notification No 8(50) /2011-IPHW dated 22nd October 2012. Under the EMC Scheme Financial assistance is up to 50% of the project cost in case of a Greenfield EMC (subject to a ceiling of Rs 50 crores per 100 acres of land). In case of Brownfield EMC, the financial assistance is upto 75% of the project cost (subject to a ceiling of Rs 50 crores). Guidelines for EMC Scheme are available on DeitY website. These guidelines contain detailed terms and conditions of the scheme and procedure to apply for the scheme along with the application formats.

iii) The Government, vide Notification No.8(78)/2010-IPHW dated 10th February 2012, has laid down the policy for providing preference to domestically manufactured electronic products (including telecom equipment) in procurement of those electronic products which have security implications for the country and in Government procurement. The extent of Government procurement from domestic manufacturers will not be less than 30% of the total procurement value of that electronic product o: products.

iv) Electronics and Information Technology Goods (Requirements for Compulsory Registration) Order, 2012 ` has been published in the Gazette of India on 3rd October 2012 bringing into force a scheme for mandatory regime of registration of identified 15 electronic products so that these products meet specified safety standards. The order will come into effect from 3 rd July 2013

(c): The SPV is to be constituted by the applicant (s) seeking financial assistance under the EMC scheme. Each Electronics Manufacturing Cluster will have a separate SPV for implementation and management of the project.

(d): Department of Electronics and information Technology (DeitY), in consultation with Department of Economic Affairs is in process of notifying the model for constitution of SPV for implementation of the EMC scheme. The applicants will be required to make the SPV in accordance to the notified model.

(e): The Department has notified Five Brownfield Electronics Manufacturing Clusters (EMCs). As and when proposals for fluiding are received from these EMCs these would be considered for support. No proposals have so far been received. Five proposals for setting up Greenfield EMCs have been received and are under examination by the Department.