

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA
UNSTARRED QUESTION NO. 1631
TO BE ANSWERED ON 08.12.2021

ELECTRONIC PRODUCTS

1631. SHRI MALOOK NAGAR:

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

- (a) the State-wise details of the effective steps taken by the Government to reduce dependency of country on Chinese electronic products;
- (b) if so, the statewise details thereof; and
- (c) the details of the policies of the Government to provide electronic products at same price after boycotting Chinese electronic goods in the country?

ANSWER

MINISTER OF STATE FOR ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI RAJEEV CHANDRASEKHAR)

(a): Government of India has taken strategic steps and initiatives to broaden and deepen the electronics manufacturing sector in the country and make India global electronics manufacturing hub. The schemes for promotion of electronic manufacturing being implemented by Government of India are available for units established in any state irrespective of the location. To reduce dependency on imported electronic products, State Governments are working in tandem with the Central Government.

(b): Many State Governments have announced their own Electronic System Design and Manufacturing (ESDM) / Electronics Manufacturing policy in addition to their Industrial Policy. The states provide an array of incentives and subsidies e.g. Production Linked Incentive Scheme, incentive on capital expenditure, incentive on training and upskilling workers, capital subsidy, etc. to attract new investments and expansion of electronics manufacturing facilities by ESDM companies. In addition, other incentives and subsidies which are applicable to other manufacturing facilities are also applicable for ESDM companies e.g. Rebate on Land Cost, interest subsidy, power / water/ stamp duty subsidy, etc.

Government of India has also notified the Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme on April 01, 2020 with the objective to provide avenues for expansion and strengthening of electronics manufacturing ecosystem in the country. These clusters are being developed in collaboration with State Government or their agency, Central Public Sector Units (CPSUs) / State Public Sector Units (SPSUs), Industrial Corridor Development Corporations (ICDCs) or Joint Venture of such agencies with Anchor unit(s) or industrial park

developers. These clusters provide world class infrastructure along with common facilities and amenities, including Ready Built Factory (RBF) Sheds/ Plug and Play facilities for attracting major global electronics manufacturers along with their supply chain to set up units in such clusters.

(c): Following flagship Schemes aimed at “Atmanirbhar Bharat” have been notified under the aegis of National Policy on Electronics 2019 (NPE 2019).

- (i) **Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing** notified vide Gazette Notification No.CG-DL-E-01042020-218990 dated April 01, 2020 extends an incentive of 4% to 6% to eligible companies on incremental sales (over base year 2019-20) involved in mobile phone manufacturing and manufacturing of specified electronic components, including Assembly, Testing, Marking and Packaging (ATMP) units for a period of five (5) years. The total approved scheme outlay is INR 40,995 crore. The scheme is available at the link: <https://www.meity.gov.in/esdm/pli>.
- (ii) **Production Linked Incentive Scheme (PLI) for IT Hardware** notified vide Gazette Notification No. CG-DL-E-03032021-225613 dated March 03, 2021 extends an incentive of 4% to 2% / 1% to eligible companies on incremental sales (over base year 2019-20) of goods manufactured in India and covered under the target segment, to eligible companies, for a period of four (4) years. The Target Segments under the PLI scheme for IT Hardware include (i) Laptops (ii) Tablets (iii) All-in-One PCs and (iv) Servers. The total approved scheme outlay is INR 7,350 crore. The scheme is available at the link: <https://www.meity.gov.in/esdm/pliithw>.
- (iii) **Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS)** notified vide Gazette Notification No.CG-DL-E-01042020-218992 dated April 01, 2020 provides financial incentive of 25% on capital expenditure for the identified list of electronic goods that comprise downstream value chain of electronic products, i.e., electronic components, semiconductor/ display fabrication units, ATMP units, specialized sub-assemblies and capital goods for manufacture of aforesaid goods for a period of 5 years from the date of issue of acknowledgement. The total approved scheme outlay is INR 3285 crore. The scheme is available at the link: <https://www.meity.gov.in/esdm/SPECS>.

The state-wise list of the companies approved under the first two rounds of PLI Scheme for Large Scale Electronics Manufacturing, PLI Scheme for IT Hardware and SPECS is at Annexure -1.

The AtmaNirbhar Bharat economic policies are aimed at strengthening and expanding electronics value chain ecosystem including components, strengthening domestic companies, promoting investments and creating jobs. Steps are being taken to broad-base the

sources of electronic components / raw material imports in India, in addition to making available the indigenous counterparts of the imported electronic products, by promoting domestic manufacturing of electronic products. The steps taken by the Government to promote domestic electronics manufacturing are at Annexure-2.

Annexure-1

List of Companies approved under First Round of PLI Scheme for Large Scale Electronics Manufacturing for Mobile Phones and Specified Electronic Components

Sl. No.	Name of the Company	Segments	State
1	Foxconn Hon Hai Technology India Mega Development Private Limited	Mobile Phones	Tamil Nadu
2	Samsung India Electronics Private Limited	Mobile Phones	Uttar Pradesh
3	Pegatron Technology India Private Limited	Mobile Phones	Tamil Nadu
4	Rising Stars Mobile India Private Limited	Mobile Phones	Tamil Nadu
5	WistronInfocomm Manufacturing (India) Private Limited	Mobile Phones	Karnataka
6	LAVA International Limited	Mobile Phones	Uttar Pradesh
7	Bhagwati Products Limited	Mobile Phones	Rajasthan
8	Padget Electronics Private Limited	Mobile Phones	Uttar Pradesh
9	Optiemus Electronics Limited	Mobile Phones	Uttar Pradesh
10	United TelelinksNeolyncs Private Limited	Mobile Phones	Andhra Pradesh
11	AT & S India Private Limited	Electronic Components	Karnataka

12	Walsin Electronics India Private Limited	Electronic Components	Andhra Pradesh (proposed)
13	Ascent Circuits Private Limited.	Electronic Components	Tamil Nadu
14	Neolync India Private Limited	Electronic Components	Andhra Pradesh (proposed)
15	Sahasra Semiconductors Private Limited	Electronic Components	Rajasthan
16	Visicon Power Electronics Private Limited	Electronic Components	Gujarat

List of Companies approved under the Second Round of PLI Scheme for Large Scale Electronics Manufacturing for Specified Electronic Components

Sl. No.	Name of the Company	Segments	State
1	TDK India Private Limited	Electronic Components	Maharashtra
2	Rakon India Private Limited	Electronic Components	Karnataka
3	Vitesco Technologies India Private Limited	Electronic Components	Maharashtra
4	Epitome Components Private Limited	Electronic Components	Maharashtra
5	Vishay Components India Private Limited	Electronic Components	Maharashtra
6	ShoginiTechnoarts Private Limited	Electronic Components	Maharashtra
7	Tibrewala Electronics Limited	Electronic Components	Telangana
8	Globe Capacitors Limited	Electronic Components	Haryana
9	Shivalik Bimetal Controls Limited	Electronic Components	Himachal Pradesh
10	Deki Electronics Limited	Electronic Components	Uttar Pradesh
11	Cipsa Tec India Private Limited	Electronic Components	Karnataka
12	Keltron Component Complex Limited	Electronic Components	Kerala
13	Alcon Electronics Private Limited	Electronic Components	Maharashtra
14	Micropack Private Limited	Electronic Components	Karnataka
15	Desai Electronics Private Limited	Electronic Components	Maharashtra
16	Continental Device India Private Limited	Electronic Components	Punjab

List of Applications approved under the PLI Scheme for IT Hardware (Laptops, Tablets, All-in-One PCs and Servers)

Sl.	Name of the Company	Segments	State
-----	---------------------	----------	-------

No.			
1	Dell International Services India Private Limited	Laptops	Tamil Nadu
2	ICT Service Management Solutions (India) Private Limited	Laptops	Karnataka
3	Rising Stars Hi-Tech Private Limited	Laptops, Tablets, All-in-One PCs, Servers	Tamil Nadu
4	Flextronics Technologies (India) Private Limited	Laptops, Tablets, All-in-One PCs, Servers	Tamil Nadu
5	Lava International Limited	Laptops, Tablets, All-in-One PCs, Servers	Uttar Pradesh
6	Dixon Technologies (India) Limited	Laptops, Tablets, All-in-One PCs, Servers	Uttar Pradesh
7	Infopower Technologies Private Limited	Tablets, All-in-One PCs, Servers	Uttar Pradesh
8	Bhagwati Products Limited	Laptops, Tablets, All-in-One PCs, Servers	Rajasthan
9	Neolync Tele Communications Private Limited	Laptops, Tablets, Servers	Andhra Pradesh
10	Optiemus Electronics Limited	Laptops, Tablets, All-in-One PCs, Servers	Uttar Pradesh
11	Netweb Technologies India Private Limited	Servers	Haryana
12	Smile Electronics Limited	Laptops, Tablets, All-in-One PCs, Servers	Karnataka
13	VVDN Technologies Private Limited	Laptops, Tablets, All-in-One PCs, Servers	Haryana
14	Panache Digilife Limited	Laptops, Tablets, All-in-One PCs, Servers	Maharashtra

List of Applications approved under the SPECS Scheme

Sr. No.	Applicant	Segments	State
1	ProtectronElectromech Private Limited	Electronic Components	Karnataka
2	Continental Device India Private Limited	Electronic Components	Punjab
3	Salcomp Technologies India Private Limited	Electronic Components	Tamil Nadu
4	IdemiaSyscom India Private Limited	Electronic Components	Uttar Pradesh

5	Sahasra Semiconductors Private Limited	Electronic Components	Rajasthan
6	IFB Industries Limited	Electronic Components	Karnataka
7	Tata Electronics Private Limited	Electronic Components	Tamil Nadu
8	Picl (India) Private Limited	Electronic Components	Haryana
9	Panacea Medical Technologies Private Limited	Electronic Components	Karnataka
10	Deki Electronics Ltd	Electronic Components	Uttar Pradesh
11	Epitome components Private Limited	Electronic Components	Maharashtra
12	Hical Technologies Private Limited	Electronic Components	Karnataka
13	Tibrewala Electronics Limited	Electronic Components	Telangana

Steps taken by the Government to promote domestic electronics manufacturing

1. **National Policy on Electronics 2019:** The National Policy on Electronics 2019 (NPE 2019) has been notified on 25.02.2019. The vision of NPE 2019 is to position India as a global hub for 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.

To attract and incentivize large investments in the electronics value chain and promote exports, following three Schemes have been notified under the aegis of NPE 2019:

- (i) **Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing** notified vide Gazette Notification No.CG-DL-E-01042020-218990 dated April 01, 2020 provides an incentive of 4% to 6% to eligible companies on incremental sales (over base year) involved in mobile phone manufacturing and manufacturing of specified electronic components, including Assembly, Testing, Marking and Packaging (ATMP) units.
 - (ii) **Production Linked Incentive Scheme (PLI) for IT Hardware** notified vide Gazette Notification No.CG-DL-E-03032021-225613 dated March 03, 2021 provides an incentive of 4% to 2% / 1% on net incremental sales (over base year) of goods manufactured in India and covered under the target segment, to eligible companies, for a period of four (4) years. The Target Segment under PLI Scheme includes (i) Laptops (ii) Tablets (iii) All-in-One PCs and (iv) Servers
 - (iii) **Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS)** notified vide Gazette Notification No.CG-DL-E-01042020-218992 dated April 01, 2020 provides financial incentive of 25% on capital expenditure for the identified list of electronic goods that comprise downstream value chain of electronic products, i.e., electronic components, semiconductor / display fabrication units, ATMP units, specialized sub-assemblies and capital goods for manufacture of aforesaid goods.
 - (iv) **Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme** notified vide Gazette Notification No.CG-DL-E-01042020-218991 dated April 01, 2020 provides support for creation of world class infrastructure along with common facilities and amenities, including Ready Built Factory (RBF) sheds / Plug and Play facilities for attracting major global electronics manufacturers along with their supply chain to set up units in the country. The Scheme provides financial assistance for setting up of both EMC projects and Common Facility Centres (CFCs) across the country.
2. **100% FDI:** As per extant Foreign Direct Investment (FDI) policy, FDI up-to 100% under the automatic route is permitted for electronics manufacturing (except from countries sharing land border with India), subject to applicable laws / regulations; security and other conditions.

3. **Modified Special Incentive Package Scheme (M-SIPS):** The Scheme was notified on 27th July, 2012 to provide financial incentives to offset disability and attract investments in the electronics manufacturing sector. It was amended in August, 2015 to extend the period of the scheme, enhance scope of the Scheme by including 15 more product verticals, and attract more investment. The scheme was further amended in January, 2017 to expedite the investments. The scheme provides subsidy for capital expenditure - 20% for investments in Special Economic Zones (SEZs) and 25% in non-SEZs. The incentives are available for 44 categories / verticals of electronic products and components covering entire electronics manufacturing value chain. The Scheme was open to receive applications till 31.12.2018 and is in the implementation mode. Under the Scheme, 308 applications with proposed investment of Rs 83,598 crore have been approved. Further, incentives amounting to Rs 1372.33 crore have been disbursed under this Scheme.
4. **Electronics Manufacturing Clusters (EMC) Scheme:** Electronics Manufacturing Clusters Scheme was notified on 22nd October, 2012 to provide support for creation of world-class infrastructure along with common facilities and amenities for attracting investment. Under the Scheme, 19 Greenfield EMCs and 3 Common Facility Centres (CFCs) measuring an area of 3,464 acres with total project cost of INR 3,762 crore including Government Grant-in-Aid of INR 1,538 crore have been approved.
5. **Electronics Development Fund (EDF):** Electronics Development Fund (EDF) has been set up as a “Fund of Funds” to participate in professionally managed “Daughter Funds” which in turn will provide risk capital to startups and companies developing new technologies in the area of electronics and Information Technology (IT). This fund is expected to foster R&D and innovation in these technology sectors. INR 409 crore has been committed through EDF to 9 Daughter Funds with a targeted corpus of INR 2,626 crore.
6. **Phased Manufacturing Programme (PMP)** has been notified to promote domestic value addition in mobile phones and their sub-assemblies / parts manufacturing. As a result, India has rapidly started attracting investments into this sector and significant manufacturing capacities have been set up in the country. The manufacturing of mobile phones has been steadily moving from Semi Knocked Down (SKD) to Completely Knocked Down (CKD) level, thereby progressively increasing the domestic value addition.
7. **Tariff Structure** has been rationalized to promote domestic manufacturing of electronic goods, including, *inter-alia*, Cellular mobile phones, Televisions, Electronic components, Set Top Boxes for TV, LED products and Medical electronics equipment.
8. **Exemption from Basic Customs Duty on capital goods:** Notified capital goods for manufacture of specified electronic goods are permitted for import at “NIL” Basic Customs Duty.
9. **Simplified import of used plant and machinery:** The import of used plant and machinery having a residual life of at least 5 years for use by the electronics manufacturing industry has been simplified through the amendment of Hazardous and Other Wastes (Management

and Transboundary Movement) Rules, 2016, vide Ministry of Environment, Forest and Climate Change Notification dated 11.06.2018.

10. **Relaxing the ageing restriction:** The Department of Revenue vide Notification No.60/2018-Customs dated 11.09.2018 has amended the Notification No.158/95-Customs dated 14.11.1995, relaxing the ageing restriction from 3 years to 7 years for specified electronic goods manufactured in India and re-imported into India for repairs or reconditioning.
11. **Public Procurement (Preference to Make in India) Order 2017:** To encourage 'Make in India' and to promote manufacturing and production of goods and services in India with a view to enhancing income and employment, the Government has issued Public Procurement (Preference to Make in India) Order 2017 vide the Department for Promotion of Industry and Internal Trade (DPIIT) Order dated 15.06.2017 and subsequent revisions vide Orders dated 28.05.2018, 29.05.2019, 04.06.2020 and 16.09.2020. In furtherance of the aforesaid Order, MeitY has notified mechanism for calculating local content for 13 Electronic Products viz., (i) Desktop PCs, (ii) Thin Clients, (iii) Computer Monitors, (iv) Laptop PCs, (v) Tablet PCs, (vi) Dot Matrix Printers, (vii) Contact and Contactless Smart Cards, (viii) LED Products, (ix) Biometric Access Control / Authentication Devices, (x) Biometric Finger Print Sensors, (xi) Biometric Iris Sensors, (xii) Servers, and (xiii) Cellular Mobile Phones, for procurement to be made from local suppliers.
12. **Compulsory Registration Order (CRO):** MeitY has notified "Electronics and Information Technology Goods (Requirement of Compulsory Registration) Order, 2012" for mandatory compliance to ensure safety of Indian citizens by curbing import of substandard and unsafe electronic goods into India. 63 Product Categories have been notified under the CRO and the order is applicable on 63 product categories.
13. **Establishment of Gallium Nitride (GaN) Ecosystem Enabling Centre and Incubator:** The project for "Establishment of Gallium Nitride (GaN) Ecosystem Enabling Centre and Incubator for High Power and High Frequency Electronics" has been approved. The project will be implemented by Society for Innovation and Development (SID), being converted to a Section 8 company titled "Foundation for Science, Innovation and Development" under the auspices of Indian Institute of Science (IISc) at Centre for Nano Science and Engineering (CeNSE), Bengaluru.
