

The background of the cover features a low-angle, perspective view of a modern glass skyscraper. The building is semi-transparent, allowing the sky to be seen through it. On the right side, there are large, abstract geometric shapes in dark red and yellow, creating a dynamic, angular composition.

# **ELCINA POLICY CAPSULE**

**PART 1  
APRIL 2025**

## ELCINA POLICY CAPSULE—1<sup>st</sup> April to 15<sup>th</sup> April 2025

### 1. MeitY notification dated 8<sup>th</sup> April 2025: Electronics Component Manufacturing Scheme

The Ministry of Electronics and Information Technology (MeitY) has issued a notification on 8 April 2025 for the **Electronics Component Manufacturing Scheme (ECMS)**. ELCINA welcomes this initiative, which is designed to strengthen India's electronics supply chain by addressing key challenges in domestic manufacturing.

#### **Scheme Highlights:**

- **Incentive Framework**
  - *Turnover-Linked (TLI)*: 3–10% on incremental sales (6 years)
  - *Capex Incentive*: 25% subsidy for capital-intensive segments
  - *Hybrid*: Combined TLI + Capex for advanced technologies
- **Covered Segments**
  - *Sub-Assemblies*: Display & camera modules
  - *Bare Components*: Multi-layer PCBs; non-SMD passives; electromechanical parts; Li-ion cells; enclosures
  - *High-Tech*: HDI/MSAP/flexible PCBs; SMD passives
  - *Supply Chain & Equipment*: Raw materials, sub-assemblies, machinery
- **Thresholds & Targets**
  - *For Display Modules*: ₹50 Cr investment, ₹200 Cr incremental sales, and 50 jobs in Year 1, scaling up over 6 years
  - *For HDI/MSAP/Flexible PCBs*: ₹1,000 Cr investment and 1,200 jobs by Year 6
  - *For Li-ion Cells (Digital Applications)*: ₹500 Cr investment, ₹1,200 Cr sales, and 600 jobs
  - *For Non-SMD Passive Components & Electromechanicals*: ₹50 Cr investment and 180 jobs
  - *For Multi-layer PCBs*: ₹50 Cr investment, with tiered TLI incentives (6/6/5/5/4/4 for ≤6 layers, 10/8/7/6/5/5 for ≥8 layers)
- **Bonus for Domestic Sourcing**
  - +1% for in-house PCB laminates
  - +2% for Li-ion CAM manufacturing
- **Strategic Roll-Out**
  - Segment-wise application windows ensure focused implementation

For more details, members are advised to refer to the official MeitY notification dated 8<sup>th</sup> April 2025 and the ELCINA ECMS summary at the attached link <https://drive.google.com/file/d/1OXmEyu7gWjvAQF38x0M-qdNg6xr72x5T/view?usp=sharing>.

## 2. CBIC Circular No. 11/2025-Customs dated 3rd April 2025: CBIC Issues Circular on Automation of Post Export Amendments – New “Export Entry” Regulations Notified

The Central Board of Indirect Taxes and Customs (CBIC) has issued **Circular No. 11/2025-Customs dated 3rd April 2025**, announcing the implementation of the **"Export Entry (Post Export Conversion in relation to Instrument-Based Scheme) Regulations, 2025"** via Notification No. 21/2025-Customs (N.T.).

### ◆ Key Highlights:

- **Digital Reforms:** Automated electronic processing introduced for:
  - Amendments under Section 149 of the Customs Act, 1962
  - Provisional assessments for exports
  - Re-transmission of data to relevant agencies
- **Approvals Required:** Sensitive changes to shipping bills (e.g., HS Code, Country of Destination, AD Code, Invoice Value) will now require prior approval from the **Joint/Additional Commissioner of Customs**.
- **New Definitions & Scope:**
  - **'Export Entry'** now covers all export types under Section 2(16) of the Customs Act.
  - Applicable to entries under **Section 84**, allowing amendments and conversion with defined restrictions.

For more details, members are advised to refer to the official CBIC website CBIC Circular No. 11/2025-Customs dated 3rd April 2025.

## 3. CBIC Circular No. 12/2025-Customs dated 7th April 2025: CBIC Clarifies Classification and BCD on Interactive Flat Panel Displays (IFPDs)

The **Central Board of Indirect Taxes and Customs (CBIC)** has issued **Circular No. 12/2025-Customs dated 7th April 2025**, offering clarification on the classification and applicable **Basic Customs Duty (BCD)** on **Interactive Flat Panel Displays (IFPDs)** and **monitors**.

### ◆ Key Clarifications:

- **Duty Revision:**
  - **IFPDs** under tariff item **85285900** now attract **20% BCD** (up from 10%), effective **2nd February 2025** (per Finance Act, 2025).

- Other **monitors (non-IFPDs)** under the same tariff item remain at **10% BCD**, with no IGCR condition. This is to prevent circumvention of the higher duty on IFPDs.
- **Removal of IGCR Condition:**
  - The **IGCR condition** has been removed for non-IFPD monitors, following industry requests for clarity on compliance. This was implemented via **Notification No. 23/2025-Customs** dated **4th April 2025**.
- **Distinguishing IFPDs from Monitors:**
  - **Technical Guide:** To help differentiate **IFPDs** from regular monitors, key differences include:
    - **Touch capability:** IFPDs support multi-touch, while non-IFPD monitors typically do not.
    - **Screen size:** IFPDs are typically **55" to 110"**, while monitors range from **15" to 43"**.
    - **Resolution:** IFPDs typically support **4K or higher**, while monitors range from **HD to 4K**.
- **Parts of IFPDs:**
  - Components like **Touch Glass Sheets** and **Touch Sensor PCBs** are classifiable under **HS 8529** and attract **5% BCD** as per **Notification No. 50/2017-Customs**.

*For more details, members are advised to refer to the official CBIC website CBIC Circular No. 12/2025-Customs dated 7th April 2025.*

#### **4. CBIC Circular No. 13/2025-Customs, dated 8th April 2025: CBIC Rescinds Transshipment Circular for Bangladesh Export Cargo**

The **Central Board of Indirect Taxes and Customs (CBIC)** has issued **Circular No. 13/2025-Customs**, dated **8th April 2025**, announcing the **rescinding of Circular No. 29/2020-Customs** concerning the **transshipment of export cargo from Bangladesh** to third countries via **Land Customs Stations (LCSs)** in India.

#### **◆ Key Points:**

- **Circular No. 29/2020-Customs**, which facilitated the transshipment of export cargo from **Bangladesh to third countries** through Indian ports/airports, is **rescinded with immediate effect**.
- Cargo that has **already entered Indian territory** under the previous procedure may be allowed to **exit as per the existing provisions** of the rescinded circular.

For more details, members are advised to refer to the official CBIC website CBIC Circular No. 13/2025-Customs, dated 8th April 2025.

### **5. Trade Notice 01/2025-26-DGFT dated 11<sup>th</sup> April 2025: DGFT Launches “Global Tariff & Trade Helpdesk”**

The Directorate General of Foreign Trade has set up a dedicated **Global Tariff & Trade Helpdesk** to support exporters and importers facing evolving tariff measures, import surges, dumping actions, logistical bottlenecks, regulatory hurdles, and other trade-related challenges.

#### **Scope of the Helpdesk**

- **Import/Export Challenges:** Tariff changes, counter-tariff actions, dumping investigations
- **Import Surges / Dumping:** Rapid influx of specific products
- **EXIM Clearance:** Delays in ports, airports, or land customs
- **Logistics & Supply Chain:** Freight disruptions, warehousing, documentation
- **Financial & Banking Issues:** Foreign exchange, payment guarantees
- **Regulatory & Compliance:** License delays, certification hurdles
- **Other Issues & Suggestions:** Policy feedback, sector-specific concerns

The Helpdesk will also liaise with other Central/State ministries and agencies to coordinate resolutions.

#### **Online Portal:**

- Go to DGFT website: <https://dgft.gov.in>
- Navigate to **Services** → **DGFT Helpdesk Service**
- Click **“Create New Request”**, choose **“Global Tariff and Trade Issues”**, select a sub-category, enter details, and submit

Members are encouraged to leverage this facility for timely resolution of trade barriers and to share input on emerging global tariff and trade issues. For further assistance, please refer to the DGFT website Trade Notice 01/2025-26-DGFT dated 11<sup>th</sup> April 2025 or contact the Helpdesk directly.

### **6. RBI/2025-26/DOR.STR.REC./13.07.010/2025-26 dated 9th April 2025 : RBI Draft Directions on Co-Lending Arrangements (CLAs), 2025**

The **Reserve Bank of India** has issued **draft guidelines** for **Co-Lending Arrangements (CLAs)** to streamline and regulate joint lending activities between **Regulated Entities (REs)**, namely:

- Scheduled Commercial Banks (excluding Regional Rural Banks – RRBs)
- All-India Financial Institutions (AIFIs)
- Non-Banking Financial Companies (NBFCs)

**Key Provisions:**

- **Scope:** Excludes loans exceeding ₹100 crore or those governed by separate existing frameworks.
- **Joint Lending Agreement (JLA):** Mandatory for co-lending; REs must adopt Board-approved co-lending policies.
- **Interest Rate:** Lending to be done at a **blended rate**, combining the interest components of participating REs.
- **Borrower Transparency:** Disclosure of co-lending partners and lending terms to borrowers is mandatory.
- **Operational Framework:**
  - Use of **escrow accounts** for disbursement and repayments.
  - Arm's length sourcing and servicing arrangements.
  - Each RE must report credit data to Credit Information Companies (CICs).
- **Default Loss Guarantee (DLG):** Permitted within specified limits.
- **Loan Classification:** Each RE to classify assets independently as per its norms.
- **Public Disclosure:** REs must disclose details of co-lending partners and exposure in financial statements and on websites.

Promote credit delivery through partnership-based models while safeguarding transparency, operational integrity, and borrower interests.

*For more details, members are advised to refer to the official RBI website RBI/2025-26/DOR.STR.REC./13.07.010/2025-26 dated 9th April 2025.*

**7. DPIIT letter No. P-29014/33/2025-LEI dated 19 March 2025 on QCO : On the implementation of Quality Control Order (QCOs) notified by DPIIT**

The Department for Promotion of Industry and Internal Trade (DPIIT) has clarified the implementation of Quality Control Orders (QCOs) in response to concerns from industry associations. Key points include:

1. **Imports Compliance:** The implementation date for large and medium enterprises should be followed for imports, and only BIS-marked products or those with specific exemptions can be imported after the implementation date.
2. **Goods Landing in India:** Goods arriving at Indian ports after the implementation date must comply with the QCO.

3. **Relaxation for Micro and Small Enterprises:** The 6- and 3-month relaxation for obtaining BIS licenses applies to enterprises, not imports.
4. **Exemptions for Imports:** Non-BIS products can be imported for specific purposes like R&D, spares for after-sales services, or fitting into export products under certain conditions.

This letter aims to ensure clarity and correct application of the QCO regulations.

*For more details, members are advised to refer to the official DPIIT website letter No. P-29014/33/2025-LEI dated 19<sup>th</sup> April 2025*

**For any queries regarding this ELCINA Policy Capsule, please contact [policy@elcina.com](mailto:policy@elcina.com).**



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