Dated: 1st June, 2020

**Annexure-1**

**List of Goods eligible for Incentive under SPECS – Product Categories with Thresholds**

**A. List of goods with Minimum Investment Threshold Limit of INR 5 crore**

|  |  |
| --- | --- |
| **S.No** | **Description of Goods** |
| 1. | SMT components including LED Chips |
| 2. | Chip Modules for Smart Cards, RFID Antenna & Labels, CoB/ System in Package |
| 3. | Passive components including resistors, capacitors, ferrites, etc. for electronic applications |
| 4. | Electromechanical components including transformers, inductors, coils, relays, switches, micro motors, stepper motors, BLDC Motors, Connectors, Heat Sinks, Antenna, Speakers, Microphones, etc. for electronic applications |
| 5. | Magnetrons, Wave guides, Circulators, Couplers, Isolators, Filters, Magnets, RF Components for electronic applications |
| 6. | Printed Circuit Boards (PCBs), PCB Laminates, Prepegs, Photopolymer films, PCB Printing Inks; Printed Flexible electronics |
| 7. | Sensors, Transducers, Actuators and Crystals for electronic applications |
| 8. | Camera Modules, Vibrator motor/ ringer |
| 9. | USB/Data Cables, HDMI Cables |
| 10. | Capital goods for all the goods covered under SPECS |

**B. List of goods with Minimum Investment Threshold limit of INR 15 crore**

|  |  |
| --- | --- |
| **S. No.** | **Description of Goods** |
| 1. | Active Components:  a. Discrete semiconductor devices including transistors, diodes, etc.  b. Power semiconductors including FETs, MOSFETs, Thyristors, etc. |
| 2. | Preform of Silica and Optical Fiber |
| 3. | Display Assembly and Touch Panel/ Cover Glass Assembly |

**C. List of goods with Minimum Investment Threshold Limit of INR 25 crore**

|  |  |
| --- | --- |
| **S. No.** | **Description of Goods** |
| 1. | Micro/Nano-electronic components such as such as Micro Electro Mechanical Systems (MEMS) and Nano Electro Mechanical Systems (NEMS) |
| 2. | Assembly, Testing, Marking and Packaging (ATMP) units |

**D. List of goods with Minimum Investment Threshold Limit of INR 75 crore**

|  |  |
| --- | --- |
| **S. No.** | **Description of Goods** |
| 1. | Mechanics (plastic and metal parts) for electronic applications |

**E. List of goods with Minimum Investment Threshold Limit of INR 250 crore**

|  |  |
| --- | --- |
| **S. No.** | **Description of Goods** |
| 1. | Compound Semiconductors such as GaN, SiC, GaAs, etc. and Silicon Photonics devices/ Integrated Circuits, Optoelectronic components |

**F. List of goods with Minimum Investment Threshold Limit of INR 500 crore**

|  |  |
| --- | --- |
| **S. No.** | **Description of Goods** |
| 1. | Semiconductor Wafers |

**G. List of goods with Minimum Investment Threshold Limit of INR 1,000 crore**

|  |  |
| --- | --- |
| **S. No.** | **Description of Goods** |
| 1. | Semiconductor Integrated Chips (ICs) including Logic [Microprocessor, Microcontrollers, Digital Signal Processors (DSP), Application Specific Integrated Circuits (ASICs), etc.]; Memory; Analog/ Mixed Signal ICs, etc. |
| 2. | Display fabrication units including Liquid Crystal Displays (LCD), Light Emitting Diode (LED), Organic Light Emitting Diode (OLED), etc. for electronic applications. |

**Annexure- 2**

**Application Form**

**Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS)**

1. **Introduction**
   1. The application shall be duly signed by authorized signatory of legal entity.
   2. Applicants are advised to follow the format provided in this template for submitting their applications. Applicants are requested to provide information and enclose all supporting documents as detailed.
   3. All applications shall be submitted through an Online Portal to the Project Management Agency (PMA) notified under the Scheme. In case the aforementioned portal is not available, applications may be submitted in physical form to the Industrial Promotion – Electronics Hardware Manufacturing (IPHW) Division, Ministry of Electronics and Information Technology, Electronics Niketan, 6, CGO Complex, Lodhi Road, New Delhi - 110003. A non-refundable application fee would be payable for each application. The application fee would be accepted electronically.
   4. Applicants may go through the Guidelines carefully before filling up the details in the application.
   5. Application has been divided into the following sections and sub-sections:
      1. Applicant Details
      2. Proposal
      3. Application Fee Details
   6. If any document which is required to be submitted along with the application is available on a government website, the website link where this document can be viewed may be provided. The responsibility of the correctness/ veracity of contents rest with the applicant(s).

1. **Section I – Applicant Details**
   1. **Name of Applicant**
   2. **Company Structure** (entity) under which the project is to be undertaken (legal status, shareholding pattern)

*Documents to be furnished:* Certified copy of the memorandum and articles of association or equivalent registration document. In case of Sole Proprietorship, any document, deemed appropriate. Statutory Auditor / Company Secretary Certificate showing shareholding pattern (indicating number of shares and investment).

* 1. **Company Details:** Registered/ Corporate office address, website, phone, email, PAN, nature of current business, turnover, net worth, experience to be furnished.

*Documents to be furnished:*

1. CA certified copies of PAN, GST Certificate for applicant
2. Self-certified copies of brief profile of Chairman, CEO and CXOs, Directors and Key Managerial Persons (KMPs), Key promoters, and Authorised representatives along with their PAN / DIN.
3. CA certified copies of Annual Reports including Annual Financial Reports along with schedules for 3 years. Most recent reports to be provided.

* 1. **Credit History:** Please provide details of presence of Applicant / Non-Independent Directors / Promoters in – RBI’s Defaulter and Wilful Defaulter Lists, SEBI Debarred List, and CIBIL Score.

*Documents to be furnished:* Certificate from Company Secretary/ Board of Directors

* 1. **Financial Details (self-certified):**

1. Revenue (INR crore) – Total and Eligible Goods – Manufacturing, split by Exports and Domestic Sale (last 3 years)
2. Profit before Tax (PBT) and Profit after Tax (PAT) (INR crore) –(last 3 years)
3. Details of Funds - Received from government / owners or other financing agencies, multi-lateral agencies / other institutions to fund expansion (last 3 years). Equity and debt to be shown separately.
4. **Section II – Proposal**
   1. **Goods eligible for Incentive under SPECS**
   2. **Projections (self-certified):**
5. Forecasted Revenue (Total and Eligible goods) – Manufacturing, split by Exports and Domestic Sale (next 5 years)
6. Proposed Plan for Value Addition (next 5 years)[[1]](#footnote-1)
7. Proposed Plan for Employment Generation (next 5 years)
8. Forecasted Returns (next 5 years) – ROI and breakeven estimates with and without government support

* 1. **Size of Investment (INR crore)**

Size of the investment must include the capital expenditure expected to be incurred in next 5 years. The following details should be furnished:

1. Details of Investment – Existing and Proposed
2. Sources of Funding (internal accruals, equity, government assistance, term debt and working capital loans etc.)
   1. **Financial Closure Details**
      1. Details of Financial Closure achieved: Debt, Equity, Unsecured Loans, Promoters contribution, Banks and Financial Institutions (FIs) providing debt and equity.
      2. Contact details of all fund providers providing debt / equity / unsecured loans. Details should include name, official designation, address, email, telephone/ fax numbers.
      3. Contact details of all fund providers providing debt / equity / unsecured loans. Details should include name, official designation, address, email, telephone/ fax numbers.

*Documents to be furnished:*

1. Copy of the Bank / FI appraisal note / report, if available.
2. Company Secretary certified copy of the Sanction letter and the Term Loan Agreement for Debt.
3. Company Secretary certified copy of Board Resolution for equity / unsecured loans for companies or equivalent for other legal entities / Proof of equity / unsecured loans having been brought in.
4. Proof of equity / unsecured loans brought in as per project schedule. In case of Term loans, as per the term loan agreement.
   1. **Operations and Facilities Analysis**

The following need to be described in detail: Location proposed (State, District) (in case the location has not been confirmed, mention the options being considered and the level of readiness of the sites under consideration).

1. Location
2. Planned building size and infrastructure requirements
3. Project plan with implementation schedule and key milestones including proposed date of commencement of commercial operations
4. Proposed production capacity

* 1. **Market Research on Product Feasibility**

Summary of results of market research conducted for the project, if any (technology and market) and proposed product and market focus.

*Documents to be furnished:* Please attach copies of market research referred to in this section

* 1. **Regulatory Treatment**

1. Provide information on Licenses, permits and third-party approvals necessary to execute the project
2. Proposed process and timelines for obtaining clearances

1. **Section III – Application Fee Details**
   1. **Proof of the Application Fee Submission**

**Annexure-3**

**Criteria: Documents/ information to be checked for preliminary assessment of application and issue of acknowledgement**

1. Submission of prescribed Application Fee.
2. Application Date
3. Legal entity registered in India
4. Products proposed are eligible for SPECS incentives.
5. Proposed investment in Capital Expenditure is greater than or equal to the threshold value of the eligible goods under SPECS (as per Annexure 1 of the Guidelines)
6. Identification of location for the project. In case of land leased, requisite lease agreement and in case of building being purchased, a legally binding agreement with the seller is to be submitted.
7. Prima facie completeness of Application.

**Note: It may be noted that acknowledgement based on above does not qualify an applicant for claiming incentive under the Scheme. The applicant would be eligible for incentive after the approval of the Claim for Incentive by PMA, subject to capital expenditure meeting the threshold value and commencement of commercial production, and compliance to other terms and conditions stipulated in the Scheme / Guidelines / Approval Letter.**

**Annexure-4**

**Application fees for application under SPECS**

In accordance with the guidelines of SPECS, the following fees is hereby notified under Para 5.11 of the said guidelines as application fees:

|  |  |
| --- | --- |
| Total project cost proposed and submitted along with the application (in INR) | Application Fee (in INR) |
| >=1000 crore | 1,25,000 |
| >= 500 crore to <1000 crore | 1,00,000 |
| >= 250 crore to <500 crore | 75,000 |
| >= 75 crore to <250 crore | 50,000 |
| >=25 crore to <75 crore | 25,000 |
| <25 crore | 10,000 |

**Annexure-5**

**Indicative list of information/ documents required for SPECS appraisal**

|  |  |
| --- | --- |
| **S.No** | **Particulars** |
| **1** | **Financial Closures** |
| **1.1** | True certified copy of the resolution, highlighting proposed products and investment schedule from different sources (term loan, unsecured loan and equity etc.).    The resolution should mention the project location and the intent to invest under SPECS. |
| **1.2** | CA Certified Copies of Annual Reports for the past three years. **MS Excel required** |
|  | Financial Closure  Term Loan   * Sanction Letter * Loan Agreement * Appraisal Note * Loan account statement (if disbursed)   Internal Accruals   * Documents supporting fund availability   Equity   * Documents supporting fund availability * Equity subscription agreement * Commitment letters from equity providers   Unsecured Loan   * Documents supporting fund availability * Unsecured Loan agreements * Commitment letters from unsecured loan providers |
| **2** | **Capital Expenditure  Detail** |
| **2.1** | Proposed capital expenditure:    Complete list of capital goods proposed to be purchased along with their quotations and purchase orders (where purchase order is issued). |
| **2.2** | Details of used / second hand/ refurbished plant, machinery, equipment and associated utilities (if applicable) |
| **3** | **Financial Details** |
| **3.1** | Forecasted Revenue (Total and Eligible goods) – Split by Exports, Domestic Sale (next 5 years). **MS Excel required** |
| **3.2** | Forecasted Returns (next 5 years) – ROI and breakeven estimates with and without government support **MS Excel is required** |
| **3.3** | External credit rating |
| **4** | **Land Details** |
| **4.1** | Documentation showing ownership of land (leased/owned) for the project |
| **4.2** | Documentation showing possession of building (leased/owned) for the project |
| **4.3** | Documents showing the location is in an industrial area |
| **5** | **Other details** |
| **5.1** | CA certificate (with membership No.) showing shareholding pattern (indicating number of shares and investment) |
| **5.2** | Self-certificate that the applicant is not blacklisted by any Government department |
| **5.3** | Undertaking stating the details of assistance sought / received from Govt. of India apart from SPECS |
| **5.4** | Undertaking on number of proposed manufacturing set ups. |
| **5.5** | Employment generation detail |
| **5.6** | Year wise production capacity till the project completion |
| **5.7** | Implementation Schedule with timelines for the following activities:   * Construction of Building * Ordering of Machines * Receipt and Installation of Machines * Pilot Production * Commercial Production |
| **6** | Technology - Copy of technology agreements with technology provider (if applicable) |
| **7** | Overview of Manufacturing Process along with key raw materials |

**Annexure-6**

**Bank Guarantee for availing incentive against Related Party Transaction**

**(From any scheduled commercial bank)**

This Deed of Guarantee executed on this\_\_\_\_\_\_\_\_\_\_\_\_day of \_\_\_\_\_\_\_\_\_\_\_, 20- at\_\_\_\_\_\_\_\_\_by\_\_\_\_\_\_\_\_\_\_\_\_ (from any scheduled commercial bank), having its Head Office/Registered Office at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_and inter-alia a Branch Office at\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter referred to as the Bank or 'the Guarantor', which expression shall unless it be repugnant to the subject or context hereof be deemed to include its successors and assigns).

In favour of

Ministry of Electronics and Information Technology, Government of India, Electronics Niketan, CGO Complex*,* Lodhi  Road,   New   Delhi-110003   (hereinafter   referred as ”MeitY”) represented by <PMA Name>, having its registered office at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, acting as the Project Management Agency (PMA) for the Scheme for Promotion of Manufacturing of Electronics Components and Semiconductors (SPECS) notified vide Gazette Notification CG-DL-E-01042020-218992  dated 01/04/2020 in Part-I, Section 1 of the Gazette of India (Extraordinary) [F.No.W-18/30/2019-IPHW-MeitY].

WHEREAS

1. [………………..], a company within the meaning of the Companies Act, 1956 OR meaning under----------------and   having   its   Registered   Office    at   [-------------]   (herein    after   referred    to us 'the Applicant" which expression unless repugnant to the subject or context includes its successors. Legal representatives   and   permitted   assigns)   and   has   been awarded approval under SPECS vide Letter Reference -------------------------------------------------- dated ----------- and sanction letter for incentive dated ---------- for a total incentive amount of INR--------- out of which INR.------------ is an incentive amount against related party transaction of INR -------------.
2. In terms of the undertaking dated --------------- and clause ------- of the Guidelines    on    RPTs,     Reference     No.     -------- dated----------, the     Applicant   has   to   provide   a   Bank   Guarantee    tor   an   amount equivalent to INR --------------which is calculated in line with the undertaking.
3. At the request of the Applicant,   the   Guarantor   has   agreed   to   provide   this guarantee, being   these   presents,   guaranteeing   the   due   and   punctual performance/discharge    by    the    Vendor    of     its    obligations    under    the    said    contract during the implementation period.

NOW THEREFORE THIS DEED WITNESSETH AS FOLLOWS

1. The Guarantor hereby irrevocably guarantees the due and compliance of terms by the Applicant of all its obligation under the said undertaking till the time assessment as per provisions of relevant statutes and Accounting Standard as amended from time to time, is completed;
2. The Guarantor shall, without demur, pay to MeitY / <PMA Name> sums not exceeding in aggregate --------------- (INR ------------------- ) within five (5) bank working days (as per the Reserve Bank of India) of receipt of a written demand thereof from MeitY / <PMA Name> stating that the Applicant has failed to meet its obligations under the said undertaking. The Guarantor shall have not to go into the veracity of any breach or failure on the part of the Applicant or validity of the demand so made by MeitY / <PMA Name> and shall pay the amount specified in the demand notwithstanding any direction to the contrary given or any dispute whatsoever raised by the Applicant or any other person. The Guarantor’s obligations hereunder shall subsist until all such demands are duly met and discharged in accordance with the provisions hereof;
3. In the event of delay on the part of the Guarantor to pay on demand, the Guarantor shall be liable to pay interest calculated at 3 years SBI MCLR (as applicable at the date of demand) compounded annually, to MeitY / <PMA Name>. There shall not be any delay in payment of the guaranteed amount and payment of interest shall not be an excuse for delaying the payment of guarantee amount. Time is the essence of this Guarantee;
4. The Guarantor agrees that its liability under this guarantee shal1 in no manner be affected by any such variation, alteration, modification, waiver dispensation with or release of security and that no further consent of the Guarantor is required for giving effect to any such variation, altercation, modification, waiver dispensation with or release of security;
5. This Guarantee shall be enforceable against the Guarantor notwithstanding that any security or securities comprised in any instrument executed or to be executed by the Applicant in favor of MeitY / <PMA Name> may at the time when the proceedings are taken against the Guarantor of this guarantee be outstanding or unrealized or lost. In order to give effect to this Guarantee, MeitY / <PMA Name> shall be entitled to treat the Guarantor as the principal debtor;
6. This Guarantee shall be irrevocable and shall remain in full force and effect till-----------------.
7. Until and unless discharged/released earlier by MeitY / <PMA Name> in accordance with the provisions of the said undertaking, the Guarantor’s liability in aggregate shall be limited to a sum of INR ---------------------(INR----------------------);
8. This Guarantee shall not be affected by any change in the constitution or winding up of the Applicant / Guarantor or and absorption, merger or amalgamation of the Applicant/ Guarantor with any other person;
9. The Guarantor has power to issue this Guarantee and discharge the obligations contemplated herein, and the undersigned is duly authorized to execute this Guarantee pursuant to the power granted under.

All future correspondence with reference to this Guarantee shall be made to. .................................... (Bank Name and Address).

The jurisdiction in relation to this Guarantee shall be the Courts at New Delhi and Indian Law shall be applicable.

**IN WITNESS WHEREOF THE GUARANTOR HAS SET ITS HANDS HEREUNTO ON THE: DAY, MONTH AND YEAR FIRST HEREINABOVE WRITTEN**

 SIGNED AND DELIVERED by-------------------------------------------------------------------Bank by the hand of------------------------------------------------ it’s---------------------and authorized official.

**Annexure-7**

**FORMAT OF UNDERTAKING FOR AVAILING INCENTIVE AGAINST BG FOR RPT**

*(Undertaking from the Applicant on the letterhead)*

1. We,…………………………………………………………………., hereby, acknowledge that the incentive that would / may be provided  to us against Related Party Transactions under the Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors, notified by Ministry of Electronics and Information Technology vide **Gazette** Notification No. **CG-DL-E-01042020-218992**   dated 01.04.2020 in Part-I, Section 1 of the Gazette of India (Extraordinary) and other relevant guidelines, communications, will be provided to us based on, and after relying     upon, the information provided by us to avail the said incentive.
2. We hereby confirm that the information provided by us for availing the said incentive is true, correct and complete in all respects and that no material fact / information that may have an adverse impact on the information provided by us for availing the said incentive has been concealed. We acknowledge and confirm that the foregoing averment is on an on-going basis and further undertake to immediately apprise MeitY / <PMA Name> about any change in the status of the information provided by us to avail the said incentive.
3. In case of all Related Party Transactions, we understand that the decision on approval/ rejection of the certificate and its amount shall be based on the final assessment as per provisions of relevant statutes and Accounting Standard as amended from time to time.
4. With regard to the aforesaid transactions, we hereby  undertake  the following:
5. In case any item/expenditure is disallowed as per provisions of relevant statutes and Accounting Standard as amended from time to time, then we will inform MeitY immediately and will reimburse MeitY for any incentive amount claimed on the disallowed expenditure along with the interest calculated at 3 years SBI MCLR (as applicable on the date of disbursement) compounded annually.
6. To avail the incentive corresponding to the related party transaction, we further undertake to provide Bank Guarantee from a schedule commercial Bank and accept the methodology for BG calculation which is mentioned below:

|  |  |  |
| --- | --- | --- |
| **S.No** | **Particulars** | **Details** |
| 1. | Date  of   issuance of  Incentive Sanction Letter | 01-07-2020 (assumption) |
| 2. | Validity period of  BG \* | 30-06-2025 |
| 3. | Amount of BG | Equal to the incentive amount on the approved Related Party Transaction |

*\* 5 years from the date of issuance of incentive sanction letter (which includes   eligible RPT) by the competent authority.*

1. If the assessment as per provisions of relevant statutes and Accounting Standard as amended from time to time, is not completed within a period of 4 years and six months from the start of the validity of Bank Guarantee, we undertake to submit a fresh Bank Guarantee for an amount which shall be the sum of the amount of the earlier Bank Guarantee and accrued interest calculated at 3 years SBI MCLR (as applicable on the date of disbursement) compounded annually, and period to the satisfaction of MeitY / PMA. In the event of failure to do so, MeitY / PMA shall have the option to invoke the earlier submitted Bank Guarantee by issuing a notice for taking requisite action within one month from the date of issue of letter.
2. We understand and agree that even if the notice is not issued to us, we are legally bound to renew the BG / issue fresh BG, failing which MeitY / PMA may invoke the BG.
3. In case of loss, mutilation, force majeure or any other eventualities, with respect to Original BG (favouring “MeitY’ / PMA, held at PMA), MeitY / PMA will not be liable for the same and the onus would be with us to arrange for alternate /duplicate BG in place of the original BG.

**Annexure-8**

**Claim for Incentive**

**Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS)**

Applicant Name……………………………………………………………………...

Ref. No. and Date of Approval letter………………………………………………...

Reference date (Acknowledgement date) for investment in the project…………….

Financial year for which claim for incentive is being sought……………………….

Date of commencement of commercial production for the project………………….

Applicable Threshold as per the Approval letter (INR crore)…………………

Details of eligible capital expenditure as per the Approval letter (INR crore)

* Plant, Machinery and Equipment
* Associated Utilities
* R&D
* Transfer of Technology Any other eligible item(s)

1. **Details of claims submitted to MeitY prior to this claim**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| S.No | Eligible Capital Expenditure | Condition of Asset | Date of Claim submitted | Amount claimed | Date of disbursement/ reimbursement | Amount disbursed/ reimbursed |
| 1. | Plant, Machinery and Equipment | New:  Used\*: |  |  |  |  |
| 2. | Associated Utilities | New:  Used\*: |  |  |  |  |
| 3. | R&D | New:  Used\*: |  |  |  |  |
| 4. | Transfer of Technology |  |  |  |  |  |
| 5. | Any other eligible item (s) |  |  |  |  |  |
| 6. | Total | New:  Used\*: |  |  |  |  |

 \* Used, second hand or refurbished goods.

1. **Details of Capital Expenditure incurred for this claim**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| S.No | Eligible Capital Expenditure | Condition of asset | Amount incurred  (INR Crore) | Eligible incentive  (INR Crore) @25% rate for incentive |
| 1. | Plant, Machinery and Equipment | New:  Used\*: |  |  |
| 2. | Associated Utilities | New:  Used\*: |  |  |
| 3. | R&D | New:  Used\*: |  |  |
| 4. | Transfer of Technology |  |  |  |
| 5. | Any other eligible item (s) |  |  |  |
| 6. | Total | New:  Used\*: |  |  |

  \* Used, second hand or refurbished goods.

1. The Applicant to provide the following certificates/ undertakings stating / covering the following:
2. No deviation in products being manufactured
3. No deviation in the location
4. No deviation in the promoter
5. Certificates required from Company Secretary stating that:
6. Land is in the name of the Applicant or Applicant has right to use the land.
7. There are no litigations on the aforesaid land
8. Land is meant for industrial use.
9. All clearances required by law like statutory clearances, environmental clearances, etc. have been obtained
10. Certificate(s) required from a Chartered Accountant stating / covering the following:
11. Investment in the project - Item-wise and date-wise details of Capital Expenditure incurred (on cash basis) in the project along with details of payment from the bank account(s) of the company.
12. That capitalization of expenditure in the books of accounts of the applicant is in line with the relevant Accounting Standards issued by ICAI.
13. That the Capital Expenditure has been incurred for the purposes of the project in accordance with the SPECS Guidelines and the approval accorded by MeitY / PMA.
14. Separate records have been maintained for the project in a manner that the assets procured under SPECS can be identified and Applicant is maintaining a fixed asset register for these assets.
15. Certificate(s) required from a Statutory Auditor or equivalent stating / covering the following (in case claim pertains to un-audited period): Capitalisation of fixed assets claimed under SPECS as per the Fixed Assets Register and the Books of Account of the Applicant.
16. Documents/ certificates required from Chartered Engineer:
17. Date of start of commercial production.
18. Certificate stating that the plant, machinery and equipment (including for R&D) and associated utilities have been installed, the price is as per the market value and the same are being used exclusively for the manufacturing of products as applied and approved under SPECS.
19. Certificate that all the plant, machinery and equipment (including for R&D) & associated utilities are new or whether there are any used / second hand / refurbished capital goods.
20. Certificate comparing expenditure claimed for various Utilities with CPWD Plinth Area rates.
21. Documents/ certificates required from Concerned Government Department:
22. Non-encumbrance certificate
23. Certificate that the land is meant for industrial use
24. Building Completion Certificate
25. Other Documents:
26. In case of building being / having been purchased / leased, the sale deed / lease in the name of the Applicant needs to be submitted.
27. For any transaction with Related Party(ies):

 For any expenditure forming part of claimed capital expenditure which involves purchase / lease from Group Companies/ 'related' entities:

* Any relevant certificate/ document (for domestic and / or international procurement) must be provided by the Applicant. This should be submitted in accordance with the methodology as per provisions of relevant statutes and Accounting Standard as amended from time to time.

1. **List of documents to be submitted post approval of Incentive Claim**
   1. An undertaking from the applicant as per format given in Appendix
   2. An agreement / indemnity bond on prescribed formats from the approved unit that if at a later stage its claim is found to be false or excessive it would be liable to return the amount disbursed.
   3. Board resolution to the effect that the company agrees to abide by the terms and the conditions as laid down in SPECS Scheme and Guidelines while securing the incentive amount.

**Appendix**

**FORMAT OF UNDERTAKING**

*(Undertaking from the Applicant on the letterhead)*

1. We,…………………………hereby, acknowledge that the incentive that would / may be provided to us under the Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors, notified by Ministry of Electronics and Information Technology vide Gazette Notification No.CG-DL-E-01042020-218992 dated 01.04.2020, will be provided to us based on, and after relying upon, the information provided by us to avail the said incentive.
2. We hereby confirm that the information provided by us for availing the said incentive is true, correct and complete in all respects and that no material fact/information that may have an adverse impact on the information provided by us for availing the said incentive has been concealed. We acknowledge and confirm that the foregoing averment is on an on-going basis and further undertake to immediately apprise the Ministry of Electronics and Information Technology / PMA about any change in the status of the information provided by us to avail the said incentive.
3. We further undertake that in the event of (i) any of the information provided by us to avail the said incentive being found false, incorrect or incomplete, or (ii) in the event of the undertakings and confirmations stated at para 2 above being found false, incorrect, incomplete or breached; we will refund the entire amount of incentive availed by us along with an interest calculated at 3 years SBI MCLR (as applicable at the date of disbursement of incentive) compounded annually.
4. We acknowledge that the remedies provided in para 3 above are not the exclusive remedies available with the Ministry of Electronics and Information Technology and are without prejudice to any legal remedies available with Ministry of Electronics and Information Technology for events mentioned in para 3 (i) and (ii) above.

**Annexure-9**

**Undertaking to remain in commercial production for a period of at least 3 (three) years from the date of commencement of commercial production or 1 (one) year from the date of receipt of last incentive, whichever is later**

*Date:……….*

*Reference:*

1. *SPECS Guidelines for the disbursement of Incentive………………. dated …*
2. *Approval order No: ………….. dated…………………issued by PMA………*
3. *Incentive claim application ref………..*

**Subject: Self-Certification on Compliance with paragraph 8.7 of SPECS Scheme regarding remaining in commercial production for a period of at least 3 (three) years from the date of commencement of production or 1(one) year from the date of receipt of last incentive, whichever is later**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(hereinafter called the "Applicant") (Name of Applicant) hereby certify that our unit which has commenced commercial production of the new / expansion / modernization / diversification project \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (project name) on \_\_\_\_\_\_\_\_\_\_\_ (date) and received last disbursement of incentive on (date) will remain in commercial production for a period of at least 3 (three) years from the date of commencement of production or 1 (one) year from the date of receipt of last incentive, whichever is later under the Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS).

This Self Certificate is binding on the Applicant, its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this Assurance on behalf of the Applicant.

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Applicant)

Signature by (Authorized Signatory) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Designation \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Annexure-10**

**Subject: Proforma for Integrity compliance in SPECS-Initial Undertaking(s)**

(To be signed by full time Director/CEO/CMD/MD of the company/firm duly depicting the designation and submitted on official stationary of the applicant along-with the authorization to do so)

**Undertaking (Format-A)**

1. Whereas, the applicant namely *(name of company with address)* has submitted an application under Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS) to Ministry of Electronics and Information Technology(MeitY), Government of India seeking incentive for the project pertaining to manufacturing or expansion of          ………….(name of items) at……………(location of plants/factory) with the estimated project cost of INR…………..and estimated Incentive of INR…………….. with capital expenditure of INR………..
2. Now, therefore, the applicant including its officers/representatives commits and undertakes that he/she will take all measures necessary to prevent corruption. He/ She commits to observe the following principles during his/her association/engagement with MeitY or its agencies or its consultants engaged with the process of appraisal and verification of application for the approval of application and disbursement of incentive under SPECS.
   1. The SPECS applicant will not directly or through any other person or firm, offer, promise or give to any of the MeitY's officer(s) or consultant or agency representative (appraisal or/and verification agency appointed by MeitY to handle the application) involved in the process of dealing with application or to any third person any material or other benefit which he/she is not legally entitled to in order to obtain in exchange any advantage of any kind whatsoever before or during or after the process of the application for grant of approval or disbursement of incentive under SPECS.
   2. The SPECS applicant will not commit any offence under the relevant IPC/PC Act; Further, the applicant will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the MeitY.
   3. The SPECS applicant shall disclose the name and address of the duly authorized Agents/Representatives who will be dealing with MeitY or its agencies and the remuneration of these agents or representatives shall not include any hidden amount or component to get the work done in undue manner or causing inducement of whatsoever nature whether in cash or kind to influence the normal process or practice of work.
   4. The SPECS applicant will disclose any and all payments he/she has made, is committed to or intends to make to agents, brokers or any other intermediaries, other than regular employees or officials of the applicant, in connection with the grant of approval or/and disbursement of incentive.
   5. The applicant will not offer any illicit gratification to obtain unfair advantage.
   6. The applicant will not collude with other parties to impair transparency and fairness.
   7. The applicant will not give any advantage to anyone in exchange for unprofessional behavior.
3. The applicant declares that no pervious transgressions occurred in the last 3 years with any other Company in any country conforming to the anti-corruption approach or with any other Public Sector Enterprises /Central or State Government or its any instrumentality in India.
4. The applicant agrees that if it is found that the applicant has made any incorrect statement on this subject, the application will be closed or rejected and MeitY reserve the right to initiate legal action of whatsoever nature. In case if MeitY has disbursed the incentive under SPECS, the amount disbursed to applicant be recoverable along-with interest calculated at 3 years SBI MCLR compounded quarterly besides black-listing of the applicant and initiation of legal action of whatsoever nature at the discretion of MeitY.

The contents of the above undertaking have been gone through and after understanding the same is being executed / given on………….day of ………….(Month/Year).

*Signature*

*(Name & designation with address)*

*CMD/MD/Director/CEO*

**Proforma for Undertaking for compliance to be furnished by SPECS Applicants before release of Incentive**

(To be signed by full time Director/CEO/CMD/MD of the company/firm duly depicting the designation and submitted on official stationary of the applicant a long-with the authorization to do so )

**Undertaking (Format-B)**

1. Whereas, the applicant namely (name of company with address) has submitted an application under Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS) to Ministry of Electronics and Information Technology(MeitY), Government of India seeking incentive for the project pertaining to manufacturing or expansion of………………….. (name of items) at……………….(location of plants/factory) with the estimated project cost of INR………………and incentive of INR…………with capital expenditure of INR…………….
2. And Whereas, the applicant has submitted an undertaking for observance and commitment for Integrity vide Undertaking dated……………given under the signatures/authority of applicants         ……………… (name and designation) to MeitY in respect of aforesaid application.
3. And whereas, the applicant including its officers/representatives gives commitment and undertake that he/she will take all measures necessary to prevent corruption and that he/she will not directly or through any other person or firm, offer, promise or give to any of the MeitY's officer(s) or consultant or agency representative (appraisal or/and verification agency appointed by MeitY to handle the application) involved in the process of dealing with application or to any third person any material or other benefit which he/she is not legally entitled to in order to obtain in exchange any advantage of any kind whatsoever before or during or after the process of the application for grant of approval or disbursement of incentive under SPECS.
4. And whereas, the application submitted by the applicant has been given the approval by PMA vide its communication no……………dated…………..for the project cost of INR…………..with capital expenditure of INR…………….and incentive of INR……………………….after the appraisal process carried out by MeitY through its agencies.
5. And whereas, the applicant has submitted the disbursement application dated ....to MeitY for claiming incentive of INR……………..      on the capital expenditure of INR………………….
6. And whereas, MeitY has considered the disbursement application and got verified from its agencies and is in the process of disbursement/release of incentive on the disbursement application dated……………….
7. Now, therefore, I/We hereby confirm the compliance thereof with the Integrity Undertaking submitted to MeitY duly certifying that there is no breach to the same and requests that eligible incentive under SPECS be released to applicant and the amount of incentive be credited in the bank account of applicant.
8. The contents of the above Undertaking have been gone through and after duly understanding the same, is being executed/given on……………..day of…………….(Month/Year).

*Signature*

(Name & designation with address) CMD/MD/Director/CEO

**Annexure-11**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Output** | **Indicator(s)** | **Target 2020-21** | **Outcome** | **Indicator(s)** | **Target 2020-21** |
| Support to electronic components and semiconductors manufacturing units | 1.1. Total number of applications received |  | 1. Increased investment in electronics sector | 1.1. Investment by units covered under the Scheme |  |
| 1.2. Total number of units sanctioned incentive |  | 2. Increased production of electronic components and semiconductors | 2.1. Production by units covered under the Scheme |  |
| 1.3. Total number of units disbursed incentive |  | 3. Increased direct employment in electronics sector | 3.1. Employment by by units covered under the Scheme |  |
|  |  | 4. Increase in tax revenues | 4.1.  GST payment by units covered under the Scheme |  |

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1. **Domestic Value Addition:** Domestic Value addition shall be computed as below (A divided by B):

   A. Net Sales Turnover of eligible goods minus value of non-originating Material and Services used in manufacturing.

   B. Net Sales Turnover of eligible goods [↑](#footnote-ref-1)