ELCINA POLICY CAPSULE

Part 2

July 2025

ELCINA POLICY CAPSULE (16th July to 31st July 2025)

S. No.	Notification / Instruction	Issuing Authority	Key Highlights & Relevance in Brief
1	File No. W/49/2024-IPHW dated 30 July 2025	MeitY	**ECMS Application Deadline Extended to 30th Sept 2025** for all target segments (A, B, C, E).
2	G.O.Ms.No. 30, ITE&C Dept., dated 01.08.2025	Govt. of Andhra Pradesh	**ECMP 4.0 (2025–30) Notified**; aligns with ECMS; infra support in AP's electronics clusters (Tirupati, Anantapur, etc.).
3	CMD III/16: IS 2993 dated 28th July 2025	BIS	**One-year Extension for IS 2993 (Part 1 & 2):2024** for A.C. motor capacitors
4	Circular No. 18/2025-Customs dated 22 July 2025	CBIC	**MOOWR Online Portal Discontinued (initially**.
5	Circular No. 19/2025-Customs dated 23 July 2025	CBIC	**MOOWR Portal Reinstated Till 31 Oct 2025**; reverses earlier discontinuation; ensures continuity and ease for industry.
6	Policy Circular No. 02/2025-26 dated 22 July 2025	DGFT	**Clarification on FTP Para 2.12**; **Warehousing not mandatory** for post-shipment authorisation before customs clearance (except restricted items).
7	Press Note No. 03 (2025 Series) dated 23 July 2025	DPIIT	**Updated Security Manual for Defence Licensees (SMLDI 2025)**; mandatory compliance prior to defence production; strengthens facility-level security.
8	Circular No. 20/2023-Cus dated 24 July 2025	CBIC	**Clarification on Input Correlation under DFIA**.
9	Notification dated 30 June 2025	BIS	**New Standards Notified**: IS 18112:2025 (DTV Receivers), IS 19319:2025 (IoT Security.
10	Effective August 2025	DPIIT & Dept. of Chemicals	**QCOs for Pipes, Tubes, H Acid, Vinyl Sulphone**; mandatory BIS certification begins from Aug 2025 for listed products.
11	India–UK Free Trade Agreement (CETA), signed 24 July 2025	GoI / UK Govt.	**Major boost for India's ESDM**: Tariff elimination, RoO flexibilities, strategic exclusions.
12	Executive Order 2 (EO2) dated 31 July 2025	US Government	**25% Reciprocal Tariff on India** under EO2; impacts export margins unless U.S. content thresholds met; highlights importance of origin tracking & compliance.

ELCINA POLICY CAPSULE—16th July to 31st July 2025

1. MeitY notification File No. W/49/2024-IPHW dated 32025: 22025: MeitY Extends ECMS Application Deadline to 30th September 2025

The Ministry of Electronics and Information Technology (MeitY) has issued **Amendment-2** to the Electronics Component Manufacturing Scheme (ECMS), officially extending the **application window for Target Segments A, B, C & E** until **30th September 2025**.

This extension, notified via **File No. W/49/2024-IPHW dated 30 July 2025**, comes in response to growing interest from both domestic and global companies. It ensures broader participation under the scheme and aligns with the government's commitment to strengthening the component ecosystem under India's electronics manufacturing roadmap.

The amendment has been issued with the approval of the **Hon'ble Minister for Electronics and Information Technology** and modifies the provisions of the original ECMS Notification dated 08.04.2025 to this effect.

This extension follows strong industry interest and continued advocacy by ELCINA, ensuring wider participation from domestic and global enterprises. ECMS is poised to play a pivotal role in strengthening India's component ecosystem and achieving the $500 billion electronics manufacturing target by 2030-31.

The move offers companies a renewed opportunity to contribute to India's growing ESDM landscape through enhanced value addition, innovation, and global competitiveness.

For more details, members are advised to refer to the official MeitY website Meity notification File No. W/49/2024-IPHW dated 32025: 2025 https://ecms.meity.gov.in/documents/Amendment%202%20Extension%20of%20Application%20window.pdf

2. State Government of Andhra Pradesh G.O.Ms.No. 30, ITE&C (Prom Wing) Dept., dated: 01.08.2025: Andhra Pradesh Notifies Electronics Components Manufacturing Policy (ECMP 4.0) 2025–30

The Government of Andhra Pradesh has launched the **Electronics Components Manufacturing Policy (ECMP 4.0) 2025–30**, aimed at positioning the state as a hub for electronic component manufacturing and integration into global value chains. The policy aligns with the **Government of India's ECMS Scheme** and complements existing state policies on electronics, semiconductors, and display fabs.

Key Highlights:

- **Policy Period:** Valid for 5 years from the date of notification or until a new policy is announced.
- **Target:** Boost domestic component production, reduce import dependency, and build global supply chain linkages.

Strategic Focus Areas:

- **Specialized Component Manufacturing Clusters (CMCs)** in Tirupati, Anantapur, Visakhapatnam, Kopparthy, and Nellore with shared R&D, testing, warehousing, and logistics facilities.
- **Plug-and-play infrastructure** includes factory shells, clean power, and seamless port connectivity.
- **Anchor investment support** to global firms and domestic companies moving from assembly to components.
- **Skill development** in partnership with IIT Tirupati, IIIT Sri City, and others for component-specific programs and apprenticeships.

Incentives under ECMP 4.0:

A. For firms qualifying under ECMS:

- **Option 1: Early Bird Offer:**
  - First 10 projects with ₹250 Cr+ investment over 5 years.
  - Capital subsidy of 50%, disbursed in two equal annual instalments.
- **Option 2: Matching Subsidy:**
  - 100% match of the incentive sanctioned by GoI under ECMS, disbursed within 6 months of GoI release.
  - *Mutually exclusive with Option 1.*

B. Interim Incentive:

- If a firm meets 50% of targets (investment, turnover, employment), GoAP may release incentives even before GoI disbursement.

C. Infrastructure Incentives:

- Up to **75% discount on land cost** (APIIC/government land) or
- **50% rental waiver** for 3 years for built-up APIIC factories
- **100% electricity duty exemption for 6 years**

This policy is a bold step towards reducing India's component import dependency and placing Andhra Pradesh at the heart of the global electronics supply chain.

For more details, members are advised to refer to the official MeitY website State Government of Andhra Pradesh G.O.Ms.No. 30, ITE&C (Prom Wing) Dept., dated: 01.08.2025.

3. BIS circular CMD III/16: IS 2993 dated 28th July 2025: Extension of Implementation Timeline for Revised IS 2993 (Part 1 & 2): 2024

In response to **ELCINA's representation** dated 3rd July 2025, the **Bureau of Indian Standards (BIS)** has issued a circular on 28th July 2025 approving a one-year extension for the implementation of the revised Indian Standards **IS 2993 (Part 1): 2024** and **IS 2993 (Part 2): 2024**. These standards pertain to A.C. motor capacitors and are now harmonized with international IEC specifications to ensure alignment with global best practices.

These revised standards replace the earlier **IS 2993:1988** and **IS 1709:1984**, and are harmonized with international IEC specifications for A.C. motor capacitors:

- **IS 2993 (Part 1): 2024 / IEC 60252-1:2010 + AMD 1:2013** – *General Performance, Testing, Safety & Installation Guidelines*
- **IS 2993 (Part 2): 2024 / IEC 60252-2:2010 + AMD 1:2013** – *Motor Start Capacitors*

Key Updates:

- *The **last date for implementation** of the revised standards is now **extended to 18th July 2026**.*
- *The **deadline for implementation of Amendment No. 1** to both Part 1 and Part 2 of IS 2993:2024 is also extended **till 18th July 2026**.*
- *This extension facilitates a smoother transition and enables manufacturers and industry stakeholders to ensure compliance with the new standards.*

This welcome decision provides the industry with additional time to complete necessary **product testing, certification**, and **alignment with the updated safety and performance requirements**.

We request all member companies involved in the **manufacture, import, or trade of A.C. motor capacitors** to take note of this development and review their preparedness for timely compliance.

The BIS circular is available at the following link for reference: https://www.services.bis.gov.in/php/BIS_2.0/bisconnect/Circular/circular/cmd_circular

4. CBIC Circular No. 18/2025-Customs dated 22nd 2025: Discontinuation of Online Application Portal for MOOWR Scheme

The Central Board of Indirect Taxes & Customs (CBIC) has issued **Circular No. 18/2025-Customs dated 22nd July 2025**, informing stakeholders about a procedural change in the application process under the **Manufacture and Other Operations in Warehouse Regulations (MOOWR) Scheme**.

Earlier, as per CBIC Circular No. 34/2019-Customs, a dedicated microsite hosted by **Invest India** was facilitating investors with a digitized application portal for applying under Sections 58 and 65 of the Customs Act, 1962. This online portal allowed applicants to fill and submit forms digitally, streamlining the process and enhancing ease of doing business.

However, Invest India has now communicated that the **digitized application facility on the microsite (https://www.investindia.gov.in/bonded-manufacturing)** will no longer be available. Consequently, CBIC has advised all applicants seeking a license under Section 58 (warehousing license) and permission under Section 65 (manufacturing or other operations in bonded warehouses) to **submit their applications directly to the jurisdictional Principal Commissioner/Commissioner of Customs** in the prescribed format.

Field formations have been directed to guide trade and industry stakeholders accordingly to ensure continued facilitation under the MOOWR Scheme.

This move underscores the importance of maintaining communication with local customs authorities and following the manual process until further digital alternatives are announced.

For more details, members are advised to refer to the official CBIC website *CBIC Circular No. 18/2025-Customs dated 22nd 2025.*

5. CBIC Circular No. 19/2025-Customs dated 23rd July 2025 : Online Application Portal for MOOWR Scheme to Remain Operational Until 31st October 2025

In a significant development, the **Central Board of Indirect Taxes and Customs (CBIC)** has issued **Circular No. 19/2025-Customs dated 23rd July 2025**, clarifying that the **online application facility for the MOOWR Scheme hosted on the Invest India portal** will continue to remain operational **until 31st October 2025**.

This update reverses the earlier announcement made in **Circular No. 18/2025-Customs dated 22nd July 2025**, which had discontinued the use of the Invest India microsite (https://www.investindia.gov.in/bonded-manufacturing) for submitting applications under Sections 58 and 65 of the Customs Act, 1962.

Recognizing the operational ease, user familiarity, and need for uninterrupted digital services, CBIC has decided to retain the existing platform as a **working arrangement** until a new digital solution is rolled out. Applications submitted through the current portal will continue to be processed by the jurisdictional Principal Commissioners/Commissioners of Customs, as per prevailing legal and procedural guidelines.

CBIC further noted that an **alternate digital system** is under active consideration and a structured transition to the new platform will be communicated in due course through a separate set of instructions.

With this, **Circular No. 18/2025-Customs stands withdrawn**, restoring the convenience of the digital channel for stakeholders seeking approvals under the **Manufacture and Other Operations in Warehouse (MOOWR) Scheme**.

This move is expected to provide relief to industry and ensure continued ease of doing business in the interim period.

For more details, members are advised to refer* to the official CBIC website *CBIC Circular No. 19/2025-Customs dated 23rd 2025.

NOTE:

MOOWR Scheme – Online Application Facility via Invest India Portal Extended Till 31 October 2025

CBIC had initially issued **Circular No. 18/2025-Customs** on 22 July 2025, discontinuing the online MOOWR application facility on the Invest India portal and directing applicants to submit applications physically to jurisdictional Customs offices.

However, this was **reversed the next day** via **Circular No. 19/2025-Customs**, dated 23rd July 2025. The new circular **withdraws** Circular 18/2025 and states that the **existing online facility** for submitting MOOWR applications under Sections 58 and 65 of the Customs Act will **continue until 31st October 2025**.

6. DGFT Circular No. 02/2025-26 dated 22nd July 2025 : DGFT Clarifies Para 2.12 of FTP 2023 – Warehousing Not Mandatory for Post-Shipment Authorisation Clearance

The Directorate General of Foreign Trade (DGFT) has issued **Policy Circular No. 02/2025-26 dated 22nd July 2025** to clarify the applicability of **Para 2.12 of the Foreign Trade Policy (FTP) 2023**.

This provision allows importers to clear goods for home consumption against an authorisation issued **after the goods are shipped or arrive in India**, provided the goods have not yet been cleared by Customs. Importers had raised concerns over Customs insisting on mandatory warehousing in such cases, leading to additional cost burdens.

The DGFT has now clarified that **warehousing is not mandatory** if the authorisation is issued **after shipment but before Customs clearance**. However, this relaxation **does not apply to 'Restricted' items or items traded through State Trading Enterprises (STEs)**, unless explicitly allowed by DGFT.

This clarification provides relief to importers by reducing procedural costs and delays in customs clearance.

For more details, members are advised to refer to the official DGFT website *DGFT Circular No. 02/2025-26 dated 22nd July 2025.*

7. DPIIT Press Note No. 03 (2025 Series) dated 23rd July 2025: Updated Security Manual for Licensed Defence Industries Notified

The Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce & Industry, has issued Press Note No. 03 (2025 Series) dated 23rd July 2025, announcing the release of the updated ***Security Manual for Licensed Defence Industries*** *(SMLDI), 2025*. This revised manual, developed by the Department of Defence Production (DDP), Ministry of Defence, comes after extensive consultation with relevant stakeholders and supersedes the earlier guidelines issued under Press Note No. 6 (2014 Series).

All companies holding industrial licences for manufacturing defence items are now required to comply with the provisions of the updated manual **prior to commencing production**. The SMLDI, 2025, aims to strengthen the security protocols and ensure standardized practices across defence manufacturing facilities. The manual is publicly accessible on the DDP's website: https://www.ddpmod.gov.in/documents/acts-and-policies.

This development reflects the government's ongoing commitment to enhancing defence preparedness through robust security compliance and regulatory clarity for licensed defence manufacturers.

For more details, members are advised to refer to the official DPIIT website *DPIIT Press Note No. 03 (2025 Series) dated 23rd July 2025.*

8. CBIC Circular No. 20/2023-Cus dated: 24th July 2025: CBIC Clarifies Input Correlation Rules under DFIA Scheme

The Central Board of Indirect Taxes and Customs (CBIC) has issued clarification to address trade challenges in the application of correlation requirements under the **Duty-Free Import Authorisation (DFIA)** scheme.

- **No technical correlation** (i.e., match of quality, specifications, etc.) is required between imported inputs and export products **except** for 22 specifically notified export products listed under **Para 4.29** of the Foreign Trade Policy (FTP) 2023.
- For all other products covered under **Para 4.12 and 4.28(iv)** of the FTP, only a declaration of the **name and quantity** of inputs used in the export product in the Shipping Bill is sufficient.

Key Advantages for Exporters:

- **Ease of Customs Clearance:** Avoids delays caused by subjective technical correlation checks.
- **Reduced Compliance Burden:** Simplifies procedures for majority of DFIA-based imports.
- **Encourages Export Competitiveness:** Especially for sectors using generic or equivalent inputs allowed under SION norms.

For more details, members are advised to refer to the official CBIC website *CBIC Circular No. 20/2023-Cus dated: 24th July 2025.*

9. BIS Notification dated 30 June 2025: BIS Notifies Revised Standards for DTV Receivers and IoT Security

The Bureau of Indian Standards (BIS) has notified the establishment of the following updated Indian Standards:

a) **IS 18112:2025** – *Digital Television Receiver for Satellite Broadcast Transmission – Specification (First Revision)*
   a. **Established**: 30 June 2025
   b. **Supersedes**: IS 18112:2022
   c. **Withdrawal of old version**: Effective from 30 December 2025

b) **IS 19319:2025** – *Internet of Things (IoT) – Security and Privacy – Assessment and Evaluation*
   a. **Established**: 30 June 2025
   b. **New standard** (no previous version being withdrawn)

Benefits to Industry & Consumers:

- *Ensures up-to-date technical benchmarks for **Digital TV receivers**, enhancing quality and compliance for satellite broadcasting.*
- *Introduces a crucial standard on **IoT Security & Privacy**, supporting safer, trustable smart devices amid rapid IoT growth.*
- *Transition period until **December 2025** offers manufacturers time to comply with the updated DTV specification.*

For more detailed implementation and access to the standards, members are advised to refer to the official BIS website *BIS Notification dated 30 June 2025 (https://www.bis.gov.in).*

10. Upcoming Quality Control Orders (QCOs) – Effective August 2025

Several QCOs are scheduled for enforcement in August 2025 across industries:

Date	Department	Product	Indian Standard
01 Aug 2025	DPIIT	Stainless Steel Seamless Pipes	IS 17875:2022
01 Aug 2025	DPIIT	Stainless Steel Seamless Tubes	IS 17876:2022
13 Aug 2025	Dept. of Chemicals & Petrochemicals	H Acid	IS 8637:2020
13 Aug 2025	Dept. of Chemicals & Petrochemicals	Vinyl Sulphone	IS 18340:2023

11. India–UK Free Trade Agreement: Boosting India's Electronics Manufacturing

On **24 July 2025**, India and the United Kingdom signed the **Comprehensive Economic and Trade Agreement (CETA)**—a landmark pact aimed at deepening bilateral trade and investment across strategic sectors.

A standout beneficiary of this agreement is **India's Electronics System Design & Manufacturing (ESDM) sector**, which will now enjoy expanded market access, reduced input costs, and enhanced global competitiveness.

🔑 Key Highlights for ESDM Industry

- **Tariff Elimination on Electronics (HSN Chapter 85):**
  - Immediate duty-free access to UK markets for Indian electronics.
  - India to reduce tariffs on 90% of UK-origin products—lowering costs for capital goods, testing equipment, and advanced components.
- **Export Opportunity Expansion:**
  - Zero-duty access for Indian products under HS Chapters 84, 85, 90, 91, and 92.
  - Benefits Tier-II/III EMS players in medical, green energy, lighting, and automotive electronics.
- **Rules of Origin (RoO):**
  - Flexible criteria (CTSH and QVC) promote local value addition and align with India's PLI and SPECS schemes.
- **Strategic Tariff Protection:**
  - Sensitive products like smartphones, PCBs, smartwatches, and telecom gear are excluded or phased (5–10 years), giving Indian firms time to scale up.
- **Ecosystem & Capacity Building:**
  - Liberalized imports of semiconductors, batteries, diodes, motors, and PCBAs support upstream and midstream growth.
  - Supports regional EMS development and integration into global value chains.
- **Trade Facilitation & Technology Access:**
  - Advance rulings, smoother customs processes, and professional mobility to the UK.
  - UK firms entering Indian procurement must meet 20% local sourcing—creating JV and tech transfer opportunities.

Strategic Advantages

- Enhances **export competitiveness** and **market diversification**.
- Reduces **input costs** and accelerates **tech upgradation**.
- Supports **Make in India**, **Digital India**, and **defence indigenization** goals.
- Aligns with PLI incentives to scale domestic value addition.

The India–UK FTA is more than a trade deal—it's a strategic catalyst for India's ambition to become a global hub for electronics manufacturing. With smart safeguards and forward-looking provisions, it paves the way for long-term growth, innovation, and international collaboration in the ESDM space.

For more details, members are advised to refer to the ELCINA White **Paper** on **"India–UK Free Trade Agreement: Please view the document by clicking the link: [ELCINA White Paper] : A Positive Step for India's ESDM Sector".**

12. US Reciprocal Tariffs – Executive Order 2 (EO2) Overview

On 31 July 2025, the U.S. President issued **Executive Order 2 (EO2)**, updating reciprocal tariff measures first introduced in EO1 (2 April 2025). These tariffs apply extra duties on imports from non-U.S. origins, based on how trading partners treat U.S. exports.

🔑 Key Features of EO2

- **Two Annexes:**
  - **Annex I:** Lists 67 countries/territories and their adjusted reciprocal tariff rates.
  - **Annex II:** (Not shown) details additional classifications and facilities subject to circumvention monitoring.
- **Considerations Behind EO2:**
  1. Lack of reciprocity in bilateral trade
  2. Impact of foreign tariff & non-tariff barriers on U.S. exports
  3. Strength of U.S. manufacturing base & critical supply chains
  4. National security and defense industrial base
  5. Status of trade negotiations and partner alignment with U.S. policy
  6. Retaliatory measures by trading partners
- **Default & Special Rates:**
  - **India:** 25% reciprocal tariff.
  - Countries **not listed** in Annex I: 10% (per EO1).
  - **China, Canada, Mexico:** Governed by separate orders.
- **Transshipment & Circumvention:**
  - **40% tariff** if U.S. Customs & Border Protection (CBP) finds goods were transshipped.
  - Every six months, CBP will publish facilities/countries involved in circumvention, impacting public procurement and security reviews.
- **Timing Exclusions:** Goods loaded or in transit before specific cut-off times (7 Aug 2025 and 5 Oct 2025 EDT) may be exempted from these new rates.

Why It Matters for Indian Exporters

- **Cost Impact:** A flat 25% levy on non-U.S. content in U.S. imports from India raises export tariffs, potentially reducing margins unless U.S. content thresholds are met.
- **Supply Chain Strategy:** Manufacturers must track U.S. vs. non-U.S. inputs to optimize duty exposure—and guard against transshipment penalties.

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