

UTTAR PRADESH ELECTRONICS COMPONENT MANUFACTURING POLICY-2025

1. Introduction to the Uttar Pradesh Electronics Components Manufacturing Policy, 2025

1.1 Uttar Pradesh is already a leader in Electronics Manufacturing Clusters (EMCs), hosting world-class infrastructure and attracting high-value investments. With nearly half of the country's electronics component production originating from Uttar Pradesh, the State has today established itself as a global hub for electronics manufacturing. This underscores the resilience and dynamism of its economy and highlights the vast potential of the electronics industry. The rapidly growing electronics production in the State, along with the large global and domestic market size and evolving geopolitical dynamics, presents an opportune moment to promote electronics manufacturing and design through an ambitious long-term strategy for this sector in Uttar Pradesh.

1.2. With the objective of establishing Uttar Pradesh as a leading global destination for electronics component manufacturing and strengthening the vision of Aatmanirbhar Bharat, the Uttar Pradesh Electronics Component Manufacturing Policy-2025 has been notified.

1.3. This Policy builds upon the State's existing strong and positive investment climate in this sector and its inherent strengths as India's electronics manufacturing powerhouse. The State hosts established electronics clusters such as Noida, Greater Noida and Yamuna Expressway Industrial Development Authority (YEIDA) regions, which today rank among the most significant electronics manufacturing hubs globally and constitute the largest centres for mobile and electronics production in the country. Global industry leaders such as Samsung, LG, Dixon, Vivo, Haier, Oppo and Motherson are already operational in the State, while semiconductor leaders such as Foxconn have initiated projects as investors in OSAT (Outsourced

Semiconductor Assembly and Test) units. With seamless connectivity through the Noida International Airport at Jewar and the Delhi-Mumbai Industrial Corridor (DMIC), the State offers unparalleled connectivity for export-oriented manufacturing, which will further strengthen the component supply chain ecosystem at both the State and national levels.

1.4. In alignment with the **Electronics Components Manufacturing Scheme (ECMS) of the Ministry of Electronics and Information Technology (MeitY), notified vide Gazette Notification No. CG-DL-E-08042025-262341 dated 08 April, 2025**, the UPECMP 2025 has been promulgated as a complementary policy to promote this industry in the State. The Policy envisages the provision of additional State incentives, expeditious approvals and targeted incentives for component localisation, research & development and employment generation. The objective of this Policy is to leverage the State's strong industrial base, skilled workforce and policy stability to establish Uttar Pradesh as a significant hub for electronics component manufacturing by 2030, thereby driving economic growth, generating employment and enhancing India's self-reliance in critical electronics supply chains. This Policy shall operate as a supplement to the Uttar Pradesh Electronics Policy-2020 (First Amendment) and the Electronics Component Manufacturing Policy notified by the Ministry of Electronics and Information Technology (MeitY), Government of India, vide Gazette Notification No. CG-DL-E-08042025-262341 dated 08 April, 2025.

2. Key Objectives of the Uttar Pradesh Electronics Component Manufacturing Policy-2025:

2.1. Attracting Global and Domestic Investors: The Policy aims to position Uttar Pradesh as a preferred investment destination by offering additional incentives over and above the central scheme notified by MeitY. These include top-up/additional incentives, capital investment incentives (capital grants) and other benefits for eligible units, making the State more attractive to investors.

2.2. Self-Reliance in Identified Component Manufacturing: By promoting localisation in the manufacturing processes of critical products/components such as PCBs, display modules and lithium-ion cells, the Policy seeks to reduce import dependence.

2.3. Increase of Employment Opportunities: The Policy aims to promote inclusive industrial development by generating skilled and semi-skilled employment across the State.

2.4. Strengthening the Supply Chain: The Policy supports large-scale electronics manufacturing while developing a robust ecosystem of Uttar Pradesh-based suppliers.

2.5. Promotion of Innovation, Research and Development: The Policy encourages startups and MSMEs in the identified electronics component manufacturing sectors, fostering innovation and R&D.

2.6. Synergy and Benefits with Existing Infrastructure of the state: Leveraging existing Electronics Manufacturing Clusters (EMCs), the developed Defence Corridor and industrial parks, the Policy optimises the availability of markets for electronic components and the infrastructure necessary for component manufacturing.

Implemented in alignment with the **ECMS** notified by **MeitY**, the UP Electronics Component Manufacturing Policy (ECMP)-2025 ensures that investors in the State not only avail incentives provided under the central scheme but also receive additional top-up incentives on capital investments made. The intrinsic objective of this Policy is to create a highly conducive ecosystem for electronics manufacturing in Uttar Pradesh by encouraging investment through both policies. This initiative aligns with the State's goal of becoming a trillion-dollar economy and targets the development of Uttar Pradesh as a hub for \$50 billion worth of electronics manufacturing within the next five years.

3. Categories of Targeted Components

The targeted components under this scheme include the following:

Table-1

S.No. (Category)	Targeted Component
A	Sub-Assemblies
1	Display Module Sub-Assembly
2	Camera Module Sub-Assembly
B	Bare Components
3	Passive Components for Non-Surface Mount Device (Non-SMD) Electronic Applications (Illustrative List in Annexure-1)
4	Electro-Mechanical Components for Electronic Applications (Illustrative List in Annexure-1)
5	Multi-Layer Printed Circuit Boards (PCBs)
6	Lithium-Ion Cells for Digital Applications (excluding storage and mobility applications)
7	Enclosures for Mobile, IT Hardware Products and Related Equipment
C	Selected Bare Components
8	High-Density Interconnect (HDI) / Modified Semi-Additive Process (MSAP) / Flexible PCBs
9	SMD Passive Components
D	Supply Chain Ecosystem and Production Ancillary Equipment
10	Component parts used in the manufacturing of Sub-Assemblies (A) and Bare Components (B) and (C) (Indicative List in Annexure-1)
11	Production support equipment used in electronics manufacturing, including their sub-units and components

4. Eligibility criteria for the unit under the policy

The general eligibility criteria for any unit applying under this Policy shall be as follows:

4.1. A unit applying for Greenfield or Brownfield investment for the manufacture of products under the targeted component categories (as per Table 1) shall be eligible. For eligibility, there must be a manufacturing unit that the applicant intends to establish for the production of the targeted component products under the scheme. This may be a Greenfield project, i.e., a new business unit or a Brownfield project, i.e., capacity expansion/modernization and/or diversification of an existing unit. The unit must be located within the State of Uttar Pradesh.

4.2. The applicant shall submit separate applications for each product under the targeted component category.

4.3. For the purpose of eligibility under the scheme, all data related to capital investment and turnover shall be considered only in respect of the manufacturing of targeted component products by the applicant's unit located within the State of Uttar Pradesh.

4.4. The applicant shall submit only one application per targeted component product. In case of any amendment to the submitted application, the applicant must withdraw the original application and submit a fresh application.

4.5. A unit selected and considered eligible for incentives under the Electronics Component Manufacturing Scheme (ECMS) notified by the Ministry of Electronics and Information Technology (MeitY), Government of India, vide Gazette Notification No. CG-DL-E-08042025-262341 dated 08 April, 2025, shall be eligible for any incentives under the Uttar Pradesh Electronics Component Manufacturing Policy only if the corresponding capital investment and turnover for the relevant product are realized through the unit located in the State of Uttar Pradesh.

4.6. The objective of the Scheme is to promote self-reliance of the State and the Nation in the manufacture of identified components in the electronics sector. Accordingly, any unit investing in the manufacture of products under the targeted component categories (as per Table-1) within the State shall be

eligible for capital incentives under this Policy, even if they do not meet the minimum turnover or investment eligibility criteria prescribed under the Electronics Component Manufacturing Scheme (ECMS) notified by the Ministry of Electronics and Information Technology (MeitY), Government of India. In other words, units making capital investment in the manufacture of identified components under this Policy in Uttar Pradesh shall be considered eligible for capital grants, provided that commercial production of the identified components has commenced post-investment. A single unit shall be eligible for incentives in only one category. Units that are eligible for incentives under the central ECMS shall, correspondingly, be eligible for additional top-up incentives under this State Policy. Units that are not eligible for incentives under the central scheme shall be considered for capital grants under this Policy based on their eligibility as described herein.

4.7. Scheme Validity: The above scheme shall remain effective for the duration of the Electronics Component Manufacturing Scheme (ECMS) implemented by the Government of India. At present, it is stipulated that the total duration of the scheme shall be six (06) years, which shall also include a maturity period of one (01) year

4.8. In the event of any change in the management/ownership of an identified eligible unit investing under the scheme during the implementation period of the scheme, the eligibility of the unit and the admissibility of incentives/benefits under the scheme shall be determined in accordance with the provisions and guidelines prescribed under the Central Scheme, namely the Electronics Component Manufacturing Scheme (ECMS) and the guidelines issued by the State Government for the implementation of this scheme (UPECMP).

5. Incentives under the Uttar Pradesh Electronics Component Manufacturing Policy 2025 (UPECMP 2025)

5.1. Top-Up and Additional Incentives:

Units eligible under the ECMS shall be entitled to top-up and additional incentives based on the investments made and sales/turnover recorded by units located in Uttar Pradesh. Under this provision, investors who receive incentive benefits under the Electronics Component Manufacturing Scheme (ECMS) notified by the Ministry of Electronics and Information Technology (MeitY) vide Gazette Notification No. CG-DL-E-08042025-262341 dated 08 April, 2025, shall also be **eligible for equivalent incentives from the State Government corresponding to the ECMS (Annexure-3)**. These additional incentives shall be equivalent to the incentives admissible under the central scheme for each product in the targeted component category. However, under no circumstances shall the total incentive available to a unit (combining both central and state incentives) exceed 100% of the eligible capital investment made by the unit.

5.2. Capital Grant (Units Not Covered under MeitY ECMS with Top-Up):

Units that are eligible for incentives under the MeitY ECMS and are also entitled to State top-up incentives shall not be eligible for this capital grant. Accordingly, units that intend to invest in the State for the manufacture of electronic components but, for any reason, do not receive benefits under the ECMS notified by MeitY, shall be eligible for a capital grant amounting to 20% of the eligible capital investment made, in accordance with the provisions of the Uttar Pradesh Electronics Component Manufacturing Policy 2025 (UPECMP 2025). This capital grant shall be linked to employment generation by the unit. Twenty percent (20%) of the total admissible capital grant amount shall be disbursed upon the unit meeting the employment thresholds specified for the identified component category as per Annexure-2. In cases where an applicant meets the requirement of commencement of commercial production post-investment but is unable to meet the prescribed

employment thresholds, the incentive shall be released after deducting 20% from the total capital grant amount otherwise admissible.

6. Additional Incentives for Domestic Sourcing/Manufacturing in the State

6.1. Lithium-Ion Cells (for Digital Applications, excluding Storage and Mobility): In addition to the specified incentives, an additional incentive of 2% shall be provided for domestic sourcing/manufacturing of Cathode Active Material (CAM) within the State, subject to fulfillment of other eligibility criteria.

6.2. Multi-Layer PCBs: In addition to the specified incentives, an additional incentive of 1% shall be provided for domestic sourcing/manufacturing of laminates for multi-layer PCB manufacturing within the State, subject to fulfillment of other eligibility criteria.

6.3. In cases where a unit is eligible for the above additional incentives (under 6.1 and 6.2) under the central policy, but the source of compliance with the domestic sourcing/manufacturing requirement is located in another State outside Uttar Pradesh, the unit shall be eligible to receive only fifty percent (50%) of the admissible additional incentive amount (i.e., 2% or 1%, as applicable) from the State.

6.4. Partial Domestic Sourcing/Manufacturing: Where CAM/laminates are only partially sourced/manufactured domestically, the additional incentive shall be provided on a pro rata basis.

7. Other Incentives: In addition to the provisions relating to top-up additional incentives and capital grant incentives, eligible units under this Policy shall also be entitled to avail other incentives admissible under the Uttar Pradesh Electronics Manufacturing Policy-2020 (First Amendment). These incentives pertain to the following key areas:

- Stamp Duty benefits
- 25% subsidy on land allotted by Development Authorities/State agencies (up to 50% in Bundelkhand and Purvanchal)

- Exemption from Electricity Duty
- Interest Subsidy
- Reimbursement of Patent Costs
- Skill development and other support
- EPF Reimbursement
- Lease Rental Support
- Logistics Subsidy
- Research and Development Support

8. Eligibility of Land and Building Costs under Capital Subsidy (Eligible CAPEX for Capital Subsidy):

Although, under the notified central Electronics Component Manufacturing Scheme (ECMS), expenditure incurred on land and construction of buildings is not considered eligible fixed capital investment, investors who are not covered under the central ECMS and consequently, are not eligible for State top-up incentives, but who intend to invest in the State for the manufacture of identified components under this Policy, shall be eligible for consideration of land and building costs for the purpose of calculating the State capital grant as an additional incentive. Accordingly, the cost incurred on land and buildings (including factory building construction) shall be considered as eligible capital investment up to a limit of 30% of the eligible fixed capital investment made by the unit, excluding the cost of land and buildings, or ₹50 crore, whichever is lower. Any construction activity undertaken on pre-existing land or buildings shall not be eligible to be included under this head. Only expenditure incurred towards purchase of land or construction of new buildings after the commencement date of this Policy shall be considered for eligibility, subject to verification and approval based on prescribed criteria. For other components of eligible fixed capital investment under the admissible capital grant pursuant to this provision, the provisions

relating to eligible capital investment as prescribed under the existing Uttar Pradesh Electronics Policy-2020 (as amended) shall apply.

It is further clarified that this additional incentive provision under this clause shall not be applicable to units that receive incentives under the central ECMS. For components covered under the central ECMS, the capital grant admissible by the State shall be equivalent to the capital grant permitted by MeitY under the central scheme and this clause shall not confer eligibility for any additional capital grant beyond what is admissible under the central ECMS.

9. Incentive Disbursement Timeline:

9.1. Top-Up for Units Incentivised under the Central Scheme: Units receiving incentives under the ECMS of the Ministry of Electronics and Information Technology (MeitY) shall be eligible to receive equivalent incentives under this Policy as top-up incentives, corresponding to the central incentives. For this purpose, the concerned unit shall submit an application both to MeitY and to the State Government. Thereafter, within a maximum period of three months from the receipt of incentive sanction/disbursement from MeitY, the unit shall intimate the State Government and submit an application in the prescribed manner along with the relevant details. Incentives up to a limit of ₹50 crore shall be disbursed by the State Government in a single instalment. Where the total incentive amount exceeds ₹50 crore, the incentive shall be disbursed in annual instalments, with each instalment capped at ₹50 crore. The determination of instalments shall not be linked to the incentive amount receivable by the unit in subsequent years and the instalments shall be determined separately on a year-to-year basis.

9.2. Units Not Covered under MeitY ECMS with Top-Up: For such units, the disbursement of capital grant incentives shall be as follows: 60% of the eligible CAPEX (eligible capital investment made within the State) shall be disbursed in the first instalment and the remaining 40% shall be disbursed in

subsequent years. The maximum limit of the first-year instalment shall be ₹30 crore or 60% of the CAPEX incentive, whichever is lower. After the first year of CAPEX incentive disbursement, the remaining amount shall be released in subsequent years, with each instalment capped at ₹25 crore. In cases where the eligible CAPEX incentive exceeds ₹150 crore, the first instalment shall be ₹50 crore, followed by four equal instalments, so that the entire CAPEX incentive is disbursed over five annual instalments.

9.3. The aggregate of all incentives received by a unit from all sources during the scheme period shall be limited to 100% of the actual eligible capital investment made by the applicant during the scheme period.

10. Case-to-Case Incentives:

For large investment projects undertaken by a unit involving an investment of more than ₹2,000 crore during the scheme period, the Empowered Committee may make the following recommendations to the Hon'ble Cabinet:

- Relaxation in any of the criteria prescribed under this Policy, or
- Enhancement of the proposed limits of any incentive.

In the case of such large investors (investment exceeding ₹2,000 crore), the Hon'ble Cabinet may, based on the recommendations of the Empowered Committee, determine an incentive package on a case-to-case basis, in addition to the incentives otherwise admissible under this Policy. While determining such customised incentive packages on a case-to-case basis, it shall be ensured that the aggregate financial outlay of all incentives admissible from all sources shall, under no circumstances, exceed 100% of the total eligible fixed capital investment made by the unit. Accordingly, the maximum limit of any case-to-case incentive admissible to a unit under this Policy shall be restricted to 100% of the eligible fixed capital investment made by the concerned unit.

11. Incentive Period:

11.1. The total duration of this Policy shall be six (6) years. Capital expenditure investments made by units in the State of Uttar Pradesh during the financial year 2025-26, commencing from 1 April, 2025, shall be eligible for claiming investment benefits under this Policy.

11.2. In cases where units are eligible to avail benefits under both the MeitY ECMS and the UPECMP, State-level incentives shall be admissible only after the date of sanction of incentives by the Government of India.

11.3. Eligibility under this Policy shall not affect eligibility under any other scheme. However, investments or sales that have already been incentivised under any other scheme of the Government of Uttar Pradesh shall not be eligible for incentives under this Policy. The applicant shall be required to submit a management undertaking in this regard.

12. Target Segment-Specific Eligibility Criteria for Incentives:

12.1. Display Module Sub-Assembly:

- To be eligible for incentives under the Scheme, the applicant shall undertake the complete **sub-assembly process** within Uttar Pradesh, including **Film on Glass (FOG)** and **Chip on Glass (COG)** processes, wherever applicable.
- No incentive shall be provided for final assembly carried out on **semi-assembled products**.

12.2. Camera Module Sub-assembly:

- The applicant shall undertake the complete sub-assembly process within Uttar Pradesh, including surface mounting of components on the substrate, Front of Line (FOL) processes and End of Line (EOL) processes, wherever applicable.

- No incentive shall be provided for final assembly carried out on semi-assembled products.

12.3. Multi-layer PCB:

- From the **second year onwards**, the applicant shall localise at least **one of the following parts/components** annually:
 - Any **process chemistry material**,
 - Any **finished chemistry material**,
 - **Solder mask ink**,
 - **Tin balls and solder**.
- Localisation of **process chemistry materials** and **finished chemistry materials** shall be considered valid for only **one year** during the scheme period.

12.4. Lithium-Ion Cells for Digital Applications (excluding Storage and Mobility):

- To be eligible for incentives, the applicant shall fulfill the following conditions:
 - The **manufactured Li-ion cells** shall be used exclusively for **digital applications** (excluding storage and mobility).
 - The cell capacity shall not exceed **10,000 mAh** (applicable to prismatic, pouch or cylindrical cell types).
 - **From the second year onwards**, at least one of the following components shall be localised annually:
 - **Electrolyte**,
 - **Anode Electrode**,
 - **Cathode Electrode**.

12.5. Enclosures for Mobile, IT Hardware Products and Related Equipment:

- The applicant shall manufacture enclosures made of **metal, plastic or glass.**

Finishing/decoration processes shall also form an integral part of the manufacturing process.

13. Governance Structure for Policy Implementation:

13.1. Nodal Agency

For effective implementation, the nodal agency designated under the Uttar Pradesh Electronics Manufacturing Policy-2020 within the Department of IT and Electronics, Government of Uttar Pradesh- namely, Uttar Pradesh Electronics Corporation Limited (UPLC), shall continue to be designated as the nodal agency for this Policy. The nodal agency shall be responsible for creating a conducive policy environment for the continuous development of the electronics manufacturing ecosystem in the State in accordance with this Policy. It shall function as a single-window interface for engagement with all ecosystem stakeholders. To manage single-window operations, the nodal agency shall establish a dedicated Project Management Unit (PMU), adequately staffed with outsourced professionals and consultants. The nodal agency shall provide secretarial, managerial and implementation support and shall discharge any other responsibilities assigned by the Department of IT and Electronics, Government of Uttar Pradesh, from time to time. For administrative arrangements and management of policy implementation, in line with the guidelines issued under the Uttar Pradesh Electronics Manufacturing Policy-2020 (First Amendment), an amount equivalent to 2% of the approved financial benefits to the investor unit shall be paid to the nodal agency as administrative expenditure, which shall be deducted from the disbursed incentive amount.

13.2. Policy Implementation Unit (PIU):

The Policy Implementation Unit constituted earlier under the Uttar Pradesh Electronics Manufacturing Policy-2020, chaired by the Principal Secretary, Department of IT and Electronics, shall function as the Policy Implementation Unit (PIU) for oversight of the nodal agency's functions under this Policy. The PIU shall be responsible for effective implementation of the Policy, including approval of investment proposals, disbursement of incentives and making recommendations to the Empowered Committee. The PIU may also review and assess the progress made by eligible applicants under this Scheme with respect to investments, employment generation, production, domestic value addition and other relevant parameters.

13.3. Empowered Committee (EC):

The State-level Empowered Committee constituted under the Uttar Pradesh Electronics Manufacturing Policy-2020 and chaired by the Chief Secretary shall monitor the effective implementation of this Policy. The mandate of the Empowered Committee shall include effective implementation of the Policy, addressing any practical difficulties encountered from time to time and issuing inter-departmental coordination directives and guidance for the timely resolution of investor issues at all levels.

14. Competent Authority for Issuance of Letter of Comfort and Disbursement of Incentives:

14.1. Under this policy, on the basis of proposals submitted by the units, the Letter of Comfort to eligible units shall be issued by the Department in accordance with the provisions of the existing Uttar Pradesh Electronics Manufacturing Policy-2020 (First Amendment). For projects involving investment up to ₹200 crore, the Letter of Comfort shall be issued after approval of the Hon'ble Departmental Minister, based on the recommendation of the Policy Implementation Unit. For projects involving investment exceeding ₹200 crore, the Letter of Comfort shall be issued by the Department after obtaining approval of the Hon'ble Cabinet, based on the

recommendation of the Empowered Committee constituted under the chairmanship of the Chief Secretary.

14.2. Competent Authority for Disbursement of Incentives: Based on the eligibility of the unit, the competent authority for disbursement of incentives shall be as per the framework prescribed by the Government of India under the policy, as detailed below:

14.2.1. For disbursement of incentives involving a financial outlay up to ₹100 crore, approval for incentive disbursement shall be accorded after the recommendation of the Policy Implementation Unit and subsequent approval of the Hon'ble Departmental Minister.

14.2.2. For disbursement of incentives ranging from ₹100 crore to ₹200 crore, approval shall be obtained by the Department from the Hon'ble Departmental Minister, based on the recommendation of the committee chaired by the Chief Secretary.

14.2.3. Projects involving disbursement of incentives exceeding ₹200 crore shall be subject to approval by the Hon'ble State Cabinet, based on the recommendations of the Empowered Committee.

14.3. Pursuant to the approval granted by the competent authority as prescribed under this policy, the financial sanction/release of funds relating to disbursement of incentives under this policy shall be issued by the Principal Secretary, IT and Electronics.

15. Resolution of Practical Difficulties in Implementation of the Policy:

15.1. For disbursement of incentives under this policy, detailed directions/guidelines in respect of standard accounting procedures, record maintenance and other related aspects shall be issued by the Department of IT and Electronics, with the approval of the Hon'ble Departmental Minister, in alignment with the Central Scheme ECMS.

15.2. Any amendment under this policy shall be implemented by the Department with the approval of the Hon'ble Cabinet, based on the recommendations of the subject-specific Empowered Committee.

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