



Empowering Progress:

*Electronic Component
Manufacturing Scheme*
May 2025

INDEX

01

Objective

03

Incentives

02

Salient Features

04

Annexure

Component ecosystem

To develop robust component manufacturing ecosystem

Offers significant benefits, including

- increased domestic value addition,
- integration with global value chains,
- job creation.

Stronger Economy

Investment

To attract investments (global/ domestic) across the value chain by

Integration of domestic electronic industry with the Global Value Chains (GVCs).

Global Competitive Advantage

Technological Capability

Aims to help Indian companies become key players in global electronics markets.

The scheme is a step towards enhancing electronics production in India.

Boost Electronics Production

Scheme aim

The scheme provides differentiated incentives to Indian manufacturers tailored to overcome specific disabilities for various categories of components and sub-assemblies so that they can acquire technological capabilities and achieve economies of scale.

Tenure of the Scheme

Turnover Linked Incentive:

- Six (6) years with one (1) year of gestation period
- Capex Incentive: Five (5) years

There shall also be a provision for one (1) year of gestation period on optional basis.

Target Segment

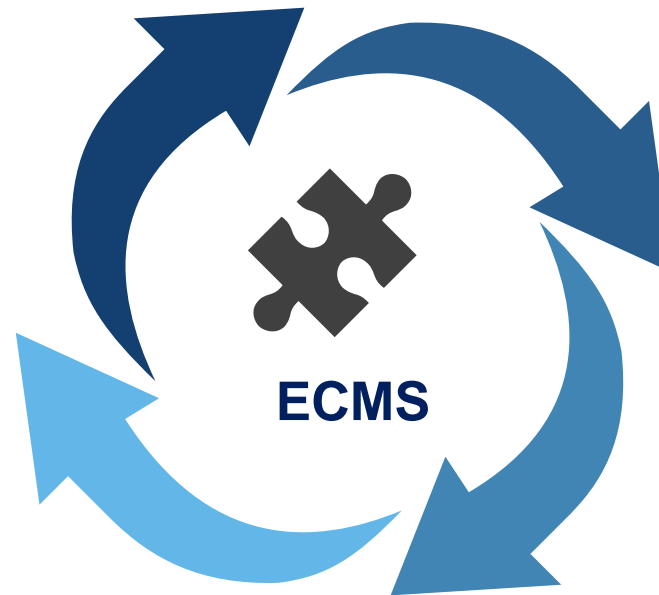
The Target Segment Category under Scheme includes

- Sub-assemblies
- Bare components
- Selected bare components
- Supply chain ecosystem and Capital equipment.

Types of Incentive

The scheme provides differentiated fiscal incentive on target segment products in terms of turnover

- a) Turnover linked incentive
- b) Capex incentive and
- c) Hybrid incentive [i.e. combination of both (a) and (b)]
- d) **Employment linked incentive:**
A part of turnover linked incentive and capex incentive is linked with employment

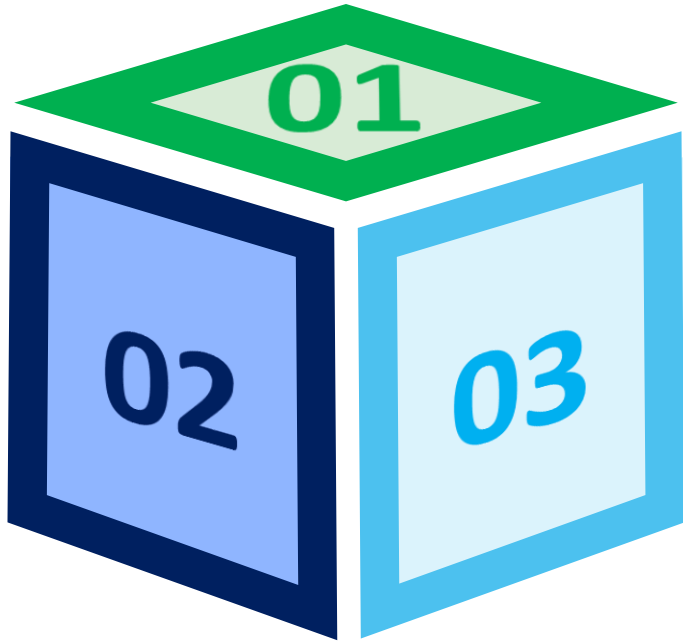


TURNOVER LINKED INCENTIVE

Incentive as a percentage of incremental turnover/ sales over base year as per rate of incentive given in Annexure A(II) for various target segments and products covered therein.

CAPEX INCENTIVE

Incentive on eligible capital expenditure for manufacturing of target segment goods as per rate of incentive given in Annexure A(II) for various target segments and products covered therein.



Category	Target segments
1	A. Sub-assemblies B. Bare components
2	C. Selected bare components
3	D. Supply chain ecosystem and capital equipment for electronics manufacturing

HYBRID INCENTIVE

Capex incentive for manufacturing of target segment goods as per rate of incentive given in Annexure A(II) for various target segments and products covered therein.

Turnover linked incentive

- Shall be given on net incremental sales (over the base year) of target segment goods manufactured in Bharat.
- For disbursement, the incremental sales and cumulative incremental investment shall be mandatory criteria
- Out of total agreed rate, 1% shall be disbursed only on meeting cumulative incremental employment threshold criteria
- In case, unable to meet cumulative incremental employment threshold, incentive shall be given by deducting equivalent to 1% of the turnover from the specified rate

Capex incentive

- Shall be given on eligible capital expenditure, as per rates, incurred for manufacturing of target segment products in Bharat.
- For disbursement, meeting the investment threshold and commencement of commercial production shall be mandatory criteria.
- Out of total rate (25%), 5% of the capex shall be disbursed only on meeting cumulative incremental employment threshold
- In case, unable to meet cumulative incremental employment threshold, incentive shall be given by deducting 5% of the capex from the specified rate

Tenure of the scheme

- **Turnover linked incentive:** Incentives for a period of six (6) years with a provision for one (1) year of gestation period on optional basis.
- **Target segments (A to C):** Shall be open for applications for a period of three (3) months initially from 1st May 2025, which may be extended.
- **Target segments (D):** Shall be open for applications initially for a period of two (2) years from 1st May 2025.
- **Turnover linked:** first year for the purpose of incremental sales would be counted from 1 April 25 to 31 March 26 (opting for gestation period, date to be read as 1sApril 2026).

- Greenfield as well as brownfield investment for the target segment shall be eligible under the scheme.
- An applicant shall submit separate applications for each Target Segment products.
- An applicant making multiple applications for the same product covered under the target segment shall **not** be eligible.
- The qualification of applicants shall be decided on consolidated global Electronics System Design and Manufacturing (ESDM) revenue or manufacturing revenue/technological and financial capability and shall be detailed in the scheme guidelines.

BASE YEAR Financial Year (FY) 2024-25 shall be treated as the base year for the computation of turnover linked incentive under the scheme. The applicant may opt for a gestation period of one year and, in such cases, base year would be FY 2025-26.

Incentives – Offered

No.	Target segments	Cumulative investment	Turnover linked incentive	Capex incentive
		(₹)	(%)	(%)
A	Sub-assemblies			
1	Display module sub-assembly	250 crore	4/4/3/2/2/1	NA
2	Camera module sub-assembly	250 crore	5/4/4/3/2/2	NA
B	Bare components			
3	Non-SMD passive components	50 crore	8/7/7/6/5/4	NA
4	Electro-mechanicals	50 crore	8/7/7/6/5/4	NA
5	Multi-layer PCB	50 crore	≤ 6 layers 6/6/5/5/4/4	NA
			≥ 8 layers 10/8/7/6/5/5	
6	Li-ion Cells for digital application (excluding storage and mobility)	500 crore	6/6/5/5/4/4	NA
7	Enclosures for Mobile, IT Hardware products and related devices	500 crore	7/6/5/4/4/3	NA
C	Selected bare components			
8	HDI/MSAP/Flexible PCB	1000 crore	8/7/7/6/5/4	25%
9	SMD passive components	250 crore	5/5/4/4/3/3	25%

S.No.	Target segments	Minimum investment	Turnover linked incentive	Capex incentive
		(₹)	(%)	(%)
D	Supply chain ecosystem and Capital equipment			
10	Supply chain of sub-assemblies(A) & bare components (B) &(C)	10 crore	NA	25%
11	Capital goods used in electronics manufacturing including their sub-assemblies and components	10 crore	NA	25%

Application Window: Scheme shall be open to receive application from 1 May 2025 through the online portal (www.ecms.meity.gov.in).

For target segment (A), (B) & (C): 3 months
For target segment (D): 2 years

Annexure: Annexure A(III) - Threshold criteria for target segments

Target segments	Year	Cumulative incremental investment threshold (in ₹ Cr)	Incremental sales threshold (in ₹ Cr)	Cumulative incremental employment threshold (in No.)
(1) - Display module	Year 1	50	200	50
	Year 2	100	400	100
	Year 3	150	600	150
	Year 4	200	800	200
	Year 5	250	1,000	250
	Year 6	-	1,200	300
(2) - Camera module	Year 1	50	150	75
	Year 2	100	300	150
	Year 3	150	450	225
	Year 4	200	600	300
	Year 5	250	750	375
	Year 6	-	900	450
(3 & 4)- Non- SMD Passive & Electro-mechanical	Year 1	10	15	30
	Year 2	20	30	60
	Year 3	30	45	90
	Year 4	40	60	120
	Year 5	50	75	150
	Year 6	-	90	180
(5) - Multilayer PCB	Year 1	10	15	15
	Year 2	20	30	30
	Year 3	30	45	45
	Year 4	40	60	60
	Year 5	50	75	75
	Year 6	-	90	90

Target segments	Year	Cumulative incremental investment threshold (in ₹ Cr)	Incremental sales threshold (in ₹ Cr)	Cumulative incremental employment threshold (in No.)
(6) - Li-ion cells for digital applications (except storage and mobility)	Year 1	100	200	100
	Year 2	200	400	200
	Year 3	300	600	300
	Year 4	400	800	400
	Year 5	500	1,000	500
	Year 6	-	1,200	600
(7) - Enclosures for Mobile, IT Hardware products and related devices	Year 1	100	200	120
	Year 2	200	400	240
	Year 3	300	600	360
	Year 4	400	800	480
	Year 5	500	1,000	600
	Year 6	-	1,200	720
(8) - HDI/MSAP/ Flexible PCB	Year 1	200	200	200
	Year 2	400	400	400
	Year 3	600	600	600
	Year 4	800	800	800
	Year 5	1,000	1,000	1,000
	Year 6	-	1,200	1,200
(9) - SMD passive components	Year 1	50	75	100
	Year 2	100	150	200
	Year 3	150	225	300
	Year 4	200	300	400
	Year 5	250	375	500
	Year 6	-	450	600
(10) - Supply chain of sub-assemblies & bare components	-	10	Commencement of commercial production	10*
(11) - Capital goods used in electronics manufacturing including their sub-assemblies and components	-	10	Commencement of commercial production	20*

Annexure: *List of products covered under certain target segments*

<u>S. No.</u>	<u>Target Segments</u>	<u>Products covered</u>
1	Non-SMD passive components	Resistors, Capacitors, Ferrites, Specialty Ceramics, Inductors, Coils (including inductive coil), etc. for electronic applications
2	Electro-mechanicals	Speakers & Microphones for ICT products, Relays, Switches, Connectors, Heat Sinks, Antenna, Vibrator Motors, Oscillators, Filters, Actuators, Crystals, Sensors (non-semiconductor), Transducers, etc. for electronic applications
3	Supply Chain of sub-assemblies & bare components	Laminate, Pre-Peg, Copper Foil, Separator, Cathode Material, Anode Material, Electrolyte, Polypropylene Film, Spray Wire, Lenses, Protective Film, Glass Cover, Back Light, Contrast Film, Polarizer Film, etc. for electronic applications. (This is an illustrative list and is not an exhaustive list of supply chain.)

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