

F.No.33(3)/2013-IPHW
Ministry of Communications and information Technology
Department of Electronics and Information Technology

Dated: 01st October, 2014

NOTIFICATION

Subject: Policy for Preference to domestically manufactured electronic products in Government procurement - Notifying Biometric Access Control/ Authentication Devices for Government Procurement in furtherance of the Policy

Reference: Notification No.33(3)/2013-IPHW dated 23.12.2013

The Government has notified the policy for providing preference to domestically manufactured electronic products in Government procurement vide the Department of Electronics and Information Technology (DeitY) Notification No.33(3)/2010-IPHW dated 23.12.2013 (hereinafter called the Policy).

2. As per Clause 2.1.1, the policy would be applicable to all Ministries / Departments (except Ministry of Defence) and their agencies for electronic products purchased for Governmental purposes and not with a view to commercial resale or with a view to use in the production of goods for commercial sale.

3. In furtherance of the policy notified vide reference cited above, DeitY hereby notifies that preference shall be provided by all Ministries/ Departments (except Ministry of Defence) and agencies under their administrative control to domestically manufactured Biometric Access Control / Authentication Devices as per the said policy. The details are as follows:

Biometric Access Control/Authentication Devices

(A) Definition:

For the purpose of this Notification, Biometric Access Control/ Authentication Device shall include *inter-alia* a Finger Print Sensor/ Iris Sensor, Controller Module and Power supply. It may or may not contain a display unit. Some of the applications of Biometric Access Control/ Authentication Device are Physical access control, Time and Attendance control etc.

(B)

Percentage of procurement for which preference to domestically manufactured Biometric Access Control/ Authentication Devices is to be provided (in value terms)	Percentage domestic value addition in terms of Bill of Material (BOM) required for Biometric Access Control/ Authentication Devices to qualify as domestically manufactured
50%	30% in Year 1

(C) **Criteria for BOM to be classified as domestic:**

The domestic BOM of Biometric Access Control/ Authentication Device would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

Main inputs in BOM/stages for manufacture of Biometric Access Control/ Authentication Device	Value addition required for the input to be classified as domestic BOM
1	2
Finger Print Sensor/ Iris Sensor	Domestically manufactured as per DeitY Notification No.33(3)/2013-IPHW dated 01.10.2014
Main PCB (Controller Module)	Domestic assembly and testing from imported / indigenously manufactured parts and components except value of bare PCB
Bare PCB	Domestically manufactured from imported / indigenously manufactured inputs
Power Supply/ Battery(if separate)	Domestic assembly and testing from imported / indigenously manufactured parts and components
Display Unit	Domestic assembly and testing from imported / indigenously manufactured parts and components

Main inputs in BOM/stages for manufacture of Biometric Access Control/ Authentication Device	Value addition required for the input to be classified as domestic BOM
1	2
Optional features such as Camera, Keyboard, RFID, Smart Card Reader, GPRS Module, Wi-Fi, Blue Tooth etc.	Domestic assembly and testing from imported / indigenously manufactured parts and components
Plastic Housing	Domestically manufactured from imported / indigenously manufactured inputs
USB Cables	Domestically manufactured from imported / indigenously manufactured inputs
(i) Final Assembly and Testing (ii) Design/ Development	(i) Domestically assembled / tested and (ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in domestic BOM

4. For reasons to be recorded in writing, a Government Ministry / Department or agencies under their administrative control may choose to procure a higher percentage of domestically manufactured electronic products than specified in the Notification. This would enable Ministries / Departments such as Atomic Energy, Space, Home Affairs, etc. to meet their special requirements or wherever a special policy provision exists / decision is taken by the Government to meet the demand from domestic manufacturers.

5. The notification comes into effect immediately. The Year 1 for the purpose of this notification would be upto 31.3.2016.

6. The domestic value addition for Year 2 onwards shall automatically increase by 5% in terms of Policy referred to as above.

7. The implementation of this notification will be based on self-certification regarding value-addition in terms of Para 5.1 of the Policy cited as reference above.

8. The Department may review the Notification in case of technology / manufacturing ecosystem evolving differently from the one envisaged for this Notification.

9. The notification would also be applicable for procurement of electronic products made under all Centrally Sponsored Schemes and grants made by Central Government as per the policy referred above.



(Dr. Ajay Kumar)

Joint Secretary to Government of India

Tel.: 24360160

New Delhi, Dated 01.10.2014

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- 5. Comptroller and Auditor General of India**
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- 7. Internal Distribution**



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