

Government of India
Ministry of Communications and Information Technology
Department of Electronics and Information Technology

No: 8(50)/2011 – IPHW (Vol.-IV)-Pt-1

Dated: 11th December, 2014

Subject: Supplements/ Amendment to Guidelines for Electronics Manufacturing Clusters (EMC) Scheme to provide world-class infrastructure for attracting investments in the Electronics Systems Design and Manufacturing (ESDM) Sector

- References:**
1. Electronics Manufacturing Clusters (EMC) scheme notified vide Notification No.252 dated 22.10.2012 in Part-I, Section 1 of the Gazette of India (Extraordinary) [F.No.8 (50)/2011 –IPHW].
 2. Guidelines for Electronics Manufacturing Clusters (EMC) Scheme issued vide F.No No.8 (50)/2011-IPHW on 15th April 2013.

In furtherance to clause 7.2 of the EMC notification cited at Reference 1 above and para 12.1 of the Guidelines for Electronics Manufacturing Cluster (EMC) Scheme dated 15th April 2013 cited at reference-2 above, the following supplementary guidelines and amendments are incorporated in the EMC guidelines.

2. The following supplements and amendments are herein under made to the EMC guidelines cited as reference 2 above;

Clause 6.13 of the EMC, Guidelines mentioned at reference -2 above is amended and supplemented as under:

Clause no 6.13

The grant-in-aid will be released after the Chief Promoter or the SPV has deposited an equivalent amount (in percentage terms) in the escrow account and on submission of a bank guarantee from a nationalized bank equivalent to 1.25 times of the amount sought as grant-in-aid. The Bank Guarantee shall be for an amount of 1.25 times of the outstanding amount of the grant-in-aid at all times till the grant-in-aid is fully utilized. Provided that:

If the chief promoter / SPV is State Government/ Union Territory Government, or its agency , then it may submit a surety bond in lieu of a Bank Guarantee with an assurance of refunding an amount equivalent to 1.25 times of the Grant-In-Aid received from the Government of India. The surety bond will be valid till the completion of the project.

The release of second and subsequent instalments of grant-in-aid can also be released as reimbursement of the amounts already utilized by the SPV and fresh Bank Guarantee/Surety Bond would not be necessary in this case. However, the Bank Guarantee/ Surety Bond is applicable for the first instalment and it will have to be submitted at the time of release of the first instalment which shall remain valid till the completion of the project.

Clause 6.14 of the EMC is supplemented as under:

Clause no. 6.14

The initial contribution of the Central Government @ 20% of the grant-in-aid shall be given as advance to the Chief Promoter/ SPV with suitable guarantees and warranties as mentioned at clause 6.13. Any subsequent release will be made only subject to providing reasonable evidence of proper utilization of amount including installments released by DeitY and contribution made by the Chief promoter/ SPV/ Constituent units and others and fulfillment of applicable modalities.

Clause 6.15 of the EMC is supplemented as under:

Clause 6.15

In case the project is not completed as per the approval, the Government will have the right to recover entire amount released as grant-in aid along with the interest at Prime Lending Rate.

3. These amendments/ supplements come into force with immediate effect.



(Dr. Ajay Kumar)
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New Delhi, Dated 11th December, 2014

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8. JS & FA, Department of Electronics and Information Technology.
9. Internal circulation.
10. DeitY Website

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