

Ministry of Electronics and Information Technology notifies Electronics Component Manufacturing Scheme, 2025

10 April 2025

The Ministry of Electronics and Information Technology (MeitY) has notified the Electronics Component Manufacturing Scheme on 8 April 2025, aiming to accelerate self-reliance in the electronics component ecosystem. The scheme is designed to incentivise the manufacturing of critical sub-assemblies, bare components, and associated capital equipment, thereby reducing import dependency and enhancing India's role in global value chains (GVCs).

The scheme is expected to drive investments worth INR 59,350 crore, facilitate production of over INR 4,56,500 crore, and create direct employment for about 91,600 individuals, with further employment generation through indirect and induced channels.

Key features of the scheme:

- **Objective:** The scheme promotes *Atmanirbhar Bharat* in electronics by localising the production of high-value components, enhancing domestic value addition (DVA), and fostering linkages with GVCs.
- **Incentive structure:** The scheme provides a differentiated incentive framework based on the nature of the product and investment profile:

Type of incentives	Eligible product
Turnover-linked incentive	<p>A. Sub-assemblies:</p> <ul style="list-style-type: none"> • Display module sub-assemblies • Camera module sub-assemblies <p>B. Bare components:</p> <ul style="list-style-type: none"> • Non-surface mount devices (non-SMD) passive components • Electro-mechanical components • Multi-layer printed circuit boards (PCBs) • Lithium-ion cells for digital applications (excluding mobility/storage cells) • Enclosures for mobile phones, IT hardware, and related devices <p>The first year for incremental sales would be counted from 1 April 2025 to 31 March 2026. For those opting for a gestation period, this would be taken as 1 April 2026 to 31 March 2027. Further, the cumulative incremental investment shall be counted from the date of scheme notification.</p>
Hybrid incentive	<p>C. Selected bare components:</p> <ul style="list-style-type: none"> • High-density interconnect (HDI), modified semi-additive process (MSAP), flexible PCBs • SMD passive components
Capex incentive	<p>D. Supply chain ecosystem and capital equipment:</p> <ul style="list-style-type: none"> • Parts/components for use in the manufacturing of the above-mentioned sub-assemblies and components • Capital goods (machinery and equipment), including their sub-assemblies and components used in electronics manufacturing

- **Tenure and funding:** Incentives worth INR 22,919 crore will be disbursed over 6 years, with an optional 1-year gestation period. Funds are fungible across segments and subject to demand.
- **Employment-linked disbursement:** A portion of both turnover-linked (1%) and capex (5%) incentives is contingent upon meeting cumulative incremental employment thresholds, promoting inclusive industrial growth.
- **Eligibility:**
 - Open to both **greenfield and brownfield** investments.
 - Applicants must submit **separate applications per product category**, with minimum investment thresholds ranging from INR 10 crore to INR 1,000 crore, depending on the product.
- **Application window:**
 - **Target segments (A) sub-assemblies, (B) bare components and (C) selected bare components:** 3-month window from **1 May 2025**, extendable.
 - **Target segments (D) Supply chain of sub-assemblies and bare components and capital equipment:** 2-year application window with an implementation timeline of 5 years from approval.
- **Governance:** The scheme will be administered by a project management agency (PMA) and overseen by an inter-ministerial governing council chaired by the Secretary, MeitY.

The scheme marks a strategic shift towards building a resilient and self-reliant electronics ecosystem in India. By offering targeted incentives across the value chain and linking them with employment and investment thresholds, the scheme is poised to enhance domestic value addition, reduce import dependence, and strengthen India's integration with global supply chains.

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