

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

UNSTARRED QUESTION NO:3534

ANSWERED ON:18.03.2015

FDI IN ELECTRONIC SYSTEMS AND DESIGN

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

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(a) whether Department of Electronics and Information Technology (DeitY) is planning to set up a corpus to fund innovations in electronics and proposes to allow FDI in the sector;

(b) if so, the details thereof;

(c) whether the Government is expecting long term investment from foreign countries such as US and Japan in India for a manufacturing hub for electronic systems and design with technology transfer and a separate desk has been set up for speeding up the process;

(d) if so, the details thereof; and

(e) whether any agreement/negotiation with any company including CISCO has been signed for manufacturing hardware and if so, the details thereof?

Answer

MINISTER FOR COMMUNICATIONS AND INFORMATION TECHNOLOGY
(SHRI RAVI SHANKAR PRASAD)

(a) and (b): The Government has approved the Electronics Development Fund (EDF) Policy on 10th December, 2014 with an objective to support daughter funds including Early Stage Angel Funds and Venture Funds in the area of Electronic System Design and Manufacturing (ESDM), Nano-electronics and IT. The supported Daughter Funds will promote innovation, R&D, product development and within the country in the specified fields of ESDM, Nano- electronics and IT. The size of the Fund has not been specified in the said Policy and the same is expected to be determined on the market demand. According to the Consolidated FDI Policy 2014, 100% FDI is permitted sector under the automatic route in Electronics sector.

(c) and (d): Yes, Sir. The Government is expecting investments from companies from other countries including US and Japan in the Electronic System Design and Manufacturing (ESDM) sector. The Government has received proposals from seven (7) companies from US and Japan or their subsidiary or joint venture partners for investment in India in electronic hardware manufacturing sector under the Modified Special Incentive Package Scheme (M-SIPS).

Separate helpdesks have been set up for Japan and Israel for speed up the process of investment in Electronics hardware manufacturing in the country.

(e): Several companies including CISCO are evaluating the various incentives offered by the Government for investments in the ESDM sector. Sixty (60) companies have made applications for investment under the Modified Special Incentive Package Scheme (M-SIPS) in electronics hardware manufacturing thus far. CISCO is not one of them.