

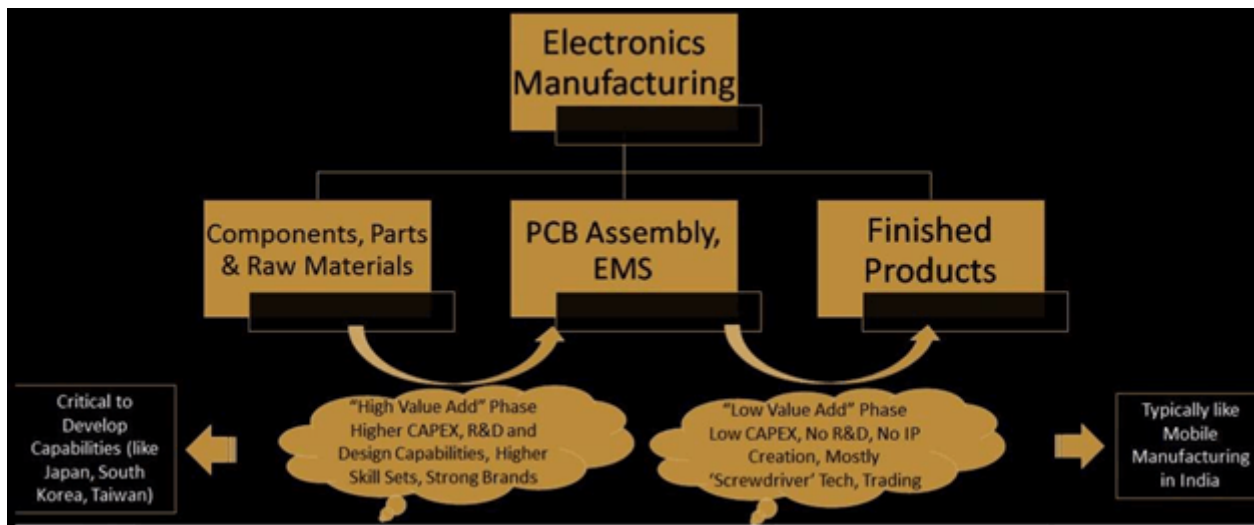
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Promotion of Electronics and IT HW Manufacturing (MSIPS, EDF and Manufacturing Clusters) : Most Important Topic for 2021 Competitive Exams

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- The scheme is available for both new projects and expansion projects. The scheme provides capital subsidy of 20 % in SEZ (25 % in non-SEZ) for units engaged in electronics manufacturing. It also provides for reimbursements of CVD/excise for capital equipment for the non-SEZ units. For some of the high capital investment projects like fans, it provides for reimbursement of Central Taxes and Duties. The incentives are provided on reimbursement basis.
- The incentives were available for 29 electronic verticals. Units all across the manufacturing value chain are covered under the scheme. For each of the product category, an investment threshold is prescribed which an applicant has to incur for getting eligible for incentives.
- The investment threshold varies from ₹ 1 Crore to ₹ 5000 Crores depending upon a type of project. The incentives are available for 10 years from the date of approval. The scheme was initially opened for 3 years till 26 - 07 - 2015.



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The Scheme Was Amended on August 3, 2015. The Salient Amendments Include

- The terms of the scheme has been extended Upto 31.12. 2018.
- The scope of the scheme has been extended to cover additional verticals.
- The procedure for grant of approval has been simplified and streamlined. The incentives are now available for investments made in a project within a period of 10 years from the date of application
- The M-SIPS require applicants to submit applications with Financial Closure (tied up funds) for the project they propose to execute. The Financial Closure for a project, however, can be given in phases.
- As per para 6.1 of M-SIPS notification, to consider the applications under the scheme and to submit its recommendations, an Appraisal Committee headed by Additional Secretary , Deity have been constituted.
- The non- refundable application fee which is required to be submitted along with the application form has been separately notified. It varies from ₹ 10,000/- for projects

costing less than 10 crores to ₹ 1,00, 000/- for projects costing 10,000 crores and above.

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