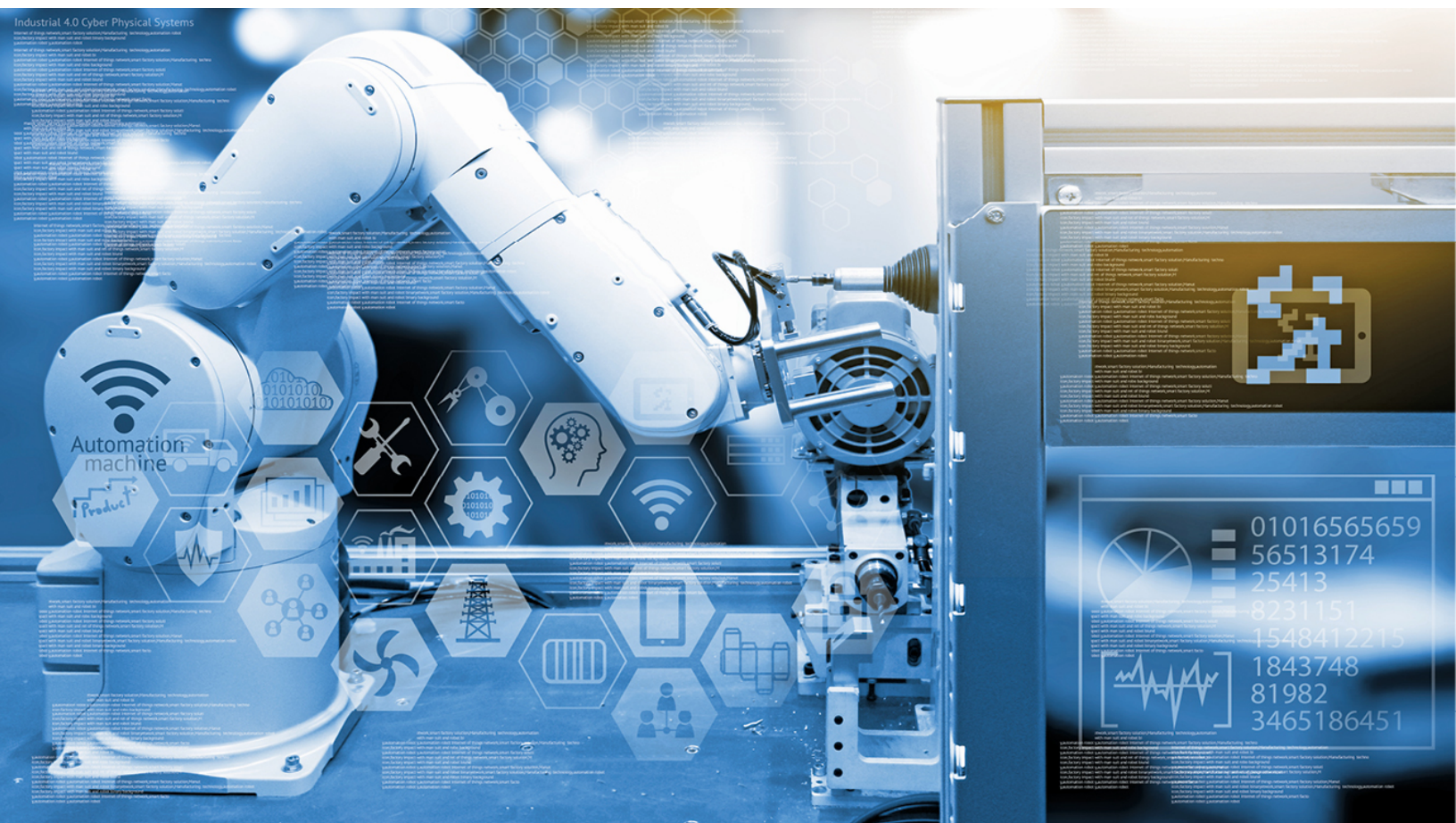


Uttar Pradesh Electronics Manufacturing Policy 2020

(First Amendment-2022)



Department of IT & Electronics, Government of Uttar Pradesh

As updated including first Amendment of G.O. No.1830/78-1-2022-05 I.T./2020 date 18-11-2022

Table of Contents

1	Introduction.....	4
1.1	Preamble.....	4
2	Vision, Mission and Target.....	4
2.1	Vision	4
2.2	Mission.....	4
2.3	Target.....	4
3	Governance.....	5
3.1	Nodal Agency.....	5
3.2	Policy Implementation Unit (PIU).....	5
3.3	Empowered Committee (EC).....	5
4	Policy Implementation	5
4.1	Policy Period and Coverage.....	5
4.2	Policy Promotion	6
4.3	Infrastructure Development	7
4.3.1	Electronics Manufacturing Cluster (EMC).....	7
4.3.2	Electronics System Design Manufacturing (ESDM) Park.....	7
4.3.3	Center of Excellence (CoE)	7
4.3.4	Infrastructure Support to MSME units	7
4.3.5	R&D Assistance.....	7
4.4	E-Waste Handling	7
5	Incentives.....	8
5.1	Capital Subsidy	8
5.1 (a)	Additional capital subsidy for Anchor Unit:.....	8
5.1 (b)	Additional capital subsidy for Focus area units:.....	9
5.2	Interest Subsidy	9
5.3	Stamp Duty Exemption	9
5.4	Patent Cost Reimbursement	9
5.5	Provision of Land	9
5.6	Electricity Duty Exemption.....	10
5.7	Skill Development and Other assistance	10
5.8	Incentive for EMC development	10
5.8.1	Incentives for Developers	10

5.8.2	Incentives for Individual Units	11
5.9	Private ESDM Parks	11
5.10	Benefits for Semiconductor Units.....	11
5.11	EPF Reimbursement	12
5.12	Lease Rentals	12
5.13	Logistics Subsidy	12
6	Eligible products	12
7	Glossary	12
	Abbreviations	13
	Annexure – 1.....	14

1 Introduction

1.1 Preamble

Uttar Pradesh, the land with ancient history is rich in resources and cultural heritage. It is one of the largest states in India with GDP of more than US\$ 200 billion & has the largest consumer base in the country with around 240 million people. With rapid industrialization & Government spending in Projects like Metro Rail, Expressways and Freight Corridors connecting the West coast to the East coast of India crossing from the state, IT Cities & Parks, Electronic Manufacturing Clusters, Industrial Zones, State wide Optical Fiber Connectivity, Asia's largest under construction International Airport Jewar and India's first proposed Electronics city at Yamuna Expressway in Gautam Budh Nagar, the state has taken up a trajectory towards accelerated growth & developed society.

IT & Electronics sector has been contributing immensely to the state Industry with the presence of companies like Oppo Mobiles, Haier Electronics, TCS, IBM, Wipro, ST microelectronics etc. and is proud of the long-term establishment of Samsung, LG Electronics, HCL for more than 2 decades of successful operations in the state. The state has abundant skilled manpower along with the presence of prominent institutions like IIT, IIM, IIITs, and reputed Engineering Colleges catering to the demand of the industry.

To accelerate the Electronics System Design and Manufacturing (ESDM) ecosystem development, the UP-Electronics manufacturing policy 2020, hereby covers the entire state and all the incentives under the policy shall be applicable to all eligible units setting up their base in UP.

This will lead the exponential growth in the establishment of ESDM units which will not only boost up the economy but also create large scale employment in the state.

2 Vision, Mission and Target

2.1 Vision

To establish Uttar Pradesh as the preferred destination for electronics industry by offering globally competitive infrastructure and favorable policy environment for cultivating Electronics Manufacturing Industry as an important growth driver for Uttar Pradesh through effective use of skilled force, adapting innovation and emerging technologies leading to all-round sustainable ecosystem thereby contributing towards the overall growth of economy of the state & nation.

2.2 Mission

- i. To establish Uttar Pradesh as the preferred destination for electronics industry
- ii. To build a world class ESDM ecosystem in the state
- iii. To nurture MSME enterprises as the growth engine of the economy
- iv. To foster a culture of research, innovation and entrepreneurship
- v. To create sector-specific high-quality talent pool for the benefit of the industry

2.3 Target

- i. To attract investment worth INR 40,000 Cr
- ii. To establish three (3) Electronics Manufacturing Clusters (EMC) in the state
- iii. To establish three (3) Center of Excellence (CoE) in the state
- iv. To establish ESDM parks for Domestic/Foreign investors in the state
- v. To attract investment in semiconductor manufacturing through FAB units

- vi. To provide approx. 4 Lakh (0.4 million) employment opportunities within the state

3 Governance

3.1 Nodal Agency

A Nodal Agency under the Department of IT & Electronics, Govt. of Uttar Pradesh shall be nominated for effective implementation of the UP-Electronics Manufacturing Policy 2020. The agency shall be responsible for creating a conducive policy environment for sustained growth of electronics manufacturing ecosystem in the state. It will act as Single Window for engagement with all ecosystem stakeholders. To manage the Single Window operations, Nodal Agency will set up a dedicated Project Management Unit (PMU) adequately staffed with outsourced professionals and consultants to support the Government.

3.2 Policy Implementation Unit (PIU)

A PIU under the chairmanship of Principal Secretary, Department of IT & Electronics shall be set up to oversee the work of Nodal Agency. PIU shall be responsible for effective implementation of the Policy including the approval of investment proposals, disbursement of incentives, making recommendations to Empowered Committee etc. PIU shall be responsible for examining and approving the investment proposals worth up to INR 200 Cr within the policy framework. However, investment proposals worth more than INR 200 Cr shall be recommended to the Empowered Committee for necessary approval.

3.3 Empowered Committee (EC)

A state level Empowered committee under the chairmanship of Chief Secretary shall be set up to monitor the effective implementation of the Policy. The charter of the committee shall be pertaining to the effective implementation of the policy and inter-departmental coordination with respect to timely resolution of investor issues at all levels. Projects worth more than INR 200 Cr will be subject to approval from the state cabinet on the recommendations of Empowered Committee.

This committee shall consist of members from Department of Infrastructure and Industrial Development, IT & Electronics, Finance, Planning, Small Industries, Commercial Tax, Energy, Irrigation, Housing Department, Labor, and as per requirement may include Additional Chief Secretary / Principal Secretary of other Departments / CEOs of Industrial Development Authorities etc. as and when required.

4 Policy Implementation

4.1 Policy Period and Coverage

The UP-Electronics Manufacturing Policy 2020 is valid for five (5) years from the date of its notification. Policy covers the entire state. Investment shall be permitted starting from the date of notification of the policy. The time provided to make unit commercially operational shall be as per below:

Investment (INR Cr)	Investment Duration
Up to INR 200 Cr	5 years from the date of issuance of LoC
Investment more than INR 200 Cr and less than 1000 Cr	6 years from the date of issuance of LoC
Investment more than or equal to INR 1000 Cr	7 years from the date of issuance of LoC

Policy Applicability:

- i. Investors who have applied and duly received LoC under the UPEMP 2017 but could not commercialize the project by 31 March 2022 shall be given an additional 12-month extension beyond 31st March 2022 to commence the commercial operations.
- ii. Investors who have not applied under UPEMP 2017 but have commercialized the project by 31 March 2022 after availing any one or more of the incentives such as Stamp Duty, Rebate on Land, Electricity Duty shall be considered admissible under the UPEM Policy 2017 only with respect to incentives already availed and shall not be eligible for any other benefit
- iii. Investors who have availed any one or more of the incentives such as Stamp Duty, Rebate on Land, Electricity Duty but have neither previously applied under UPEMP 2017 and nor commenced operations by 31 March 2022, shall be considered admissible under the UPEM Policy 2017 only with respect to subsidies already availed and shall not be eligible for any other benefit. Investors shall be given an additional 12-month extension beyond 31st March 2022 to commence commercial operations. In case the investor did not apply under the policy or are unable to commence commercial operations till 31 March 2023, all the benefits given will be recovered as per the government/ authority rules.
- iv. Incentives under the policy are applicable for new units. However, units applying for capacity expansion/ diversification/ Technology upgradation will be eligible only for capital subsidy provided expansion/ diversification/ Technology upgradation results in minimum increase of gross block by 25%.
 - a) Investors already getting benefit of electricity duty under any of the previous policy, will be eligible for the balance ED benefit till the approved tenure even on the enhanced load.
 - b) No electricity duty benefit will be available for new units applying for expansion/ diversification & Technology upgradation.

The Empowered Committee constituted under the policy shall decide upon the extension of policy period.

Investment proposals received under the UPEMP 2020 where LoC has not been issued before the notification of this amendment shall be eligible for benefits provided under the amended UPEMP 2020.

4.2 Policy Promotion

Marketing and branding strategy shall be formulated to promote the policy at national/international forums to attract investors. The following tasks will be handled by Nodal Agency:

- i. Creating a brand image for the state IT & Electronics Department and the Electronics Manufacturing Policy.
- ii. Organizing and participating national and international conferences, summits, road shows and events to promote the policy
- iii. Use of print, electronic and social media to create awareness about state's attractiveness for ESDM industry
- iv. Managing a dedicated online portal both for promotion and processing the investment application

4.3 Infrastructure Development

4.3.1 Electronics Manufacturing Cluster (EMC)

EMC is a geographical area of certain minimum extent, preferably contiguous, where the focus is on development of basic infrastructure, amenities, and other common facilities for the ESDM units. Policy aims to establish three (3) EMCs focusing on mobile manufacturing, consumer durables, Telecom, IT hardware, Drone, Semiconductor (FAB), medical electronics, defense electronics, Robotics, IoT etc.

4.3.2 Electronics System Design Manufacturing (ESDM) Park

ESDM Parks shall be established across the state in collaboration of Government/private agencies. Policy aims to promote the development of ESDM parks for domestic as well as foreign investors. The minimum area required to develop an ESDM park is 25 acres.

4.3.3 Center of Excellence (CoE)

Policy envisages to create world class infrastructure in the form of Center of Excellence (CoE) to promote research, innovation and entrepreneurship and startup culture in the ESDM sector. Policy aims to establish Center of Excellences in collaboration with reputed academic institutions and/ or industry associations/ industry or any other Govt./ Private entity. Up to 50% of the total CoE project cost (subject to a maximum of 10 Cr.) will be borne by Government of UP.

The Empowered Committee shall be competent to grant sanction for setting up of the CoEs.

4.3.4 Infrastructure Support to MSME units

State govt will encourage development of rental dormitories for work force in Industrial development Authorities by itself or on PPP mode. State govt will also encourage development of rental facilities on Plug & Play model for ESDM investors by itself or on PPP mode. Private players will be allowed to build dormitories and plug and play facilities for the electronics manufacturing units and provide them on rental basis.

4.3.5 R&D Assistance

The Government will support R&D centers & Design Centers recognized by Council of Scientific & Industrial Research (CSIR)/ Department of Scientific and Industrial Research (DSIR).

Financial support shall be provided in the form of reimbursement (covering capital and operational expenditure) up to 50% of the project cost maximum up to INR 5 Crores in the span of 5 years.

50% of the eligible reimbursement amount shall be provided on an annual basis and the remaining 50% of the amount shall be disbursed post successful development of the product/R&D activity.

4.4 E-Waste Handling

Policy will encourage creation of a mechanism with Industry to facilitate the implementation of e-waste (management and Handling) Rules 2011, including restrictions on usage of hazardous substances as per the global practices. Also, the policy will promote e-waste recycling industry in the state for e-waste produced in the state. E-waste product coverage will be as per the E-waste policy of Government of India

5 Incentives

Financial incentives offered under this policy are over and above the incentives given by the Government of India. However, incentives claimed by a unit from all the sources including those from Government of India unless stated otherwise in the policy, shall not be more than 100% of the Fixed Capital Investment. It is further clarified that the benefits under Production Linked Incentives (PLI) scheme of GOI will not be considered for the overall cap of 100% of the FCI disbursement of incentives. All the incentives provided in the policy shall be eligible upon commencement of commercial production.

Investors setting up units for remanufacturing, repair, or refurbishment of Electronics products in the state will be eligible for all incentives offered under the policy.

Fixed Capital Investment (FCI) includes the assets and capital investments such as building, plant & machinery. Following will be considered while calculating the FCI:

- i. Cost of land will not be included for the calculation of FCI
- ii. Cost of building will be subject to cap of 10% of FCI
- iii. Refurbished plant & machinery will be permitted up to 40% of the FCI. This dispensation will be permitted only to those units which are evaluated by GOI for including refurbished plant & machinery and will be available for only first such 20 investors from the date of notification of this policy.

5.1 Capital Subsidy

The capital subsidy shall be given to the eligible unit and admissible on the FCI evaluated by the Financial Institutions/ Banks/ Financial consultants or by the committee constituted through the State Government. Investors will be eligible for the following incentives:

- i. **Investment up to INR 200 Cr:** Capital Subsidy of 15% of FCI shall be provided to investors.
- ii. **Investment more than INR 200 Cr. and less than 1000 Cr:** Capital subsidy of 15% of FCI shall be provided to investors in 3 yearly installments, which shall be payable after the commencement of commercial production.
- iii. **Investment more than INR 1000 Cr:** Investment more than or equal to INR 1000 Cr: Additional capital subsidy of 10% maximum up to INR 100 Cr (total Capital Subsidy up to INR 250 Cr) shall be given on investment in FCI exceeding INR 1000 Cr and employment generation of minimum 3000. This additional subsidy shall be provided in 5 yearly installments of which first installment shall be released from the year in which unit achieves commercial production at minimum 80% of its total capacity.

Note: *Capital Subsidy for units operating from Plug n Play/ Rented buildings shall be given in 5 yearly installments, payable after commencement of commercial production.*

5.1 (a) Additional capital subsidy for Anchor Unit:

Additional capital subsidy shall be provided to the investor acting as an Anchor unit and guaranteeing to get ancillary units along. Incentive will be paid after the successful establishment of all the proposed ancillary units.

- i. 1 to 5 units –Additional 1.5%

- ii. 6 to 10 units –Additional 2.5%
- iii. More than 10 units –Additional 5%

This additional capital subsidy will be over and above the capital subsidy mentioned in the clause no 5.1 of the policy.

Anchor unit must procure min. 40% of their raw material requirement from the ancillary units they are proposing to avail benefit under this head. Also, units availing this benefit will not be eligible for added capital subsidy from provision of focus area

5.1 (b) Additional capital subsidy for Focus area units:

5% additional capital subsidy shall be provided to the investor applying under following focus areas:

- i. Drones and its components
- ii. IoT
- iii. Defense Electronics
- iv. Strategic Electronics
- v. Robotics

Units availing this benefit will not be eligible for added capital subsidy from provision of anchor unit

5.2 Interest Subsidy

An interest subsidy of 5% per annum (on the rate of interest) to units with investment up to INR 200 Cr on the loan obtained from Scheduled Banks/ Financial Institutions shall be reimbursed up to maximum of INR 1 Cr per annum per unit for 7 years (Maximum INR 7 Cr per unit).

5.3 Stamp Duty Exemption

- i. 100% exemption of stamp duty on purchase/lease of land shall be available for the establishment of individual ESDM units
- ii. 100% exemption of stamp duty on first transaction (Owner to Developer/SPV) and 50% exemption on second transaction (Developer/SPV to ESDM Units) shall be available for purchase/lease of land for EMCs/ESDM parks.
- iii. Stamp duty exemption shall be given against Bank Guarantee, which will be released upon commencement of commercial production.
- iv. For land/ Industrial sheds/ Industrial Building taken on lease/ rent for minimum 10 years 50% stamp duty reimbursement will be given
- v. Stamp duty reimbursement shall be given upon commencement of commercial production.

5.4 Patent Cost Reimbursement

The cost of filing of successful patents shall be reimbursed up to INR 5 Lakhs for domestic and INR 10 Lakhs for international patents, on actual basis.

5.5 Provision of Land

- i. 25% Land subsidy on prevailing sector rates shall be provided to SPV/PIA of EMC/ESDM Parks and individual ESDM units on purchase of land from state agencies in Madhyanchal and Paschimanchal regions.

- ii. 50% Land subsidy on prevailing sector rates shall be provided to SPV/PIA of EMC/ESDM Parks and individual ESDM units on purchase of land from state Agencies in Bundelkhand and Purvanchal regions
- iii. Land subsidy provided in (i) & (ii) above shall be limited to 7.5% of the total project cost or INR 75 Cr, whichever is less. Subsidy shall be paid by the State Government to the concerned Authority post commercialization of the unit/project in proportion to the area of the land utilized in phases within the policy period. The Authority shall adjust the subsidy in payment plans of the enterprise.
- iv. **Floor Area Ratio (FAR):** Units will be allowed for 3.0 + 1.0 (Purchasable) FAR
- v. **Dormitories for workers and welfare facilities:** Up to 30% of total FAR in minimum 25 acre of land size in “Industrial land use” shall be allowed for welfare facilities like dormitories for workers, canteen, dispensary, etc.

5.6 Electricity Duty Exemption

Electricity Duty exemption will be admissible for the investors for 10 years as following:

- i. 50% for units operating in Paschimachal
- ii. 75% for units operating in Madhyanchal
- iii. 100% for units operating in Purvanchal & Bundelkhand

The revised rates shall be applicable for the investment proposals approved under the policy after the notification of this amendment whereas the 50% electricity duty exemption will continue for the proposals already approved under the policy before the notification of this amendment.

5.7 Skill Development and Other assistance

- i. All ESDM units will be eligible for reimbursement of stipend amount given during training under apprenticeship assistance scheme of the State Government.
- ii. UP Skill development Mission shall be aligned with required skill sets for Electronics Industry in order to pass on the benefits of the scheme to the eligible.
- iii. Skill development in ESDM sector will be augmented with the budget allocated by MeitY for this purpose.
- iv. Permission will be provided to have 24*7 operations and employment of women in all three shifts.

5.8 Incentive for EMC development

Under Modified Electronics Manufacturing Cluster (EMC 2.0) scheme of Government of India, Electronics Manufacturing Clusters (EMC) would be established to create infrastructure with common facilities and amenities in EMC projects and upgrade the infrastructure in industrial states/parks/areas as Common Facility Center (CFC) for attracting investment in ESDM sector. The financial assistance will be given for setting up both EMC and CFC.

5.8.1 Incentives for Developers

- i. The Government of India contributes 50% of the EMC cost for developing infrastructure facilities such as roads, power, water, testing facilities etc.
- ii. Remaining 50% of the EMC cost shall be contributed by Project Implementing Agency (PIA) and state government in equal proportions e.g. 25% each
- iii. PIA shall contribute 25% of the CFC development cost, whereas remaining 75% shall be given by Government of India.
- iv. Land subsidy will be available as per Para 5.5 of the Policy.

5.8.2 Incentives for Individual Units

- i. Anchor unit's commitment should be at least 20% of the saleable land and minimum investment of INR 300 Cr and not exceeding INR 750 Cr.
- ii. Anchor units will be allowed to install vendor units in 20% of their land area without any sublease or transfer charges.
- iii. No fees/ charges shall be levied by the respective Authority on transfer of land from SPV/PIA to individual units after EMC development.
- iv. Units will get land subsidy as per Para 5.5 of the Policy, only if the land subsidy is not already availed by SPV/PIA in terms of para 5.8.1

5.9 Private ESDM Parks

- i. Land subsidy will be available as per Para 5.5 of the Policy.
- ii. Single Window Assistance from concerned authority and nomination of Nodal Officer for every park
- iii. Interest subsidy in the form of reimbursement of interest up to 60% of annual interest for 7 years subject to INR 10 Cr per year with an overall ceiling of INR 50 Cr per park.
- iv. 100% exemption of Stamp Duty for purchase/lease of land on first transaction and 50% on second transaction. Stamp duty exemption will be given against Bank Guarantee, which will be released upon commencement of commercial production.

5.10 Benefits for Semiconductor Units

To attract investments for setting up semiconductor units and to strengthen the electronics manufacturing ecosystem in the state policy will encourage investors by offering the following incentives:

1. **Capital Subsidy:** 50% additional Capital Subsidy on the capital subsidy approved by GOI
2. **Land Rebate:**
 - i. 75% subsidy on the first 200 acres of land on prevailing sector rates on purchasing land from state agencies
 - ii. On additional purchase of land for the unit or for the ancillary units 30% subsidy shall be allowed
3. **Stamp Duty and Registration fees:** 100% exemption on purchase/lease of land
4. **Power Subsidy:** Units shall be eligible for power tariff as per industrial rates
5. **Electricity Duty:** 100% exemption on electricity duty for a period of 20 years
6. **Dual power grid network** shall be provided to the FAB units established in the state. The cost of one grid (lower of the two) shall be reimbursed by the Department of IT & Electronics while the cost of the other grid shall be borne by the investor.
7. **Water availability:** All projects will be provided good water quality (potable water)
8. **Setting up Effluent Treatment Plant:** One-time capital subsidy to the tune of up to 50% of the cost of ETP, ceiling up to INR 1 Cr
9. **Support for development of Infrastructure / Common Facility Centers:** State government will give 50% of the infrastructure cost and 25% for the Common Facility Centers as per the GoI's EMC 2.0 scheme to the investor whose proposal is approved by the Government of India under the benefits of Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme and the proposal fulfills the required EMC 2.0 framework requirements.

Further relaxation can be considered on Case-to-Case basis for FAB units including land, electricity, water, infrastructure, capital sharing, fiscal and non-fiscal incentives etc. subject to approval from the state cabinet on the recommendation of the Empowered Committee (EC). Incentives for semiconductor units will be applicable for Silicon Semiconductor Fab, Display Fabrication Unit (Fab), Compound Semiconductors, Silicon Photonics (SiPh), Sensors (including MEMS) Fab, Discrete Semiconductors Fab, Semiconductor Assembly, Testing, Marking and Packaging (ATMP) / Outsourced Semiconductor Assembly and Test (OSAT) Facility.

5.11 EPF Reimbursement

100% reimbursement of the total EPF amount paid for ESDM Sector professionals of Uttar Pradesh domicile with employment for continuous 1 year, after start of commercial operations, up to Rs. 2000 per employee per month and subject to a maximum of Rs. 1 Crore per annum for 5 years will be provided to Unit. This incentive is only applicable for Women/ SC/ ST/ Transgender/ Divyangjan employees

5.12 Lease Rentals

For investment < INR 200 Cr reimbursement up to 25% of lease rentals charges for Industrial sheds/ Industrial Building taken on lease/ rent maximum up to INR 25 Lakh per annum per unit for a period of 5 years.

5.13 Logistics Subsidy

50% reimbursement of transportation cost incurred on import of manufacturing equipment maximum up to INR 2 Cr/ unit will be provided to the firms relocating their existing plants from their international locations to the State of Uttar Pradesh.

6 Eligible products

The list of products eligible for incentives under this policy. *Refer Annexure 1*

7 Glossary

7.1 Semiconductor Units

Silicon Semiconductor Fab, Display Fabrication Unit (Fab), Compound Semiconductors, Silicon Photonics (SiPh), Sensors (including MEMS) Fab, Discrete Semiconductors Fab, Semiconductor Assembly, Testing, Marking and Packaging (ATMP) / Outsourced Semiconductor Assembly and Test (OSAT) Facility

7.2 Electronics Manufacturing Cluster (EMC)

EMC means approved EMCs of Government of India defined under EMC 2.0 scheme of National Policy on Electronics, 2019 (NPE, 2019), which will aid the growth of the ESDM sector.

These clusters are to facilitate the establishment of the units for manufacturing Electronics components, parts, sub-assemblies, materials etc. for various electronics verticals such as mobile manufacturing, consumer electronics, electrification, power electronics, computer/ information technology and communication etc. and so on including their entire value chain.

7.3 Bank/ Financial Institutes

All scheduled banks shall be considered. All financial institutions which are regulated and approved by the Reserve Bank of India shall be considered.

7.4 State Agencies

- i. Development Authorities
- ii. Housing Boards
- iii. Industrial Development Authorities
- iv. Other state Institutions notified by the Government

Abbreviations

1.	CFC	Common Facility Center
2.	CoE	Center of Excellence
3.	Cr	Crore equals to 10 million
4.	EC	Empowered Committee
5.	EMC	Electronics Manufacturing Cluster
6.	ESDM	Electronics System Design and Manufacturing
7.	FAR	Floor Area Ratio
8.	FCI	Fixed Capital Investment
9.	GDP	Gross Domestic Product
10.	GoI	Government of India
11.	IIIT	The Indian Institute of Information Technology
12.	IIM	The Indian Institutes of Management
13.	IIT	The Indian Institute of Technology
14.	INR	The Indian Rupee
15.	MeitY	Ministry of Electronics and Information Technology, Government of India
16.	MSME	Micro, Small, and Medium Enterprises
17.	NPE	National Policy on Electronics
18.	PIA	Project Implementing Agency
19.	PIU	Policy Implementation Unit
20.	PPP	Public-private partnership
21.	SPV	Special Purpose Vehicle

Annexure – 1

MSIPs:

A	Electronics Products including Nano-Electronics Products and Telecom Products:
1	Telecom products including Optical Fibre Equipment; Terrestrial Communication Equipment; Satellite Communication Equipment; IP based new generation soft-switches/ routers including L2 and L3 switches, data networking equipment — copper/ optical — consumer and carrier grades, for public and private networks; Transport systems — DWDM, SDH, PON, Cross-connects, RF over optical fibre, Carrier Ethernet, Packet Optical Transport Platform (P-OTP); Wireless technology — GSM (2G & 2.5G), CDMA, 3G, LTE & LTE Advance, Wi-Fi, WiMAX & WiMAX Advance; Microwave Radio systems 2-70 GHz, Software defined radio, Cognitive radio, Distributed antenna systems; Equipment related to security and surveillance, processing of speech, data, image, video; Customer Premises Equipment (CPE) — PBX systems, Headends, 3G Routers, VoIP gateways, Residential gateways, Access points, Routers, Broadband CPEs, Mobile phones/ Mobile handsets/ Smart Mobile phones, Set-top boxes, Modems, dongles, data card; Short Range Devices (SRD), Sensors; VSAT based systems — Broadband, Disaster management; Non-conventional energy sources, portable mechanical chargers for handsets, computers; NMS/ OSS/ BSS systems for all above — SNMP/ Openview/ CORBA; Customer care & Billing systems; Electronics products for energy management, Advanced storage batteries such as Lithium, Video Conferencing Equipment, Optical Fibres and Optical Fibre Cables, etc.
2	IT Hardware products including computers (tablets, desktops etc.), servers, peripherals like printers, faxes, storage devices monitors, Automatic Teller Machines (ATM), etc.
3	Consumer Electronics like Televisions, Digital Cameras, Camcorders, Audio Video products, electronic watches and clocks, electronic toys, wearable electronics, electronic personal care products, etc.
4	Health and Medical Electronics
5	Strategic electronics
6	Solar Photo Voltaic including thin film, polysilicon etc.
7	Light Emitting Diodes (LEDs)
8	Liquid Crystal Displays (LCDs)
9	Avionics
10	Industrial Electronic products including measuring and control equipment, energy meters etc.
11	Nano electronic products
12	e-waste processing/ recycling
13	Automotive Electronics including Anti-lock braking system, Electronic Brake Distribution, Traction Control, Brushed DC Motors, etc.
14	Agri-electronics
15	Energy conservation electronics

16	Opto-electronics
17	Bio-metric and identity devices/ RFID: Smart Card manufacturing and personalization
18	Power supplies for ESDM products
19	Consumer Appliances like Refrigerators, ACs, Fully Automatic Washing Machines, Microwave Ovens, etc.
20	Electronic product design including PCB design
21	Machine to Machine (M2M) and Internet of Things (IoT) products
22	Home Fuel Cells
23	Multi-functional electronic devices
24	Semiconductor Equipment such as Automatic Test Handler, Pick & Place Machines, Test Head Manipulator and their accessories like Test Sockets, Probe Cards, ATE Load Boards, Conversion Kits, Docking Mechanisms
25	Electronic security devices- including CCTV/ surveillance equipment, CCTV, Access Control, intruder alarms etc.
B	Intermediates
1	Nano-electronic components
2	Semiconductor wafering
3	Semiconductor chips including logic, memory and analog
4	All Assembly, Testing, Marking and Packaging of ESDM Units
5	Chip components
6	Discrete Semiconductors like Transistors, Diodes
7	Power semiconductors (including diffusion) like FETs, MOSFETs, SCRs, GTDs, IGBT etc.
8	Electromechanical Components and Mechanical Parts such as Multilayer PCBs, Transformers, Coils, Connectors, Switches, Ferrites, Micro Motors, Stepper Motors, Films, Electro-plating, small precision plastic and metal parts, tools, moulds & dies, etc.
9	Consumable and Accessories such as Mobile Phone and IT accessories- Batteries Chargers etc. PCBs, Foils, Tapes, Epoxy, Cabinets, etc.
10	All Fabrication Manufacturing facilities (Fabs) for ESDM products
11	Electro-plating, small precision plastic and metal parts, tools, moulds and dies
12	Liquid Crystal Module (LCM)
13	Organic Light Emitting Diodes (OLED)
14	Chip Modules for Smart Cards
15	Analog/ Mixed Signal Semiconductor Chips
C	Electronics Manufacturing Services (EMS)
D	Capital Equipment for electronic products
E	Raw material exclusively for electronic products
F	Remanufacturing of electronic products

PLI for Large Scale Electronics Manufacturing:

S. No.	Description of Goods
1.	Mobile Phones
2.	Specified Electronic Components
2.1	SMT components
2.2	Discrete semiconductor devices including transistors, diodes, thyristors, etc.
2.3	Passive components including resistors, capacitors, etc. for electronic applications
2.4	Printed Circuit Boards (PCB), PCB laminates, prepregs, photopolymer films, PCB printing inks
2.5	Sensors, transducers, actuators, crystals for electronic applications
2.6	System in Package (SIP)
2.7	Micro / Nano-electronic components such as Micro Electromechanical Systems (MEMS) and Nano Electromechanical Systems (NEMS)
2.8	Assembly, Testing, Marking and Packaging (ATMP) units

Production Linked Incentive Scheme (PLI) for IT Hardware:

Target Segment: The Target Segment under PLI shall include (i) Laptops (ii) Tablets (iii) All-in-One PCs and (iv) Servers.

Scheme for Promotion of manufacturing of Electronic Components and Semiconductors (SPECS)

Sl. No.	Description of Goods
1.	SMT components including LED Chips
2.	Chip Modules for Smart Cards, RFID Antenna & Labels, CoB/ System in Package
3.	Passive components including resistors, capacitors, ferrites, etc. for electronic applications
4.	Electromechanical components including transformers, inductors, coils, relays, switches, micro motors, stepper motors, BLDC Motors, Connectors, Heat Sinks, Antenna, Speakers, Microphones, etc. for electronic applications
5.	Magnetrons, Wave guides, Circulators, Couplers, Isolators, Filters, Magnets, RF Components for electronic applications
6.	Printed Circuit Boards (PCBs), PCB Laminates, Prepegs, Photopolymer films, PCB Printing Inks; Printed Flexible Electronics
7.	Sensors, Transducers, Actuators and Crystals for electronic applications
8.	Camera Modules, Vibrator motor/ ringer
9.	USB/Data Cables, HDMI Cables
10.	Capital goods for all the goods covered under SPECS

Sl. No.	Description of Goods
1.	Active Components: a. Discrete semiconductor devices including transistors, diodes, etc. b. Power semiconductors including FETs, MOSFETs, Thyristors, etc.
2.	Preform of Silica and Optical Fiber
3.	Display Assembly and Touch Panel/ Cover Glass Assembly

Sl. No.	Description of Goods
1.	Micro/Nano-electronic components such as Micro Electro Mechanical Systems (MEMS) and Nano Electro Mechanical Systems (NEMS)
2.	Assembly, Testing, Marking and Packaging (ATMP) units

Sl. No.	Description of Goods
1.	Mechanics (plastic and metal parts) for electronic applications

Sl. No.	Description of Goods
1.	Compound Semiconductors such as GaN, SiC, GaAs, etc. and Silicon Photonics devices/ Integrated Circuits, Optoelectronic components

Sl. No.	Description of Goods
1.	Semiconductor Wafers

Sl. No.	Description of Goods
1.	Semiconductor Integrated Chips (ICs) including Logic [Microprocessor, Microcontrollers, Digital Signal Processors (DSP), Application Specific Integrated Circuits (ASICs), etc.]; Memory; Analog/ Mixed Signal ICs, etc.
2.	Display fabrication units including Liquid Crystal Displays (LCD), Light Emitting Diode (LED), Organic Light Emitting Diode (OLED), etc. for electronic applications

All the products mentioned under the MSIPs, SPECS, PLI schemes related to ESDM of GoI and as amended time to time will be covered under the policy.

In future any product which is not covered in the list and is recommended by the department for addition will be added post approval from the Empowered Committee (EC).