

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

- (a) the special plans to increase foreign investment in ESDM sector;
- (b) the investment made in Jalgaon area of Maharashtra under ESDM over the past years and the employment opportunities generated thereof;
- (c) the number of the youth trained so far under the ESDM skill development programme in Jalgaon, Maharashtra and the number of youth who got employment; and
- (d) the targets set regarding training, employment generation and investment in Jalgaon in future?

ANSWER

**MINISTER OF STATE FOR ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI K. J. ALPHONS)**

(a): The following steps have been taken/ planned to increase foreign investment in the Electronics System Design and Manufacturing (ESDM) sector:

- i. In addition to the Investment Facilitation Cell, Help Desks for Japan, Israel and Taiwan to assist foreign investors are functional in the Ministry of Electronics and Information Technology (MeitY) to handhold and help investors during their various stages of transition; to expedite and facilitate the investment proposals from companies and to facilitate interactions with State Governments as well as other agencies of Government of India.
- ii. Foreign Direct Investment (FDI) upto 100% under the automatic route is permitted for manufacturing of electronic goods.
- iii. High potential companies within sectoral spread of ESDM are identified and approached through promotional letters.
- iv. Organising various workshops/ roundtables/ road-shows and one-to-one meetings to attract investment in ESDM sector, and participation in the national and international events.
- v. Modified Special Incentive Package Scheme (M-SIPS): To offset disability and attract investments from domestic and foreign companies in Electronics manufacturing, M-SIPS was launched by the Government in July 2012. The scheme has been suitably amended time to time. The scheme mainly provides 20-25% subsidy for investments in capital expenditure for setting up of an electronic manufacturing facility (20% for SEZ Units and 25% for non-SEZ Units). The incentives are available for 44 categories of electronic products and product components.

Further, as per the Directorate of Industries, Government of Maharashtra, to promote ESDM sector in Maharashtra, the State Government announced a policy in April-2016. This policy has been formulated to reduce imports substantially, promote foreign investment, generate substantial employment and increase the share of electronics sector in country's GDP. The investment target over 5 year period is 3 billion USD with a turnover of 12 billion USD,

generate 1 lakh employment and facilitate import substitution of 2 billion USD. Enhanced incentives are proposed to be given to ESDM units. The incentives are in the form of industrial promotion subsidy linked to GST, interest subsidy, power tariff subsidy, electricity duty exemption, stamp duty exemption; incentives for quality certification, technology up-gradation, patent registration, clean technology, credit rating. Similarly incentives are admissible for setting up Electronics Manufacturing Cluster. A Venture Fund is also proposed under the policy. Apart from this, incentives for property tax, R&D, market development, human resource development are also admissible.

(b): As per the Directorate of Industries, Government of Maharashtra, in Jalgaon District, 77 Electronics Hardware units are registered with an estimated investment of Rs.22.33 crore and employment for 906 persons.

(c): As per the Directorate of Industries, Government of Maharashtra, in Jalgaon, 60 youth have been trained so far under ESDM skill development programme and about 10 youth have been employed.

(d): As per the Directorate of Industries, Government of Maharashtra, the ESDM policy of the State Government is for the entire State. The targets in the policy are for the entire State of Maharashtra and there are no specific targets for individual districts.
