

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

UNSTARRED QUESTION NO:1579

ANSWERED ON:21.07.2014

MSIPS BOOST ELECTRONIC INDUSTRY

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

- (a) whether the Government is implementing a Modified Special Incentive Packages (MSIPs) to boost electronic industry in the country;
- (b) if so, the details thereof and the incentives given/being given to the manufacturers of electronic products by the Government, category-wise;
- (c) whether the Government has any policy framework for manufacturing electronic goods domestically;
- (d) if so, the details thereof and the steps taken by the Government in this regard; and
- (e) whether the Government has received proposals from various State Governments to establish electronic manufacturer clusters in the States and if so, the details thereof, State-wise, along with the time by which these clusters are likely to be established?

Answer

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

(a)and (b): Yes, Sir. Modified Special Incentive Package Scheme provides incentives for investments in Electronics Systems Design and manufacturing sector to attract domestic and global investments into the sector.

The scheme is applicable to investments into new projects and expansion projects. The scheme provides subsidy in capital expenditure - 20% for investments in SEZs and 25% in non-SEZs. It also provides for reimbursement of CVD/Excise for capital equipment for the non-SEZ units. The scheme is available for both new projects and expansion projects. For high technology and high capital investment units, like fabs, reimbursement of central taxes and duties is also provided.

The incentives are available for investments made in a project within a period of 10 years from the date of approval.

Applications under MSIPS can be made within a window of three years (July 2012 to July 2015).

Incentives under the scheme are given for units under the categories listed in Annexure A.

The details of proposals received for seeking incentives under the scheme are as follows:

Category	No of proposals	Approx. investment (Rs crore)	proposed
1 Telecom & IT	8	9361	
2 Automotive Electronics	4	831	
3 Consumer Electronics	2	377	
4 Industrial Electronics	4	107	
5 Health & Medical Electronics	2	51	
6 Strategic Electronics	2	2330	
7 Avionics	1	98	
8 LED	4	1993	
9 Electro-mechanical Components / Passive Components	12	409	
10 Semiconductor	1	500	
11 Electronic Manufacturing services	1	103	
Total	41	16160	

(c) and (d): Yes, Sir. The details of the steps taken by the government in this regard is enclosed herewith as Annexure B.

(e): Yes, Sir. Department of Electronics and Information Technology(DeitY) has received 11 applications from various state Government agencies for setting up of Greenfield Electronics manufacturing clusters. State wise details are enclosed herewith as Annexure C.

