



Electronics Component Manufacturing Scheme



The Government of India has announced the much anticipated Electronics Component Manufacturing Scheme. This is a significant initiative aimed at enhancing the country's electronics manufacturing sector. **With an allocation of INR 23,000 crore over six years with one year gestation period, the scheme seeks to attract substantial investments from both domestic and international markets, thereby fostering a robust electronics ecosystem in India.** The scheme is expected to attract investments of INR 59,350 crore, resulting in production of INR 4,56,500 crore worth of products thereby generating an additional employment of 91,600.¹

The targeted components in this scheme include display modules, sub-assembly camera modules, printed circuit board assemblies, lithium cell enclosures, resistors, capacitors and ferrites. The scheme is expected to incorporate differentiated incentives designed to address the unique challenges faced by Indian manufacturers in the electronics sector. These incentives are structured to help overcome specific barriers or 'disabilities' in various component and sub-assembly categories. Payout of a part of the incentive is linked with the achievement of employment targets. Here's how these incentives are structured to benefit manufacturers:

¹ [https://pib.gov.in/PressReleasePage.aspx?PRID=2116172#:~:text=This%20scheme%20aims%20to%20develop,Global%20Value%20Chains%20\(GVCs\)](https://pib.gov.in/PressReleasePage.aspx?PRID=2116172#:~:text=This%20scheme%20aims%20to%20develop,Global%20Value%20Chains%20(GVCs))



S. no.	Target segments	Nature of incentive
A	Sub-assemblies	
1	Display module sub-assembly	Turnover linked incentive
2	Camera module sub-assembly	
B	Bare components	
3	Non-surface mount devices (non-SMD) passive components for electronic applications	Turnover linked incentive
4	Electro-mechanicals for electronic applications	
5	Multi-layer printed circuit board (PCB)	
6	Li-ion cells for digital applications (excluding storage and mobility)	
7	Enclosures for mobile, IT hardware products and related devices	
C	Selected bare components	
8	High-density interconnect (HDI)/modified semi-additive process (MSAP)/flexible PCB	Hybrid incentive
9	SMD passive components	
D	Supply chain ecosystem and capital equipment for electronics manufacturing	
10	Parts/components used in manufacturing of sub-assembly (A) and bare components (B) and (C)	Capex incentive
11	Capital goods used in electronics manufacturing including their sub-assemblies and components	

While the broad contours of the policy have been announced, the scheme guidelines and actual quantum of incentives across each category is yet to be announced.

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