

GOVT. OF NCT OF DELHI
OFFICE OF THE COMMISSIONER OF INDUSTRIES
419, FIE , PATPARGANJ INDUSTRIAL AREA, UDYOG SADAN,
DELHI-110092

DRAFT
DELHI ELECTRONIC SYSTEM DESIGN,
MANUFACTURING AND REFURBISHMENT
POLICY, 2022-27

TABLE OF CONTENTS

1.	INTRODUCTION	3
2.	OBJECTIVES	3
3.	POLICY TIME PERIOD AND COVERAGE	3
4.	POLICY COMPONENTS	3
4.1	PROMOTION	3
4.2	ESTABLISHMENT OF DELHI'S ELECTRONIC CITY	4
4.2.5	PLUG & PLAY INFRASTRUCTURE	5
4.2.6	OPERATIONS ON 24 x7 BASIS	5
4.2.7	COMMON FACILITIES CENTER (CFC)	5
4.2.8	OFFICE AND WAREHOUSING SPACE FOR COMPONENT SUPPLIER	5
4.2.9	CUSTOMS BONDED WAREHOUSE	5
4.2.10	AFFORDABLE RENTAL HOUSING COMPLEXES (ARHC)	6
4.3	ESTABLISHMENT OF DELHI'S ELECTRONIC DESIGN VILLAGE (DEDV)-6	7
4.4	SKILL DEVELOPMENT	7
4.5	EASE OF DOING BUSINESS	8
4.5.2	SINGLE WINDOW CLEARANCE	8
4.6	TIME BOUND APPROVALS	9
4.7	SELF CERTIFICATION	10
5	INCENTIVES UNDER ESDMR POLICY	11
5.1	GENERAL PROVISIONS	11
5.2	EMPLOYMENT GENERATION INCENTIVE	11
5.3	STAMP -DUTY EXEMPTION	12
5.4	NET SGST REFUND	12
5.5	PREFERENTIAL MARKET ACCESS	13
6	INFRASTRUCTURE DEVELOPMENT MODEL FOR DELHI'S ELECTRONIC CITY-13	
7	LAND SUBSIDY	14
8	GOVERNANCE	14
8.1	NODAL DEPARTMENT AND EXECUTING AGENCY	14
8.2	STEERING COMMITTEE (SC)	15
9	GNCTD SUPPORT TO DELHI ESDMR POLICY	16

1. INTRODUCTION

1.1 The electronics industry is one of the largest and fastest growing industries in the world. Electronic products continue to impact and shape our lifestyle prominently in today's digital era. In 2020, this global industry was estimated at US\$ 2.9 trillion, which almost equals India's GDP. Moreover, most electronics manufacturing is recognized as a green and clean industry suitable for locations like Delhi.

1.2 Although, in the 1970-80s Delhi was at the helm of the electronic manufacturing boom in India over time it has transformed from being a manufacturing hub to being the largest market for electronic and electrical products in the country.

1.3 Through this Electronic System Design, Manufacturing and Refurbishment (ESDMR) Policy, the Govt. of the National Capital Territory of Delhi (GNCTD) wants to revive the Electronic Manufacturing and Refurbishment Industry in Delhi to meet its own, national, and international demand.

2. OBJECTIVES

2.1 GNCTD through the Delhi ESDMR Policy seeks to establish Delhi as the preferred destination for electronics design, manufacturing, repair and refurbishment by creating a robust local ecosystem through favorable policy incentives, offering of 'plug and play' infrastructure and skilled manpower. This will help meet the following objectives:

- i. Create new direct and indirect employment opportunities within the state.
- ii. Establish Delhi as the preferred destinations within the country for high value-added electronics design, manufacturing, repair and refurbishment thereby boosting Delhi's economy.

3. POLICY TIME PERIOD AND COVERAGE

3.1 The Delhi ESDMR Policy 2022 is valid for five (5) years from the date of its notification. Policy shall be applicable for investments made after the notification of this policy. All the incentives under this policy shall be applicable for specific industrial areas developed under this policy such as Delhi's Electronic City at Baprola or such other location decided by the Government. The Industries Department, GNCTD, shall be the Nodal Department and Delhi State Industrial and Infrastructure Development Corporation (DSIIDC) shall be Executing Agency for the implementation of this policy and may also notify additional land parcels as required for inclusion under this policy.

4. POLICY COMPONENTS

4.1 PROMOTION

To attract Industry players to the National Capital Territory, the Executing Agency shall market, brand and promote the Delhi ESDMR Policy at National Level. The Executing Agency shall undertake the following activities:

74c
4.1.1 Developing and maintaining a dedicated online portal for disbursement of incentives, approvals, queries, grievances, support, and promotion.

4.1.2 Organizing and participating in International and National summits, conferences, road shows and events to promote policy incentives and attract investments.

4.1.3 Brand and market the National Capital Territory as the preferred destination of high value-added Electronics Design, Manufacturing and Repair and Refurbishment.

4.1.4 Use print, electronic, and social media to create awareness on the benefits of the Delhi ESDMR

A budget of INR 01 Crore to Executing Agency shall be provided through Nodal Department for this activity during the policy period.

4.2. ESTABLISHMENT OF DELHI'S ELECTRONIC CITY

4.2.1 Government of Delhi will identify a suitable location of approximately 100 Acres for development of Electronic City. DSIIDC, which holds the industrial land, would appoint a Concessionaire through an open transparent bidding process to develop the land as Electronic City. At Baprola, the approx land (100 acres) that include JNNURM Housing can be considered as a single electronic City Project. For this purpose, a Transaction Advisor shall be engaged by the DSIIDS that shall prepare detailed Concession Model and Financial Model for development of Electronic City. The Transaction Advisor shall also advise DSIIDC for suitable modeling of the project so as to cover it under the appropriate GOI Scheme(s) for availing GOI grants under the Electronics Manufacturing Cluster Scheme.

4.2.2 The concessionaire shall develop relevant infrastructure on PPP model for Greenfield development in electronic manufacturing cluster in Baprola at their own cost (without Government aid) and same shall be recovered from the prospective buyers. Electronic manufacturing cluster in Baprola (or any other suitable location identified by the government) hereinafter be called "Delhi's Electronic City". The infrastructure facilities at Delhi's Electronic City shall ensure maximum convenience to the businesses that locate in the facility and hereinafter called "Operating Unit". Operating Units shall be defined as units undertaking activities as per Annexure A and located in Delhi's Electronic City.

4.2.3 Delhi's Electronic City shall be designated as an Electronic Manufacturing Cluster (subject to the approval of Ministry of Electronics and Information Technology (MeitY), Government of India) as defined by the Government of India through the Electronics Manufacturing Cluster Scheme dated October 22, 2012, vide F. No. 8(50)/2011-IPHW and Electronics Manufacturing Cluster 2.0 Scheme dated April 01, 2020, vide F.No. 36(7)/2018-1PHW (Vol.II).

4.2.4 The following shall be the infrastructure support offered to Operating Units in Delhi's Electronic City. All these facilities shall be created, developed and operated by the Concessionaire at his own cost and the services shall be provided to the

establishments in the Electronic City on Pay and Use basis. No separate grant shall be provided to the Concessionaire for developing these facilities.

4.2.5 Plug & Play Infrastructure

4.2.5.1 Delhi's Electronic City shall be developed such as to provide electronics manufacturing units and repair & refurbishment units with ready to use, plug and play space. Plug and play infrastructure shall allow Operating Units to reduce set-up time significantly with the convenience of commencing production at the earliest.

4.2.5.2 The cluster shall be provided with ready built factories, dedicated high speed Internet connectivity, easy transportation access and uninterrupted access to power, water, CETP and other utilities necessary for the smooth functioning of the Operating Units.

4.2.6 Operations on 24 x 7 basis

4.2.6.1 Units operating within the Electronic City shall also be provided the permission for 24x7 operations and employment of women in all three shifts. The Labour department shall make suitable amendment in the Shop and Establishment Act and /or Factories Act for 24x7 operations in Delhi Electronic City. The possibility of enactment of Model Shops and Establishment Act shall be explored by Labour Department, GNCTD, in a time bound manner.

4.2.7 Common Facilities Center (CFC)

4.2.7.1 The infrastructure developed within Delhi's Electronic City shall be equipped with Common Facilities Centers. Such facilities shall aim to improve economies of scale to help Operating Units gain competitive advantage in the demand market.

4.2.7.2 A CFC shall include Testing Labs, Prototyping Labs, Certification Facilities, Warehousing, Component Bank etc.

4.2.7.3 All such facilities in the centers shall be available to Operating Units in Delhi's Electronic City at pay-per-use basis.

4.2.8 Office and Warehousing Space For Component Supplier

4.2.8.1 Delhi's Electronic City shall offer office and warehousing space for component suppliers to promote long-term strategic relationships between vendors and Operating Units. Proximity of component suppliers to the Operating Units shall directly promote lower inventory holding costs, decreased logistics costs and increased business opportunities.

4.2.8.2 All such office and warehousing facilities shall be available to component suppliers who locate in Delhi's Electronic City at concessional lease rentals.

4.2.9 Customs Bonded Warehouse

4.2.9.1 The Electronic City shall have Customs Bonded Warehouse facility as defined in Section 65 of the Customs Act, 1965 and as per circular Manufacture and Other Operations in Warehouse Regulations 2019 (no. 2 regulations), issued vide

Notification No.69/2019-Customs (N.T.) dated 01.10.2019 subject to the approval of Central Board of Indirect Taxes and Customs (CBITC) The concessionaire shall obtain all necessary approval from CBITC.

4.2.9.2 Through the Customs Bonded Warehouse, the Operating Unit shall be able to import goods (input and capital goods) eligible for customs duty deferment with no interest liability. Operating Units shall not be subjected to any investment threshold or export obligation and may also be fully remitted of basic custom duties if the goods resulting from operations, are for exports. Import duty shall be payable only if the resulting or imported goods are cleared in the domestic market (ex-bonding). Thus, bonded storage shall provide significant cost savings and allow for goods to be stored closer to the Operating Unit.

4.2.10 Affordable Rental Housing Complexes (ARHC)

4.2.10.1 Government of Delhi will take up with Government of India for transferring the JNNURM House complex developed at Baprola to the Concessionaire Lease Basis (on as-is-where-is basis) to be run as Rental Housing Complex for the workers of the Electronic City. The Cost of construction of the Complex as well as land value can be recovered from the Concessionaire using combination of upfront payment and periodic payments/installments, payable to DSIIDC. The Department of Urban Development, GNCTD shall seek permission from Government of India for utilizing flats built under JNNURM in the vicinity for industrial workers employed within the Electronic City.

4.2.10.2 Government of Delhi will take up with Government of India for Enactment of Modern Rent Control Laws so that the Rental Housing Complexes can be managed efficiently and professionally.

4.2.10.3 The concessionaire shall upgrade and run the Rental Housing Complex (RHC) in Baprola Industrial Complex at his own cost. The RHC shall provide well designed living spaces with all required civic amenities in proximity to the workplace.

4.2.10.4 In order to make the Rental Housing Complex affordable, Government shall provide subsidy to the workers availing the ARHC to the extent of 25% of rent payable to the Concessionaire by the occupants. ARHC space shall be available at concessional lease term to the units who locate within the Electronic City.

4.2.10.5 For Providing Rent Subsidy to the occupants of the Rental Housing Complex, a budget of Rs 5.07 Crores per year is required as follows-

Number of Houses	2112
Estimated Rent (Per House)	Rs 8000 per month
Subsidy required (Per house)	Rs 24000 Per Year
Total Subsidy Required	Rs 5.07 Cr per year
Subsidy required for 5 year Period	Rs 25.35 Crores

4.3. ESTABLISHMENT OF DELHI'S ELECTRONIC DESIGN VILLAGE (DEDV)

4.3.1 To promote design and development of electronic products and components, GNCTD shall establish the first Delhi's Electronics Design Village (DEDV) within a

Technical Institute such as IIIT Delhi. The DEDV shall be a globally competitive one of its kind research and design facility dedicated for electronics product and component design in India. The Design Village shall work in synergy with the Delhi's Electronic City to build a complete electronics value chain from research and design, manufacturing, refurbishment to repairs/after sale services within the state.

4.3.2 DEDV shall house global Independent Design Houses, relevant Start-Ups and the design teams of Original Design Manufacturers transitioning to product design. The research and design facility shall be a tripartite collaboration among the Industries Department, (GNCTD), Indraprastha Institute of Information Technology of Delhi (IIIT-Delhi), Delhi Skills and Entrepreneurship University (DSEU) and Partners from Electronic Industry. The collaboration will support the necessary ecosystem for the advancement of electronic design and research.

4.3.3 Delhi's Electronic Design Village shall include a 'Start-up Village'. The Start-up Village will house new and innovative entrepreneurs engaged in the field of electronics design or design led manufacturing. Such Start-ups shall automatically qualify as recognized start-ups under Delhi Start-Up Policy and shall be eligible for all incentives offered under the Delhi Start-Up Policy, apart from all the benefits availed under the Delhi ESDMR Policy. The norms for startups policy of Govt. of India will be followed.

4.3.4 The Delhi Electronic Design Village shall be a private sector and academia led initiative established through a section 8 company and professionally managed. GNCTD shall partner with IIIT-D, DSEU and Electronic Industry Players to co-promote and fund the Company till the company becomes self-sustaining. GNCTD shall also support the Company with grants and loans for initial infrastructure development and investment in equipment. The support of government, industry and academia shall create a conducive environment for globally-competitive and unique electronics product designs.

4.3.5 DEDV shall be equipped with a dedicated Common Facilities Center. This facility. The CFC shall include Testing Labs, Prototyping Labs, Certification Facilities, a Component Bank, etc. All such facilities in the center shall be available to units in operation in the DEDV at concessional pay-per-use rates.

4.3.6 The establishment of DEDV shall be taken up separately with the Technical Education Department, and a separate policy for this shall be prepared by TTE Department. Accordingly, no budget is envisaged for this proposal at this stage.

4.4. SKILL DEVELOPMENT

4.4.1 GNCTD recognizes that the electronics industry is highly labour intensive. Thus, the availability and access to efficient and productive labour remains critical to create the necessary ecosystem within the state.

4.4.2 The Delhi ESDMR Policy offers the following support for development of skills:

4.4.3 Delhi Skills and Entrepreneurship University (DSEU) is a premier collegiate university that helps equip students with world-class skill education and helps prepare them for various job opportunities. The Government shall facilitate the development of

(9/c)

pecially curated 'on-the job' joint courses between DSEU and interested Operating Units.

4.4.4 Financial incentives for training of apprentices shall be given by Directorate of Training & Technical Education (DTTE)/ Delhi Skill and Entrepreneurship University (DSEU), and the incentives shall be as per their (DTTE's) policy guidelines.

4.4.5 The Government/ DESU shall facilitate a placement drive for all interested Operating Units within all infrastructure developed under this policy in top technical universities of Delhi. The aim of this placement drive shall be to improve access of Operating Units to skilled manpower for better efficiency and higher productivity.

4.4.6 GNCTD encourages the use of the National Apprenticeship Promotion Scheme (NAPS) governed by the Apprenticeship Act, 1961. The Scheme helps recruit and train manpower specific to the needs of the Operating Unit and industry. The National Apprenticeship Promotion Scheme extends financial support to organizations registered with it by sharing 25% of the prescribed stipend subject to a maximum of Rs. 1500/- per month per apprentice to all apprentices employed with the employers.

4.4.7 GNCTD through the Delhi ESDMR Policy shall top the prescribed stipend subject to a maximum of 900/- per month per apprentice to all apprentices employed with the Operating Unit. This financial incentive shall be over and above the financial support offered by the NAPS and subject to the approval of reimbursement of stipend under the National Apprentice Promotion Scheme.

4.4.8A budget of Rs. 10.80 Crores shall be required for providing the Stipend subsidy to the Apprentices as follows-

Number of Apprentices per year	2000
Estimated subsidy (Per trainee)	Rs 900 per month
Subsidy required (Per trainee)	Rs 10800 Per Year
Total Subsidy Required	Rs 2.16 Cr per year
Subsidy required for 5 year Period	Rs 10.80 Crores

4.5. EASE OF DOING BUSINESS

4.5.1 GNCTD aims to offer maximum convenience to the Operating Units. Thus, to further make it easy for investor companies to setup and run their business, the Delhi ESDMR Policy shall support the following:

4.5.2 Single Window Clearance

4.5.2.1 The Government shall appoint a Chief Executive Officer of the Electronic City (on the similar Lines of CEO of Special Economic Zones) who can be vested with all powers for providing necessary clearances to the establishments in the Electronic City. All efforts shall be made to get the powers delegated to the CEO, and If need be, efforts shall be made to make appropriate amendment in the relevant Acts. The illustrative list of powers that shall be vested in the CEO shall be as follows –

- 68/c
- (a) Approval of Building Plans / Permits including Completion Certificates [under DMC Act]
 - (b) Consent to establish and Consent to Operate [Under Pollution Control Laws]
 - (c) Grant of Shops & Establishment and/ or Factory License / Registration under BOCW Act [Under Labour Laws]
 - (d) Municipal Factory License/ Health License [Under DMC Act]
 - (e) grant of water Connection and sewage connections
 - (f) Fire Clearances [Under Delhi Fire Act]

4.5.3 The Executing Agency shall constitute a dedicated Electronic City Investor Cell (ECIC). The ECIC shall also act as a grievance cell for all Operating Units. The role of ECIC shall be as follows-

4.5.3.1 On-line Portal - The ECIC / CEO shall develop and subsequently maintain a dedicated online Single Window Clearance portal for investment application, approvals, queries, grievances, support, and promotion.

4.5.3.2 Organize pre-scrutiny of the applications for assistance / Subsidies / clearances / Licenses under this policy once in a week to verify and guide applicant prior to submission of application to the competent authority .

4.5.3.3 Receive, review, and monitor all applications for clearances for setting-up Operating Units in the infrastructure developed under the policy.

4.5.3.4 Acknowledge all applications received and forward the applications to the concerned cell within 3 working days. Inform the applicant of the date on which the application was received by the competent authority and date on which the application is likely to be approved. It may Raise doubts and clarifications on applications with remarks and relevant documents to the Steering Committee

4.5.3.5 In cases where powers are not delegated with the CEO, guide and assist the establishments to approach the concerned department and their respect portals for getting the clearances.

4.5.3.6 Facilitate joint site inspections of competent authorities, if required

4.5.3.7 Inform the applicant of the date on which the application was received by the competent authority and date on which the application was deemed approved.

4.6 TIME BOUND APPROVALS

4.6.1 All approvals required by Operating Units who locate within infrastructure developed under the ESDMR Policy shall be deemed approved within thirty (30) calendar days, in case, the concerned agency has not rejected the application for relevant reasons. The following shall be applicable to such time bound approvals:

- 67/c
- i. The concerned agency may ask for additional information at any time before the expiry of the period stipulated for disposal of such clearance. Provided that the request for additional information should be made only once by the concerned agency.
 - ii. After the receipt of the additional information, the concerned agency shall pass orders on the application before the expiry of the stipulated time of 14 days from the date of receipt of such additional information .
 - iii. The applicant may proceed to execute work following the deemed approval but not to contravene any Acts or Rules or bye-laws applicable to such clearances

4.6.2 Such approvals shall be the subject of the Government of the National Capital Territory of Delhi. The list of approving authorities subject to Time Bound Approvals are as follows:

- i. Delhi Fire Department
- ii. Delhi Pollution Control Committee
- iii. Delhi Labor Welfare Board
- iv. Delhi Jal Board
- v. Delhi State Industrial and Infrastructure Development Corporation
- vi. Delhi Power Distribution Companies (DISCOMs)
- vii Municipal Corporation of Delhi
- viii Labour Department and BOCW Board

4.7 SELF-CERTIFICATION

4.7.1 The GNCTD through the ESDMR policy shall promote self-certification by Operating Units to reduce set-up time and enable faster commercial production. Thus, the applicant shall furnish 'Self-Certification' at the time of submitting the application to the Electronic City Investor Cell (ECIC) in the prescribed format.

4.7.2 The self-certification furnished by the applicant may be accepted by the concerned agency for the purpose of issue and granting clearance.

4.7.3 All such approvals shall be the subject to relevant laws of the Government of the National Capital Territory of Delhi as indicated in section 4.6 Time Bound Approvals.

4.7.4 Any Operating Unit who fails to comply with the conditions or undertaking in self-certification given to the Electronic City Investor Cell or other departments or agencies shall be punishable with penalties and fine as prescribed in the relevant laws. In addition, the ECIC may impose such fine and penalties as decided by Steering Committee in this regards.

5. INCENTIVES UNDER ESDMR POLICY

5.1 General Provisions

5.1.1 All financial incentives under this policy are over and above the incentives given by the Government of India.

5.1.2 To be eligible for Financial incentives under this policy, Operating Units should be located in the Electronics City and shall be required to start commercial production within 365 days from the date of lease agreement .

5.1.3 All financial incentives provided in the policy shall be eligible upon the commencement of commercial production and shall be available for a period of five (5) years from the start of production.

5.1.4 The operating Unit shall be engaged in the research, design, manufacturing/ production, refurbishment, or after repair/sales service of electronics. The definition of processes eligible under this policy is aligned as per the National Policy of Electronics dated February 25, 2019, vide F.No. No.26(1)/2019- IPHW and has been enclosed it Annexure A.

5.1.5 Detailed operational guidelines for disbursal of incentives under the Delhi ESDMR Policy shall be issued from time to time by the Industries Department, GNCTD with the approval of Hon'ble Minister (Industries) as the Competent Authority.

5.1.6. Following shall be the incentives that shall be provided under this Policy-

5.2 Employment Generation Incentive

5.2.1 Labour is an essential factor of production for the electronics industry. Employee expenses thus contribute to a significant proportion of the operating expense of a unit. To support Operating Units, the Delhi ESDMR policy offers the following financial incentives:

i. For Female workers: Rs. 7,000 (Rupees Seven Thousand only) per person per calendar month.

ii. For Male workers: Rs. 3,500 (Rupees Three Thousand Five Hundred only) per person per calendar month.

5.2.2 The employment generation incentive shall be applicable skilled workers employed by units operating within Delhi's Electronic City developed under this policy.

5.2.3 Detailed Policy guidelines, eligibility conditions, nature of workers and operational guidelines for the scheme shall be prepared by the industry department separately.

65/c

5.2.4 It is estimated that the industry will be provided subsidy in respect of approximately ten thousand (10,000) workers per year. A Budgetary provision for this scheme to tune of INR 300 crore shall be required as follows-

Number of employees per year	10,000
Estimated subsidy (Per employee)	Rs 5000 per month
Subsidy required (Per trainee)	Rs 60,000 Per Year
Total Subsidy Required	Rs 60 Cr per year
Subsidy required for 5 year Period	Rs 300 Crores

5.3 Stamp-Duty Exemption

5.3.1 GNCTD through the Delhi ESDMR policy shall provide 100% exemption of stamp-duty, and registration fee on lease of land on the first transaction/ allotment of land / built up space to the Operating Unit.

5.3.2 Revenue Department shall issue necessary notification under Indian Stamp Act for grant of such exemption.

5.3.3 The Estimate of Revenue loss on account of such exemption is as follows (As compared to a hypothetical situation when the land is disposed at industrial rate)-

Total Land in the Electronic City	80 Acres (Excluding land under available vacant houses)
Sellable Land (Approx 60%)	48 Acres
Circle Rate	Rs.46200/- per sq.mt (Housing),
Factor for Industrial Use	Factor 2 Rs.92400/- per sq.mt (Industries)
Total notional value if sellable land	Approximate 1795 Cr. as per the circle rate
Stamp duty & Registration Charge Rate	6% + 1%
Notional Stamp duty / Registration charge forgone	Rs. 125 Crore

Note : This is only a hypothetical and Notional Figure

5.4 Net SGST Refund

5.4.1 The Delhi ESDMR policy shall allow 100% net SGST reimbursement for the first, second and third year from the date of commencement of commercial production for the Operating Unit and shall allow 50% net SGST reimbursement for the fourth and fifth year from the date of commencement of commercial production for the Operating Unit.

5.4.2 Detailed Policy guidelines, eligibility conditions, nature of units and operational guidelines for the scheme shall be prepared by the industry department separately.

5.4.3 Industry Department shall issue necessary notification under GST for grant of such re-imbusement.

5.4.4 The Estimate of Revenue forgone on account of such exemption is as follows

Total Number of Units	300
Average Annual Turnover of units	100 Crores *
SGST Rate	9%
Annual Reimbursement per unit (1 st and second year)	9 Crores per year
Annual Reimbursement per unit (third to fifth year)	4.5 Crores per year
Total reimbursement per unit (5 years)	31.5 Crores
Total Reimbursement under this scheme	9450 Crores
Annual Reimbursement	1890 Crores

* Note – FOR unit to qualify as MSME, the annual TO limit is 250 Cr.

5.4.5 It may be noted that this reimbursement shall be from the additional revenue that is collected by the Government on account of establishment of the Electronic City.

5.5 Preferential Market Access

5.5.1 Building on the Market Access Initiative (MAI) Scheme of the Government of India, GNCTD through the Delhi ESDMR policy shall also provide preferential access to Operating Units within all infrastructure developed under this policy or through their authorized dealers or distributors. Such units shall be eligible for the following benefits with respect to any GNCTD tenders relating to electronic products published during the policy period:

- i. 50% discount in Earnest Money Deposit
- ii. 25% discount in Performance Bank Guarantee (PBG)
- iii. 50% relaxation of pre-qualification criteria stipulated in respective tenders or bid documents or RR' such as Turnover (in financial terms & Quantity of orders handled), net worth, service facilities or any other pre- qualification criteria as is deemed fit
- iv. Eligible Operating Units shall be awarded 40% of the order quantity if they are able to match L1 price.

5.5.2 Eligible Operating Units shall be considered for preferential market access under a tender or bid document or RFP only if the units participate in the respective tender or bid document or RFP. Further, in case multiple Operating Units who bid are willing to match the L1 price, the Operating Unit with the lowest original bid shall be given preference.

5.5.3 The Preferential Market Access Scheme shall be subject to approval of Finance Department, and subject to clearance of Vigilance Department.

5.5.4 As such it is difficult to estimate financial implication of the preferential market access. However, it is likely to be marginal.

6. INFRASTRUCTURE DEVELOPMENT MODEL FOR DELHI'S ELECTRONIC CITY

6.1 All infrastructure to be developed in areas listed under Delhi's Electronic City shall be world-class and globally competitive.

63/c

6.2 DSIIDC shall adopt a PPP model with annuity from the Concessionaire for infrastructure development, management and maintenance working with a private Real Estate Developer who shall operate as a Concessionaire and be selected through a competitive bidding process.

6.3 The selected concessionaire shall work to develop, promote, manage and maintain Delhi's Electronic City. The Concessionaire shall invest in development, promotion, management and maintenance of DEC for 30 years and shall be permitted to grant properties / built-up space to prospective units on License. He shall be compensated through license fee and user charges levied on all businesses operating in the DEC.

7. LAND SUBSIDY

7.1 GNCTD shall offer at subsidized rate to the concessionaire as follows -

7.2 Allocated industrial land parcels shall be provided at a token lease rental for a period of 30 years, extendable for an additional 30 years on mutually agreed terms. The said Lease Rent / Upfront payment (if any) shall be determined by the tender process.

7.3 As the Land was acquired by DSIIDC by paying appropriate market rates to the original land owners, DSIIDC shall be compensated by GNCTD by providing land subsidy equal to the difference between the current land value and the Net Present Value of the Upfront payment / Token Lease Rental so fixed through the tender.

7.4 Financial incentive offered by the Government of India as per the Electronics Manufacturing Cluster 2.0 Scheme dated April 01, 2020, vide F.No. 36(7)/2018-IPHW (Vol.11), subject to the approval received from MeitY, GoI, shall be provided upfront by GNCTD on achieving defined milestones in tranches. It shall also be adjusted against the grant payable to DSIIDC.

7.5 The Estimate of the Subsidy required is as follows-

Total Land in the Electronic City	80 Acres (Excluding land under available vacant houses)
Sellable Land (Approx 60%)	48 Acres
Circle Rate	Rs.46200/- per sqmt (Housing), Rs.92400/- per sqmt (Industries)
Valuation as estimated by valuer	Consultant in process to submit report
Total notional value if sellable land	Approximate 1795 Cr. as per the circle rate
NPV of Upfront Payment / Lease Rent	Not known at this stage
Subsidy Required	Will be to the tune of ~ 1000 Cr

8. GOVERNANCE

8.1 Nodal Department and Executing Agency

8.1.1 Industrial promotion and development are the responsibility of the Department of Industry, Government of the National Capital Territory of Delhi as Nodal Department. Thus, the Delhi State Industrial and Infrastructure Development Corporation (DSIIDC)

62/k

shall act as the Executing Agency for the effective implementation of Delhi's Electronic System Design, Manufacturing and Refurbishment Policy 2022.

8.1.2 The agency shall be responsible for undertaking the following:

- a) Creating a conducive policy environment for sustained growth of the electronics manufacturing ecosystem in the state.
- b) The Executing Agency shall set up a dedicated Electronic City Investor Cell (ECIC) to manage the Single Window operations of all infrastructure developed under this policy enlisted under section 5. Delhi's Electronic City. The ECIC shall also be responsible for the day-to-day operations and maintenance of all infrastructure developed under this policy enlisted under Delhi's Electronic City. This ECIC shall be adequately staffed with industry experts, professionals, and consultants to support the Government.
- c) The Executing Agency shall provide secretarial support to ECIC as and when required

8.1.3 The Executing Shall be provided 5% of the total amount of grants / incentives / subsidies released under this policy through DSIIDC as administrative expenses to enable them to manage the scheme.

8.2 Steering Committee (SC)

8.2.1 A Steering Committee shall be set up under the Chairmanship of Hon'ble Minister of Industry, GNCTD to oversee the timely implementation of the Policy while ensuring maximum ease of doing business for all Operating Units with inter-departmental coordination. The SC shall consist of the following members:

ESDMR Steering Committee, GNCTD		
S. No	Member	Responsibility
1	Hon'ble Minister Industries	Chairperson
2	Vice chairperson, DDC Delhi	Member
3	Secretary-cum-Commissioner, Industries	Member
4	Nominated Representative of Environment Department	Member
5	Nominated Representative of Power Department	Member
6	Nominated Representative of DJB Department	Member
7	Nominated Representative of Labor Department	Member
8 & 9	Two Industry Experts to be nominated by Chairperson	Member
10	Managing Director, DSIIDC	Member Secretary

9. GNCTD SUPPORT TO DELHI ESDMR POLICY

9.1 GNCTD remains committed to ensuring efficient execution and providing stability to the Delhi ESDMR Policy Framework.

9.2 It is the long-standing vision of GNCTD to establish Delhi as the preferred destination within the country for high value-added electronic design, manufacturing and refurbishment and create new direct and indirect employment opportunities within the state.