

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA
UNSTARRED QUESTION NO. 5268
TO BE ANSWERED ON: 02.04.2025

PROMOTION OF ELECTRONICS AND IT INDUSTRY IN TRIBAL AREAS

†5268. **SHRI ABHAY KUMAR SINHA:**

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

- (a) whether the Government is implementing any special scheme to promote Electronics and Information Technology (IT) industry in tribal areas and if so, the details thereof;
- (b) the number of new IT parks, startup hubs and digital infrastructure projects set up in tribal areas of Bihar during the last five years and the number of proposed projects in this regard, district-wise particularly in Aurangabad district;
- (c) whether the Government is taking any special initiatives to provide employment opportunities in IT sector and digital skill training to tribal youth; and
- (d) the fresh/new steps being taken by the Government to strengthen digital services, internet connectivity and cyber security in tribal and remote areas?

ANSWER

MINISTER OF STATE FOR ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI JITIN PRASADA)

(a) to (d): There are various schemes of Government of India for promoting domestic electronics hardware manufacturing and Information Technology in the country under “Make in India” and “Digital India” programmes of the Government of India. The steps taken by the Government for promotion of domestic electronics manufacturing and Information Technology in the country, including tribal areas, are at **Annexure-I** and **Annexure-II**. Software Technology Parks of India (STPI) has set-up two (2) centres in the State of Bihar in Bhagalpur and Patna districts. Additionally, the Government of India has approved setting up of a new STPI centre at Darbhanga.

The schemes and programmes of the Government have led to the generation of employment opportunities in the IT industry. As per the National Association of Software and Service Companies (NASSCOM), currently Indian IT Industry has provided direct employment opportunities to 5.8 million persons. For skilling, through 477 Eklavya Model Residential Schools (EMRS), the Ministry of Tribal Affairs is implementing Smart classrooms equipped with digital boards are being established in partnership with Education and Research Network of India (ERNET India), an autonomous society of Ministry of Electronics and Information Technology (MeitY), to enhance digital learning in tribal schools.

The IT for Masses Programme under the Digital India Programme aims to promote and initiate ICT-related activities for focus groups like women, Scheduled Castes (SC), Scheduled Tribes (ST), senior citizens, differently-abled individuals and those from economically weaker sections (EWS). Under this programme, a total 60,170 tribal candidates have benefited. National Institute of Electronics and Information Technology (an Autonomous Scientific Society under the administrative control of Ministry of Electronics and Information Technology) has been executing the Scheduled Caste Sub Plan (SCSP) for Scheduled Castes and Tribal Sub-Plan(TSP) for Scheduled Tribes, offering free training to SC/ST candidates through its own centres in various Skill Development training and formal training courses. Under this programme, a total of 2,31,161 tribal candidates have benefited.

Common Services Centres (CSCs) have been set up under an initiative of the Ministry of Electronics and Information Technology. CSC e-Governance Services India Limited is the implementing agency. The CSC initiative aims to deliver e-services to rural citizens through CSCs and expand the CSC network till the Gram Panchayat level. Over 800 services are being delivered through CSCs, including government services, financial services and services related to Aadhaar, various social welfare schemes, education, tele-medicine, travel bookings, utility payments. It is a Pan-India project and it is not specific to any state or region. CSC SPV has apprised that as on January 2025, 5,97,441 CSCs are functional across the country (rural + urban), out of which 4,73,357 CSCs are functional at the Gram Panchayat(rural) level. In the state of Bihar, 56,556 CSCs are functional across the country (rural + urban), out of which 50,383 CSCs are functional at the Gram Panchayat(rural) level.

Steps taken in the Electronics Sector

1. Scheme and Programs

- 1.1. Modified Program for Development of Semiconductors and Display Manufacturing Ecosystem:** To widen and deepen electronics manufacturing, the Union Cabinet on 15.12.2021, approved a comprehensive program with an outlay of INR 76,000 crore for the development of Semiconductors and Display manufacturing ecosystem. With the approval of Cabinet, this Programme has been recently modified on 21.09.2022. The modified programme offers Fiscal Support of 50% of Project Cost uniformly for semiconductor fabs across the technology nodes as well as for compound semiconductors, packaging and other semiconductor facilities.

The following fiscal incentives are now available to eligible applicants:

- **Modified Scheme for setting up of Semiconductor Fabs:** It provides fiscal support for setting up semiconductor wafer fabrication facilities in the country. Fiscal support of 50% of the Project Cost is available for setting up of silicon-based semiconductor fabs across all technology nodes.
 - **Modified Scheme for setting up of Display Fabs:** It provides fiscal support for setting up TFT LCD / AMOLED based display fabrication facilities. It provides fiscal support of 50% of Project Cost.
 - **Modified Scheme for setting up of Compound Semiconductors / Silicon Photonics /Sensors Fab/ Discrete Semiconductor Fabs and Semiconductor ATMP / OSAT facilities in India:** It provides a fiscal support of 50% of the Capital Expenditure to the eligible applicants for setting up of Compound Semiconductors / Silicon Photonics (SiPh) / Sensors (including MEMS) Fab/ Discrete Semiconductor Fabs and Semiconductor ATMP / OSAT facilities in India.
 - **Modernization of Semi-Conductor Laboratory:** Government has also approved modernization of Semi-Conductor Laboratory, Mohali to enhance efficiency and cycle time
 - **Design Linked Incentive Scheme:** It offers financial incentives, design infrastructure support across various stages of development and deployment of semiconductor design for ICs, Chipsets, SoCs, Systems & IP Cores and semiconductor linked design. The scheme provides both “Product Design Linked Incentive” and “Deployment Linked Incentive”.
- 1.2. Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing** was notified on April 01, 2020 to provide an incentive of 3% 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.
- 1.3. The Production Linked Incentive (PLI) Scheme for IT Hardware,** notified on March 3, 2021, offers 4% to 2%/1% incentives on net incremental sales of Laptops, Tablets, All-in-One PCs and Servers for four years. The PLI Scheme 2.0 for IT Hardware, notified on

May 29, 2023, provides an average 5% incentive on net incremental sales of Laptops, Tablets, All-in-One PCs, Servers and Ultra Small Form Factor devices for six years.

- 1.4. Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS)** was notified on April 01, 2020 to provide 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.
- 1.5. Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme** was notified on April 01, 2020 to provide 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.
- 1.6. 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.
- 1.7. 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.

2. Other Initiatives

- 2.1. 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).
- 2.2. 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.
- 2.3. Rationalisation of Tariff Structure:** 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.
- 2.4. 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.

- 2.5. 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 Trans boundary Movement) Rules, 2016, vide Ministry of Environment, Forest and Climate Change Notification dated 11.06.2018.
- 2.6. 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.
- 2.7. Public Procurement (Preference to Make in India) Order 2017:** Public Procurement Order has been notified to prioritize domestically manufactured products in public procurement to enhance domestic industry capabilities by progressively increasing local value addition, contributing to the broader goal of self-reliance.
- 2.8. 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. The Order has been renotified as “Electronics and Information Technology Goods (Requirement of Compulsory Registration) Order, 2021” as per the provisions of BIS Act, 2016.

Annexure-II

Details of schemes to promote Information Technology (IT)/ IT enabled Services (ITeS) industry across the country

- i. National Policy on Software Products (NPSP) - 2019 has been notified by the Government to promote software product ecosystem in the country. In accordance with NPSP, Government had approved the Next Generation Incubation Scheme (NGIS) with a budgetary outlay of Rs. 95.03 crore to extend incubation facilities to tech start-ups in 12 STPI centres located in small cities including one incubation facility in Bihar at Patna.
- ii. STPI has been implementing the Software Technology Park (STP) scheme and the Electronics Hardware Technology Park (EHTP) scheme for the promotion of IT/ITES/ESDM industry. The phenomenal success of the IT/ITES industry has been possible, inter-alia, due to pivotal role played by the STP Scheme. STP Scheme is a unique scheme, designed to promote the software industry and growth of Start-Ups and SMEs without any locational constraints.
- iii. GoI had also launched India BPO Promotion Scheme (IBPS) & North East BPO Promotion Scheme (NEBPS) under Digital India Program with the aim to create employment opportunities and dispersal of IT/ITeS industry in small cities/towns by incentivize setting up of BPO/ITeS operations. The duration of IBPS and NEBPS was up to 31.03.2019 and respectively to invite new bids, however disbursements may continue beyond this period. Under these schemes 246 units have set up BPO/ITeS operations across 27 States/UTs of the country providing direct employment to 53,325 persons.
- iv. GoI has launched a comprehensive initiative to foster innovation and support start-ups

through its Startup Accelerator of MeitY for Product Innovation, Development, and Growth (SAMRIDH) program, addressing the need for an accelerator program that drives social impact and scales solutions for India's challenges. The program aims to provide support to selected accelerators for extending acceleration services to start-ups along with one-to-one matching funding support.

- v. GoI has announced GENESIS (Gen-Next Support for Innovative Startups) to discover, support, grow and make successful startups in small cities with emphasis on collaborative engagement among startups, government and corporates for promoting digitization based on the principals of inclusivity, accessibility, affordability, leading to growth in employment and economic outputs.
