

Electronics push: Centre gets ₹8,000 cr proposals for components scheme

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For manufacturing electronic components and setting up assembly facilities in the country, the government has received proposals worth ₹7,500 crore-8,000 crore, sources in the know told *Business Standard*.

The Ministry of Electronics and Information Technology has received roughly 100 applications from Indian and international companies to set up units in the country under the Electronics Components Manufacturing Scheme (ECMS), a senior government official said.

“We have started vetting the applications, and from late August or early September, we will begin approving applicants in batches. A project management agency is also being finalised soon,” the official said.

The ₹22,919 crore ECMS was unveiled by the Centre in April to promote manufacturing electronic components, display and camera modules, non-surface mount devices, multi-layer printed circuit boards, lithium-ion cells for digital applications, etc.

The scheme will also provide incentives for the domestic manufacturing of other bare components, such as resistors, capacitors, inductors, transformers, fuses, resistor networks, thermistors, and potentiometers, used in the production of battery packs, mobile phones, laptops, tablets, and other handheld devices.

The scheme, which will run for six years starting from this financial year, started accepting applications for three months starting May 1.

Under the scheme, instead of offering incentives for incremental sales, the government



The contours

- The ₹22,911 crore scheme to run for six years, with a three-month application window that opened on May 1
- Application vetting underway; approvals likely in batches starting late August or early September
- Companies must specify projected employment numbers as part of their application
- A project management agency is also being finalised to oversee implementation
- The scheme aims to boost manufacturing of components like display and camera modules, PCBs, lithium-ion cells, and non-SMD parts

plans to give incentives based on the number of direct jobs created, in addition to support for capital expenditure done by the companies. A third approach will involve incentives based on the turnover of the firms.

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To ascertain the incentives for the number of direct jobs created, the government is likely to ask applicants to state the number of people they plan to employ in their manufacturing units and evaluate them based on that number, Union Electronics and Information Technology Minister Ashwini Vaishnaw had said at the time.

Electronics manufacturing increased at a compound annual growth rate (CAGR) of 17 per cent over the past decade and reached ₹9.52 trillion in value by the end of

FY24, while electronics exports went up at a 20 per cent CAGR to reach ₹2.41 trillion during this time, according to the government data.

With the introduction of this scheme to promote manufacturing electronic components, the government hopes to complete the tri-fecta of semiconductor manufacturing, semiconductor component manufacturing, and finished products such as mobile phones, laptops, hardware, and other information technology products.