

No: 8(131)/2012-IPHW
Department of Electronics and Information Technology
(IPHW Division)

Dated: 30th January, 2014

Electronics Niketan, 6, CGO Complex
Lodhi Road, New Delhi: 110003

Subject: Notification of Guidelines for constitution of Special Purpose of Vehicle (SPV) for implementation of Electronics Manufacturing Clusters (EMCs).

Reference:

- (i) Electronics Manufacturing Scheme (EMC Scheme) Notification No 252 dated 22nd October 2012 in Part-I, Section of the Gazette of India (Extraordinary) [File No. 8(50)2011-IPHW]
- (ii) Guidelines for operationlization of Electronics Manufacturing Clusters (EMC) Scheme to provide world-class infrastructure for attracting investments in the Electronics Systems Design and Manufacturing (ESDM) Sector dated 15th April 2013. [File No. 8(50)2011-IPHW]

The Government has notified the Electronics Manufacturing Clusters (EMC) Scheme vide Notification No.252 dated 22.10.2012 in Part-I, Section-1 of the Gazette of India (Extraordinary) [F.No.8 (50) –IPHW], hereinafter referred to as the ‘Scheme’, cited as reference (i) above, and the guidelines for operationlization of the EMC scheme have been issued on 15th April 2013, hereinafter referred to as the ‘Guidelines’, cited as reference (ii) above.

2. Each Electronics Manufacturing Cluster (EMC) will have a separate SPV, which will be responsible for implementation and management of the project.
3. The SPV as specified in paras 2.2.1, 2.3 of the scheme and clause 3.4 of the guidelines will have the following structure:

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- (i) Constituent units, (including industry associations) FIs / Banks, Academic / R&D institutions Government agencies and the chief promoter and other investors may form the SPV.
- (ii) At least 7 of the EMC units should be on the Board of Directors of the SPV.
- (iii) Wherever the SPV is with participation of Government/ Government agency (State / Local), there shall be at least one representative of the concerned Government or its agency on the board of directors in the SPV and any change in the equity structure shall be with the prior approval of the relevant Government.
- (iv) Any changes in the equity structure of the SPV, inspite of whether Government or its agency participates as equity partner in the SPV, shall have prior approval of Department of Electronics and Information Technology (DeitY), Ministry of Communications and Information Technology Govt. of India
- (v) The EMC units must hold 51% of the share capital of the SPV with no single unit owning more than 25% of the share capital This requirement is to be fulfilled either at the time of application for assistance or within a specified time period.

4. Other requirements of the SPV:

- (i) The chief promoter / SPV (as the case may be) will have to meet the specified requirements of investments in ESDM sector as per the approval from the Government in a period of 5 years (extendable by 3 years) from the Commercial Operation Date (COD) of the trunk/ core infrastructure, which will be stated in the approval letter. In case he fails to meet this requirement he will be required to repay all assistance with interest at Prime Lending Rate.

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- (ii) DeitY will lay down a mechanism for third party certification for ensuring Proper utilization of funds and compliance to the terms and conditions of sanction. Chief promoter/ SPV will be required to abide by the same.
- (iii) The Chief Promoter/ SPV shall publicly disclose the price at which the land is transferred to SPV/ Units.
- (iv) Any change in promoter (s) of the SPV of an approved project shall be allowed only with the prior approval of the Department of Electronics and Information Technology.
4. This Notification comes into effect immediately.



(Dr. Ajay Kumar)
Joint Secretary to Govt. of India,
Tel: 24360160

New Delhi, Dated ___ January 2014

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1. All Concerned Ministries / Departments of Government of India.
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3. Cabinet Secretariat.
4. PMO.
5. Planning Commission.
6. Controller and Auditor General of India.
7. JS & FA, Department of Electronics and Information Technology.
8. All Concerned Industry Associations.
9. Internal circulation.
10. DeitY Website



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