

Electronics Manufacturing Clusters (EMC) Scheme of GOI to provide world-class infra-structure for attracting investments in the Electronics Systems Design and Manufacturing (ESDM) Sector.

Background and Objective:

Manufacturing base of electronics 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 system and constitute a significant part of the total value of the Bill of Material (BOM). One of the main impediments in the way of attracting investments for manufacture of Semiconductors, components and electronic products is lack of availability of good and reliable infrastructure. Government proposes 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. In conjunction with the said incentives, it is imperative to ensure that world-class Infrastructure and facilities be provided in these EMCs to attract Investment and to provide a level playing field. Accordingly, Government of India has decided to offer financial support for the development of EMCs. It is expected that these EMCs would aid the growth of the ESDM sector, help development of entrepreneurial ecosystem, drive innovation and catalyze the economic growth of the region by increasing employment opportunities and tax revenues

Electronics Manufacturing Clusters (EMCs)

The financial assistance for setting up EMCs will be for both Greenfield EMCs and Brownfield EMCs. For the purpose of the scheme –

- a) Greenfield EMC would be an undeveloped/underdeveloped geographical area, preferably contiguous, where the focus is on development of basic infrastructure, amenities and other common facilities for the ESDM units.
- b) Brownfield EMC would be a geographical area where a significant number of existing ESDM units are located and the focus is on upgrading infrastructure and providing common facilities for the ESDM units.

The implementation of the scheme will be through a Special Purpose Vehicle (SPV) which will carry out the business of developing, operating and maintaining the infrastructure, amenities and other common facilities created in the EMCs.

The SPV would be a legal entity (Company or Society) duly registered for this purpose. The SPV may be promoted by private companies, industry associations, financial institutions, R&D institutions, State or Local governments or their agencies and units within the EMC..

All proposals for assistance under the EMC scheme shall be considered by a Steering Committee for Clusters (SCC) constituted by the Department of Electronics and Information Technology (DeitY) GOI. The SCC will consider the proposals under EMC scheme and submit its recommendations to the competent authority for approval. The competent authority shall consider such recommendations and grant approvals.

The illustrative list of eligible activities under the EMC scheme are.

Basic Development

1. Boundary Wall
2. Internal Roads
3. Street Lighting
4. Storm Water Drains

Essential Services

1. Government Support Office
2. Water Treatment Plant
3. Sewage Lines/ Treatment
4. Waste Disposal /Recycling/Water Harvesting
5. Electricity Sub-Station / Distribution
6. Backup Power Plant
7. Warehousing

Welfare Services

1. Employee Hostel & Mess
2. Hospital and ESIC
3. Recreational Facility Playground Clubhouse
4. Creche/ Nursery
5. Local Shopping Centre
6. Restaurant s
7. Educational Facilities

Support Services

1. Centre of Excellence (R&D, Incubation and Consultancy Services)
2. Training Facility
3. Auditorium & Conference Facility
4. Video Conferencing
5. IT Infrastructure / Telecom
 - Broadband Connectivity
 - Cloud Computing
 - *ERP/* Factory Management System

Manufacturing Support(Proposed- Flatted Factory Complex)

1. Tool Room
2. CAD/CAM Design House
3. Plastic Molding
4. Sheet Metal Stamping
5. Packaging / Epoxy Suppliers
6. Testing and Certification Facility
7. Component Testing:
 - Safety, Life Test. Reliability, Electrical & mechanical properties
 - RoHS Testing
 - EMI | EMC Testing

Government Regulatory Support / Services

1. Development Commissioner/Designated Officer
2. Tax Support Filing
3. Factory / Labour Compliance Support
4. Pollution Control

EMC Financial Assistance

The broad objective of financial assistance under the Scheme is as follows;

- To provide assistance for setting up of "Greenfield EMCs" and up gradation of "Brownfield EMCs" with world class logistics and infrastructure and easy to do business facilities.
- To support development of appropriate infrastructure to support the EMCs including development of logistics hub, port-to-factory linkages, roads and highways etc.
- For Greenfield EMCs the assistance will be restricted to 50% of the project cost subject to a ceiling of Rs. 50 crores for every 100 acres of land. For larger areas, pro-rata ceiling would apply. For lower extent, the extent of support would be decided by the SCC subject to the ceiling of Rs. 50 crores. The remaining project cost will be financed by other stakeholders of the EMC with a minimum industry contribution of 25% of the project cost.
- For Brownfield EMCs the assistance will be restricted to 75% of the project cost subject to a ceiling of Rs. 50 crores. The remaining project cost will be financed by other stakeholders of the EMC with a minimum industry contribution of 15%

In meeting held on 28-05-2013 under the chairmanship of Hon'ble Information Technology Minister, Punjab it was decided to transfer cluster of 40 acres of land to Department of Information Technology, Punjab. As a result, Chief Administrator, GMADA vide letter dated 5-07-2013 has asked Estate Officer, Mohali to transfer 40 Acres of land. Sewerage, power and water supply lines upto outer limit of ESDM Park will be provided by GMADA. Internal Development will be carried out by Department of Information Technology

For deciding the issues of constitution of SPV and allotment of space in the Park, a number of meetings had been held with various Associations like Electronic Industries Association of India (ELCINA), Indian Electronic and Semiconductor Association (IESA) and Confederation of Indian Industry and the department is in the process of examining the best way forward for setting up of the EMC.