

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

Dated: 22nd May, 2014

NOTIFICATION

Subject: Policy for Preference to domestically manufactured electronic products in Government procurement - Notifying electronic products 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)/2013-IPHW dated 23.12.2013 (hereinafter called the Policy).

2. As per Clause 2.1.1, the policy will 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 Tablet PCs as per the said policy. The details are as follows:

Tablet Personal Computers (PCs)

(A) Definition:

For the purpose of this Notification, a Tablet PC shall necessarily consist of an Integrated Motherboard with on board CPU/Processor, Memory and Power Module; Display Panel (Touch Panel + LCD/LED Module) and integrated battery and should be able to operate independently.

(B)

Percentage of procurement for which preference to domestically manufactured Tablet PCs is to be provided (in value terms)	Percentage domestic value addition in terms of Bill of Material (BOM) required for the Tablet PCs to qualify as domestically manufactured
50%	30% in Year 1

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

The domestic BOM of Tablet PC 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 Tablet PC	Value addition required for the input to be classified as domestic BOM
1	2
Display Panel (Touch Panel + LCD/LED Module)	Domestic assembly and testing from imported / indigenously manufactured Touch Panel, LCD/LED Module or combination subject to the condition that from Year 3 onwards backlight assembly and testing of Display Panel shall be done domestically
Integrated Motherboard with on board CPU/Processor, Memory and Power Module	Domestic assembly and testing from imported / indigenously manufactured parts and components except value of bare PCB and Semiconductor BOM (i.e. the Semiconductor Chips and Modules on Integrated Motherboard) subject to the condition that the value of domestically manufactured parts and components used in the assembly of "Integrated Motherboard" will be minimum 10% (of the total value of parts and components used in the manufacture of "Integrated Motherboard") in Year 2, which will increase to minimum 20% (of the total value of parts and components used in the manufacture of "Integrated Motherboard") in Year 3 and subsequent years
Semiconductors	The value of only those Semiconductor

(i.e. the Semiconductor Chips and Modules on Integrated Motherboard)	Chips and Modules (including Processor and Memory) of the Integrated Motherboard <u>less</u> the value of their indigenous design (for which IP is resident in India), on which ATMP operations are carried out domestically, will be taken as domestic BOM*
Bare PCB	Domestically manufactured
Power Adapter	Domestic assembly and testing from imported / indigenously manufactured parts and components subject to the condition that the value of domestically manufactured parts and components used in the assembly of "Power Adapter" will be minimum 20%, (of the total value of parts and components used in the manufacture of "Power Adapter") in Year 2, which will increase to minimum 30%, 40% and 50% in Years 3, 4 and 5 respectively
Casing	Domestically manufactured Casing
Battery	Domestic assembly and testing from imported / indigenously manufactured parts and components
Accessories (Camera, Speaker, WiFi Antenna, etc.)	Domestic assembly and testing from imported / indigenously manufactured parts and components
(i) Final Assembly/Testing and (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

** This shall be reviewed when the Semiconductor Fab in India is operational*

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 31.3.2015.
6. The domestic value addition for Year 2 onwards shall automatically increase by 5% in terms of Policy referred to as above.
7. For customized Tablet PCs / handheld devices based on Tablet technologies which involve additional (or different) accessories / components, the Department may issue a separate Notification.
8. The Department may review the Notification in case of technology / manufacturing ecosystem evolving differently from the one envisaged for this Notification.
9. 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.
10. 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.
11. This notification is issued in supersession of the Notification No.8(41)/2012-IPHW dated 22.1.2013 on the subject.



(Dr. Ajay Kumar)

Joint Secretary to Government of India

Tel.: 24360160

New Delhi, Dated 22.05.2014

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- 2. Cabinet Secretariat**
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- 4. Planning Commission**
- 5. Comptroller and Auditor General of India**
- 6. JS&FA, Department of Electronics and Information Technology**
- 7. Internal Distribution**



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