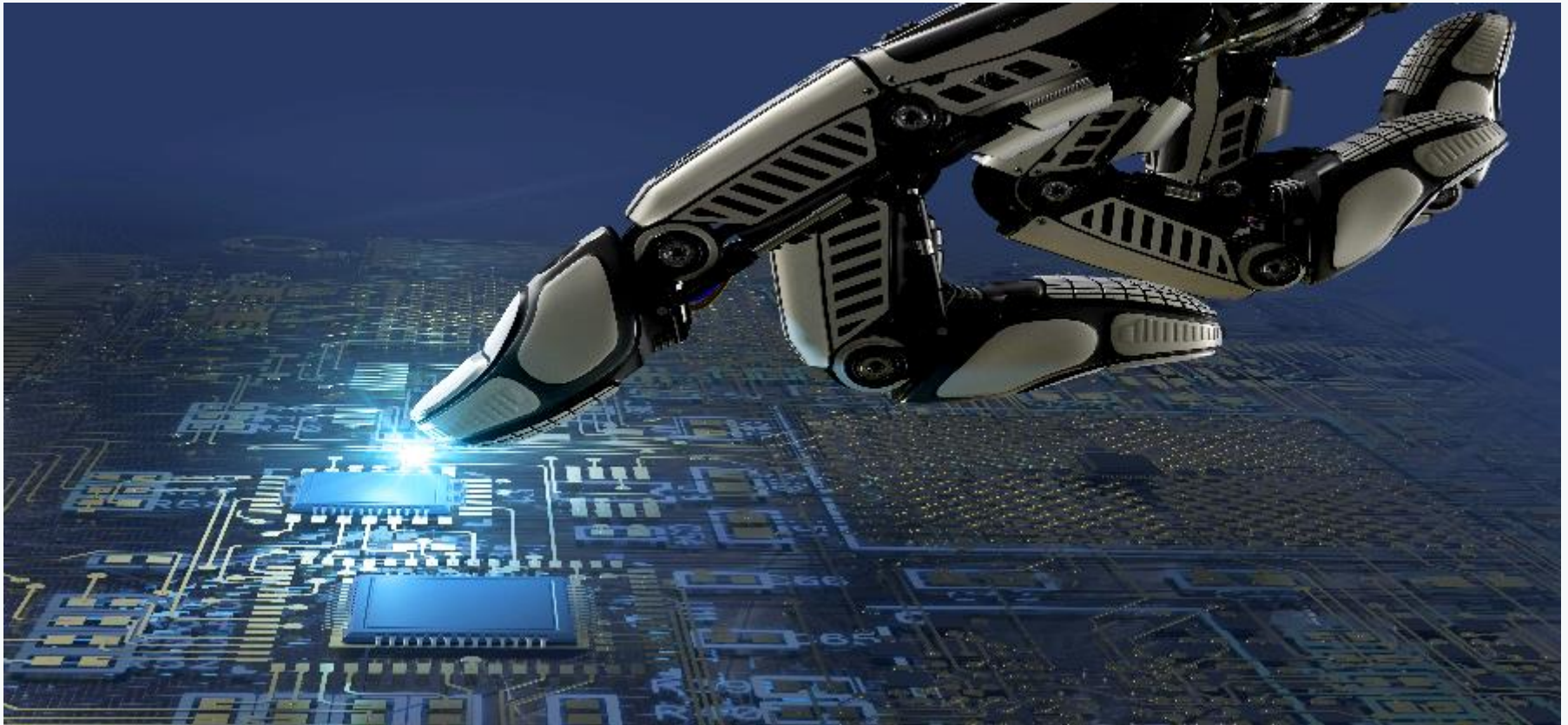


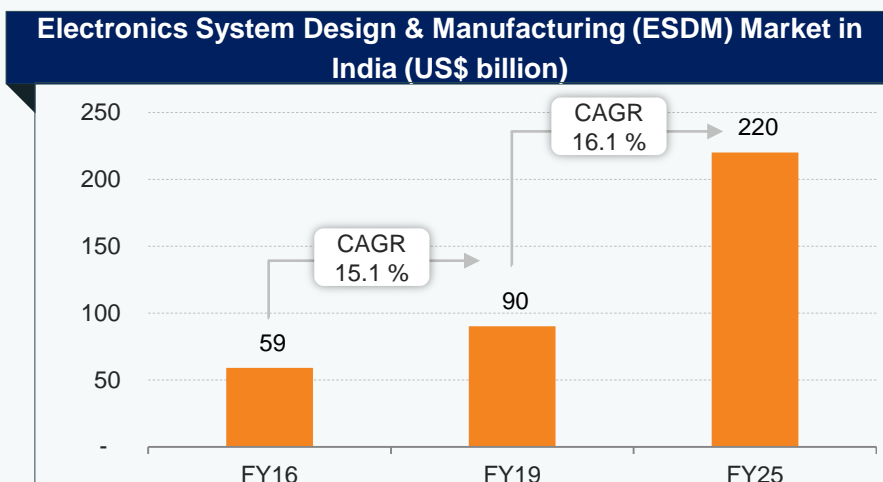
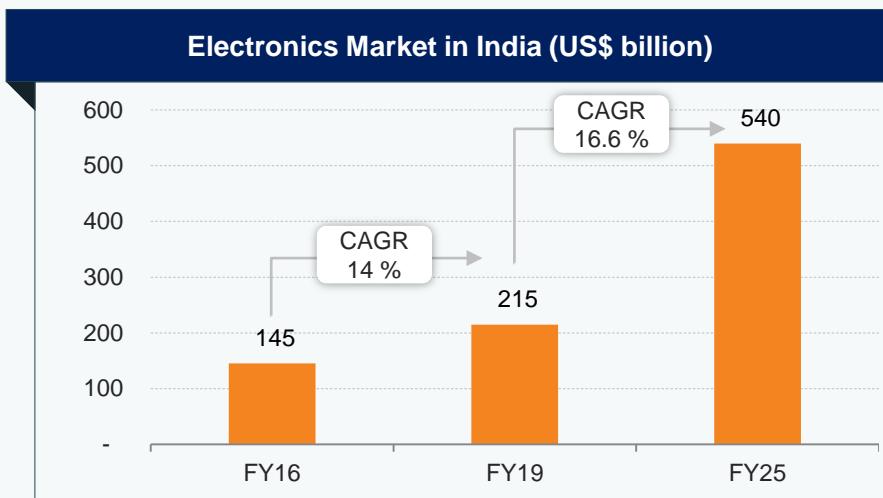
ELECTRONICS SYSTEM DESIGN & MANUFACTURING



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Executive summary

- India has witnessed a substantial spike in the demand of electronic products in the last few years; this is mainly attributed to India's position as the second-largest mobile phone manufacturer globally and surge in the internet penetration rate.
- The Electronics System Design & Manufacturing (ESDM) market in India is anticipated to increase at a CAGR of 16.1% between 2019 and 2025, owing to strong demand, supportive government policies and increased digitalisation.
- The ESDM sector plays a key role in the government's goal of generating US\$ 1 trillion of economic value from the digital economy by 2025.
- The Government of India attributes high priority to electronics hardware manufacturing as it is an important pillar of Make in India, Digital India and Start-up India programmes.
- With various government initiatives aiming to boost domestic manufacturing, India has already started to witness initial growth with increased production and assembly activities across products such as mobile phones and other consumer electronics.
- Factors such as expanding end-user base, promising start-up ecosystem, strong policy support and rising FDI inflows are driving the ESDM sector.
- India's exports of electronic goods were valued at US\$ 11.7 billion in FY21.



Source: Sutherland Research, India Electronics & Semiconductor Association (IESA)



2. ATTRACTIVE OPPORTUNITIES

- One of the top three global economies in terms of number of digital consumers.
- Addressable market for domestic OEMs is projected to be >Rs. 10 lakh crore (US\$ 131.99 billion) by 2025.
- The government intends to incentivise and attract investments to set up semiconductor FABs (fabrication plants) in India.
- PLI scheme for large-scale electronics manufacturing and IT hardware to promote component manufacturing and reduce dependence on Chinese electronic products.

3. POLICY SUPPORT

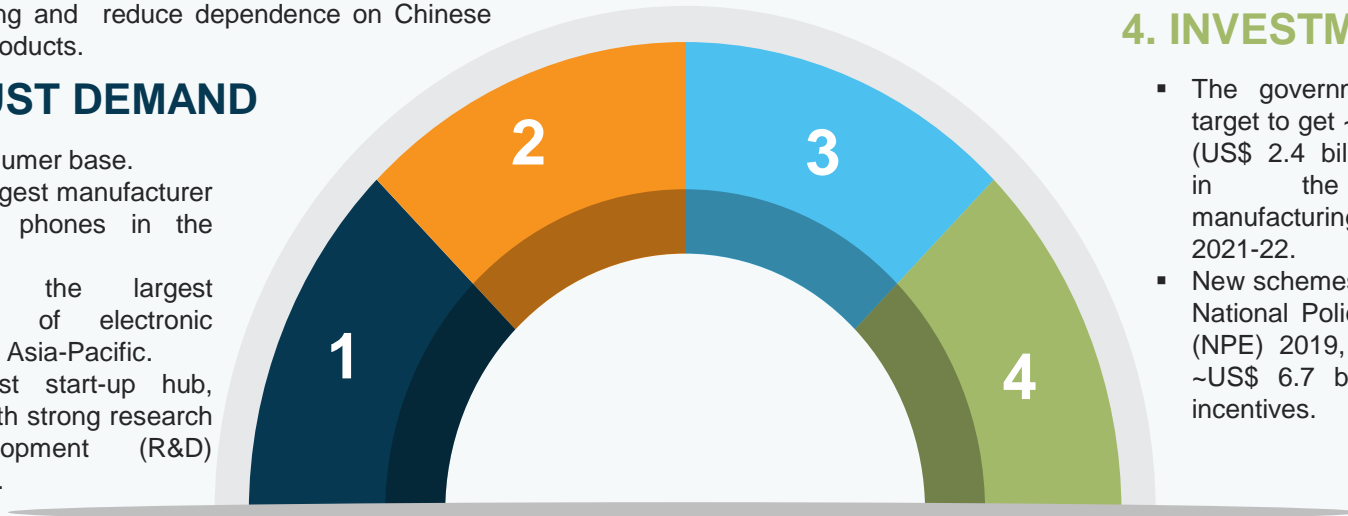
- The production-linked incentive (PLI) schemes will provide companies opportunities to establish manufacturing plants in India.
- 100% FDI is allowed under the automatic route. In case of electronics items for defence, FDI up to 49% is allowed under automatic route and beyond 49%, government approval is required.
- Incentive rates for electronic products export under proposed Remission of Duties or Taxes on Export Products (RoDTEP) scheme.

1. ROBUST DEMAND

- Large consumer base.
- Second-largest manufacturer of mobile phones in the world.
- One of the largest consumers of electronic products in Asia-Pacific.
- Third-largest start-up hub, coupled with strong research & development (R&D) ecosystem.

4. INVESTMENTS

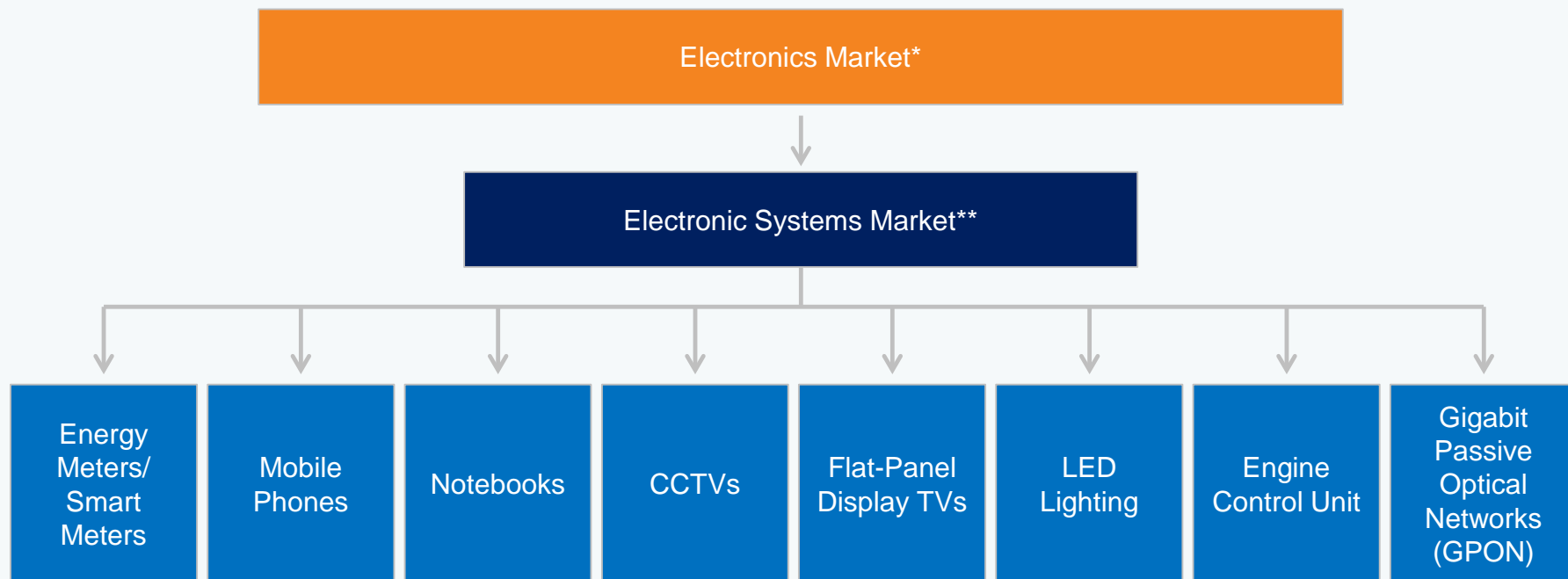
- The government has set a target to get ~Rs. 18,000 crore (US\$ 2.4 billion) investments in the electronics manufacturing segment by 2021-22.
- New schemes, as a part of the National Policy on Electronics (NPE) 2019, outlay to spend ~US\$ 6.7 billion in form of incentives.



Source: Sutherland Research, Ministry of Electronics and Information Technology (MeitY) Union Budget 2021-22



Major product segments



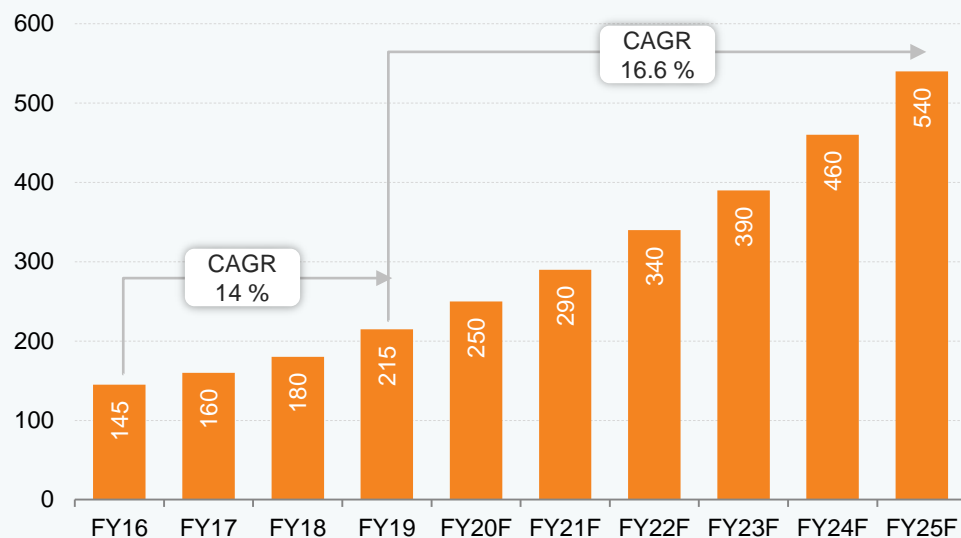
*The Electronics Market includes (Total Domestic Consumption + Exports) + Electronics Design Market + Electronics Manufacturing Services Market + Electronics Component Market

The **Electronics System Design & Manufacturing (ESDM) industry includes electronic hardware products and components relating to information technology (IT), office automation, telecom, consumer electronics, aviation, aerospace, defence, solar photovoltaic, nano electronics and medical electronics. The industry also includes design-related activities such as product designing, chip designing, very large-scale integration (VLSI), board designing and embedded systems

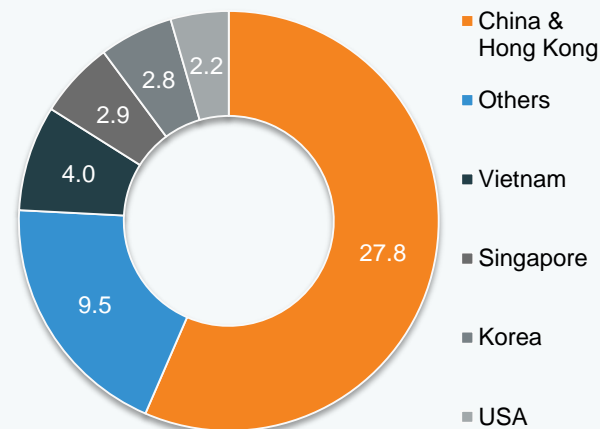
Note: The top eight product segments by value have been considered for the purpose of market sizing

Overview of electronics market in India...(1/2)

Electronics Market in India (US\$ billion)



Electronics imports in India (FY20) (US\$ billion)



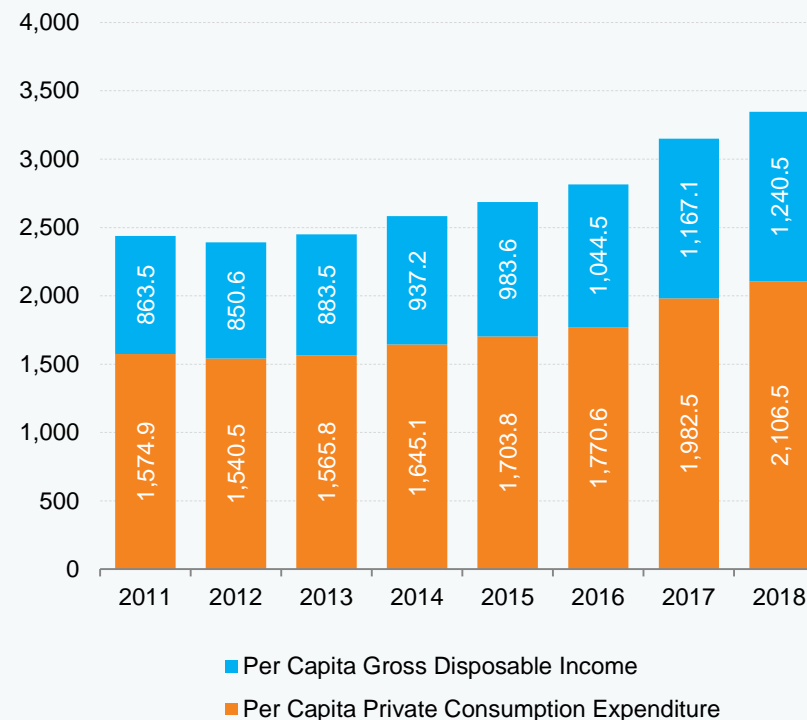
- With over 2x growth, electronics market demand has increased from US\$ 145 billion in FY16 to US\$ 215 billion in FY19. The market has grown at a CAGR of 14% from 2016-19 and is expected to accelerate at a CAGR of 16.6% in 2020-25, with the total demand likely to account for US\$ 540 in FY25.
- In FY20, imports accounted for US\$ 50 billion, wherein China and Hong Kong accounted for ~US\$ 28 billion, or ~57% of India's total electronic imports.
- According to the IESA (India Electronics & Semiconductor Association), more than 90% semiconductor companies globally have their R&D centres in India. The semiconductor R&D generates about US\$ 2.5 billion in revenue and 6 lakh jobs in India.

Source: India Electronics & Semiconductor Association (IESA)

Overview of electronics market in India...(2/2)

- As per Union Budget 2021-22, the Ministry of Electronics and Information Technology (MeitY) has been allocated Rs. 9,720.66 crore (US\$ 1.33 billion). In the allocated budget, revenue expenditure allocation is Rs. 9,274.66 crore (US\$ 1.27 billion) and capital expenditure allocation is Rs. 446 crore (US\$ 61.34 million).
- The key government initiatives such as 'Make in India' and 'Digital India' improved the country's EoDB. In 2021-22, the total budget allocation towards the 'Digital India' programme is Rs. 6,806.33 crore (US\$ 936.19 million).
- India has been one of the largest consumers of electronic products specifically in Asia-Pacific due to factors such as rising per capita disposable incomes and consumption in the past decade.
- The ESDM sector is likely to generate US\$ 100-130 billion in economic value by 2025.

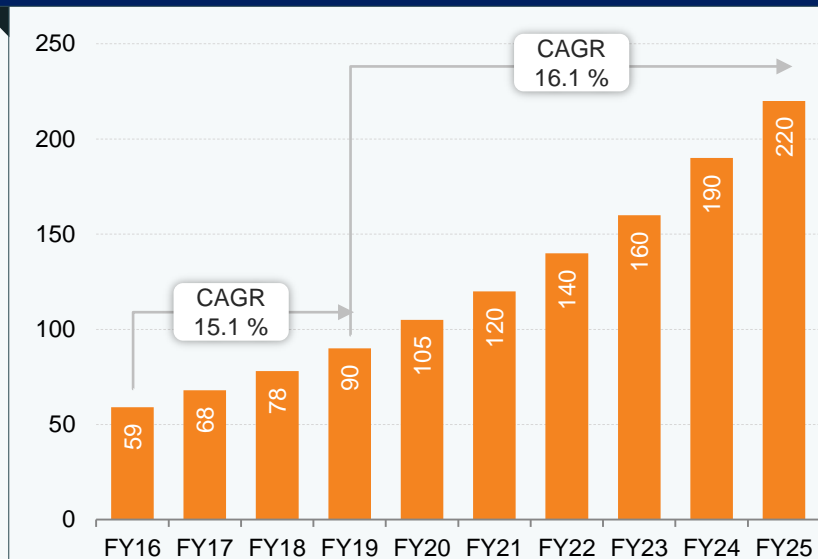
Per Capita Disposable Income and Consumption Expenditure (US\$)



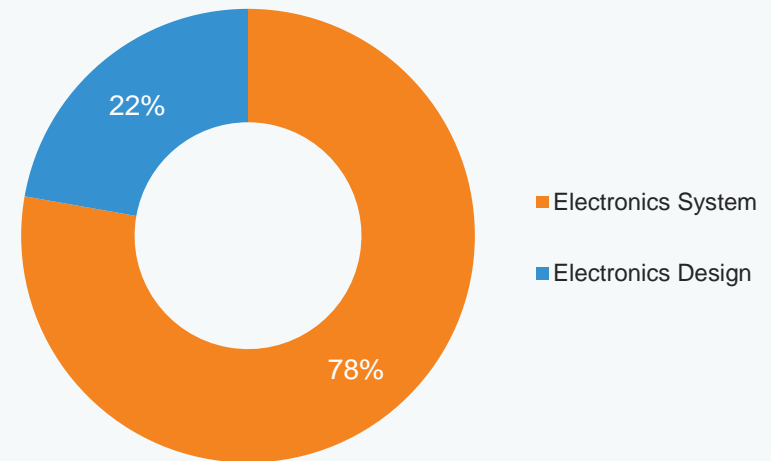
Note: EoDB - Ease of Doing Business
Source: News Articles, Union Budget 2021-22

Overview of electronics system design & manufacturing (ESDM) market in India...(1/2)

ESDM Market Demand (US\$ billion)



Segmentation of ESDM Market (FY19)

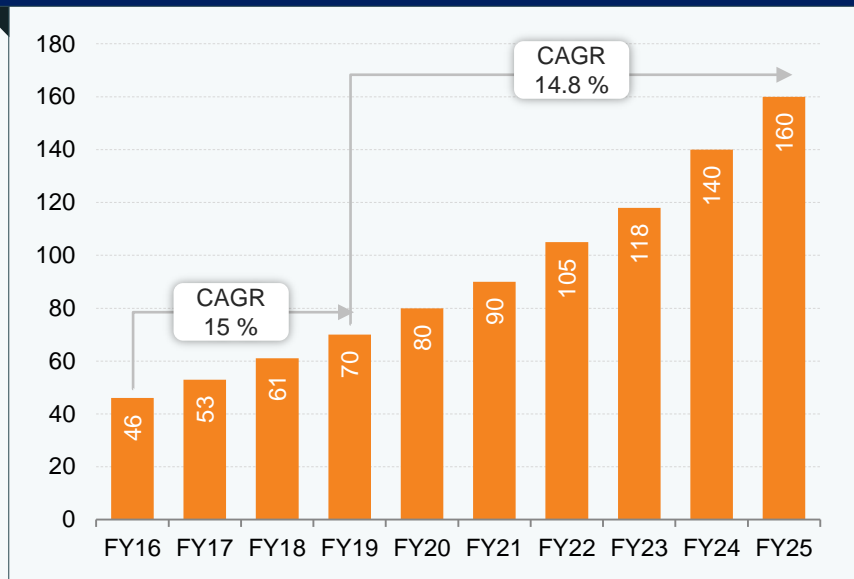


- The Electronics System Design & Manufacturing (ESDM) is broadly segregated into—Electronics System and Electronics Design.
- With a spike in demand for electronic products, the ESDM sector in India is predicted to reach US\$ 220 billion by 2025, rising at a 16.1% CAGR between 2019 and 2025.
- To support the ESDM sector and its growth trajectory, the Government of India (GoI) made electronics production an important pillar of key initiatives such as Make in India, Digital India and Start-up India.
- The ESDM sector plays a vital role in the government's goal of generating US\$ 1 trillion of economic value from digital economy by 2025.

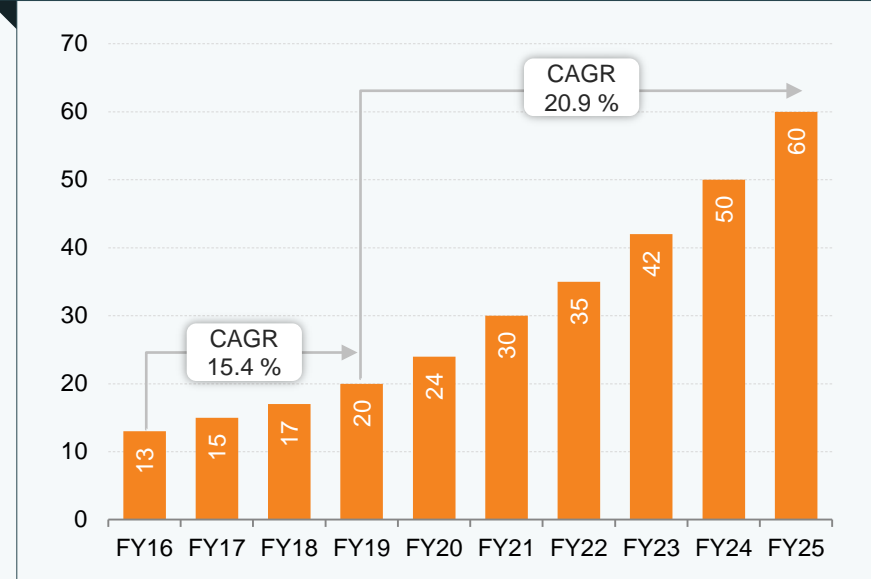
Source: India Electronics & Semiconductor Association (IESA)

Overview of electronics system design & manufacturing (ESDM) market in India...(2/2)

Electronics System Market (US\$ billion)



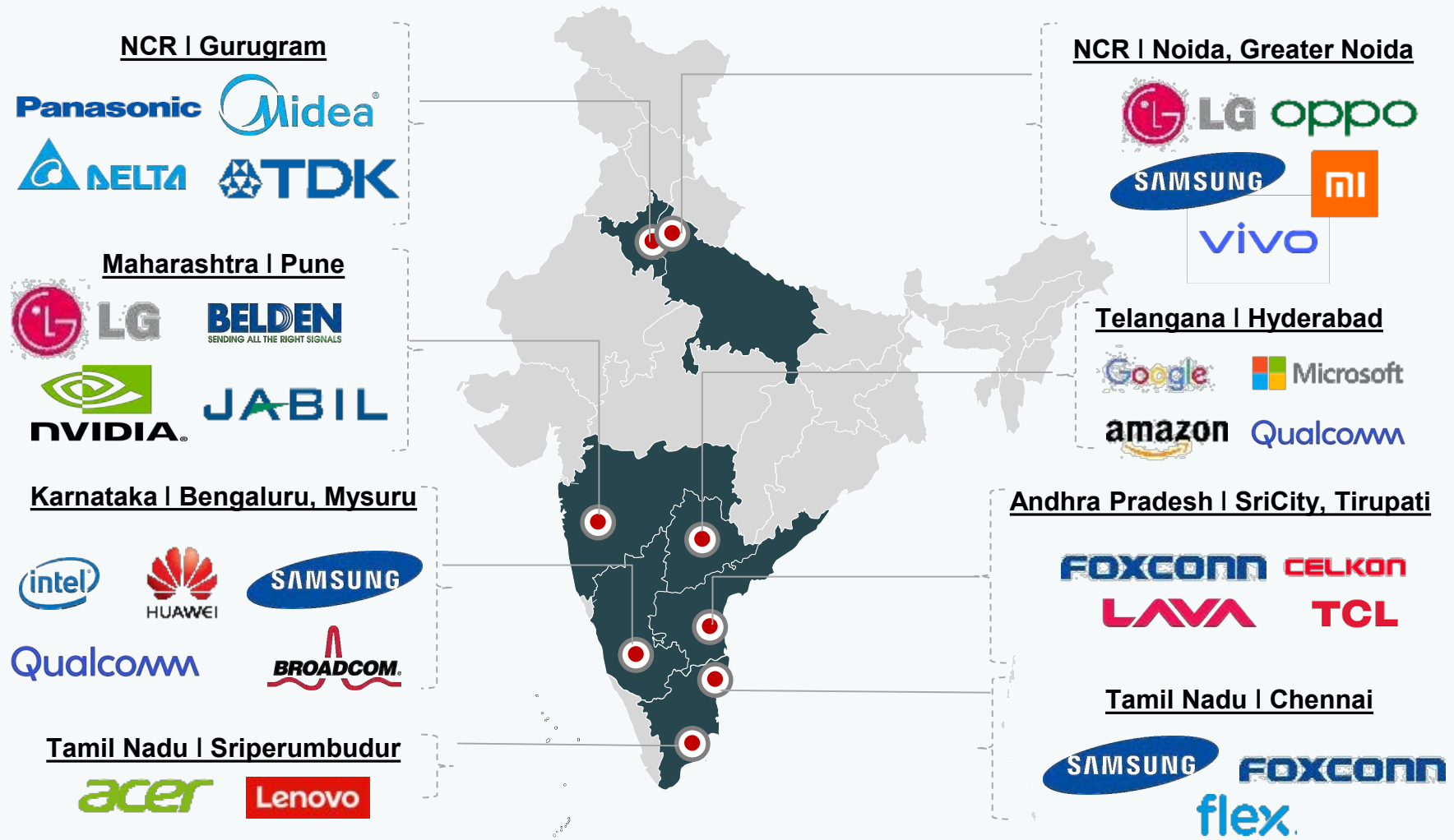
Electronics Design Market (US\$ billion)



- Electronics system market is expected to witness 2.3x demand of its current size (FY19) to reach US\$ 160 billion by FY25.
- Electronics design segment, growing at 20.1%, accounted for 22% of ESDM market size in FY19; it is anticipated to be 27% of the ESDM market size in FY25.
- At present, most demand for semiconductors is being met through imports from countries such as the US, Japan and Taiwan. To reduce this dependency on imports, the government is boosting electronics manufacturing clusters (EMCs) throughout the country to provide world-class infrastructure and facilities.
- Owing to the ongoing pandemic, digital transformation is taking place at an accelerated rate and is laying the foundation for a digitally-enabled India post COVID-19.

Source: India Electronics & Semiconductor Association (IESA)

ESDM landscape in India - key players & clusters



Source: Invest India



Growth drivers



POLICIES

- Policy support to promote electronics manufacturing.
- Initiatives such as 'Make in India' and 'Digital India'.
- Skill development initiatives.



DEMAND-SIDE DRIVERS

- Large consumer base.
- Rollout of 5G, and industrial use of Internet of Things (IoT) technology.

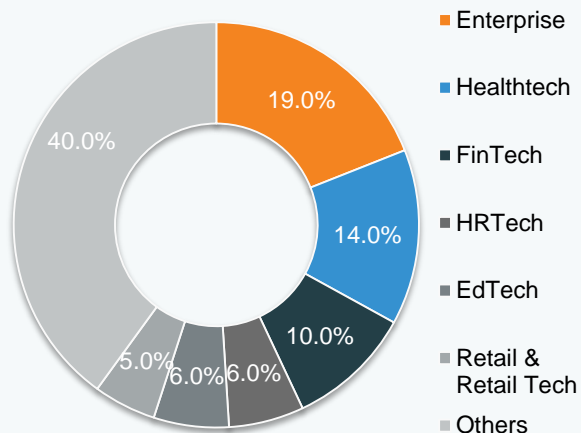


INVESTMENT

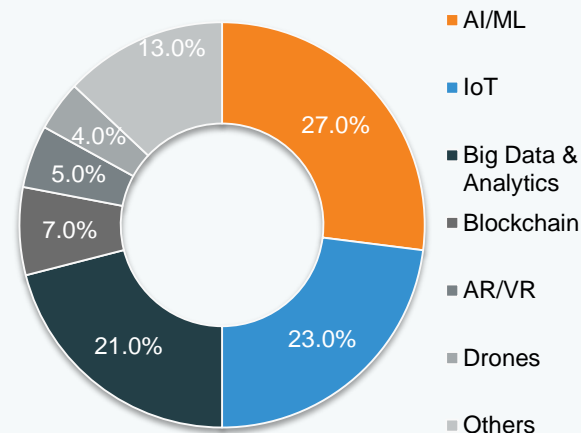
- Increasing FDI inflows.
- Third-largest start-up ecosystem.
- Robust research & development (R&D) ecosystem.

The third-largest start-up ecosystem

Sector-wise Share (%) Of Start-ups, 2019



% Share of Start-ups by Technology, 2019

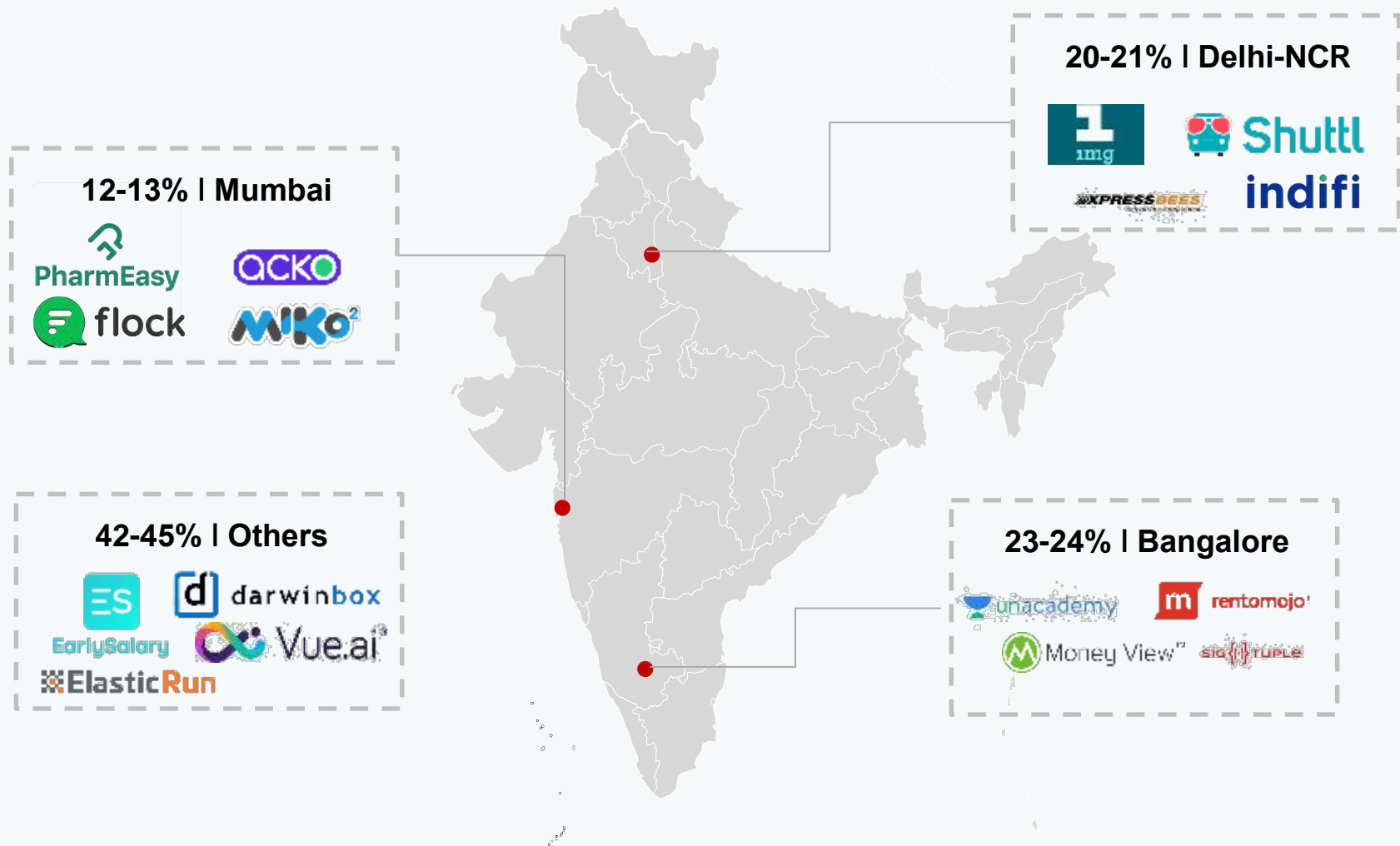


- The Indian start-up ecosystem is growing steadily, as the total number of start-ups reached 8,900-9,300 in 2019 with 1,300+ added in the same year.
- According to Hurun Global Unicorn List 2019, with 21 unicorns, India emerged as the third-largest ecosystem for start-ups; following China and the US and leading over the UK and Israel.
- To further boost this ecosystem, IESA has set an ambitious target (in 2018/19) of incubating 100 start-ups, creating 1,000 IPRs, generating business worth US\$ 0.14 billion (Rs. 1,000 crore) and creating 1 million jobs over next five years.

Notes: IPR - Intellectual Property Rights

Source: Sutherland Research, NASSCOM

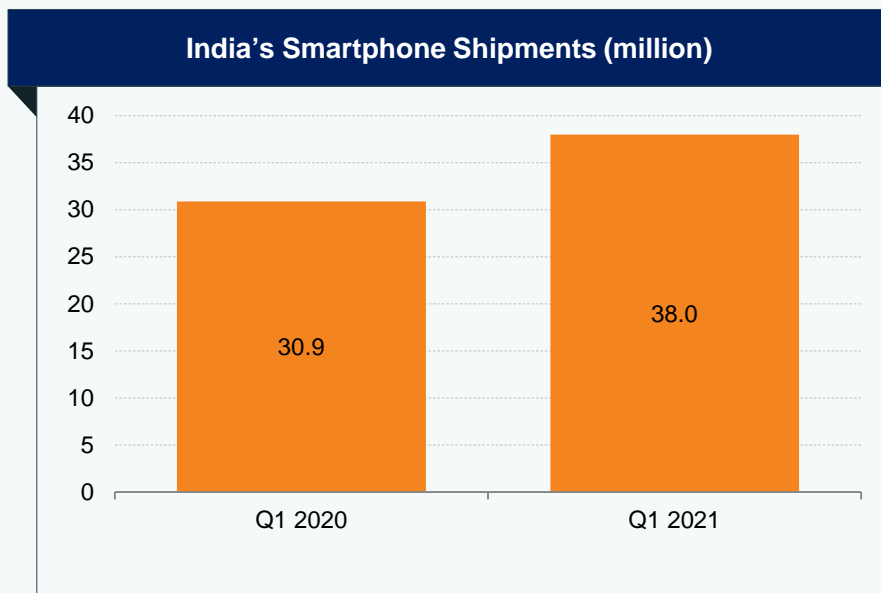
Bangalore, Delhi-NCR and Mumbai are home to 55-58% start-ups



Source: NASSCOM

Large consumer base

- India emerged as the second-largest manufacturer of mobile phones in the world, with production value of mobile devices reaching US\$ 30 billion in 2019-20 from US\$ 3 billion in 2014-15.
- In addition, the consumer electronics and appliances industry in India is expected to become the fifth largest in the world by 2025; this is noticeable for LCD/LED TVs, which witnessed more than 2x growth (by volume) in the past five years.
- Factors such as high internet penetration rate (over 718 million users) and second-largest global smartphone manufacturer boosted penetration of electronic products to the large potential consumer base, which in turn is driving ESDM market.
- Smartphone shipments in India increased by ~23% YoY to reach 38 million units in the first quarter of 2021, driven by new product launches and delayed demand from 2020. Xiaomi led the Indian smartphone market with 26% shipping, followed by Samsung at 20%.
- In 2021, India's smartphone market is expected to rebound to 12-21%, after two years of muted sales.
- In India, smartphone shipments reached 150 million units and 5G smartphone shipments crossed 4 million in 2020, driven by high consumer demand post-lockdown.
- In October 2020, LG Electronics India sold over 1.75 lakh units of its G8X ThinQ mobile handset in just 12 hours at Flipkart Big Billion Days Sale and recorded Rs. 350 crore (US\$ 47.51 million) revenue against sales.



Note: LCD - Liquid Crystal Display; LED - Light-emitting Diode

Source: Reserve Bank of India (RBI), Ministry of Electronics and Information Technology (MeitY), News Articles

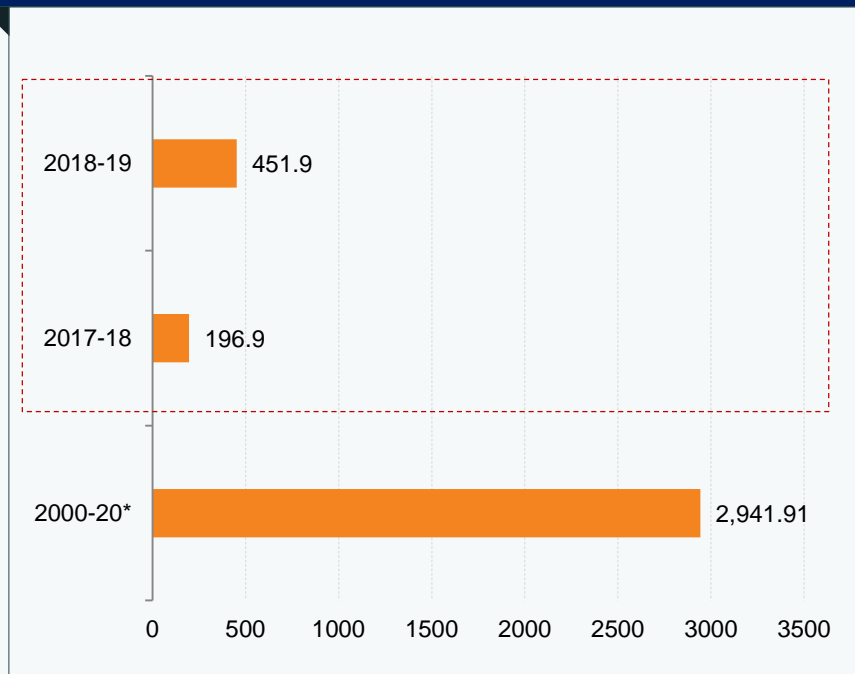
Increasing FDI inflows

- The ESDM sector provides lucrative opportunities for investors. From April 2000 to December 2020, Foreign Direct Investment (FDI) equity inflows stood at US\$ 3,000.35 million.
- For defence electronics, FDI inflows in this sector up to 49% are allowed under automatic route and beyond 49% through government approval
- The government allows 100% FDI in the ESDM sector through an automatic route to attract investments from OEMs and IDMs.

The following is a list of areas of interest for investments in ESDM:

1. Mobile phone manufacturing
2. Semiconductor wafer fabrication
3. Light Emitting Diode (LED) and Liquid Crystal Display (LCD)
4. Wearable devices
5. Solar cells and modules
6. Research, innovation and skill development in emerging areas such as Augmented Reality (AR), Virtual Reality (VR), drones, robotics and additive manufacturing
7. Medical electronic devices manufacturing
8. R&D in automotive electronics and power electronics for mobility

FDI Inflows in Electronics in India (US\$ million)



Notes: OEM - Original Equipment Manufacturer, IDM - Integrated Device Manufacturers, * - From April 2000 To September 2020

Source: Make in India

Key investors in electronics sector



- As of March 03, 2021, 19 companies have filed for the production-linked incentive (PLI) scheme for IT Hardware. The scheme was open for applications until April 30, 2021; its incentives will be available from April 01, 2021. Over the next four years, the scheme is expected to lead to total production of ~Rs. 160,000 crore (US\$ 21.88 billion). Of the total production, IT hardware companies have proposed production of >Rs. 135,000 crore (US\$ 18.46 billion); and domestic companies have proposed production of >Rs. 25,000 crore (US\$ 3.42 billion).
- In April 2021, Japanese electronics brand AIWA, which registered its India subsidiary in February 2021, is relaunching with five products in the TWS (True Wireless Stereo) and audio segments at a total investment outlay of US\$ 10 million for Phase-1 of operations.
- In March 2021, Xiaomi, a Chinese multinational electronics company, announced that it will invest Rs. 100 crore (US\$ 13.6 million) to expand its offline retail presence in tier 2 and 3 cities, towns and rural India.

Source: Sutherland Research, News Articles

Government initiatives and policy support

New schemes to promote electronics manufacturing

- In April 2020, the Indian government approved three key schemes in order to position India as a global hub for Electronics System Design and Manufacturing (ESDM). This move is anticipated to attract minimum investments worth US\$ 6 billion into the country. The initiative includes Production Linked Incentive Scheme (PLI), Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECs) and Modified Electronics Manufacturing Clusters Scheme (EMC 2.0)
- Of these, Production Linked Incentive Scheme (PLI), one of the biggest incentive, is aimed at boosting domestic manufacturing of mobile phones and their components, including Assembly, Testing, Marking and Packaging (ATMP) units
- PLI package of ~ US\$ 5.7 billion (Rs. 420 billion) will be extended as an incentive of 4-6% on incremental sales (of locally manufactured goods) for a period of five years
- This is in line with transforming India into a manufacturing hub of electronics and components, at par with established and more diversified countries such as China and Vietnam
- In October 2020, the government approved applications of 16 electronics companies including 10 mobile phone manufacturers for reward under the product-linked incentive scheme for a total disbursement of Rs. 40,000 crore (US\$ 5.44 billion). The international mobile phone manufacturing companies approved to avail incentives for manufacturing mobile phones with invoice value Rs. 15,000 (US\$ 204.35) and above are Samsung, Foxconn Hon Hai, Rising Star, Wistron and Pegatron.
- In December 2020, the Government of India issued expression of interest (EoI) to set up or expand the existing semiconductor wafer/ device fabrication (FAB) facilities in the country or acquire semiconductor FABs overseas.
- Under Union Budget 2021-22, the government has set a target to get ~Rs. 18,000 crore (US\$ 2.4 billion) investments in the electronics manufacturing segment by 2021-22. It has also allocated Rs. 2,631.32 crore (US\$ 361.50 million) to promote electronics and IT hardware manufacturing programmes (Modified Special Incentive Package Scheme (M-SIPS), Electronics Development Fund (EDF) and Manufacturing Clusters).

Remission of duties or taxes on export products (RoDTEP) scheme.

- In January 2021, the India Cellular and Electronics Association (ICEA) proposed a RoDTEP rate of 2% on smartphones, 2.4% on featurephones, 2% on tablets/laptops, 3.4% on battery chargers and 1.48% on battery packs.

Source: Sutherland Research, Ministry of Electronics and Information Technology (MeitY), News Articles

Skill development in ESDM sector

1. Centre of excellence (CoE) in Noida (Gautam Buddha Nagar)

- In December 2020, to establish the required ecosystem at Noida, the Indian Cellular and Electronics Association (ICEA) proposed the establishment of a centre of excellence in Noida for product-based Li-ion cells (post-cell). This has been approved and groundwork will begin as soon as the Government of India receives sanctions. In partnership with the Ministry of Electronics & Information Technology and industrial associations, the government will create three centres of excellence.



2. Electronic system incubation centre

- On December 02, 2020, 'Hubli ESDM Exchange' (HEX), an incubation centre for the development of electronic device design (ESDM), backed and funded by the state government's Karnataka Innovation & Technology Services (KITS) and managed by the India Electronics & Semiconductor Association (IESA), was launched at the KLE Tech Park of the KLE Technical University (KLETU) in Hubballi.
- A fund of Rs. 3.2 crore (US\$ 433.46 thousand) for three years has been approved by the Department of Electronics, IT, BT, Science & Technology.

3. Centre for Invention, Innovation, Incubation and Training (CIIT)

- In December 2020, to strengthen industry-academia partnership and bring qualitative improvements in technical education, Mr. Manoj Sinha, the Lieutenant Governor of Jammu and Kashmir, inaugurated the Centre for Invention, Innovation, Incubation and Training (CIIT), which was established at a cost of Rs. 181.57 crore (US\$ 24.88 million), at the Government Polytechnic College, Baramulla.

Notes: ESSCI - Electronics Sector Skills Council of India; NSDC - National Skill Development Corporation; IESA - India Electronics and Semiconductor Association

Source: Sutherland Research, Ministry of Electronics and Information Technology (MeitY)

Key Trends and Developments



Trends and opportunities



LOCAL MANUFACTURING OF LAPTOPS, TABLETS

- According to ICRA, India has the potential to become a significant part of the global supply chain in electronics and become a hub for laptops and tablets by capturing 18% of the global exports.
- By 2025, these initiatives would have a potential production value of US\$ 100 billion and will also generate 5 lakh additional job opportunities.



GROWING DOMESTIC HANDSET MANUFACTURING MARKET

- The increasing domestic demand for handset manufacturing and government support policies have led India to build on its smartphone manufacturing capabilities. By 2025, it is estimated that the addressable market for OEMs (original equipment manufacturers) would reach ~Rs. 10–11 lakh crore (US\$ 140–150 billion).



ESTABLISHING QUANTUM COMPUTING APPLICATIONS LAB

- To accelerate quantum computing-led research & development and enable new scientific discoveries, the Ministry of Electronics and Information Technology (MeitY), in collaboration with Amazon Web Services (AWS), will establish a quantum computing applications lab in the country.
- The MeitY quantum computing applications lab will provide quantum computing as a service to government ministries and departments, researchers, scientists, academia and developers, to enable advances in areas such as manufacturing, healthcare, agriculture and aerospace engineering.

Major recent developments...(1/2)

1

August 2020

- Samsung Electronics Co. and Apple Inc.'s assembly partners pledged investments worth Rs. 110 billion (US\$ 1.5 billion) to establish mobile phone manufacturing units in India

2

September 2020

- Larsen & Toubro announced closure of its deal to sell its electrical and automation business to Schneider Electric. The companies announced this deal in May 2018; for US\$ 1.9 billion (Rs. 14,000 crore)
- Tamil Nadu unveiled the Electronics and Hardware Manufacturing Policy, which targets US\$ 100 billion output by 2025, with a goal to contribute 25% to India's total electronic exports by 2025

3

October 2020

- Abaj Group, in partnership with QThree Ventures, will set up ABAJ-QThree Techpark—a manufacturing facility for LED televisions and air-conditioners in Gujarat.
- Aequs to invest Rs. 3,500 crore (US\$ 476.27 million) to set up a consumer electronics cluster in Karnataka

Major recent developments...(2/2)

4

November 2020

- On November 7, 2020, a delegation of representatives of seven Taiwanese firms under Taipei Economic and Cultural Centre (TECC) agreed to invest in YSR Electronics Manufacturing Cluster in Andhra Pradesh.
- HPL Electric & Power established a new R&D centre for smart metres in Gurugram, Haryana.

5

December 2020

- Lenovo announced its plan to start manufacturing tablets in India and expand its laptop manufacturing by 10x. The company is also expecting to grow by 25-30% in the current fiscal year, due to increase in demand from the education segment and large enterprises.

6

January 2021

- boAt, a earphones and smart wearable manufacturer, received an investment of US\$ 100 million from Warburg Pincus, a key private equity firm.
- India Cellular & Electronics Association announced its plan to create a smartphone design, R&D and application ecosystem in India.

7

February 2021

- On February 16, 2021, Amazon announced that it will commence manufacturing of electronics products from India with Cloud Network Technology, a subsidiary of Foxconn in Chennai, later in the year. The device manufacturing programme will be able to produce 'Fire TV Stick' devices in large quantities every year, catering to demands of customers in India.

Sector policies

National Policy on Electronics (NPE), 2019

- The National Policy on Electronics (NPE) 2019 aims to position India as a global hub for ESDM by encouraging manufacturing capabilities in the country to develop core components, including chipsets, and creating an environment for the industry to compete on an international platform
- The NPE 2019 replaces the NPE 2012, which has successfully built the foundation for a competitive Indian ESDM value chain. The NPE 2019 targets to promote domestic manufacturing and export in the entire value chain of ESDM and achieve a turnover of US\$ 400 billion by 2025

Phased Manufacturing Programme (PMP)

- The phased manufacturing programme is essentially a roadmap for tariff rationalisation wherein duty differentials are created to incentivise domestic manufacturing
- To promote depth in manufacturing, the roadmap was prepared keeping in view the state of the design/manufacturing ecosystem in India to substantially increase value addition

Production-Linked Incentive (PLI) Scheme

On November 11, 2020, Union Cabinet approved the production-linked incentive (PLI) scheme in 10 key sectors (including electronics and white goods) to boost India's manufacturing capabilities, exports and promote the 'Atmanirbhar Bharat' initiative.

For growth industries, such as consumer electronics, electric vehicles and renewable energy, ACC battery production represents one of the biggest economic opportunities. PLI scheme for the ACC battery would allow key domestic and international players to set up a competitive ACC battery plants in the region.

In March 2021, a scheme for large-scale electronics manufacturing and IT hardware, along with a scheme to promote component manufacturing, will reduce the country's dependence on Chinese electronic products.

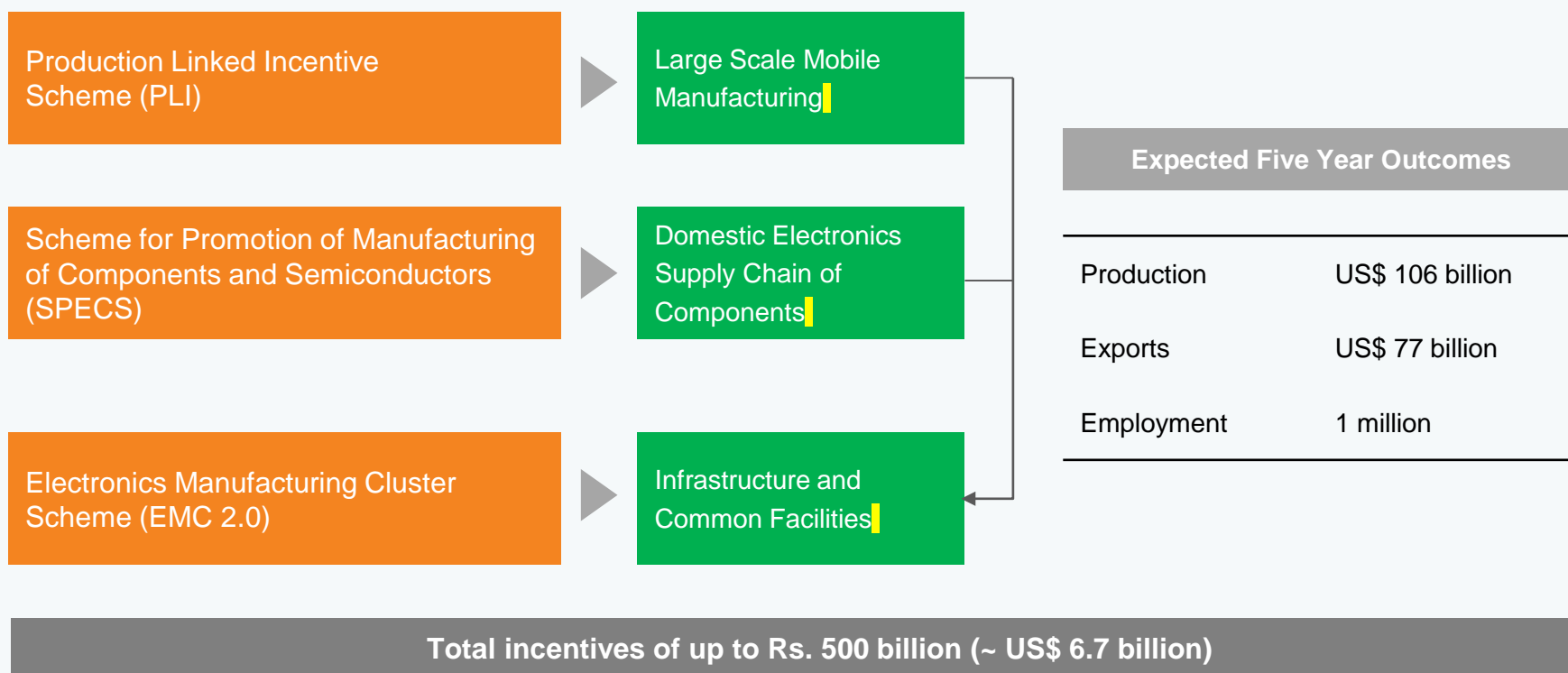
In May 2021, the cabinet, chaired by the Prime Minister Mr. Narendra Modi, approved a proposal by the Department of Heavy Industries and Public Enterprises to implement the production-linked incentive (PLI) scheme 'National Programme on Advanced Chemistry Cell (ACC) Battery Storage' to achieve manufacturing capacity of 50 GWh (Giga Watt Hour) of ACC and 5 GWh of 'Niche' ACC, with an outlay of Rs. 18,100 crore (US\$ 2.47 billion).

Sectors	Ministry/ Department	Approved financial outlay over a five-year period
Electronic/ Technology Products	Ministry of Electronics and Information Technology	Rs. 5,000 crore (US\$ 674.92 million)
'National Programme on Advanced Chemistry Cell (ACC) Battery Storage	Department of Heavy Industries and Public Enterprises	Rs. 18,100 crore (US\$ 2.47 billion)

Source: Ministry of Electronics and Information Technology (MeitY), PIB

New schemes for electronics manufacturing...(1/2)

To position India as a global hub for ESDM sector and further the vision of the National Policy on Electronics (NPE) 2019, three new schemes were announced by the Indian government on April 1, 2020, as follows:



Source: Sutherland Research, Ministry of Electronics and Information Technology (MeitY)

1

Production Linked Incentive Scheme (PLI)

- PLI offers a production linked incentive to boost domestic manufacturing and attract large investments in mobile phone manufacturing and specified electronic components, including Assembly, Testing, Marking and Packaging (ATMP) of units.
- Incentive: 4-6% on incremental sales (over base year) of goods manufactured in India; incentives up to US\$ 5 billion will be awarded over a period of five years
- Eligibility: Subject to thresholds of incremental investments and incremental sales of manufactured goods

2

Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS)

- Aims to offset disabilities in domestic manufacturing of electronic components and semiconductors in order to strengthen the electronics manufacturing ecosystem in the country
- Incentive: 25% on capital expenditure pertaining to plant, machinery, equipment, associated utilities and technology, including R&D on reimbursement basis; up to US\$ 500 million over a period of eight years
- Target Segments: Electronic components, semiconductors, specialised subassemblies and capital goods for these items
- Eligibility: Applicable to investments in new units and expansion of the existing units.

3

Modified Electronics Manufacturing Clusters scheme (EMC 2.0)

- EMC 2.0 has been introduced with the objective to address the disabilities, by providing support to create world-class infrastructure, along with common facilities and amenities, including RBF sheds/Plug and Play facilities to attract key global electronics manufacturers and their supply chain to establish units in India.
- Incentive: 50% of project costs, subject to a ceiling of ~ US\$ 10 million for every 100 acres of land.
- Anchor Units: Electronics manufacturing companies with a commitment to purchase/lease a minimum of 20% of the land area and invest a minimum of ~US\$ 40 million.

Notes: RBF - Ready Built Factory

Source: Sutherland Research, Ministry of Electronics and Information Technology (MeitY)

4

Electronics Development Fund (EDF)

- To promote start-ups and innovation, a scheme called Electronics Development Fund (EDF) was launched.
- The EDF is a fund of funds that invest in venture funds, which in turn invest in innovation ventures/start-ups in electronics, nano-electronics and IT. At least 50% of the corpus has to be invested in ventures working in the ESDM sector
- CANBANK Venture Capital Funds Ltd. (CVCFL), a subsidiary of Canara Bank, is the fund manager for EDF

5

Export Incentives

- Export incentives of 2-3% are available under the Merchandise Export from India Scheme (MEIS)
- The list of products that get export incentives include air conditioning parts and compressors, refrigerating equipment compressors, fully automatic washing machines, televisions and others

6

Modified Special Incentive Package Scheme (M-SIPS)





- To promote large scale manufacturing in the country, M-SIPS was announced by the government in 2012. This scheme provides capital subsidy of 25% for the electronics industry outside the special economic zones (SEZs). Electronics industries located inside SEZs are provided 20% subsidy. The scheme provides:
 1. Capital Subsidy—20% for investments in special economic zones (SEZs) and 25% in non-SEZs.
 2. Incentives for both new units and expansion units
 3. Incentives for a period of five years from the date of approval of application
 4. Incentives for 44 categories/verticals across the value chain (raw materials including assembly, testing, packaging and accessories, chips, components)
 5. Minimum investment threshold for each product category/vertical (from ~ US\$ 140,000 for manufacturing of accessories to ~ US\$ 680 million for memory semiconductor wafer fabrication unit)
 6. Establishments to be in industrial area notified by central/state govt.

Source: Make in India, Ministry of Electronics and Information Technology (MeitY)

Key Industry Contacts



Key Industry Contacts

	Agency	Contact Information
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	Consumer Electronics and Appliances Manufacturers Association	F-4/ 23, 4 th Floor, Wave 1 st Sliver Tower Sector - 18 Noida - 201 301 (UP) Phone: +91-120-4265697 e-mail: info@ceama.in Website: https://ceama.in/
	Electronic Industries Association of India	ELCINA House, 422 Okhla Industrial Estate, Phase III. New Delhi, INDIA-110020 Tel: +91-11-26924597, 26928053, 41615985 Fax: +91-11-26923440 e-mail: info@elcina.com Website: http://www.elcina.com/
	NASSCOM	Plot 7 to 10, Sector 126, Noida - 201303 Phone: +91-120-4990111 Fax: +91-120-4990119 e-mail: north@nasscom.in Website: https://nasscom.in/



Glossary

- ESDM: Electronics System Design and Manufacturing
- MeitY: Ministry of Electronics and Information Technology
- IESA: India Electronics and Semiconductor Association
- PLI: Production Linked Incentive Scheme
- SPECS: Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors
- EMC 2.0: Modified Electronics Manufacturing Clusters Scheme
- ESSCI: Electronics Sector Skills Council of India
- NSDC: National Skill Development Corporation
- ICT: Information and Communications Technology
- ITU: International Telecommunication Union
- NPE: National Policy on Electronics
- NDCP: National Digital Communications Policy
- PMP: Phased Manufacturing Programme
- MEIS: Merchandise Export from India Scheme
- SEZ: Special Economic Zone
- US\$: US Dollar
- FY: Indian Financial Year (April to March)

Exchange rates

Exchange Rates (Fiscal Year)

Year	Rs. Equivalent of one US\$
2004-05	44.95
2005-06	44.28
2006-07	45.29
2007-08	40.24
2008-09	45.91
2009-10	47.42
2010-11	45.58
2011-12	47.95
2012-13	54.45
2013-14	60.50
2014-15	61.15
2015-16	65.46
2016-17	67.09
2017-18	64.45
2018-19	69.89
2019-20	70.49
2020-21	73.20

Exchange Rates (Calendar Year)

Year	Rs. Equivalent of one US\$
2005	44.11
2006	45.33
2007	41.29
2008	43.42
2009	48.35
2010	45.74
2011	46.67
2012	53.49
2013	58.63
2014	61.03
2015	64.15
2016	67.21
2017	65.12
2018	68.36
2019	69.89
2020	74.18
2021*	74.94

Note: As of April 2021

Source: Reserve Bank of India, Average for the year

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