

Government of India
Ministry of Electronics and Information Technology (MeitY)
IPHW Division

Public Notice

Ref.No: 27(51)/2016-IPHW


Date: 6th September 2018

Subject: Closing procedure for applications with insufficient information /documents under Modified Special Incentive Package Scheme (M-SIPS)

This is with regard to the applications seeking incentives under Modified Special Incentive Package Scheme (M-SIPS).

2. It has been observed that most of the applications are being received with insufficient information/documents. This has resulted in piling of long pending applications in the Ministry. Following procedure has been decided for closing of such applications:

- i. The applicant must submit all the required documents with 60 days from the date of issue of acknowledgement, failing which, the Appraisal Agency will inform to MeitY.
 - ii. The Ministry will issue a notice to the applicant to submit documents or indicate reasons for non-submission within 15 days.
 - iii. On receipt of reply from applicant, the competent authority may extend time for submission of documents, not exceeding 30 days.
 - iv. If the applicant fails to submit documents within the extended time, the application will be closed.
3. The sample template of information/documents required for appraisal under M-SIPS is annexed.
4. The above procedure will be applicable on all applications.
5. This issues with the approval of Secretary, MeitY.


(Vandana Srivastava)

Director

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To: All Industry Associations/MeitY website/E-portal (SIPS)

Copy to: Secretary, MeitY
AS(PK) . MeitY
AS&FA, MeitY
JS(Electronics) . MeitY

Sample template of information/ documents required for M-SIPS appraisals

S. No.	Particulars	Reference
1	Financial Closure	
1.1	True certified copy of the resolution, highlighting year-wise/phase wise proposed products and investment schedule from different sources (term loan, unsecured loan and equity etc.). The resolution should mention the project location and the intent to invest under M-SIPS	Clause 2.7 of Guidelines
1.2	CA Certified Copies of Annual Reports for the past three years. MS Excel required	Clause 2.3 (c) of annexure 1 of Guidelines
1.3	Financial Closure Term Loan - Sanction Letter - Loan Agreement - Appraisal Note - Loan account statement (if disbursed) Internal Accruals - Documents supporting fund availability Equity - Documents supporting fund availability - Equity subscription agreement - Commitment letters from equity providers Unsecured Loan - Documents supporting fund availability - Unsecured Loan agreements - Commitment letters from equity providers	Clause 6 of annexure 1 of Guidelines
2	Capex Details	
2.1	Proposed capex: Complete list of capital goods proposed to be purchased along with their quotations	Clause 4.4 (b) of annexure 1 of Guidelines
2.2	Details of refurbished plant and machinery (if applicable)	
2.3	Building Plan and layout	Clause 4.3(b) of annexure 1 of Guidelines
3	Financial Details	
3.1	Projected financial statements (P&L, balance sheet and cash flows) till 10 years of the project. This should include detailed income and expense break-up. The income should include product / segment wise sales and assumed selling price.(including details of maintenance capex and both fixed and variable operating expenses expected to be incurred up to 10 years of the project under all major heads under Cost of Goods (COGS) and Selling, R&D, General and Administrative Overheads)-with and without subsidy. MS Excel required	Clause 4.4(c) of annexure 1 of Guidelines
3.2	Detailed Financial Projections for the Company as a whole including their present and future lines of business with and without subsidy. MS Excel required	
3.3	Key assumptions for projection of: a) Unit Sales Price b) No. of Units sold c) Method of Depreciation d) Market Size e) Percentage Market Share & basis	

#	Particulars	Reference
	f) Technology growth assumptions g) Business environment assumptions h) Sales growth i) weighted average cost of capital j) project execution assumptions related to timelines	
3.4	Key financial indicators (IRR, ROI, ROCE and NPV with and without Government support, break even period, with and without Government support) for the investment. MS Excel is required	Clause 4.4 (f) of annexure 1 of Guidelines
3.5	External credit ratings (ICRA, CIBIL, CRISIL, FITCH, EXPERIAN or equivalent)	Clause 2.3 (d) of Guidelines
4	Land Details	
4.1	Documentation showing ownership of land (leased/owned) for the project	Clause 4.3 (a) of annexure 1 of Guidelines
4.2	Documentation showing possession of land (leased/owned) for the project	
4.3	Documents showing the location is in an industrial area	
5	Other Details	
5.1	CA certificate (with membership No.) showing shareholding pattern (indicating number of shares and investment)	Clause 2.3 (e) of Guidelines
5.2	Self-certificate that the applicant is not blacklisted by any Government department	Clause 2.6 (a) of Guidelines
5.3	Undertaking stating the details of assistance sought/ received from Govt. of India apart from M-SIPS	Clause 6.7 of Guidelines
5.4	Certificate from Company Secretary/Board of Directors on pending legal cases and impact on the project thereof (with a brief one line description of each case and the amount – by and against the applicant) and contingent liabilities.	Clause 2.6 of Guidelines
5.5	Details of the procurement process for machinery and raw materials	
5.6	Undertaking on number of proposed manufacturing set ups	
5.7	Write-up on contribution of project in import substitution	
5.8	Self-Certified Copies of bio of key management personnel including: - Educational qualification - Past work experiences: designation and job role - Current work job role - Awards and accolades - Membership of any Industry Body Etc.	Clause 2.3 (b) of annexure 1 of Guidelines
5.9	Employment generation in the following categories: - Managerial - Supervisory - Skilled - Unskilled	Para 3.2 (i) of annexure 1 of Guidelines
5.10	Year/Phase wise production capacity till the project completion	Clause 4.3 (e) of annexure 1 of Guidelines
5.11	Implementation Schedule with timelines for the following activities: - Construction of Building - Ordering of Machines - Receipt and Installation of Machines - Pilot Production - Commercial Production	Para 4.3(d) of annexure 1 of Guidelines
5.12	Details of availability of raw materials (imported or indigenous)	Para 4.3(f) of annexure 1 of Guidelines
5.13	Current status	Adhere to the attached

#	Particulars	Reference
		template:  Current Status Template
5.14	Statutory Auditor Certified Gross Block as on date of application	
5.15	Detailed Project Risk and Mitigation plan including: - Business Risk - Industry Risk - Environment Risk - Technology Risk - Financial Risk - Legal and Regulatory Risk - Operational Risk	Para 4.5 of annexure 1 of Guidelines
5.16	List of major customers	
5.17	Company information, history and key milestones	
5.18	CS Certified Documents of Registration (MoA/AoA or equivalent)	Clause 2.2(a) of annexure 1 of Guidelines
6	Technology	
6.1	Technology Details (as per annexure 1, prescribed by Technology experts of MeitY)	Clause 4.2 (c) of Guidelines
6.2	Copy of technology agreements with technology provider (if applicable)	Clause 4.7 (a) of Guidelines

Annexure 1

1. Name of the technology being used for manufacturing the proposed product(s)
2. Intellectual property status for the technologies being proposed.
3. Competitive differentiation or advantage with similar or competing technologies highlighting why the said technology (ies) has been proposed and a roadmap.
4. Potential scope and plans for technology (ies) upgrade including back-up R&D.
5. In the process flow diagram, at each stages, indicate the associated capital equipment, with through-put & cost on one side and input raw materials/components with quantity on the other side.
6. Current players in India/ abroad who have adopted similar technology
7. Details on the number of manufacturing set ups being proposed
8. Technology relevant for next 10 years in the local and global context
9. Relevance of the current levels of automation with local scenario/ conditions
10. Future Roadmap for R&D
11. Justification for technology being "State-of-the-art"

New Delhi, 30.01.2017

NOTIFICATION

Subject: Amendments to Revised Modified Special Incentive Package Scheme (M-SIPS) - Notification

References:

1. Modified Special Incentive Package Scheme (M-SIPS) Policy Gazette Notification vide no. 175 dated 27-07-2012.
2. Guidelines for Modified Special Incentive Package Scheme vide no. 27(3)/2012-IPHW dated 07-10-2012 and Amendment dated 23-05-2013 & 23-12-2013.
3. Modified Special Incentive Package Scheme (M-SIPS): Enhancement of Scope and extension of timeline and other amendments – Revised Notification vide no. 211 dated 03-08-2015.
4. Guidelines for effective functioning of revised Modified Special Incentive Package Scheme (M-SIPS) vide no. 27(3)/2012-IPHW (Vol. II) dated 24-02-2016.

The policy for Modified Special Incentive Package Scheme (Modified-SIPS) cited as reference (1) above was notified in the Gazette on July 27th, 2012. The implementation guidelines cited as reference (2) above have also been published. Amendments to the M-SIPS Policy cited as reference (3) above were notified in the Gazette on 3rd August 2015 and necessary guidelines for implementation of these amendments cited as reference (4) above have also been published.



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2. While Revised M-SIPS has been able to enthruse investment in electronics, the proposed investments are still short of intended target. It is, therefore, important to continue the applicability of M-SIPS for few more years. However, efforts need to be made to expedite investment into the sector to achieve the target of 'Net Zero Imports'.

3. The following amendments in Revised M-SIPS policy are applicable with immediate effect. All other provisions remain unchanged.

4. Time period for applying under M-SIPS:

Applications under the Scheme will be received till 31st December 2018 or till such time that the incentive commitment reaches Rs. 10,000 crore, whichever is earlier. In case, the incentive commitment of Rs. 10,000 crore is reached prior to 31st March 2018, a review to be undertaken by CEO NITI Aayog to decide on the need for further continuation of the Scheme.

5 Process

5.1 The incentives under the Scheme will be available for a period of 5 years from the date of approval of the application under M-SIPS i.e. incentives will be available for investments made within 5 years from the date of approval. However, this will be applicable for new applications only which are received after the issuance of this notification.

5.2 After receiving incentives under the scheme, the unit will have to provide an undertaking to remain in commercial production for a period of at least 3 years.

5.3 The Appraisal Committee recommending approval of project will be chaired by Secretary, Ministry of Electronics and Information Technology.




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5.4 A separate Committee headed by Cabinet Secretary and comprising of CEO, NITI Aayog, Secretary Expenditure and Secretary, MeitY will be set up in respect of mega projects, envisaging more than Rs. 6,850 crore (approx. USD 1 Billion) investment on a case to case basis.

5.5 Approvals will normally be accorded to eligible applications within 120 days of submission of the complete application.

6. For effective functioning of the revisions in the M-SIPS policy, a set of Guidelines will be issued by Ministry of Electronics and Information Technology separately.


30.1.2017
(Rajiv Bansal)

Joint Secretary to the Government of India

Tel: 24363114

इलेक्ट्रॉनिकी और सूचना प्रौद्योगिकी मंत्रालय
सं. 27(98)/2016-आईपीएचडब्ल्यू

नई दिल्ली 30.01.2017

अधिसूचना

विषय : संशोधित विशेष प्रोत्साहन पैकेज योजना (एम-सिप्स) में संशोधन- अधिसूचना
संदर्भ:

1. दिनांक 27-07-2012 की राजपत्र अधिसूचना सं.175 के अंतर्गत अधिसूचित संशोधित विशेष प्रोत्साहन पैकेज योजना (एम-सिप्स) ।

2. दिनांक 07-10-2012 की अधिसूचना सं. 27(3)/ 2012-आईपीएचडब्ल्यू के अंतर्गत संशोधित विशेष प्रोत्साहन पैकेज योजना के लिए दिशानिर्देश और उनमें दिनांक 23-05- 2013 एवं 23-12-2013 को किए गए संशोधन ।

3. संशोधित विशेष प्रोत्साहन पैकेज योजना (एम-सिप्स): कार्यक्षेत्र में विस्तार और समय-सीमा बढ़ाना तथा अन्य संशोधन दिनांक 03-08-2015 की संशोधित अधिसूचना सं. 211 ।

4. दिनांक 24-02-2016 की अधिसूचना सं 27(3)/2012- आईपीएचडब्ल्यू (वॉल्यूम - II) संशोधित विशेष प्रोत्साहन पैकेज योजना (एम-सिप्स) के प्रभावी क्रियान्वयन के लिए दिशानिर्देश।

उपर्युक्त संदर्भ सं. (1) में उल्लिखित संशोधित विशेष प्रोत्साहन पैकेज योजना (एम-सिप्स) को 27 जुलाई, 2012 को राजपत्र में अधिसूचित किया गया । उपर्युक्त संदर्भ सं. (2) में उल्लिखित कार्यान्वयन दिशानिर्देश भी प्रकाशित किए गए हैं । उपर्युक्त संदर्भ सं. (3) में उल्लिखित संशोधित विशेष प्रोत्साहन पैकेज योजना (एम-सिप्स) में किए गए संशोधनों को 10 अगस्त 2015 को राजपत्र में अधिसूचित किया गया और उपर्युक्त संदर्भ सं. (4) में उल्लिखित इन संशोधनों के कार्यान्वयन के लिए आवश्यक दिशानिर्देश भी प्रकाशित किए जा चुके हैं ।

2. जहां एक ओर संशोधित एम-सिप इलेक्ट्रॉनिकी के क्षेत्र में निवेश को उत्साहित करने में सक्षम रही है, वहीं दूसरी ओर प्रस्तावित निवेश अभी भी इच्छित लक्ष्य से कम है । अतः यह महत्वपूर्ण है कि एम-सिप की प्रयोज्यता कुछ और साल के लिए जारी रखी जाए । हालांकि, 'नेट शून्य

पेज 3 का 1

राजीव खन्ना

इलेक्ट्रॉनिकी और सूचना प्रौद्योगिकी मंत्रालय
सं. 27(98)/2016-आईपीएचडब्ल्यू

आयात' के लक्ष्य को प्राप्त करने के लिए इस क्षेत्र में निवेश बढ़ाने हेतु प्रयत्न किए जाने की जरूरत है।

3. संशोधित एम-सिप नीति में निम्नलिखित संशोधन तत्काल प्रभाव से लागू हैं। अन्य प्रावधान यथावत हैं।

4. एम-सिप्स के अंतर्गत आवेदन करने के लिए समयावधि:

योजना के अंतर्गत 31 दिसम्बर, 2018 अथवा उस समयावधि, जब तक प्रोत्साहन की प्रतिबद्धता 10,000 करोड़ रुपए तक नहीं पहुंच जाती है, जो भी पहले हो, तक आवेदन पत्र प्राप्त किए जाएंगे। यदि 31.3.2018 से पहले ही प्रोत्साहन की प्रतिबद्धता 10,000 करोड़ रुपए तक पहुंच जाती है, तो योजना के आगे जारी रखने के लिए आवश्यकता के आधार पर और वित्तीय प्रतिबद्धताओं के संबंध में निर्णय लेने के लिए सीईओ, नीति आयोग द्वारा एक समीक्षा की जाएगी।

5. प्रक्रिया

5.1 योजना के अंतर्गत प्रोत्साहन एम-सिप्स के अंतर्गत आवेदन के अनुमोदन की तारीख से 5 वर्ष की अवधि के लिए उपलब्ध होगा अर्थात् प्रोत्साहन अनुमोदन की तारीख से 5 वर्ष की अवधि के भीतर किए गए निवेश के लिए उपलब्ध होंगे। तथापि यह केवल ऐसे नए आवेदनों के लिए लागू होगी, जो इस अधिसूचना के जारी होने के बाद प्राप्त होते हैं।

5.2 योजना के अंतर्गत प्रोत्साहन प्राप्त करने वाली कोई यूनिट कम से कम 3 वर्ष की अवधि के लिए वाणिज्यिक उत्पादन जारी रखने की वचनबद्धता उपलब्ध कराएगी।

5.3 परियोजना के अनुमोदन की सिफारिश करने वाली मूल्यांकन समिति की अध्यक्षता सचिव, इलेक्ट्रॉनिकी और सूचना प्रौद्योगिकी मंत्रालय द्वारा की जाएगी।

5.4 मामला-दर-मामला आधार पर 6,850 करोड़ रुपए (अनुमानतः 1 बिलियन अमेरिकी डॉलर) से अधिक निवेश वाली बड़ी परियोजनाओं के संदर्भ में मंत्रिमंडल सचिव की अध्यक्षता में

राजीव खन्ना

इलेक्ट्रॉनिकी और सूचना प्रौद्योगिकी मंत्रालय
सं. 27(98)/2016-आईपीएचडब्ल्यू

एक अलग समिति गठित की जाएगी, जिसमें सीईओ, नीति आयोग, सचिव, व्यय विभाग और सचिव, एमईआईटीवाई भी शामिल होंगे।

5.5 पात्र आवेदनों के लिए सामान्यतया अनुमोदन पूर्ण आवेदन प्रस्तुत करने की तारीख से 120 दिन के भीतर दिया जाएगा।

6. एम-सिप्स नीति में संशोधनों को प्रभावी ढंग से लागू करने के लिए इलेक्ट्रॉनिकी और सूचना प्रौद्योगिकी विभाग द्वारा दिशानिर्देशों का एक अलग सेट जारी किया जाए।

राजीव बंसल
20.11.2017
(राजीव बंसल)

संयुक्त सचिव, भारत सरकार

दूरभाष : 24363114

MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY

(Department of Electronics and Information Technology)

NOTIFICATION

No. 24(10)/2010-IPHW

New Delhi, the 27th July 2012

Subject: Modified Special Incentive Package Scheme (M - SIPS) to offset disability and attract investments in Electronics Systems Design and Manufacturing (ESDM) Industries

1. Background and Objective

1.1 Manufacturing base of electronic products in the country is grossly inadequate in comparison to demand of such goods. Even in cases where products are manufactured in India, the extent of domestic value addition is low. Semiconductors are at the heart of any electronic systems and constitute a significant part of the total value of the Bill of Material (BOM). The main impediments in the way of attracting investments for manufacture of semiconductors, components and electronic products are disabilities like high cost of power and finance, high transactional costs and poor base of supply chain (components and accessories). Presently, semiconductor wafers, semiconductors and majority of the hi-tech components are being imported. The manufacturing capabilities for semiconductors are highly capital intensive and have to deal with constantly changing technology. Development of supply chain is essential for the manufacture of electronic products with higher domestic value addition. Therefore, Government has decided to offer a package of incentives to attract domestic and global investments into the Electronics Systems Design and Manufacturing (ESDM) sector within Electronics Manufacturing Clusters (EMCs) as a means to minimizing the disabilities.

1.2 As per the report of the Task Force on IT/ITES and Electronics Hardware Manufacturing, the ESDM industry in India lags behind its counterparts in other countries despite having basic capabilities to develop the

sector due to its strength in chip design and embedded software. The proposed incentives will provide a level-playing field and achieve competitiveness in the global market.

1.3 ESDM industry in India faces significant challenges like high transactional costs, complex administrative processes and infrastructural deficiencies. An analysis by the Federation of Indian Export Organization (FIEO) reveals that cost disabilities, including the transaction costs borne by Indian exporters vary and range from 19 to 22%. In contrast exporters in developed economies pay only 2 to 3% of transactional costs. The Modified SIPS proposes to partly offset the difficulties.

2. Modified Special Incentive Package:

2.1 The M-SIPS will be applicable to investments in new ESDM units and expansion of capacity/ modernization and diversification of existing ESDM units. For the purpose of the scheme -

a) ESDM unit shall mean a unit engaged in design and manufacturing of the electronics and nano-electronics products and their accessories listed in **Annexure – 2** and includes all stages of the value-chain involved in the development of these products and accessories *starting from raw materials*. It includes assembly, testing and packaging. It also includes Electronics Manufacturing Services (EMS) involved in any of the above stages.

b) Expansion of an existing unit would mean increase in the value of fixed capital investment in plant and machinery of an ESDM unit by not less than 25%, for the purposes of expansion of capacity/ modernization and diversification.

2.2 The Modified Special Incentive Package shall be for state-of-the-art technology.

2.3 The investment thresholds applicable for units in different categories under the scheme are indicated in **Annexure - 1**. The thresholds are the same

for new or expansion of capacity/ modernization and diversification of existing units. The incentives available for each category are also indicated along with in **Annexure - 1**.

3.1 The incentives mentioned in **Annexure - 1** will be available for investment made within 10 years of the approval of a new unit. In case of expansion of capacity/ modernization and diversification of existing units, the incentive will be available for investment made within 10 years of the approval of expansion of capacity/ modernization and diversification of existing units

3.2 The incentives, if any, offered by the State Government or any of its agencies or local bodies shall be over and above the incentive amount eligible under M-SIPS.

3.3 The period of 10 years shall be the first 10 years after the approval of the project and not with regard to any subsequent phase/s of the project.

3.4 The capital expenditure will be the total of capital expenditure in land, building, plant and machinery and technology including Research and Development (R&D). The total cost of land exceeding 2% of the capital expenditure shall not be considered for calculation of incentives in this regard.

4.1 The incentive against the capital expenditure shall be released after the end of the financial year in which the total investment exceeds the threshold value. Thereafter, the incentive shall be provided on an annual basis on the value of the investments made during the year and be restricted to the first 10 years from the date of approval of the unit under the scheme.

4.2 The re-imburement of Central taxes and duties actually paid, where applicable, shall be released after the end of the financial year in which the unit commences the production. Thereafter, the incentive shall be provided on an annual basis on the value of the taxes and duties actually paid during the year and will be restricted to the first 10 years from the date of approval of the unit.

5.1.1 The overall financial ceiling under the Modified SIPS will initially be limited to Rs 10,000 crores during the 12th Five Year Plan. A review of the scheme in the ultimate year of the 12th Five Year Plan could make a realistic estimate of the likely demand for the 13th Five Year Plan.

5.1.2 Periodic reviews will be undertaken with respect to changes, if any, to the list of products and thresholds for which incentives are provided.

5.2 The M-SIPS will be open for applications for three years from the date of this notification. The applications received under the scheme will be appraised on an ongoing basis.

5.3 The M-SIPS will be available for units set up within Electronics Manufacturing Clusters to be notified by the Department of Electronics and Information Technology.

6.1 An M-SIPS Appraisal Committee shall be set up by the Department of Electronics and Information Technology and headed by the Additional Secretary, Department of Electronics and Information Technology or in his absence on long leave or the post being vacant any other officer in the Department not below the rank of Additional Secretary, who may be so authorized by the Minister incharge. The Appraisal Committee will consider the applications under M-SIPS and submit its recommendations to the Government. The Government shall consider such recommendations and grant approvals.

6.2 For effective functioning of the M-SIPS Appraisal Committee, a set of guidelines shall be drawn up by Department of Electronics and Information Technology and issued separately.


(Dr. Ajay Kumar)

Joint Secretary to Government of India

Annexure 1

Investment Thresholds and Financial Incentives for ESDM

S. No.	Type	Investment Threshold (in Rs. Crores)			Financial Incentives	
		Fab	Assembly, Testing, Marking & Packaging (ATMP)	Manu- facturing	SEZ	Non-SEZ
1.	Electronic Products including Nano-Electronic and Telecom Products as per Annexure 2	-	-	10	20% of Capex	25% of Capex + Reimbursement of Excise/CVD on capital equipment
2.	Intermediates					
2.1	Nano Electronic Components	-	-	200	20% of Capex	25% of Capex + Reimbursement of Excise/CVD on capital equipment
2.2	Semiconductor Wafering	-	-	1000	20% of Capex + Reimbursement of Central Taxes and Duties (See Note - 1)	25% of Capex + Reimbursement of Excise/CVD on capital equipment + Reimbursement of Central Taxes and Duties (See Note - 1)
2.3	Semiconductor Chips (See Note 2):					
a)	Logic – Microprocessors,	2000	500	N.A	20% of Capex +	25% of Capex + Reimbursement of

	Microcontrollers, Digital Signal Processors (DSP) & Application Specific Integrated Circuits (ASICs).					Reimbursement of Central Taxes and Duties (See Note - 1)	Excise/CVD on capital equipment + Reimbursement of Central Taxes and Duties (See Note - 1)
b)	Memory	5000	400		N.A	20% of Capex + Reimbursement of Central Taxes and duties (See Note - 1)	25% of Capex + Reimbursement of Excise/CVD on capital equipment + Reimbursement of Central Taxes and Duties (See Note - 1)
2.3	Chip Components, Discrete Semiconductors and Power Semiconductors:						
a)	Chip Components	200	75		N.A	20% of Capex	25% of Capex + Reimbursement of Excise/CVD on capital equipment
b)	Discrete Semiconductors like Transistors, Diodes etc.	25	10		N.A	20% of Capex	25% of Capex + Reimbursement of Excise/CVD on capital equipment
c)	Power Semiconductors (including Diffusion) like FETs, MOSFETs, SCRs, GTDs, IGBTs etc.	100	50		N.A	20% of Capex	25% of Capex + Reimbursement of Excise/CVD on capital equipment

2.4	Solar Photovoltaics (SPV) (See Note - 3):					
a)	Polysilicon Technology:					
i)	Polysilicon	650	N.A	N.A	20% of Capex	25% of Capex + Reimbursement of Excise/CVD on capital equipment
ii)	Ingots and/ or wafers	400	N.A	N.A	20% of Capex	25% of Capex + Reimbursement of Excise/CVD on capital equipment
iii)	Cells or Cells & Modules	100	N.A	N.A	20% of Capex	25% of Capex + Reimbursement of Excise/CVD on capital equipment (See Note - 3)
b)	Thin Film Technology					
i)	Cells or Cells & Modules	300	N.A	N.A	20% of Capex	25% of Capex + Reimbursement of Excise/CVD on capital equipment
2.5	Light Emitting Diodes (LED)	250	50	N.A	20% of Capex	25% of Capex + Reimbursement of Excise/CVD on capital equipment
2.6	Liquid Crystal Displays (LCD):					
a)	LCD Fabrication	4000	250	N.A	20% of Capex	25% of Capex + Reimbursement of Excise/CVD on capital equipment +Reimbursement of Central Taxes and Duties (See Note - 1)
b)	LCD Glass Substrate	250	100	N.A	20% of Capex	25% of Capex + Reimbursement of Excise/CVD on

						capital equipment	
2.7.	Passive Components, Electro - Mechanical Components, Mechanicals Parts and Consumables & Accessories:						
a)	Passive Components such as Resistors, Capacitors, Inductors, Thermistors etc.	N.A	N.A	5	20% of Capex	25% of Capex + Reimbursement of Excise/CVD on capital equipment	
b)	Electromechanical Components and Mechanical Parts such as Multilayer PCBs, Transformers, Coils, Connectors, Switches, Ferrites, Micro Motors, Stepper Motors, Films etc.	N.A	N.A	5	20% of Capex	25% of Capex + Reimbursement of Excise/CVD on capital equipment	
c)	Consumables and Accessories such as Mobile Phones and IT accessories - Batteries, Chargers etc., PCBs, Foils, Tapes, Epoxy, Cabinets etc.	N.A	N.A	1	20% of Capex	25% of Capex + Reimbursement of Excise/CVD on capital equipment	
3.	Electronic Manufacturing	N.A	N.A	100	20% of Capex	25% of Capex + Reimbursement of	

Services (EMS) – (See Note – 4)						Excise/CVD on capital equipment
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Note - 1: Central Taxes and Duties mean Customs Duty, Service Tax, Excise Duty, on actual from the date of commencement of production.

Note – 2: The types of fabs for which incentives are available for setting up of Semiconductor Wafer Fabrication facilities (Fabs) will be decided based on the outcome of investment being attracted by the Government to set up two Fabs in a separate exercise.

Note – 3: Incentives for investments in additional Solar Photovoltaics shall be decided based on the outcome of proposals received under the Special Incentive package Scheme (SIPS) announced vide Notification No. 3 (1)/2007 – IPHW (SIPS) dated 21 March 2007.

Note – 4: Electronic Manufacturing Services (EMS) would mean, units engaged in providing services related to manufacture of sub-assemblies and parts including integration services to the Original Equipment Manufacturers (OEMs). However, EMS shall not encompass production of final products under their own brand name.

Annexure 2

List of verticals of ESDM for which incentives are available under M-SIPS

(A)	Electronics Products including Nano-Electronics Products and Telecom Products (SI no. 1 of Annexure 1):
1.	<p>Telecom products including Optical Fiber Equipment; Terrestrial Communication Equipment; Satellite Communication Equipment; IP based new generation soft-switches/routers including L2 and L3 switches, data networking equipment – copper/optical – consumer and carrier grades, for public and private networks; Transport systems – DWDM, SDH, PON, Cross-connects, RF over optical fibre, Carrier Ethernet, Packet Optical Transport Platform (P-OTP); Wireless technology – GSM (2G & 2.5G), CDMA, 3G, LTE & LTE Advance, Wi-Fi, WiMAX & WiMAX Advance; Microwave Radio systems 2-70 GHz, Software defined radio, Cognitive radio, Distributed antenna systems; Equipment related to security and surveillance, processing of speech, data, image, video; Customer Premises Equipment (CPE) – PBX systems, eadends, 3G Routers, VoIP gateways, Residential gateways, Access points, Routers, Broadband CPEs, Mobile phones/ Mobile handsets/ Smart Mobile phones, Set-top boxes, HModems, dongles, data card; Short Range Devices (SRD), Sensors; VSAT based systems – Broadband, Disaster management; Non-conventional energy sources, portable mechanical chargers for handsets, computers; NMS/OSS/BSS systems for all above – SNMP/Openview/CORBA; Customer care & Billing systems; Electronics products for energy management, Advanced storage batteries such as Li-thium, Video Conferencing Equipment etc.</p>
2.	IT Hardware products including computers, (tablets, desktops etc.) servers, peripherals like printers, faxes, storage devices monitors, etc.
3.	Consumer Electronics like Televisions, Digital Cameras, Camcorders etc.
4.	Health and Medical Electronics
5.	Strategic electronics
6.	Solar Photo Voltaic including thin film, polysilicon etc.
7.	Light Emitting Diodes (LEDs)
8.	Liquid Crystal Displays (LCDs)
9.	Avionics

10.	Industrial Electronic products including measuring and control equipment, energy meters etc.
11.	Nano electronic products
12.	e-waste processing/ recycling
13.	Automotive Electronics like Anti-lock braking system, Electronic Brake Distribution, Traction Control, etc.
14.	Agri-electronics
15.	Energy conservation electronics
16.	Opto-electronics
17.	Bio-metric and identity devices/ RFID
18.	Power supplies for ESDM products
(B) Intermediates: (SI no. 2 of Annexure 1)	
1.	Nano-electronic components
2.	Semiconductor wafering
3.	Semiconductor chips including logic, memory and analog
4.	All Assembly, Testing, Marking and Packaging of ESDM Units
5.	Chip components
6.	Discrete Semiconductors like Transistors, Diodes
7.	Power semiconductors (including diffusion) like FETs, MOSFETs, SCRs, GTDs, IGBT etc.
8.	Electromechanical Components and Mechanical Parts such as Multilayer PCBs, Transformers, Coils, Connectors, Switches, Ferrites, Micro Motors, Stepper Motors, Films etc.,
9.	Consumables and Accessories such as Mobile Phones and IT accessories - Batteries, Chargers etc., PCBs, Foils, Tapes, Epoxy, Cabinets etc.
10.	All Fabrication Manufacturing facilities (Fabs) for ESDM products
Note: Any intermediates not covered above shall be decided and permitted under the scheme by the Competent Authority.	
C. Electronics Manufacturing Services (EMS) (SI no. 3 of Annexure 1)	
