the future of electronics manufacturing in India
Electronics Industry reported at USD 1.75 Trillion is the largest and fastest growing manufacturing industry in the world. It is expected to reach USD 2.4 Trillion by 2020. The demand in the Indian market was est USD 75 Billion in 2012-13 and is expected to reach USD 400 Billion by 2020.

Electronics Manufacturing Cluster Scheme

This scheme has been introduced to provide world-class infrastructure for attracting investments in the Electronics Systems Design and Manufacturing Sector.

The EMCs scheme would support setting up of both Greenfield (new) and Brownfield (existing clusters) EMCs.

Main features of the EMC Scheme are as follows

Aims to provide world-class infrastructure for attracting investments in the Electronics Systems Design and Manufacturing (ESDM) Sector in Greenfield (new) and Brownfield (existing) EMCs.

Offers financial support for the development of EMCs as these would aid the growth of the ESDM sector, encourage entrepreneurship, drive innovation and catalyze economic growth by increasing employment and tax revenues.

Modified Special Incentive Package Scheme (M-SIPS)

Indian Government has decided to offer a package of incentives to attract domestic and global investments into the ESDM sector within EMCs to provide a level playing field and overcome disabilities faced by manufacturers.

Subsidy for investments in capital expenditure – upto 25%

Reimbursement of CVD/Excise Duty for capital equipment in non-SEZ units.

Reimbursement of Central taxes and duties for 10 years in select high tech units like Semicon fabs and ATMPs

Incentives available for 10 years from date of approval

Incentives applicable for entire value chain of 29 categories of identified electronics products, including raw materials, assembly, testing, packaging and accessories within these categories.

Incentives applicable for relocation of units from abroad for state of the art technology

A well-developed cluster can give a unit located within it a cost advantage of UPTO 8%

National Policy on Electronics 2012

Vision

To create a globally competitive electronics design and manufacturing industry to meet the country’s needs and serve the international market.

Objectives

To create an eco-system for a globally competitive ESDM sector in the country to achieve a turnover of about USD 400 Billion by 2020 involving investment of about USD 100 Billion and employment to around 28 Million people at various levels.

To build a strong supply chain of raw materials, parts and electronic components to raise the indigenous availability of these inputs from the present 20-25% to over 60% by 2020.

To facilitate cost effective financing and funding support for setting up ESDM units in identified areas.
ELCINA Electronics Manufacturing Clusters

ELCINA Model Cluster for Sustainable Growth

Broad Parameters of the Cluster Park are envisaged as follows:

1. Gross Area 100 Acres
2. 50-60 Acres for Manufacturing Units
   Total 40-50 Manufacturing Units
   Plot Areas of 2, 1 and 1/2 Acres
   May be a combination of SEZ and/or DTA Units
3. Manufacturing & Facilities Support Complex
   Test & Certification; Tool Room; Design House
   Plastic Moulding; Sheet Metal; Packaging
   IT/Communication Centre
   Common Training/ Convention Centre
   Workers Housing Complex & Related facilities
5. Financial support by central and state government through investments in infrastructure
6. Managed by Association of Users (SPV) along with representatives of Central & State government, Industry Associations and other stakeholders

As a model Cluster which supports the environment and social causes, the following facilities and infrastructure are proposed:

1. Rain Water Harvesting
2. Energy saving infrastructure with LED / Solar Lighting
3. Green Belts and adequate Green cover to support the environment
4. Back-up Power facility for all manufacturing units avoiding installation of individual diesel generator sets which results in wastage of fuel and energy
5. Skill Development and Training Centre for Workers to enable continuous enhancement of skills and capabilities
6. Facilities for Housing of workers in hygienic and healthy conditions
7. Facilities for women workers children and playschool / crèche etc.
8. Hospital / Dispensary for urgent medical requirements

Synergy through Clusters to provide a competitive eco system for electronics manufacturing!

Advantages of a Cluster

- Increased productivity of the companies in the cluster
- Driving innovation in the industry segment
- Cutting down the unproductive costs and reduction of overall costs through shared resources
- Offers critical mass for customization of interventions
- Provide economies of scale in operation
- Better access to customers, technology, information
- Cheaper access to inputs, raw materials
- Ensures that environmental safety standards are maintained
Name of the Cluster
ELCINA Electronics Manufacturing Cluster Pvt Ltd

Size of the Cluster
100 acres

Supported by
RIICO, Govt of Rajasthan

Status of Land acquisition and SPV
- 100 Acres of Land allotted by the RIICO
- 19 Members have already joined the SPV
- In-Principle approval granted by Department of Electronics & IT (DeitY), Govt of India under EMC Policy.
- Special Package of incentives under consideration to Govt of Rajasthan

Advantages of the Cluster Site
- Location Advantage
  60 Km for New Delhi
  Excellent Road/Rail/Air Accessibility
- Power – dedicated power distribution system with power back up will be installed
- Water – SPV will own its water distribution, sewage system
- M-SIPS Benefits – Capital subsidy upto 25% or capital expenditure of the project. In addition, refund of Indirect Taxes paid on Capital Equipment.
- Rajasthan State Govt Industrial Policy Benefits
- Rajasthan State Govt IT policy Benefits

Proposed Facilities in the Cluster
- Testing Facility to be run by approved Test Laboratory
- Common Tool Room
- Convention Center
Name of the Cluster
ELCINA – Raaga Mayuri Electronics Park Pvt Ltd

Size of the Cluster
Approx 50 Acres

Location
Village Chilamathur, Ananthapur Dist, Andhra Pradesh
- 65kms from Bangalore Airport
- 35kms from Puttaparthi; 30kms from Hindupur
- 15kms from Lepakshi
- 10kms from Veerapuram (Birds Sanctuary)
- 5kms from Bagepalli Space City

Site Specifications
- Land is on NH7 (Bangalore – Hyderabad)
- Compound wall all around the site
- 300 meters Highway facing
- Power Supply with Electrical Transformer
- Bore well with Adequate Water

Status of Land acquisition and SPV
- Land owned by KJ developers
- SPV formation is under process
- DPR preparation is under process
- Initial Application has been submitted to DeitY for Infrastructure Grant

Advantages of the Cluster Site
- Located on Bengaluru- Hyderabad Highway within 60 minutes of Bangalore Airport
- M-SIPS Benefits – Capital subsidy upto 25% or capital expenditure of the project. In addition, tax benefits on Excise and CST
  - AP State Govt Industrial Policy Benefits
  - AP State Govt IT policy Benefits

Proposed Facilities in the Cluster
- Testing Facility to be run by approved Test Laboratory
- Common Tool Room
- Convention Center
Name of the Cluster
Coimbatore City Electronics Manufacturing Cluster (ADD Industrial Park)

Size of the Cluster
157 acres

Location
Annur Taluk, Coimbatore District in the state of Tamil Nadu

Status of Land acquisition and SPV
- Land owned by ADD Industrial Park (Tamil Nadu) Ltd (AIPL)
- SPV formation is under process
- DPR preparation is under process
- Initial Application has been submitted to DeitY for Infrastructure Grant

Advantages of the Cluster Site
- The site is located near the Town of Annur about 9 Km from NH 209 connecting Coimbatore and Mysore.
- A total of 182 saleable plots averaging at 2000 sqmt/plot are proposed to be developed along with world class common infrastructure and amenities to encourage investments into the EMC.
- Promoters: AIPL along with SPML Infra Ltd and ELCINA Electronics Industry Association of India.

Proposed Facilities in the Cluster
- Testing Facility to be run by approved Test Laboratory
- Common Tool Room
- Convention Center
Criteria for Membership in ELCINA Cluster Group
1. The company should have an existing/proposed Electronics Manufacturing Business.
2. Companies with foreign collaboration/foreign origin who want to set up subsidiary in India
3. The company should be an ELCINA Member. If not, they have to apply for ELCINA membership along with Cluster Group Membership simultaneously.
4. The company should comply with all legal and statutory requirements for existence in India.

ELCINA was established in 1967 as the first industry association supporting electronics hardware manufacturing. Since then, ELCINA has established itself as an interactive forum for electronics and IT manufacturers. ELCINA actively interacts with the government and advises it on policy and business environment issues. ELCINA focuses on promoting manufacture of:
- Electronic Components, materials, parts and assemblies
- Industrial/ professional electronics
- Defence/ strategic electronics
- Electronic Manufacturing Services
- Electronic equipment value chain for Consumer Electronics, IT/Computers, Telecom, Lighting, Auto Electronics, Medical, Electronic Design, Embedded Systems and more...
- Capital equipment and machinery for expansion of manufacturing.

ELCINA believes that the Government and the industry need to work together to stimulate manufacturing and catalyse an IT/Electronics boom that can contribute significantly to the development of India. ELCINA persistently works to facilitate changes that would strengthen India's electronics and IT manufacturing base to make it a leader on the world electronics map.

Register for Membership in ELCINA Cluster Group
ELCINA Invites application from the companies interested to invest in ELCINA promoted Electronics Manufacturing clusters. This will enable you to apply for M-SIPS as well as to manage the common infrastructure of your own industrial park through your SPV.

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Registration Process
1. Companies fulfilling the above criteria may fill up the below required information as their Expression of Interest to Join the Cluster Group.
2. The EOI will be reviewed by ELCINA and approved, if it meets the required criteria.
3. The approved companies will then join the Cluster group by paying the applicable fees. A formal confirmation of Membership in the cluster group will be communicated to the company.
Why India?

Huge Market  
...and growing

Conducive Policy Environment  
... incentives & subsidies

Large Talent Pool  
...educated & skilled

Low Operating Cost  
...better margins