ECMS DILIGENCE REPORT 2025

India’s Electronics Manufacturing Policy Journey: A Concise Overview

Year	Policy / Scheme	Highlights
1997	**WTO ITA-1**	India committed to zero import duties on 200+ electronics items. Led to a surge in cheap imports (mainly from China), which crippled domestic manufacturing due to cost disadvantages.
2007	**SIPS (Special Incentive Package Scheme)**	Offered 25% capital subsidies for semiconductor and display fabs. Failed due to high costs, weak ecosystem, and perceived policy risks. No major projects materialized.
2012	**MSIPS (Modified SIPS)**	Provided 20–25% capex subsidy across 30+ segments. Over 250 proposals were received; companies like Vivo, Haier, Micromax, Lava entered SKD/CKD-level assembly. However, value addition <15% and exports remained low.
2020	**LSEM (PLI for Large Scale Electronics Manufacturing)**	Shifted to output-linked incentives (4–6%) for incremental production. Attracted ₹8,282 crore in investment. Mobile exports crossed ₹90,000 crore (FY24); Apple’s suppliers played a major role; domestic value addition rose to 20–25%.
2020	**SPECS**	₹3,285 crore budget with 25% capex subsidy for component manufacturing (e.g., PCBs, camera modules). Underperformed—only ₹1,400 crore sanctioned by 2023. Key issues: high thresholds, low demand, firms preferring PLI over component-focused aid.
2021	**PLI for IT Hardware 1.0**	Covered laptops, tablets, AIO PCs, servers with ₹7,325 crore outlay. Saw low participation: ₹195 crore investment, ₹5,715 crore output by 2023. Prompted revision due to unattractive incentives.
2023	**PLI for IT Hardware 2.0**	Revised scheme with ₹17,000 crore outlay. By Dec 2024, 27 firms (Dell, HP, Lenovo) approved. Resulted in ₹10,015 crore production and ₹522 crore investment—signaling policy success.
2025	**PLI for ECM**	Launch of PLI Scheme for Electronics Component Mfg. with a total budget outlay of Rs 22,919 Cr

Outcome of These Schemes

In the last 10 years, electronics manufacturing has grown significantly:

- Total electronics production has increased nearly five times to INR 9.5 Lakh Cr.
- Indian has become 2nd largest manufacturer and 4th largest exporter of mobile phones.
- Industry estimates suggest that the sector now provides employment to about 25 Lakh people.
- From negligible production in 2014, mobile manufacturing has increased to about INR 4.2 Lakh Cr. in FY 2023-24. In last four years, it has grown at a CAGR of 24%.
- Bharat is now among the three largest mobile manufacturing countries in the world.
- **About 99% of India's mobile demand is now met through domestic manufacturing.**

Other Process reforms to support electronics manufacturing:

- **100% FDI:** As per extant Foreign Direct Investment (FDI) policy, FDI up-to 100% under the automatic route is permitted for electronics manufacturing, subject to applicable laws / regulations; security and other conditions.
- **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.
- **Taxation reforms:** Notified capital goods for manufacture of specified electronic goods are permitted for import at "NIL" Basic Customs Duty.

Source: Rajya Sabha question no. *361 for 04.04.2025 regarding electronics manufacturing units established under PLI scheme

Interacted Stakeholders and Their Profile

S.No.	Name	Profile

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Experience with the previous PLI scheme

Q1a. What has been the government's experience with previous PLI / other schemes (SPECS, etc.)? Has that helped the industry in achieving the objectives for which the schemes were launched? We understand that apart from Mobile PLI, other PLI schemes have not been as successful.

- Government does not think in binary. From **" nothing to something"** is a win for them. They acknowledge that some schemes performed better than the others. However, the **focus** is on **domestic value addition** and **creating employment.** The accumulated learnings so far has been instrumental while designing the new schemes.
- For Mobile PLI, largely yes, the government could achieve its specific objectives of increasing mobile phone manufacturing, attracting investment, and boosting exports. Now most global manufacturer of mobile phones manufacture here. More than 99% of mobile phones sold in India are manufactured in India. However, for other schemes, the impact has been more varied. While some schemes may have shown nascent progress or attracted initial investments, the broader objectives of significant production scale-up and global competitiveness might still be a work in progress for many.

Perceived Success Order of MIETY Schemes:

1. LSEM (Budget Allocated: INR 12,439 Cr; Disbursed: INR 8700 Cr)
2. Hardware 2.0 (Incentives are enough to cover the cost disadvantage of 6%; Budget Allocated INR 17,000 Cr. Disbursed: INR 70 Cr Till Mar'2025)
3. MSIPS (95%+ disbursement)
4. SPECS (Scheme ended; Approved Budget Outlay: 3285; Approved Incentive: Rs. 3316; Disbursed Rs. 600 Cr so far)
5. EMC & Hardware 1.0 (Unsuccessful; Incentive quantum was very less to cover the cost disadvantage)

Stakeholders Consulted: MEITY, Industry Stakeholders, IFCI

Q1b. What has worked in the Mobile PLI scheme & what has not worked in schemes launched earlier? and what are some of the learnings?

The Mobile PLI was successful from the Industry perspective; some pertinent observations that made the scheme successful:

- No target for employment creation
- No domestic value addition target
- Larger companies like Apple and Samsung were able to meet the turnover criteria of the scheme because they had large export volumes.
- *Indian companies did not have the advantage of exports.* From the perspective of the Government, domestic players could not get the intended benefits, but it helped the government grab the good headlines because of the exports.
- Had it not been PN3, the mobile success could have been achieved early as Chinese companies would have brought the component ecosystem in India.

Key learnings: Turnover criteria were an easy target for MNCs; they got incentives, but little job creation and domestic value addition. NITI Aayog acknowledged this.

Stakeholders Consulted: MEITY, Industry Consultant, Industry Stakeholders

Q1c. We also learn that some companies who applied for these schemes and didn't proceed as planned, are being considered for penalties? How does the government view those players?

- This is counterproductive. No PLI beneficiaries have been publicly "blacklisted" so far – instead, they simply receive no incentive for not achieving the targets.

- However, we have been told that a few companies got the dressing down from the government and **lost the goodwill**.

- **Achieving the employment criteria** and **domestic value addition** are very beneficial to get in the good books of MEITY.

Stakeholders Consulted: MEITY, MHI, Industry Consultants

Q1d. Are there any clawbacks being envisaged by the government on such companies to whom subsidies are already been disbursed?

No Clawback provision for CAPEX incentives disbursed. However, in case of misrepresentation of facts, the government will ask to return the money.

Rechecked: This has been discussed with IFCI CFO and industry consultants. There is no clawback provision envisaged for PLI schemes. Government is giving incentives after the stringent checks and viability of the project.

Stakeholders Consulted: MEITY, IFCI, Industry Consultants

Q1e. While promoting domestic industries, government duties/subsidies/ schemes often comes in conflict with WTO rules and regulations. How the Government plans to navigate this challenge specifically in the case of PLI schemes?

1. **No formal dispute** is going on at WTO against any of the PLI schemes.
2. The PLI schemes have been designed in compliance with the WTO agreements.
3. WTO's appellate body is non-functional since 2019, the rulings are on hold in case of appeal before Appellate body. This is holding ruling in abeyance. Mostly, by the time ruling is out, the supply chain gets developed and may not need certain clauses/ duty.
4. *GoI does not foresee PLI schemes to get impacted at WTO.
5. **WTO's significance is waning. With numerous bilateral & multilateral trade agreements, the WTO has become, for the most part, largely irrelevant.**

Stakeholders Consulted: Ex. DGFT Officer

Scheme / Policy in Question	**Year of Challenge (at WTO)**	**Challenging Country/Countries**	**Core of the Challenge (Allegation)**	**India's Stand / Defense**	**WTO Ruling & Final Outcome**	**Current Status (as of June 2025)**
PLI for Specialty Steel	Ongoing Scrutiny (since~2022)	United States (questions from EU, China)	Not a formal dispute. Concerns raised in WTO committees about potential market distortion & requests for full notification.	The scheme is WTO-compliant as it is linked to production/investment, not exports. It's a domestic measure.	**No ruling, as it has not escalated to a formal dispute case.**	**Ongoing Scrutiny. The scheme is under continuous observation at the committee level.**
Domestic Content for Solar Sector (JNNSM)	2013	United States	The mandatory use of Indian-made solar cells violated the "national treatment" principle by discriminating against foreign suppliers.	Defended it as a permitted government procurement policy and a measure to build a domestic industry and fight climate change.	Appellate Body Ruled Against India (2016). **India lost the final appeal.** Policy was rolled back to comply with the ruling.	Concluded. **India amended the scheme and removed the mandatory domestic content requirements.**
Export Subsidy Schemes (MEIS, SEZ, EOU, etc.)	2018	United States	Violated subsidy rules as India's per capita income had crossed the $1,000 threshold for developing countries.	Argued for continued developing country status and the necessity of the schemes for its exporters.	Panel Ruled Against India (2019). India appealed the decision. India proactively replaced MEIS with the WTO-compliant RoDTEP scheme.	**Ruling on hold.** The appeal is pending before the non-functional WTO Appellate Body.
Import Duties on IT Products	2019	European Union, Japan, Taiwan	The tariffs on certain ICT goods (e.g., mobile phones) violated India's "zero-tariff" commitment under the Information Technology Agreement (ITA).	Argued that the products are new technologies not covered by its original ITA commitments from the 1990s.	**Panel Ruled Against India (April 2023).** India has appealed the ruling.	**Ruling on hold.** The appeal is pending before the non-functional WTO Appellate Body.

*LOK SABHA UNSTARRED QUESTION NO. 1009 ANSWERED ON 26/07/2023

Q1f. Why out of the 1.97 lakh cr. that govt. would have been ready to disburse, however 21,534 cr. has been disbursed so far - should this be seen as a failure of the PLI scheme ?

Cumulative Achievement so far

- ★ 806 Applications approved
- ★ 1.76 lakh crore Investment
- ★ 6.22 lakh crore of Exports
- ★ Over 12 lakhs Employment (Direct & Indirect)
- ★ 16.5 lakh crore production/ sales
- ★ 1,357 Manufacturing Units in 27 States/ UTs

Observations:

- LSEM & Pharma have done well.
- The PLI Schemes are still operational. **Most of the schemes have not crossed the 50% of their disbursement tenure.**

- **Long Gestation Periods:** Their might be few investments which are in still **CAPEX Phase/ not achieved full scale of production**, hence they are yet to claim disbursements. The PLI scheme in sectors like **solar modules and ACC allow for a commissioning period of one-and-a-half to three years. PLI white goods allowed for maximum of 2 years of gestation period.**

- From time to time, government has extended duration of few schemes (Auto PLI extended by 1 year) and tweaked disbursement conditions (PLI white goods allowed for quarterly disbursement of incentive).

- **Stringent Performance Metrics:** Incentives are tied to actual production. Companies must first meet ambitious thresholds for investment and incremental sales. Only after achieving these and clearing a rigorous audit can they claim the incentive.

- The PLI schemes for many sectors are a major undertaking, as domestic manufacturing has to be built from scratch, given India's traditionally limited footprint in these industries. Hence, the uptake is slower than expected.

So, this is too early to give a verdict on the success/failure of the PLI schemes on the basis of current status of incentive disbursement.

S. No.	Sector	Scheme Period	Approved Financial Outlay (₹ Cr)	Incentive Disbursed (₹ Cr)	Yrs Left for Disbursal
1	Large Scale Electronics Manufacturing	FY21–26	34,193	12,791	2
2	IT Hardware 2.0 (Laptop/Tablet)	FY24–29	17,000	70.83	5
3	White Goods (ACs & LED)	FY21–29	6,238	281.4	5
4	Automobiles & Auto Components	FY23–28	25,938	322	4
5	Advanced Chemistry Cell (ACC) Battery	FY23–29	18,100	0	5
6	Telecom & Networking Products	FY21–27	12,195	1,549	3
7	High-Efficiency Solar PV Modules	FY22–27	24,000	0	3
8	KSMs/DIs and Pharma APIs (Bulk Drugs)	FY21–30	6,940	36.32	6
9	Manufacturing of Pharmaceutical Drugs	FY21–29	15,000	4,527	5
10	Manufacturing of Medical Devices	FY21–28	3,420	133.95	4
11	Food Products	FY21–27	10,900	1,627.47	3
12	Specialty Steel	FY23–31	6,322	48	7
13	Textile Products	FY23–30	10,683	54	6
14	Drones and Components	FY22–25	120	93	1

PLI Scheme for White Goods

Scheme Outlay: ₹ 6,238 crore **Duration:** FY 2021-22 to FY 2028-29 **Line Ministry:** DPIIT (MoCI)

Key Observations on Scheme Affecting Participation & Incentive Disbursement

- **Gestation Period**. Investors were given the option to choose one of the two gestation periods i.e. up to March 2022 (one year) and up to March 2023 (two years). ***Many players opted for a 2-year gestation period. Also, there is delay in installation of machinery due to delay in business visa.***

- **PLI disbursement rules**: If the applicant chooses initial Investment period as 1st April 2021 to 31st March 2023 then subject to fulfilling the conditions of cumulative threshold investment up to FY 2022-23 over base year and threshold incremental sales of manufactured goods over the base year in FY 2023-24, PLI will be disbursed in FY 2024-25. ***First disbursement will happen in 4th year (FY 25) of PLI approval for a 2-year gestation period.***

- **Quarterly Disbursal:** The government has enhanced the incentive disbursal mechanism with **quarterly settlement of claims**, addressing concerns over slow off-take; boosting industry confidence, as reflected in the 3rd round of PLI, where 43% of new applicants are MSMEs (for whom cash flow is a critical constraint in scaling production).

- The scheme remains **open until 2029** and still has much potential in achieving targets. Many players opted for a 2-year gestation period; hence, their performance will be reflected in the next 2-3 years.

- **AC Compressors:** Despite 15% current import duty on compressors (being a high-value item) and PLI incentives ~(4-5%), the cost disability is still ~5% as import from China is still cheaper. Hence, low investment came in this category. One of the reasons for low disbursement. Only big players who can sustain cost disability for a longer period & who are manufacturing for self-consumption (LG, Samsung, Voltas-JV with Highly under discussion) can afford to participate.

- **Steep Sales Target for AC Compressors category:** The Net Incremental Sales to Investment ratio is 5:1, which is very high. Normally, it is 2:1/3:1 for AC Compressors industry.

Products Covered

Air Conditioners: copper tubing, compressors, control assemblies for IDU or ODU, Heat Exchangers and BLDC motors

LED: LED Lights, LED Chip packaging, LED Drivers, LED Engines, LED Light Management Systems and Metallized films for capacitors.

Financial Year (FY)	Govt. Allocation (Budget Estimate) ₹ crore	Revised Estimates	Actual PLI Incentives Disbursed (₹ crore)
2021-22	**0**	**0**	**0**
2022-23	**₹3.54**	₹3.54	0
2023-24	₹ 65.0	₹65.0	₹70.44
2024-25	₹ 298.02	₹ 213.57	₹210.96
2025-26	₹ 444.54	**ongoing**	₹ 358 (estimated)
2026-29	to be decided		

Stakeholders Consulted: Industry Stakeholder, Journalist Covering PLI

PLI Scheme for Automobile and Auto Component Industry

Scheme Outlay: ₹ 25,938 crore **Duration:** FY 2022-23 to FY 2026-27 **Line Ministry:** MHI

Key Observations on Scheme Affecting Participation & Incentive Disbursement

- **Extension of the scheme**: The extension of the five-year scheme, originally in place from 2022-23 to 2026-27, will be active until **2027-28**. Disbursement of Incentive will happen **till 2028-29 (1yr after completion of the scheme). Another one year extension is being discussed.**

- **High Eligibility Threshold :** Requirement of a ₹10,000 crore global revenue bars most start-ups, MSMEs, and other small players from participating. The non-recipients of PLI benefits are at a direct cost disadvantage of 16% to those who received this benefit. Hence, the non-recipient companies are not an attractive investment target for any PE-VC investors. Also results in second-order effects such as Market Concentration, Reduced Competition, and Innovation Stagnation. *A case in point is Ather and Ola, where only Ola has been eligible for the incentives.*

- **Stringent 50 % DVA Requirement:** DVA is inherently an incremental build-up, and such targets should have been phased over the entire 5-year window to give companies adequate time and resources to develop local supply chains. Though industry demanded for phasing of the DVA targets over 5 years, the government refused.

- **No Participation of MNCs:**
  - MNCs don't want to localise due to inherent challenges and risk of losing their technical secrets
  - Localisation reduces their royalty payments to their parent company

Stakeholders Consulted: Industry Stakeholders

Products Covered

- Advanced Automotive Technology vehicles like Battery Electric Vehicles (BEV), Hydrogen Fuel Cell Vehicles

- Advanced Automotive Technology components prescribed by MHI from time to time depending upon technological developments

Financial Year (FY)	Govt. Allocation (Budget Estimate) ₹ crore	Revised Estimates	Actual PLI Disbursed (₹ crore)
2021-22	Scheme was launched in September 2021		
2022-23	**NA**	₹5.69 (actual)	0
2023-24	₹604	~₹483.77	0
2024-25 (1st yr. for disbursal)	₹ 3500	₹ 346.87	₹ 322
2025-26	₹ 2818.85	**NA**	₹2095 (expected)
2026-28	(original end year: FY 27; extended till FY 28)		

PLI Scheme for IT Hardware (2.0)

Scheme Outlay: ₹ 16,939 crore **Duration:** FY 2023-24 to FY 2029-30 **Line Ministry:** MEITY

Key Observations on Scheme Affecting Participation & Incentive Disbursement

- **Scheme is in its nascent phase.** Flexibility was provided to applicants to choose their first year of participation under the scheme and major players are to start production in FY 2025-26. It will take at least two more years for the post-PLI impact to become visible.
- For scheme to be successful, top 3 players (HPI, Dell, Lenovo) need to perform according to their investment & production commitment. HP & Dell have not started the production yet. Acer, Asus and Lenovo have started the production but their numbers are still low. HPI signed an MoU with Dixon to set-up a plant in Chennai.
- After 2-3 years of the scheme, the domestic consumption will not be sufficient to achieve the incremental sales criteria. Hence, the export will be necessary to get PLI benefits.
- This scheme is important for the success of the ECMS scheme as the components will be consumed by IT hardware manufacturers.
- Incentives are enough to cover the cost disadvantage of ~6%.
- Under the Domestic Category, 6 companies are yet to start production and 6 companies are significantly behind the threshold targets.
- In Hybrid Category, 3 companies are yet to start production and 1 company is significantly behind the threshold targets.
- In FY 2024-25, 4 companies viz. Bhagwati, Netweb, VVDN and Plumage have achieved production beyond the thresholds defined under the scheme.

Products Covered

Laptops, tablets, all-in-one PCs, servers, and ultra-small form factor devices

Financial Year	Allocated Incentive (₹ Crore)	Disbursement (₹ crore)
2023-24	321	Setup phase (scheme launched, approvals, infra readiness)
2024–25 (First yr. of disbursement)	754	70.83
2025-26	1431	Ongoing
2026-2030/31	6 years of incentive disbursement period	

Stakeholder Consulted: Industry Stakeholders

PLI Scheme for LSEM

Scheme Outlay: ₹ 34,193 Crore **Duration:** FY 2020-21 to FY 2025-26 **Line Ministry:** MEITY

Key Observations on Scheme Affecting Participation & Incentive Disbursement

- LSEM is the most successful PLI scheme so far. **INR 12,791 Cr has been disbursed so far.**
- This scheme was extended by 1 year due to Covid-19.
- No target for employment creation & no domestic value addition target helped the participants in achieving the targets.
- Larger companies like Apple and Samsung were able to meet the turnover criteria of the scheme because they had large export volumes.
- *Indian companies did not have the advantage of exports.* From the perspective of the Government, domestic players could not get the intended benefits, but it helped the government grab the good headlines because of the exports.
- Had it not been for PN3, the mobile success could have been achieved earlier, as Chinese companies would have brought the component ecosystem to India.

Stakeholders Consulted: MEITY, Industry Consultant, Industry Stakeholders

Products Covered

Mobile phones & specified electronic components, including Assembly, Testing, Marking and Packaging (ATMP) units

Year	Govt Allocation (in INR Cr)	Total Disbursed (in INR Cr)
2020-21	Setup Phase	
2021-2022		468.74 (Covid- 19) First Disbursement Slowed down
2022–23	2,203.00	1,644.35
2023–24	4,489.04	4,225.90
2024–25	5,747.00	5,264.00
2025-26	8,885.00	1,188 (so far)
2026-27	Last Year of Disbursal	

Yearwise Incentive Disbursal to Padget (Dixon Subsidiary) Under LSEM Scheme

Year	Govt Incentive Allocation (₹ crore)	Total Incentive Disbursed (₹ crore)	Disbursal to Padget (₹ crore)
2022–23	2,203.00	1,644.35	261.2
2023–24	4,489.04	4,225.90	202.58
2024–25	5,747.00	2,829.70	132.22

Source: Indian Express - The PLI push: $1 billion over 3 years to 19 firms, fuels record surge in handset exports

Timely Payments of Incentives

Q2. One typically anticipates that with these schemes; the payment can be delayed. Have the incentives been given on time, and has it been smooth to claim the incentives?

- In 2020, after the PLI scheme was launched, the pandemic disrupted the supply chain and production estimates. Only Samsung could achieve the requisite targets for the incentive. This caused a cascading delay in achieving the targets, and hence, disbursal was also affected. To allay that, the PLI scheme was extended by 1 year.

- But as of now in 2025, the appraisal and disbursal process has been streamlined. Once all procedural requirements are completed by the companies, the incentive amount is disbursed within 15-20 days. This has been conveyed by the MEITY official and confirmed by a senior industry official, a Industry Consultant and the CFO of IFCI (PMA for PLIs) as well.

- **The incentive under the scheme shall be disbursed on a first-come, first-served basis of eligible claims submitted.**

Stakeholders Consulted: MEITY, Industry Stakeholder, IFCI, Industry Consultant

Sourcing Locally

Q3a- Is the government forcing some of the large OEMs in Auto, Consumer durables, Mobiles, IT, etc., to source locally?
Q3b- How has the government been driving this (local sourcing), via regulations and rules for localisation, or also putting soft pressure on these companies in industry forums to move to sourcing from India?

The Indian government is not explicitly "forcing" large OEMs to source locally in a legal or mandatory sense. However, it is strongly nudging and incentivizing companies to localize through a mix of policy instruments, including:

- PLI schemes*, Import duties, BIS compliance, and public procurement rules (Class -1 / Class -2 supplier criteria) are structured to systematically increase domestic value addition. Companies with plans of Local sourcing/DVA will get preference in PLI scheme.
- Yes, the industry forums, PLI review meetings etc are a medium to communicate the expectations for the localization.
- Hyundai was given a dressing down by the minister on the issue of local sourcing.

Stakeholder Consulted: MEITY, Industry Stakeholders, Industry Consultants

*Mobile manufacturing under PLI mandates minimum local value addition that increases over time, however it is not linked with the incentives but the government is monitoring the numbers. ECMS scheme has also provisioned for localization criteria.

Q3b- Helpful to quantify the localisation targets introduced by the government in previous schemes via some examples (like import duties levied, BIS norms introduced, minimum domestic sourcing requirements)

Scheme	Localisation Requirements	Import Measures	BIS Norms/QCOs
Semicon India Programme	No explicit requirement so far.	BCD exemption on semiconductor manufacturing equipment. Chip Import Monitoring System under Import Management System.	For notified electronic goods, 2021 govt order mandates compliance to Indian Safety Standards for imports.
PLI for Large Scale Electronics	Implicit localization via incentives & raise in tariffs under PMP (2017). Increasing the domestic value addition from Semi Knocked Down (SKD) to Completely Knocked Down (CKD) level.	Increase in custom duty from 5% to 10% on imported phones (Budget 2020-21). 2025-26 Budgetary proposal for exemption to capital goods related to mobile phone battery manufacturing.	Mandatory BIS certification since 2015 for mobiles imports. 'Compulsory Registration Scheme' (2021 order). Imports will be restricted unless they are registered with the Bureau of Indian Standards (BIS) and comply with its labeling requirements.

Continued (1/4)

Q3b- Helpful to quantify the localisation targets introduced by the government in previous schemes via some examples (like import duties levied, BIS norms introduced, minimum domestic sourcing requirements)

Scheme	Localisation Requirements	Import Measures	BIS Norms/QCOs
PLI for Automobiles & Auto Components	Component Champion Incentive Scheme: A minimum of **50%** domestic value addition required to manufacture **advanced automotive technology (AAT)** components.	High duties (~70%-100%) on imported vehicles, lower for CKD kits (15%).	BIS/AIS mandatory for critical components and safety/emission (BS-VI) standards.
PLI for IT Hardware	Strategic import controls to encourage local assembly.	Import authorisation system introduced in 2024. Shifted import of Laptops, tablets and all in one PCs from free to restricted category of **HSN 8471**.	Mandatory BIS certification for IT equipment under the Electronics & IT Goods (Compulsory Registration) Order, 2012 (and the updated 2021 order).

Continued (2/4)

Q3b- Helpful to quantify the localisation targets introduced by the government in previous schemes via some examples (like import duties levied, BIS norms introduced, minimum domestic sourcing requirements)

Scheme	Localisation Requirements	Import Measures	BIS Norms/QCOs
PLI for White Goods	No specific targets. Expection is to grow Domestic Value Addition from 15-20% to 75-80%.	High import duties (up to 20%) on air conditioners (ACs) and compressors used in ACs and refrigerators. Import ban on pre-filled AC units.	Mandatory BIS certification & QCO for ACs, LEDs. BEE energy labelling mandatory.
PLI for Telecom & Networking Products	Public procurement preference with ≥50% local content. Via Public Procurement Preference—Make in India (PPP-MII) order.	Plans of Phased duty introduction (10%-15%) from 2024. “Trusted Source” mandate (2021).	The Telecommunications (Framework to Notify Standards, Conformity Assessment and Certification) Rules, 2025: the Certificate of Conformity Assessment.

Continued (3/4)

Q3b- Helpful to quantify the localisation targets introduced by the government in previous schemes via some examples (like import duties levied, BIS norms introduced, minimum domestic sourcing requirements)

Scheme	Localisation Requirements	Import Measures
FAME-II Scheme **PM E-DRIVE Scheme**	Explicit 50% local content required to qualify for incentives. For Electric and hybrid vehicle (xEVs) charts out the associated deadlines as the effective date of indigenization of each of these parts. Scheme for Promotion of Manufacturing of Electric Passenger Cars in India (SPMEPCI) set specific targets for DVA. It aimed for a minimum DVA of 25% by the end of the third year and 50% by the end of the fifth year of the scheme's implementation.	High import duties on fully built EVs (~70%-100%), GST reduced to 5% from 28% for ICE vehicles. Phased Manufacturing Program (PMP) for Electric Vehicles under PM E-DRIVE Ex. Import of battery modules shall not be permitted. Import of battery pack either in finished or CKD form (from single supplier) shall not be permitted.

Continued (4/4)

Q3c- What are some of the challenges the industry sees in localisation?

- **Lack of Domestic Design Capability** amongst Indian manufacturers.

- **Cost Consideration:**
  - There has been a 10%-15% cost disability compared to Chinese players. This primarily comes from cost of Finance, logistics and electricity.
  - While the Government has (through highways development & power sector growth) largely addressed disparity in the cost of logistics and Electricity, the ECMS PLI scheme tries to address the finance cost. Moreover, the incentive is on the invoice value (including profits), effectively making financial incentives more than 10%.
  - Indian Manufacturers mostly import refurbished capital goods at approximately 40% of the original costs. This helps them in keeping the cost of project lower.
- **Skill and Technology Gap:** Indian manufacturers lack the necessary technologies and skilled workforce for advanced electronics manufacturing. Technology transfer and upskilling are critical needs that are not yet fully addressed.
- Lesser policy predictability with land bordering nations
- During the stakeholders' consultation, it was believed that this scheme would help overcome the cost disability.

Stakeholder Consulted: ELCINA, Industry Consultant, Industry Stakeholders

Component PLI

Q4a- How successful does the government anticipate the component PLI scheme (ECMS) to be? Does this have any differences from previous schemes?

Tailwinds (based on discussions with industry stakeholders):

- The scheme is designed after taking a lot of inputs from industry stakeholders. The stakeholders played an instrumental role.
- **Longer Duration:** An Incentive for a period of six years to be provided. In addition, one year of gestation period on an optional basis is available, i.e., till 31 March 2032.
- **Capital Incentive (25%)** on Selected bare components (HDI/ MSAP/ Flexible PCB, SMD passive components and for the supply chain ecosystem and capital equipment needed for component manufacturing.
- This is a big business opportunity, and **no one wants to be left behind.** Moreover, there would be enhanced interest from Chinese firms for the Indian market access in the backdrop of the recent traffic measures by the Trump Administration.
- **States Incentives**: States have come up with their incentives for ECMS in addition to the GOI incentives
- Faster Visa issuance for the executives of PLI beneficiary companies.
- Multiple stakeholders expected the scheme to be successful.

Stakeholders Consulted: Industry stakeholders, Industry Consultant

Q4b- The policy finally came with an INR 22K Crs. subsidy amount, which was lower than INR 40K Crs, that was being talked about. Why was the amount lower than earlier anticipated?

- When proposal was prepared in consultation with the industry leaders the budget of 40K Cr crores was worked out by the industry participants. But the ministry's internal deliberations (The under-utilization of previously allocated funds is one of the reasons) eventually decided on 22K Cr subsidy amount.

- The conservatism of the Government for a more measured allocation arose because the unspent funds lead to a widening of the deficit & thereby increasing the Current Account deficit (CAD). The Government is judicious while allocating budgets, which otherwise can be actively invested in other projects and schemes.

- **MEITY has ensured the industry (assured during multiple stakeholders discussions) that more budget can be allocated to the scheme if needed.**

Stakeholders Consulted: MEITY, Finance Ministry, Industry Stakeholders

Sub Sector of Component PLI

Q5a- There are multiple sub segments in which the component PLI has been announced. We are specifically interested in the multi-layer PCB and the HDI / Flex PCB segment. How does the government view this segment vs. other segments such as Camera, Display, etc.?

The government has intentions to grow the multilayer PCB /HDI manufacturing segment as a part of the component ecosystem.

- India does not have any SMD Passive component manufacturers.
- The Camera and Display Assembly has low value addition.
- India is the 4th largest exporter and 2nd largest manufacturer of Mobile phones. This creates a huge opportunity for HDI/Flex PCB segment.
- Telecom and network equipment are perceived as of strategic importance by the Government. The HDI PCBs are crucial for enabling the miniaturization and performance requirements of modern telecommunication devices, consumer electronics, telecommunications, automotive, aerospace, and medical devices, especially with the rise of 5G and IoT.

Stakeholders Consulted: MEITY, Industry Stakeholder, ELCINA

Q5 b- What are the challenges that Govt./ Industry expects to face in component PLI and specifically the multi-layer PCB and the HDI / Flex PCB segment?

a. High Investment Threshold for the incentives under the scheme.
b. Chinese competition
c. Any company that is sitting on the excess capacity in China is less likely to invest in this scheme
d. The success of the component manufacturing ecosystem would be contingent on the formation of JVs with the Chinese firms for TT(technology Transfer), for which the government approval would not be so easy, given the PN3 norms.
e. There is an implicit expectation of the government to cap the Chinese shareholding at 10% for such JVs, but Chinese firms may not be amenable to such arrangements. Indian manufacturers may need to explore other geographies having technical expertise for collaboration in the segment.
f. The ECMS PLI will expire at the end of 6 years. In order for such an high investment category to sustain it might have needed longer handholding from the ECMS Scheme.

Stakeholders Consulted: Industry Stakeholders

Q5c- The ECMS scheme specifically covers PCB manufacturing, but a large part of RM is still imported from China. From a policy perspective, is the government thinking about building a raw material ecosystem in India by giving incentives for copper clad laminate and other speciality chemicals which are used in PCB mfg.?

- The scheme offers 1% additional incentive on incremental sales on domestic sourcing of laminate to address the viability gap.
- There is **no discussion** going on for developing a dedicated RM ecosystem yet. Once this scheme moves ahead, depending upon demand from the industry and the market conditions, the government may look into this.
- There is an ongoing discussion by the members of All India Non Ferrous Metal Exim Association (ANMA) to produce copper clad laminate in collaboration with Taiwanese companies. It should fructify in the next 3 years.
- The Government is already in a firefighting mode to come up with the Policy on Critical minerals under the National Critical Mineral Mission (NCMM) in 2025 to support the raw material ecosystem and potential choking of imports of such materials from China.

Stakeholders Consulted: MEITY, NITI Aayog, Industry Stakeholder

Q5d- Can India be competitive without the Raw Materials ecosystem being present in India?

- The Value addition of electronics components plateaus at 40-45%. Even China has achieved only 40% value addition. So it would be a bit of a stretch to conclude that without the RM ecosystem, Indian players cannot be competitive.

- Manufacturing supply chains are highly globalised and specialised in nature, so much so that many Raw materials companies are bigger than the Electronics Components manufacturing companies.

- During industry consultation regarding the electronic manufacturing, the consensus was “globalise first to achieve scale, then deepen the supply chain”.

- *However, NITI Aayog asked us to submit a note on this for further internal discussion. Industry stakeholders also said that this should be taken up.*

Stakeholders Consulted: MEITY, NITI Aayog, Industry Stakeholders

Q5e- Which ems companies from India do they think positively about and some that they think will emerge as larger companies. And in particular if they have any view on 2 older companies like Amber / Dixon. Would be helpful to get some feedback on Amber promoters from MEITY & other top level stakeholders, given their strong relationship?

- Generally government did not think in this way. Those who have the ability to forge partnerships, propose detailed plans for production and job creation will have the necessary support and handholding from the government. Government is determined to make this successful.

- Dixon and Amber are blue-eyed boys of the MEITY. They are considered very important players, and they have a good relationship with the Government.

- Amber promoters have a very good rapport within the government.

Stakeholder Consulted: MEITY, Industry Stakeholders, Industry Consultant

Participation in Component PLI

Q6a- Does the govt. expect to have foreign companies come to India and make bulk of the investments in this PLI (like Foxconn in Mobile PLI) or do they expect Indian companies to participate?

- Government does not have any preference for foreign entities.

- However, based on the enquiries at MEITY, foreign companies are also taking interest because the quantum of incentives is too big to miss.

Stakeholder Consulted: MEITY, Industry Experts

Q6b- Which are the players that have currently applied in the Bare PCB (Mutli Layer / HDI category) & expected to apply before the scheme ends? The ministry has already received 70 applications as of 20th May.

As per the industry stakeholders and consultant, these 70 applicants are only registrations which only exhibits the intent of a company to participate. Only the companies with detailed plans to the satisfaction of the MEITY will get the approvals. Minimum investment criteria of Rs. 1000 Cr for flex/HDI PCB segment is seen as very high by few of the industry stakeholders and may limit the participation eventually.

Few names who are keen to participate in Bare PCB:

1. Zetwork 2. Jabil Technologies 3. Ascent Circuits 4. AT & S 5. Murata Electronics 6. Syrma

7. Kaynes 8. Sahasra 9. Shogini Technoarts 10. Epitome Components 11. Argus 12. CIPSA TEC India

13. Genus Electrotech

Stakeholder Consulted: Industry Stakeholder, Industry Consultants, MEITY

State incentives

Q7a- States like Tamil Nadu, AP are now offering incentives and are much ahead with most mfg. located there, with UP and Gujarat to follow. What is the centre's view on these states offering these incentives?

The GOI does not have any concerns or reservations about any states coming up with their incentive schemes. Rather, competitive federalism has been a feature of the NDA led government. The government wants states to compete to attract investments and develop their own industrial corridors and manufacturing ecosystems.

State ECMS Incentive Policies:

- TN is offering ‘matching grant’ to participants.
- AP came up with Electronics Component Manufacturing Policy 4.0 (ECMP) on 5th June
- Assam is offering 60% additional incentives to the approved applicants of the MeitY ECMS PLI scheme and has allocated a budget of 25K cr for the same.
- UP is coming up with its scheme for incentives close to 10K cr.
- Gujarat has electronics policy since 2022.

Stakeholders Consulted: NITI Aayog

Q7b- Which states are perceived as better states to set up manufacturing based on timely payment of incentives, quantity of incentives offered, other execution challenges, etc?

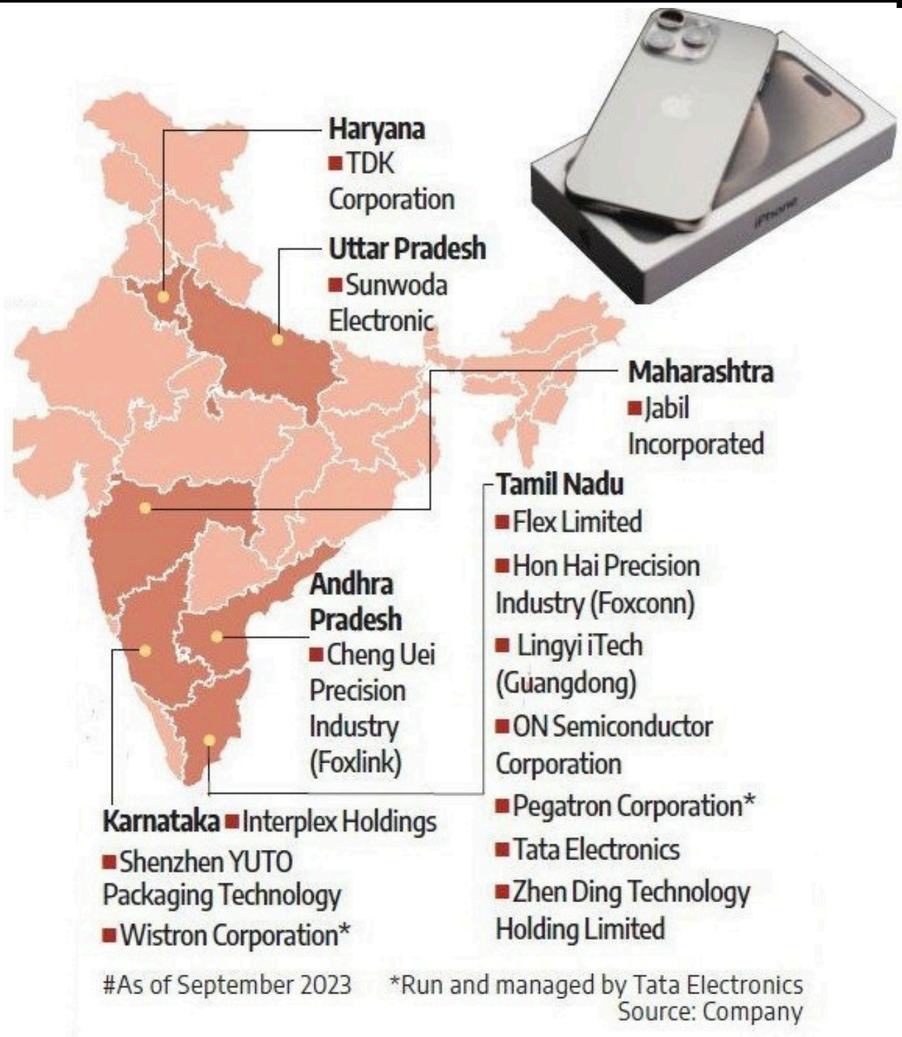
Tamil Nadu, Andhra Pradesh, & Gujarat are the top states for setting up manufacturing.

Tamil Nadu:

a. Overall better ecosystem
b. State policies have improved
c. Better infrastructure
d. Decent Incentive compared to Gujarat, but lesser EODB

Andhra Pradesh: Similar to TN but **not politically stable**; however, it is considered good for Investment. AP has 4 dedicated EMC (Electronic Manufacturing Cluster) zones. Dixon has huge investment commitments in AP. Kopparthi EMC is the epicentre of all the action.

Stakeholders Consulted: Invest India



ADD/ BIS

Q8a- We have seen that the government has imposed an ADD on the PCB imports from China. Has that helped reduce the imports and had an impact?

Sector & Products under ADD	ADD and its Impact	Incentive Schemes & Additional Measures	Outcomes	Key Insights
Electronics (Bare PCBs (up to 6 layers)	• 30% ADD imposed in 2024 to counter cheap imports that hinder domestic production • Increased the production cost of domestically manufactured PLI scheme products, making them less competitive in the global market • Higher capacity utilization (from 50-65% to 70-90%) and improved margins for Indian PCB manufacturers	• ₹8,390 Cr for large-scale electronics • ₹22,919 Cr new PLI for components • Semicon India (₹76,000 Cr capex subsidy) • 25% CAPEX subsidy (SPECS); cluster infra (EMC 2.0) • Import controls and BIS mandates	• India's domestic production of electronic goods increased from ₹1.90 lakh crore in FY 2014-15 to ₹9.52 lakh crore in FY 2023-24, at CAGR of more than 17% • Exports of electronic goods increased from ₹0.38 lakh crore in FY 2014-15 to ₹2.41 lakh crore in FY 2023-24, at a CAGR of more than 20%.	• ADD had limited use; ecosystem evolution fuelled by PLI schemes, Semicon infrastructure, and quality/import regulation. • Despite growth, India remains highly dependent on imports for critical raw materials (e.g., copper-clad laminates for PCBs) and certain high-value components.
Solar (Solar glass, Solar cells and modules)	• 5-year ADD (effective Dec 2024) on solar glass • Estimated module price increase 3–5 percent raising the project cost • Boosted domestic glass production (i.e. Borosil Renewables) and factory utilization	• ₹24,000 Cr PLI (Tranches I & II) • BCD: 40% on Modules and 25% on Cells from Apr 2022 (reduced to 20% in Budget 2025–26) • ALMM list and DCR mandates enforced from 2021–19 • Agriculture Infrastructure and Development Cess (AIDC)-7.5% on cells, 20% on modules • social Welfare Surcharge (SWS)- 2.5% on cells, 4% on modules	• Module capacity reached 90 GW in 2024 from 2 GW in 2014 • Cell capacity stands at 25 GW in March 2025 from negligible levels a decade ago	• ADD on glass enabled necessary upstream protection. However, a multi-pronged approach (ADD, BCD, ALMM, PLI) is fostering significant capacity additions, particularly in module assembly.

Continued (1/3)

Q8a- We have seen that the government has imposed an ADD on the PCB imports from China. Has that helped reduce the imports and had an impact?

Sector & Products under ADD	Impact of ADD	Incentive Schemes & Additional Measures	Outcomes	Key Insights
Steel (Hot-rolled, Cold rolled, Galvanized, Coated steel etc)	• 10-12% increase in landed cost • Helped correct pricing distorted by dumping	• ₹6,322 Cr PLI (approved 2021) • QCOs for various products • BCD on certain raw materials • Domestic content required in public infrastructure procurement • 12% provisional safeguard duty on specific non-alloy and alloy steel flat products for 200 days, effective April 21 • Countervailing Duties on certain products	• Consistent increase in domestic production- reached 151.1 MT in FY25, marking a 4.7% increase yoy. • Drop in Capacity Utilization. • FY25, India's steel trade deficit hit a 10-year high of 4.5 million tonnes (mt). Imports soared to 9.5 mt, the highest since FY16, while exports crashed to a decade-low 5 mt.	Despite so many measures, rise in finished steel import and drop in capacity utilization signal persistent pressure from foreign competition despite protective measures.
Pharmaceuticals (APIs and KSMs)	• Imposed ADD on Vitamin-A Palmitate, Chinese IPA imports, Vitamin C, Insoluble Sulphur, Sodium Nitrite and other inputs • Contributes to more predictable market prices for domestic producers, aiding long-term planning	• ₹6,940 Cr API PLI (34 projects; ₹4,253.9 Cr capex) • ₹15,000 Cr formulation PLI (sales ₹2.34 L Cr; exports ₹1.49 L Cr) • ₹3,000 Cr Bulk Drug Parks (3 locations) • Stricter quality control measures by CDSCO • Jan Aushdhi Scheme • ₹5,000 Cr R&D & innovation scheme	• Ranking 3rd in volume and 14th in value. • Largest supplier of generic medicines providing 20% of the world's supply and a key player in affordable vaccines. • Bulk API localization up to 38/54 targeted items	While ADDs aim to stabilize prices for domestic producers, global supply-demand dynamics and other government incentives also play a significant role in overall price trends. China still supplies ~72 percent of bulk drugs as on FY24

Continued (2/3)

Q8a- We have seen that the government has imposed an ADD on the PCB imports from China. Has that helped reduce the imports and had an impact?

Sector & Products under ADD	Impact of ADD	Incentive Schemes & Additional Measures	Outcomes	Key Insights
Auto & EVs (Tyres, Steel & Alloy wheels, Bearings, EV Components)	• Up to 35% on soft ferrite cores • ADD on Tyres (2014, extended twice for 5 years each) effectively reduced imports • ADD on Alloy wheels: The number of producers increased from 4 (2013) to 9 (2021), Imports dropped drastically from 95% (2012-13) to just 10% (FY21), Domestic capacity surged from 3.8 million wheels to 16.5 million wheels • ADD on Steel Wheels (imposed in 2018, extended twice for 5 years each) • ADD on bearings had limited impact	• ₹25,938 Cr auto PLI (2021); requires 50% DVA • ₹18,100 Cr battery PLI (2021) • FAME-II (Budget) Rs 10,000 Cr; subsidies disbursed ₹5,200 Cr by Mar 2024 • EV procurement by states/PSUs since 2020 • Phased Manufacturing Programs • Rs 10,900 Cr PM E Drive • Scheme to Promote Manufacturing of Electric Passenger Cars in India (SPMEPCI) significant investment & high domestic value addition targets • Charging & tax support	• Tyre Capacity Expansion: Increased from 6 lakh tyres (2007) to 130 lakh tyres (2020). • Tyre exports almost doubled FY20 to FY 23 • India's total vehicle production increased from 2 million units (1991-92) to approximately 28 million units • EV registrations crossed 4.4 million by August 2024, with market penetration at 6.6%.	ADD was effective for tyres and wheels; auto ecosystem growth owed more to PLI, subsidies, and fleet procurement. Emphasis on increasing Domestic Value Addition (DVA).

Continued (3/3)

Q8b- Further, in multiple other industries, Anti-Dumping Duty (ADD) has not been very effective to make Indian players competitive. Is the government thinking about introducing BIS requirements for select electronic components, specifically for bare PCB manufacturers?

- No BIS/QCO requirements has been envisaged by the government so far for the manufacturers of electronic components like PCB.
- Mostly such measures are introduced to safeguard the domestic manufacturing. This is a import dependent industry and there is hardly any domestic production to meet the Industry demand.
- However, if industry demands, the government may take measures to protect domestic players. *Past Incidence*: 30% ADD was imposed on bare PCBs by the government on the demands of the six local PCB makers, represented by the Indian Printed Circuit Association, over cheap inbound shipments from China and Hong Kong.*

Stakeholders Consulted: ELCINA, MEITY

*https://economictimes.indiatimes.com/industry/cons-products/electronics/pcb-dumping-duty-hits-it-hardware-making-under-pli/articleshow/111093438.cms?from=mdr

Q8c- We understand that ADD that was imposed by the govt. on PCB in Jan 2024. Now importers are avoiding that by routing products through other countries like Thailand, Taiwan etc. - is the govt. aware about this and how will they look to protect the domestic industry in case this continues.

- Any bona fide component manufacturer would not engage in such malpractices.
- All import is tracked by the customs, and such practice would not be sustainable for long.
- All the major OEMs entering into partnerships with component manufacturers would not accept such things. Anyway, such things are investigated thoroughly during the QC process of the OEMs.
- Notification issued on 18th March 2025, India has shifted from **Certificate of Origin** to **Proof of Origin** to curb such imports under FTAs.

Stakeholder Consultant: Ex-DGFT Official, Industry Consultant

Supporting Longevity of the PLI Scheme

Q9a- Globally, we have seen governments giving multi-decade support to build the electronics industry in their respective countries. Does the government view capital subsidy / revenue linked incentives as a 5-year support or a multi-decade support to build the electronics ecosystem in India?

- If you observe closely, the MeitY has been running schemes since 2012 under different names, catering to different parts of the value chain.

- The government maintains ongoing dialogue with stakeholders and continuously assesses the industry's changing requirements alongside the effectiveness of existing programs through **feedback loops**.

- Any decision to extend the support would entirely depend on the **demand from the industry.**

- India’s efforts to build an electronics manufacturing ecosystem have been underway for over two decades, through a combination of past and ongoing schemes. Any extension of the support depend upon the need of the industry. Faster technology-change is another factor while making the decision.

Stakeholders Consulted: MEITY, Industry Stakeholder

Q9b- If in a scenario where there is a change in the ruling party in the upcoming general elections in 2029, what could be the potential impact on the existing policies and future support from the government, were it to change? Could this have a significant impact on the growth in this sector?

- No major change in the policy, even if the new government comes up. Such schemes are of national importance; their conceptualization and execution are analogous to schemes already running in other developed economies.

- In case of a change of government at the centre, the schemes will continue. It just may be renamed or merged with another scheme.
  - MSIPS, which was approved in 2012, started its disbursement only in 2014.
  - Electronics Manufacturing Cluster (EMC) Scheme – 1.0, Launched in 2012 (Under UPA-II); ended in 2018 (for new applications); Repackaged as EMC 2.0 in 2020 with ₹3,762 crore outlay under NDA
  - FAME-1 Scheme: Officially launched in April 2015, its foundation was laid during the UPA regime, under National Electric Mobility Mission Plan (NEMMP), 2020 in 2013

Stakeholders Consulted: MEITY, NITI Aayog, IFCI, Industry Consultant

Involvement of the Government Departments

Q10a- Which are the key departments & people in the govt. that are crucial for this policy to be successful?
Q10b- Who are really driving this policy and are there any departments / people in the govt. that do not support this?

As told by a few industry stakeholders, the MEITY has been doing a fabulous job by providing great handholding to the participants. Further, an industry consultant validated the same by saying that MEITY is most industry friendly among ministries and acts as a custodian of the industry. The Prime Minister's Office is monitoring the progress.

The following stakeholders have the onus to make this program successful:

- IPHW* division in MEITY
- The empowered group of secretaries (EGoS)
- Sushil Pal (Joint Secretary), Nirmod Kumar (Director), & Rashmirathi Tiwari (Scientist D)

If there were to be any opposition or reservations regarding policy, those would be addressed in the consultation phase only. Once it is launched, all the efforts are to make it successful.

Stakeholders Consulted: MEITY, Industry Stakeholders, Industry Consultant

*Industrial Promotion – Electronics Hardware Manufacturing Division

Thank You.

Appendix

Budget Allocations and Incentives Disbursed under LSEM Scheme (₹ in crore)

- The LSEM PLI offered 4–6% incentives on incremental sales to electronics manufacturers
- **Total Budget Allocated (2022–2025):** ₹12,439.04 crore
- **Total Disbursed (2022–2025):** ₹8,699.95 crore
- **Major Beneficiaries:** Foxconn, Samsung, Tata Electronics, Pegatron, Padget, and 14 others

Year	Govt Allocation (INR Cr.)	Total Disbursed (INR Cr.)	Samsung (INR Cr.)	Foxconn (INR Cr.)	Pegatron (INR Cr.)	Tata Elec. (INR Cr.)	Padget (INR Cr.)	14 Others (INR Cr.)
2022–23	**2,203.00**	**1,644.35**	—	357.17	—	952	261	73.36
2023–24	**4,489.04**	**4,225.90**	407.98	2,450.00	844.98	274	202	45.99
2024–25	**5,747.00**	**2,829.70**	957.93	—	879.38	840.52	132.22	19.65

Source : Indian Express - The PLI push: $1 billion over 3 years to 19 firms, fuels record surge in handset exports

Budget Allocations and Incentives Disbursed under SPECS Scheme (₹ in crore)

- **25% CAPEX**
- **Total Budget Allocated (2020–2024):** ₹3,285 crore
- **Total Disbursed (as of Feb 2025):** ₹ 686.93 crore
- **Major Beneficiaries:** Approved applicants include electronics and semiconductor component manufacturers; disbursement tied to capex milestones across 6+ companies

Fiscal Year	Projects Approved	CapEx / Project Outlay (₹ cr)	Disbursed (₹ cr)
2020–21	(scheme setup phase)	₹3,285 crore (entire scheme outlay incl. admin cost)	In Application Process
2021–22	Approvals began	(ongoing approvals)	disbursement linked to CapEx progress, which started later
2022–23	32 projects approved (as of Sept 2022)	₹11,130 crore (project outlay for approved projects)	₹365 crore (by Oct 2023, across 6 applicants) – first reported disbursement round
2023–24	10 projects approved (as of Feb 2024)	₹11,690 crore (updated total for approved projects)	As on February 2025, ₹ 686.93 crore has been disbursed to 17 applicants

Budget Allocation, Incentive claimed, and Incentive disbursed (₹ in crore) under the M-SIPS Scheme

- MSIPS offered a 20% subsidy in SEZ and 25% in Non-SEZ for investment in capital expenditure for setting up electronic manufacturing units.
- **Total Budget Allocated:** 2241.49 Crore
- **Total Disbursed:** 2136 Crore
- **Major beneficiaries:** Bosch Automotive Electronics, Motherson Sumi Systems, Tata Power SED
- **~95% of the Budget allocated was disbursed as Incentives**

Financial Year	Total Allocation (INR Cr.)	Incentive Claimed (INR Cr.)	Incentives Disbursed (INR Cr.)
2014–15	15	31.68	12.05
2015–16	15	3.09	4.78
2016–17	17	47.41	16.13
2017–18	136	190.11	135.89
2018–19	334	632.2	318.67
2019–20	499	586.78	463.67
2020–21	216	333.51	215.79
2021–22	602	841.39	588.71
2022–23	405	577.15	380.31
Total	**2,241.00**	**3,243.32**	**2,136.00**

Electronics Manufacturing Cluster Scheme 2.0

- Launched in April 2020, EMC 2.0 aims to develop industrial infrastructure for electronics manufacturing.
- Financial support is provided for setting up clusters with common facilities and plug & play units.
- Application window closed in March 2024, with disbursement allowed till March 2028.
- Several major projects approved recently with central grants ranging up to ₹258 Cr.
- **The total outlay of the propose EMC 2.0 Scheme is Rs. 3,762.25 crore to be disbursed over a period of eight (8) years.**

Budget Allocation and Fund Utilization under FAME Phase-II (₹ in crore) (as on 31.01.2024)

- FAME II offers incentives up to ₹15,000 per kWh for e-2Ws (capped at 40% of vehicle cost) and varying amounts for e-3Ws, e-4Ws, and buses.
- **Total Budget Allocated:** ₹9,688.17 crore
- **Total Disbursed:** ₹6,001.70 crore
- **Major Beneficiaries:** Tata Motors, Mahindra Electric, Ather Energy, Hero Electric, TVS Motor, OLA Electric, and various STUs (State Transport Undertakings) for electric buses under e-mobility push.

Financial Year	Budget Allocation (INR Cr.)	Fund Utilization (INR Cr.)
2019–2020	500	500
2020–2021	318.36	318.36
2021–2022	800	800
2022–2023	2897.84	2402.51
2023–2024	5171.97	1980.83

Source: Rajya Sabha - UNSTARRED QUESTION NO. 105 ANSWERED ON 02.02.2024