

GOVERNMENT OF INDIA  
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY  
**LOK SABHA**  
**UNSTARRED QUESTION NO.4284**  
TO BE ANSWERED ON 21.03.2018

**PROMOTION OF ELECTRONICS AND IT HARDWARE MANUFACTURING**

**4284. SHRI E.T. MOHAMMED BASHEER:**

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

- (a) whether the Government plans to promote manufacturing of electronics and IT hardware in the country and if so, the details thereof;
- (b) whether the Government wishes to make India an electronics hardware manufacturing hub; and
- (c) if so, the steps Government plans to take in this direction?

**ANSWER**

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

(a) to (c): Ministry of Electronics and Information Technology (MeitY) has taken several steps to promote manufacturing of Electronics and IT hardware in the country with the objective to make India an electronics hardware manufacturing hub. Major steps taken by the Government to promote Electronics and IT hardware manufacturing in the country are at **Annexure**.

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**Steps taken by the Government to promote Electronics and IT Hardware Manufacturing in the Country**

1. Promotion of electronics hardware manufacturing is one of the pillars of Digital India campaign of the Government.
2. The National Policy on Electronics (NPE 2012) was notified in October 2012 with the vision to create a globally competitive electronics design and manufacturing industry to meet the country's needs and serve the international market.
3. Modified Special Incentive Package Scheme (M-SIPS) provides financial incentives to offset disability and attract investments in the Electronics Systems Design and Manufacturing (ESDM) sector. The scheme provides subsidy for investments in capital expenditure - 20% for investments in SEZs and 25% in non-SEZs. The scheme is available for both new projects and expansion projects.
4. Electronics Manufacturing Clusters (EMC) have been set up in the country.
5. Notification for 10 electronic products in furtherance of the Department of Industrial Policy and Promotion's Public Procurement (Preference to Make in India) Order 2017 has been issued on 14.09.2017.
6. Approvals for all foreign direct investment up-to 100% in the electronic hardware manufacturing sector are under the automatic route.
7. For promotion of exports in the sector, Merchandise Exports from India Scheme (MEIS) and Export Promotion Capital Goods (EPCG) Scheme are available under the Foreign Trade Policy, 2015-20. MEIS offers export incentives so as to offset disabilities of manufacturing. Zero duty EPCG scheme allows import of capital goods at zero customs duty, subject to specified export obligation.
8. Tariff Structure has been rationalized to promote indigenous manufacturing of electronic goods, including *inter-alia* Mobile Handsets, Televisions, Electronic Components, Set Top Boxes, LED Products, Medical Electronics, Solar PV Cells and Microwave Ovens. To promote domestic value addition in mobile handsets manufacturing, a Phased Manufacturing Programme (PMP) has been notified.
9. To promote indigenous manufacturing of Televisions, baggage rules have been amended to ban duty free import of Flat Panel Television Sets w.e.f. August 2014 under the baggage allowance.
10. Mandatory compliance to safety standards has been notified for identified Electronic Products with the objective to curb import of sub-standard and unsafe electronics goods. As of now, 43 electronic products are under the ambit of this Order.

**Promotion of Innovation and R&D**

11. Electronics Development Fund (EDF) has been operationalized to support Daughter Funds in the area of ESDM, Nano-electronics and IT. The fund is housed in Canbank Venture Capital Fund Ltd. The supported Daughter Funds will promote innovation, R&D, product development and within the country.
12. Keeping in view the huge indigenous requirement on account of roadmap for digitalization of the broadcasting sector, Conditional Access System, entitled iCAS has been developed in Public-Private Partnership mode to promote indigenous manufacturing of Set Top Boxes (STBs). The iCAS is available to domestic STB manufacturers at a price of USD 0.5 per license for a period of three years as against market price of USD 3-5 per license for other competing products. The implementation of iCAS in the cable networks is underway.
13. An Electropreneur park has been set up in New Delhi for providing incubation for development of ESDM sector which will contribute IP creation and Product Development in the sector.
14. National Centre of Excellence in Large Area Flexible Electronics (NCFLEX) has been set up in IIT-Kanpur with the objectives to promote R&D; Manufacturing; Ecosystems; Entrepreneurship; International Partnerships and Human Resources and develop prototypes in collaboration with industry for commercialization.
15. National Centre of Excellence for Technology on Internal Security (NCETIS) has been set up at IIT-Bombay with the objective to address the internal security needs of the nation on continuous basis by

delivering technology prototypes required for internal security and to promote domestic industry in internal security.

16. Centre for Excellence on Internet of Things (IoT) has been set up in Bengaluru jointly with NASSCOM.
17. An Incubation center with focus on medical electronics has been set up at Indian Institute of Technology-Patna.
18. An Incubation Center at Kochi with focus on consumer electronics has been set up at IITM.

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