ELCINA POLICY CAPSULE

AUGUST 2025

ELCINA Policy Capsule (1st Aug – 31st Aug 2025)

S. No.	Notification / Instruction	Issuing Authority	Key Highlights / Relevance
1	UP Electronics Component Manufacturing Policy-2025	Govt of Uttar Pradesh	₹5,000 Cr investment; 11 components; lakhs of jobs; boosts supply chain & mobile manufacturing hub
2	Odisha IT & Electronics Component Policies-2025	Govt of Odisha	IT jobs: 10 lakh; electronics incentives: capital subsidy, land, power tariffs; supports innovation & mega projects
3	CBIC Instruction 26/2025-Customs (SCOMET)	CBIC	Streamlines export clearance of sensitive items; CE certificate not required; links AEO-DU status to DGFT schemes
4	CBIC Instruction: BIS Registration Validation	CBIC	Customs to verify BIS registration at clearance;
5	CBIC Instruction: Duties for Gifts & Personal Imports	CBIC	FAQs on duties, KYC, fees & grievance mechanism; improves transparency for courier/postal imports
6	MSE TEAM Initiative	Ministry of MSME	Digital & e-commerce support for 5 lakh MSEs; platforms: ONDC, MSME Global Mart, GeM; enhances market access
7	Cabinet Approves 4 Semiconductor Projects (₹4,600 Cr)	Union Cabinet / ISM	SiC fab, advanced packaging, Si & discrete semiconductors; 2,034 jobs; strengthens EV, telecom, defence supply chains
8	RBI Circular: Vostro Account Norms	RBI	Surplus in SRVAs can be invested in govt securities; promotes INR-based global trade; eases electronics imports/exports
9	MSME Ministry Reports 28.73 Cr Jobs	Ministry of MSME	Strengthens MSMEs via PMEGP, Credit Guarantee, RAMP;
10	PM E-DRIVE Scheme Extension till 2028	Ministry of Heavy Industries	Supports e-trucks, e-buses, EV testing; boosts EV adoption & domestic manufacturing
11	DoT Reduces Security Testing Fees	DoT	Fees cut 86–95%; exemptions for R&D; simplifies compliance
12	NITI Aayog EV Report	NITI Aayog	Targets 30% EV sales by 2030;
13	US Exempts Indian Electronics from New Tariffs	US Government	Laptops, smartphones, servers duty-free; protects India's electronics exports; maintains competitiveness
14	DGFT Notification 28/2025-26	DGFT	EO period under QCO exemption extended 6 → 18 months; eases compliance for Advance Authorisation, EOUs & SEZs

ELCINA POLICY CAPSULE—1st August to 31st August 2025

1. Uttar Pradesh Approves ₹5,000 Crore Electronics Component Manufacturing Policy

The **Uttar Pradesh Government** has approved the **Electronics Component Manufacturing Policy-2025 (UP ECMP-2025)**, targeting an investment of **₹5,000 crore** to boost domestic production of 11 key components, including **displays, camera modules, and multilayer PCBs**. The policy will take effect from **April 1, 2025**, and remain in force until **March 31, 2031**.

Aligned with the Centre's **Electronics Component Manufacturing Scheme (ECMS)**, the policy offers **state-level incentives in addition to central benefits**, improving investment viability and supporting India's electronics self-reliance goals.

Key Highlights:

- **₹5,000 crore investment** expected to generate **lakhs of direct and indirect jobs**.
- Strong focus on **supply chain development, employment, and innovation**.
- Policy to be monitored by a **nodal agency**, with implementation supported by a **policy unit and empowered committee** for swift decision-making.
- Builds on UP's existing strength as **India's top mobile manufacturing hub**, producing over **50% of the country's mobile phones**.

With this initiative, Uttar Pradesh aims to deepen value addition in electronics manufacturing and attract both **domestic and global players**, further strengthening its position as a key driver of India's electronics ecosystem.

For more details, members are advised to refer to the official State Govt of UP **E&IT Department** website.

2. Odisha Approves New IT & Electronics Component Manufacturing Policies

On **25th August 2025**, the Odisha Cabinet, chaired by Chief Minister approved the **Information Technology Policy-2025** and the **Odisha Electronics Component Manufacturing Policy-2025**, marking a major step towards positioning the state as a leading hub for technology and electronics manufacturing.

Chief Secretary highlighted that the IT Policy is expected to generate **10 lakh direct and indirect jobs** in the IT/ITES sector. ***Key incentives include***:

- **Capital subsidy of 30%** (raised from the 2022 policy) with no upper investment cap.
- **Land and rental support, SGST reimbursement**, and exemptions on utility charges.
- Assistance for **patent registration, marketing, skill development and internships**.
- Infrastructure development includes **cable landing stations, co-working spaces, IT parks, IT towers and SEZs**.
- Promotion of **AI, cloud computing and data analytics** to improve governance, digital inclusion and sustainable growth.

To ensure effective implementation, a **Policy Advocacy and Vision Group (PAVG)** comprising experts from academia, industry, and research will guide execution. The **Odisha Computer Application Centre (OCAC)** will act as the nodal agency, with the **E&IT Department** conducting regular reviews and making mid-course corrections.

The **Odisha Electronics Component Manufacturing Policy-2025** offers a **comprehensive incentive framework aligned with central schemes**. Investors will be eligible for:

- **50% capital subsidy on the first 10 large-scale projects**, or an alternative option of **matching subsidy with turnover-linked incentives plus capital support**.
- Benefits such as **land allocation, rental assistance, 10-year exemption from electricity duty, and power tariff reimbursements**.
- **Special concessions** for mega projects with investments above ₹500 crore or employment generation of over 1,000 jobs.

Together, these policies underline Odisha's commitment to fostering **innovation, entrepreneurship, and global competitiveness**, strengthening its position as a technology and electronics manufacturing hub.

For more details, members are advised to refer to the official State govt of Odisha **E&IT Department** website.

3. *CBIC Instruction No. 26/2025-Customs dated 14.08.2025:* CBIC Advisory on SCOMET Classification & Procedures

The Central Board of Indirect Taxes & Customs (CBIC) has issued guidelines to streamline the classification and export clearance of items under the **Special Chemicals, Organisms, Materials, Equipment and Technologies (SCOMET)** list, addressing trade and field-level challenges.

Key Highlights:

- **Role of DGFT & IMWG:** DGFT's Inter-Ministerial Working Group (IMWG) is the competent authority for licensing, risk assessment, and technical classification under SCOMET. Final determinations are made by the SCOMET Cell at DGFT. Exporters are advised to seek clarification in advance to avoid delays.
- **SCOMET Clarifications Repository:** CBIC hosts a consolidated repository of DGFT-issued clarifications on its website https://www.cbic.gov.in/entities/cbic-content-mst/MTcxMTI3.
- **Escalation Protocol:** If no suitable clarification is available, cases (with Commissioner's approval) must be referred to CBIC's **Customs-III Section** with complete technical documentation. Field formations must **not approach DGFT directly**.
- **No CE Certificate Required:** Chartered Engineer certificates are **not mandatory** for SCOMET classification or clearance under FTP 2023.
- **AEO & Dual-Use Qualified Status:** Directorate of International Customs (DIC) is examining AEOs with Dual Use (DU) Qualified status as part of the AEO program. AEO is a **pre-requisite** for DGFT's **Global Authorization for Inter-Company Transfer (GAICT)** and **General Authorization for Export of Drones (GAED)** schemes.

The advisory will ease exports of sensitive electronics by providing **clear classification procedures**, reducing delays and costs. Removal of the **CE certificate requirement** lowers compliance burden, while linkage of **AEO–DU status** with DGFT schemes supports smoother global transfers of high-tech and dual-use items. This brings greater **clarity, predictability, and competitiveness** for India's electronics exporters.

For more details, members are advised to refer to the official CBIC website *CBIC Instruction No. 26/2025-Customs dated 14.08.2025*.

4. CBIC Instruction No. 27/2025-Customs dated 26 August 2025 : Validation of BIS Registration at Customs Clearance

The Central Board of Indirect Taxes & Customs (CBIC) has issued **Instruction No. 27/2025-Customs** directing all Customs field formations to strictly validate **BIS registration details** at the time of clearance of goods.

◆ **Background:**

- MeitY had reported instances where CCTV imports were cleared on the basis of BIS registration numbers mentioned in the Bill of Entry, without verifying their validity.
- Some registrations had been **"Deferred" or Cancelled**, yet consignments were still being allowed.

◆ **Key Directions:**

- Customs officers must verify BIS registration numbers on the **BIS-CRS portal** (https://www.crsbis.in/BIS/publicdashAction.do).
- Clearance should be permitted **only for valid registrations**.
- Officers must cross-check **manufacturer name, model number, and manufacturing location** against registration details.
- This procedure is **not limited to CCTVs** but applies to **all goods notified under the Compulsory Registration Order (CRO)**.

For more details, members are advised to refer to the official CBIC website *CBIC Instruction No. 26/2025-Customs dated 14.08.2025*.

5. CBIC Instruction No. 28/2025-Customs 28 August 2025 : Duties for Gifts & Personal Imports via Courier/Postal Mode

The **Central Board of Indirect Taxes & Customs (CBIC)** has issued **Instruction No. 28/2025-Customs** addressing grievances related to **duty structure and KYC norms** for imports and exports through courier and postal modes.

◆ **Background:**

- CBIC has received multiple complaints regarding **duties on gifts, personal imports, and KYC documentation**.
- Despite existing notifications and circulars, there is **lack of awareness** among traders and the public, leading to persistent confusion.

◆ **Key Directions:**

- All Customs Zones/Commissionerates must publish an **FAQ document** on their websites covering:
  - Duty structure on gifts and personal imports (with sample duty calculations).
  - KYC norms for courier/postal imports & exports.
  - Applicable fees and charges.
  - Grievance redressal mechanism.
  - Other relevant procedures for citizens.
- Proper records of grievances must be maintained and monitored.
- Wide publicity of FAQs to be ensured for awareness among trade and general public.

For more details, members are advised to refer to the official CBIC website CBIC Instruction No. 26/2025-Customs dated 14.08.2025.

6. MSME Ministry Empowers MSEs with Digital & E-Commerce Support

The Ministry of MSME has launched the **MSE TEAM (Trade Enablement and Marketing) Initiative** under the World Bank–supported **RAMP Programme** to help Micro & Small Enterprises (MSEs) leverage digital tools and e-commerce via integration with the **Open Network for Digital Commerce (ONDC)**. The initiative offers onboarding, digital cataloguing, logistics, packaging, and training support, targeting **5 lakh MSEs**, including **2.5 lakh women-led units**, with a focus on Tier 2 & 3 cities.

Complementary platforms and schemes include:

- **MSME Global Mart (NSIC)** – B2B platform connecting MSMEs with domestic and global buyers.
- **Procurement & Marketing Support (PMS) Scheme** – financial aid for trade fairs, exhibitions, and MSME Global Mart onboarding.
- **Government e-Marketplace (GeM)** – unified public procurement platform with e-bidding and reverse auctions.

Together, these initiatives aim to **expand market access, enhance competitiveness, and boost income generation** for India's small enterprises, especially women entrepreneurs.

Electronics-focused Micro & Small Enterprises can leverage the **MSE TEAM Initiative** and digital platforms to expand domestic and export opportunities. Onboarding to **ONDC, MSME Global Mart, and GeM** helps them access **government procurement, B2B trade leads, and wider e-commerce markets**. Support for **cataloguing, logistics, and packaging** lowers entry barriers, while participation in **trade fairs under the PMS scheme** provides visibility to new buyers. These measures are especially beneficial for **Tier 2 & 3 city-based electronics MSMEs and women-led enterprises**, enhancing competitiveness in global supply chains.

For more details, members are advised to refer to the official PIB website https://www.pib.gov.in/PressReleasePage.aspx?PRID=2155091.

7. Cabinet Approves 4 New Semiconductor Projects worth ₹4,600 Cr

The Union Cabinet has approved **four new semiconductor manufacturing projects** under the **India Semiconductor Mission (ISM)**, with a cumulative investment of **₹4,600 crore**. These projects are expected to generate **2,034 skilled jobs** (plus indirect employment) and strengthen India's entry into **compound semiconductors and advanced packaging technologies**.

New Approvals:

- **SiCSem Pvt. Ltd. (with Clas-SiC Wafer Fab, UK) – Odisha**: India's **first commercial Silicon Carbide (SiC) compound semiconductor fab**; 60,000 wafers & 96M packaged units annually.
- **3D Glass Solutions Inc. – Odisha**: World-class **advanced packaging & embedded glass substrate facility**; 69,600 glass panels, 50M assembled units, 13,200 3DHI modules annually.
- **ASIP Technologies (with APACT, S. Korea) – Andhra Pradesh**: **System-in-Package manufacturing** with 96M units capacity.
- **Continental Device India Ltd. (CDIL) – Punjab**: Expansion in **high-power discrete semiconductors (MOSFETs, IGBTs, SiC devices)** with 158M units annual capacity.

Significance:

- India now has **10 approved ISM projects across 6 states** with total investment of **~₹1.60 lakh crore**.
- Strengthens **Atmanirbhar Bharat** in semiconductors for defence, EVs, telecom, data centres, renewable energy, and AI.
- Complements India's growing **chip design ecosystem**, supported by 278 academic institutions, 72 start-ups, and **60,000+ trained students** under government talent development programmes.

These projects mark a milestone—bringing compound semiconductors and cutting-edge advanced packaging technologies to India's semiconductor ecosystem.

The new ISM projects will **reduce import dependence**, ensure local supply of advanced semiconductors, and support fast-growing sectors like **EVs, telecom, defence, and renewable energy**. They also create **supply chain opportunities for MSMEs** and strengthen India's competitiveness in global electronics markets.

For more details, members are advised to refer to the official PIB website https://www.pib.gov.in/PressReleasePage.aspx?PRID=2155456

8. RBI circular No. RBI/2025-2026/71& 72 dated 5th & 12th Aug 2025 : RBI Eases Vostro Account Norms to Boost Rupee-Based Global Trade

The Reserve Bank of India (RBI) has expanded the investment options for surplus balances held in **Special Rupee Vostro Accounts (SRVAs)**, which are used for international trade settlement in INR. Surplus balances in these accounts can now be fully invested in **Central Government securities, including Treasury Bills**, without the earlier caps.

This reform is expected to:

- **Encourage wider use of INR in cross-border trade**, by giving foreign partners more flexibility and security in managing their Indian rupee holdings.
- **Deepen India's debt markets** with higher foreign participation.
- **Support rupee internationalisation**, making INR a more attractive settlement currency.
- **Facilitate electronics trade**, easing imports of critical components and enabling smoother exports of finished products, thereby reducing forex risks for Indian manufacturers.

For the electronics industry, this enhances the ease of doing business in global supply chains by offering stable INR-based settlement mechanisms.

For more details, members are advised to refer to the official RBI website RBI circular No. RBI/2025-2026/71& 72 dated 5th & 12th Aug 2025.

9. MSME Ministry Expands Support for Sector Growth : MSME Ministry Reports 28.73 Crore Jobs on Udyam Portal

The **Ministry of MSME** has reported that **28.73 crore jobs** have been generated through enterprises registered on the **Udyam Registration Portal (including Udyam Assist Platform)** between **July 2020 and July 2025**. The government continues to strengthen MSMEs through flagship schemes such as **PMEGP, Credit Guarantee Scheme, MSE-Cluster Development Programme (MSE-CDP), PM Vishwakarma, RAMP, International Cooperation, and the Self-Reliant India (SRI) Fund**.

Major recent measures include:

- **Ease of Doing Business:** Udyam Registration & Udyam Assist Platform to formalise informal micro enterprises.
- **Credit Support:** ₹9,000 crore infusion in the **Credit Guarantee Scheme** to enable ₹2 lakh crore credit flow; collateral-free loans up to **₹10 crore** with 90% guarantee cover.
- **Employment & Skill Development:** Enhanced project cost ceilings under **PMEGP**, support for entrepreneurship training, and the launch of **PM Vishwakarma** for artisans.
- **Equity Support:** ₹50,000 crore **SRI Fund** to help MSMEs scale into larger enterprises.
- **Market Linkages: TReDS platform** for faster receivables financing and resolution of delayed payments.

These initiatives will directly benefit the **electronics sector**, where MSMEs form a large part of the **supply chain for components, PCBs, sub-assemblies, testing services, and repair units**. Easier access to **finance**, support for **clusters and skilling**, and formalisation of **informal micro units** will enable electronics MSMEs to expand capacity, modernise technology, and integrate better with large OEMs, strengthening **domestic value addition and reducing import dependence**.

For more details, members are advised to refer to the official PIB website https://www.pib.gov.in/PressReleasePage.aspx?PRID=2155677

10. PM E-DRIVE Scheme Extended till 2028

The Ministry of Heavy Industries has extended the **PM Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-DRIVE) Scheme** from **31 March 2026 to 31 March 2028**, while retaining the original outlay of **₹10,900 crore**.

Key Points:

- **Duration:** Originally 2 years (Sept 2024–Mar 2026); now 4 years (till Mar 2028).
- **Terminal Date Unchanged:** Incentives for registered **e-2W, e-rickshaws/e-carts, and e-3W (L5 category)** still close on **31 March 2026**.
- **Reason for Extension:**
  - **E-trucks:** Market still nascent; commercial production delayed.
  - **E-buses:** ₹4,391 crore allocation for 14,028 units needs an additional 18 months post-March 2026 for phased grant disbursements.
  - **Testing Agencies:** Extra time required for equipment procurement and commissioning.
- **Objectives:**
  - Accelerate EV adoption in India.
  - Establish robust **charging infrastructure**.
  - Boost domestic **EV manufacturing under Make in India**.
- **Funding Cap:** ₹10,900 crore; scheme or sub-components close early if funds are exhausted.

The extension will provide the EV ecosystem—especially **e-buses, e-trucks, and testing infrastructure**—with the necessary runway to scale up. It also supports the government's broader vision of **green mobility and reduced import dependence**, while strengthening **domestic EV supply chains**.

For the electronics and components industry, this creates opportunities in battery systems, power electronics, charging infrastructure, and EV-grade semiconductors.

For more details, members are advised to refer to the official PIB website https://www.pib.gov.in/PressReleasePage.aspx?PRID=2154408

11. DoT Slashes Security Testing Fees by up to 95%

The Department of Telecommunications (DoT) has announced a **drastic reduction in security test evaluation fees** under the **Communication Security Certification Scheme (ComSec)**, effective **1 August 2025**. The move is aimed at enhancing **ease of doing business**, reducing compliance costs, and **supporting domestic telecom/ICT manufacturers, especially MSMEs**.

Key Highlights:

- **New Fee Structure:**
  - Group A: ₹2,00,000 → ₹10,000 (↓95%)
  - Group B: ₹2,00,000 → ₹20,000 (↓90%)
  - Group C: ₹2,50,000 → ₹30,000 (↓88%)
  - Group D: ₹3,50,000 → ₹50,000 (↓86%)
- **Exemptions:** 100% fee waiver for **CDOT, CDAC, and Govt. R&D bodies** till **31 March 2028**.
- **Simplified Compliance:** Streamlined process for **Highly Specialized Equipment (HSE)** and **End-of-Life telecom products**.
- **Scope:** Covers routers, 5G core equipment, base stations, SIM cards, Wi-Fi CPEs, and other telecom gear.
- **Implementation:** NCCS under DoT; payments via **MTCTE Portal**.
- **Regulatory Basis:** Telecommunications (Standards, Conformity Assessment, and Certification) Rules, 2025.

Expected Impact:

- Significant **cost savings** for OEMs and MSMEs.
- **Faster market access** and simplified compliance.
- Encouragement for **domestic innovation** and **global standard alignment**.
- Positions India as a **global hub for telecom security testing**.

For the electronics and telecom equipment industry, this fee cut lowers entry barriers, making security certification more affordable while reinforcing India's commitment to secure, indigenous telecom infrastructure.

For more details, members are advised to refer to the official PIB website https://www.pib.gov.in/PressReleasePage.aspx?PRID=2152187

12. NITI Aayog Launches Report on "Unlocking a $200 Billion Opportunity: Electric Vehicles in India"

On **4 August 2025**, NITI Aayog released a landmark report titled *"Unlocking a $200 Billion Opportunity: Electric Vehicles in India"*, aimed at accelerating India's EV transition and addressing systemic barriers through strategic policies and industry collaboration.

Key Highlights:

- **Target:** 30% EV share of total vehicle sales by 2030.
- **Sales Growth:**
  - India – 50,000 (2016) → 2.08 million (2024)
  - Global – 918,000 (2016) → 18.78 million (2024)
- **EV Penetration:**
  - 2020 – India at **1/5th** of global penetration.
  - 2024 – Improved to **2/5th**, but still lagging global pace.

Report Insights:

- Developed after **7 stakeholder consultations** at NITI Aayog.
- Provides a **blueprint** to:
  - Identify challenges in EV adoption.
  - Suggest **policy-aligned solutions**.
  - Offer **actionable recommendations** for scale-up.
- Calls for **data-driven decisions** and **cross-sector coordination**.

For the electronics and automotive industry, this signals a surge in demand for EV components, batteries, charging systems, and advanced electronics, creating new investment and manufacturing opportunities.

For more details, members are advised to refer to the official PIB and NITI website https://www.pib.gov.in/PressReleasePage.aspx?PRID=2152240 and https://niti.gov.in/index.php/node/1792

13. US Exempts Indian Electronics from New Tariffs Amid Section 232 Review

The United States has exempted **laptops, smartphones, servers, and related electronics imported from India** from the new **25% tariff** imposed on most other Indian goods effective **August 1, 2025**.

Key Highlights:

- **Electronics exempt:** Laptops, smartphones, servers, and related devices from India remain **duty-free**.
- **All other Indian goods:** Face a **25% ad valorem tariff** from August 1, 2025.
- **Legal Context:** Exemption falls under the ongoing **Section 232 national security review**.

Why It Matters:

- Shields India's **fast-growing electronics export sector**, while other industries face higher costs.
- Protects **US tech supply chains**, which are increasingly reliant on Indian production.
- Provides stability to global brands like **Apple and Samsung**, which manufacture extensively in India.

India's Rising Electronics Role:

- India surpassed China as the **largest smartphone supplier to the US in Q2 2025**, contributing **44% of US smartphone imports**.
- US electronics brands now depend on Indian factories for large-scale device production.

Caveats:

- The exemption is **temporary** and linked to the **Section 232 review**.
- Future changes are possible, but **essential tech products** are expected to retain carve-outs to avoid disrupting US supply chains.

For India's electronics sector, this exemption offers a crucial advantage during trade tensions—ensuring competitiveness, sustaining export momentum, and reinforcing India's role as a core node in global electronics manufacturing.

For more details, members are advised to refer to the official website https://www.bisinfotech.com/india-retains-zero-tariffs-on-key-electronics-exports/

14. DGFT Notification No. 28/2025-26 dated 28th August 2025: DGFT Extends Export Obligation Period for Imports under QCO Exemption

The **Directorate General of Foreign Trade (DGFT)**, Ministry of Commerce & Industry, has issued **Notification No. 28/2025-26 dated 28th August 2025**, amending Para 2.03(A)(i)(g) of the **Foreign Trade Policy (FTP) 2023**.

Key Change:

- The **Export Obligation (EO) period** for imports of inputs subjected to **mandatory Quality Control Orders (QCOs)**, earlier restricted to **180 days (6 months)** under Advance Authorisation, has now been **extended to 18 months**.
- Going forward, the EO period for all Advance Authorisation holders will be as per **Para 4.40 of the Handbook of Procedures**.

This amendment provides significant relief to **Advance Authorisation holders, EOUs, and SEZs**, especially in sectors like **electronics and chemicals**, where longer lead times are needed for **component processing, certification, and export commitments**. The move will ease compliance, reduce operational pressure, and support smoother execution of export orders.

For more details, members are advised to refer to the DGFT official website Notification No. 28/2025-26 dated 28th August 2025.

For any queries regarding this ELCINA Policy Capsule, please contact policy@elcina.com.

****

Electronic Industries Association Of India

Elcina House, 422, Okhla Industrial Estate, Phase-III, New Delhi, 110020, India

For any queries regarding this ELCINA Policy Capsule, please contact:

policy@elcina.com

www.elcina.com