

From

Secretary Information Technology,  
Chandigarh Administration.

To

All Administrative Secretaries/  
Head of Departments/Offices/  
Boards and Corporations.  
Chandigarh Administration.

Memo No. 2191

Dated Chandigarh, the 3-11-14

4 NOV 2014

Sub : Policy for preference to Domestically Manufactured  
Electronic Products (DMEPs).

The Department of Electronics & Information Technology (Deity), Gol, New Delhi, has formulated a Policy/Notification (dated 23.12.2013) for giving preference to domestically manufactured electronics goods. (copy enclosed).

As per the enclosed Policy/Notification, over thirty electronic products have been identified by Deity and Dept of Telecommunication, Gol, New Delhi, for providing preference to domestic manufacturers, these include, Desktop PCs, Dot Matrix Printers, Tablet PCs, Laptop PCs, Contact Smart Cards, Contactless Smart Cards and LED Products etc.

The Chandigarh Administration has decided to adopt the said Policy for procurement of electronics products made under all Centrally Sponsored Schemes and Grants made by Central Government etc.

Therefore, it is requested that the said policy be considered during procurement of electronics products in your department.

Secretary Information Technology,  
Chandigarh Administration

Encl As above.

OS CB-IV to circulate to  
all concerned  
11.11.14

① st

**GOVERNMENT MEDICAL COLLEGE & HOSPITAL, CHANDIGARH**

(Hospital Building), Sector 32-B, Chandigarh-160030 (Ph 0172-2665253-59, Fax: 0172-2608488)

**(ESTABLISHMENT BRANCH-IV)**

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28 NOV 2014

Endst. No. GMCH-E-IV(24/3)-2014/

Dated, Chandigarh the

A copy alongwith it's enclosures is forwarded to the Computer Programmer, GMCH, Chandigarh. He is also requested to **e-circulate/email** the same to Office Supdt. (PB-I & PB-II), GMCH, Chandigarh for information & necessary action pl.

*Dr. Chandra*

Superintendent (Est.-IV)

4.2

DO No. 33(3)/2013-IPHW(Vol. III)

Dated: 05.09.2014

Dear Shri Patil:

The Department of Electronics and Information Technology (DeitY) has notified the policy for providing preference to domestically manufactured electronics products DMEPs in Government procurement for its own use and not with a view to commercial resale or with a view to use in the production of goods for commercial sale vide Notification No. 33(3)/2013-IPHW dated 23.12.2013 (copy enclosed). Subsequently, DeitY has notified six electronic products vide Notifications No. 33(3)/2013-IPHW dated 22.05.2014 (copies enclosed) under the said policy.

The policy is also applicable for procurement of electronic products made under all Centrally Sponsored Schemes and grants made by Central Government. While implementation of the policy is mandatory for Centrally Sponsored Schemes, it is strongly recommended that the Union Territory Government may consider implementing the policy for procurement from their own funds as well, in order to promote domestic manufacturing of electronic products in the country.

With regards,

Yours sincerely,

(R S Sharma)

Shri Shivraj V. Patil  
Administrator of U.T. Chandigarh  
U.T. of Chandigarh  
Jagat Rai Bhawan  
Sector 6  
Chandigarh -160017.

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संचार और सूचना प्रौद्योगिकी मंत्रालय

(इलेक्ट्रॉनिकी और सूचना प्रौद्योगिकी विभाग)

अधिसूचना

नई दिल्ली 23 दिसम्बर 2013

विषय : सुरक्षा कारणों और सरकारी प्रापण में प्रापण हेतु घरेलू स्तर पर विनिर्मित इलेक्ट्रॉनिक वस्तुओं की प्राथमिकता

स. 33(3)/2013-आईपीएचडब्ल्यू — इलेक्ट्रॉनिकी और सूचना प्रौद्योगिकी विभाग (डीआईटीवाई) द्वारा दिनांक 10 फरवरी, 2012 की अधिसूचना नं. 3/18/2010-आईपीएचडब्ल्यू, के द्वारा आधुनिक खरीद में घरेलू विनिर्मित इलेक्ट्रॉनिक वस्तुओं की प्राथमिकता देने के लिए नीति के अधिकरण में भारत सरकार ने अपने प्रयाग के लिए न कि आर्थिक विकास के लिए अथवा न ही आर्थिक विकास के लिए वस्तुओं के उत्पादन में प्रयोग के लिए घरेलू विनिर्मित इलेक्ट्रॉनिक उत्पादों की प्राथमिकता देने के लिए विनिर्देशित नीति बनाई है।

## 2. विस्तार

2.1 यह नीति आधुनिक खरीद नीति की दृष्टि से भारत सरकार द्वारा विनिर्देशित वस्तुओं में इलेक्ट्रॉनिक वस्तुओं से न होकर सरकारी प्रायोजन से किए गए इलेक्ट्रॉनिक उत्पादों के क्रय के लिए सभी मंत्रालय/विभाग/प्रशासनिक विभागों तथा उनकी एजेंसियों के लिए लागू होगी। यह केन्द्रीय रूप से प्रायोजित सभी योजनाओं तथा केन्द्र सरकार द्वारा दिए गए अनुदानों के अन्तर्गत किए जाने वाले इलेक्ट्रॉनिक उत्पादों के क्रय के लिए भी लागू होगी। पैरा 2.2 के अन्तर्गत यह प्रत्येक मंत्रालय/विभाग यह विनिर्देश करेगा कि घरेलू विनिर्मित इलेक्ट्रॉनिक उत्पादों (उत्पादों) की प्राथमिकता दी जाएगी। ऐसे इलेक्ट्रॉनिक उत्पादों की खरीद सभी क्षेत्रों में की जाएगी। इस अधिसूचना के अन्तर्गत आने वाले इलेक्ट्रॉनिकी और सूचना प्रौद्योगिकी विभाग/दूर संचार विभाग/तकनीकी विकास विभाग द्वारा अधिसूचित किया जाएगा।

2.2 घरेलू विनिर्मित इलेक्ट्रॉनिक उत्पाद (उत्पादों) की प्राथमिकता देने के लिए प्रत्येक मंत्रालय/विभाग द्वारा जारी की गई अधिसूचना में घरेलू विनिर्मित इलेक्ट्रॉनिक उत्पाद (उत्पादों) से की जाने वाली खरीद का प्रतिशत विनिर्देशित किया जाएगा जो उस इलेक्ट्रॉनिक उत्पाद (उत्पादों) के कुल खरीद मूल्य के 30% से कम नहीं होगा। इसके अलावा प्रत्येक मंत्रालय/विभाग यह भी विनिर्देश करेगा कि घरेलू मुख्यवर्धन की आवश्यकता कितनी होगी जिससे कि यह सुनिश्चित किया जा सके कि घरेलू विनिर्मित इलेक्ट्रॉनिक उत्पादों पर अधिक गुणवत्ता का पूरा करता है अथवा नहीं। हालांकि यह विनिर्देश नीचे पैरा 2.3 में दिए गए घरेलू विनिर्मित इलेक्ट्रॉनिक उत्पादों की तकनीकी परिभाषा से नीचे नहीं किया जाएगा।

## 2.2 शासन तंत्र

2.2.1 सरकारी खरीद के सदर्भ में नीति के कार्यान्वयन का प्रयोग द्विचरण शासन व्यवस्था द्वारा किया जाएगा।

5377-G/2013

घरण 1: इलेक्ट्रॉनिक उत्पादों के लिए राष्ट्रीय अपोजिना और निगमों की प्रविष्टि (अनुसंधान) ईपी, हापी, जिसमें निम्नलिखित शामिल होंगे:

सचिव, डीआईटीवाई ..... अध्यक्ष

सचिव, ईओटी या उनके प्रतिनिधि

सचिव, ग्राम विभाग या उनके प्रतिनिधि

सचिव, डीआईपीपी या उनके प्रतिनिधि

नीति के अंतर्गत इलेक्ट्रॉनिक उत्पाद (उत्पादों) का अधिसूचित करने का प्रस्ताव का दावा करने वाले विभाग के सचिव या उनके प्रतिनिधि

महानिदेशक, आपूर्ति एवं निपटान महानिदेशालय (डीजीएसडी)

संयुक्त सचिव, डीआईटीवाई – सदस्य-संयोजक

2.2.2 एनपीएस-ईपी का अधिदेश निम्नानुसार होगा:

क. नीति के अंतर्गत अधिसूचित करने के लिए विहित इलेक्ट्रॉनिक उत्पादों के सदस्य में 10 वर्ष के लिए रोड मैप तैयार करना।

ख. भारत सरकार के मंत्रालय/विभागों द्वारा जारी की जाने वाली अनुसंधान अधिसूचनाओं का अनुमोदन

ग. नीति के कार्यान्वयन की निगरानी

घ. शिकायत निवारण व्यवस्था स्थापित करना

2.2.3 घरण 2 संबंधित मंत्रालय/विभाग एनपीएस-ईपी का अनुमोदन के आधार पर सरकारी प्रयोग के लिए खरीद जा रहे इलेक्ट्रॉनिक उत्पादों के लिए आवश्यक अनुपालन आवश्यकताओं के साथ इलेक्ट्रॉनिक उत्पादों का अधिसूचित करना।

2.2.4 10 फरवरी, 2012 को अधिसूचित पूर्ववर्ती नीति के अंतर्गत जारी किए गए विभाग/निदेशाधीन अधिसूचनाओं की इस नीति के आधार पर एनपीएस-ईपी द्वारा समीक्षा की जाएगी। पूर्ववर्ती नीति के अंतर्गत जारी की गई सरकारी खरीद के लिए अधिसूचनाएँ तब तक जारी रहेंगी जब तक की संशोधन नीति के अंतर्गत इनकी समीक्षा नहीं की जाती है।

2.3 घरेलू स्तर पर निर्मित इलेक्ट्रॉनिक उत्पाद घरेलू स्तर पर निर्मित इलेक्ट्रॉनिक उत्पादों का विनिर्माण उन कंपनियों द्वारा किया जाता है जो भारत में पंजीकृत और स्थापित हैं तथा भारत में विनिर्माण में सफल हैं और इनका उत्पाद निर्यात क्षमता में हो। किन्तु इस परिभाषा से ट्रेडरों को अलग कर दिया गया है। ये इलेक्ट्रॉनिक उत्पाद घरेलू विनिर्माताओं से मिले अधिक मूल्यवर्धन (वीओएम) के सदस्य में निम्नलिखित प्रिडिड घरेलू मूल्यवर्धन को पूरा करेंगे:

घरेलू विनिर्माता (वीओएम) के सदस्य में प्रतिशत घरेलू मूल्यवर्धन	वर्ष
25%	1 वर्ष
30%	2 वर्ष
35%	3 वर्ष
40%	4 वर्ष
45%	5 वर्ष

## 2.4 घरेलू मूल्य वृद्धि

2.4.1 घरेलू मूल्य-वृद्धि का प्रतिशत =  $\frac{\text{घरेलू वीओएम}}{\text{कुल वीओएम}} \times 100$

2.4.2 घरेलू विनिर्माण से प्राप्त की गई सामग्री के दाम (घरेलू वीओएम) की गणना प्रत्येक उत्पाद के लिए उपलब्ध डेटा के आधार पर निम्नलिखित परभावों में किसी एक पद्धति के आधार पर की जाएगी।

- सभी इनपुट सामग्री जिससे उत्पाद तैयार होगा, कि लागत का घटाव (केवल उन्हें जिसके लिए क्रेडिट/छूट का लाभ लिया जा सकता है, का छोड़कर सभी इनपुट की खरीद पर लागू गए शुल्कों और करों सहित) जिसका आयात प्रत्यक्ष रूप से अथवा किसी घरेलू व्यापारी (ट्रेडर) या किसी मध्यस्थ द्वारा नहीं किया गया है।
- उत्पाद का एक्स-फैक्टरी मूल्य से कर प्रक्षाल लाभ का घटाव और उससे से उत्पाद के उत्पादन में इनपुट के रूप में प्रयुक्त आयातित वीओएम (प्रत्यक्ष अथवा अप्रत्यक्ष) के योग को घटाकर (केवल उन्हें जिसके लिए क्रेडिट/छूट का लाभ लिया जा सकता है, छोड़कर सभी इनपुट की खरीद पर लागू गए शुल्कों और करों सहित) छूट का लाभ लिया जा सकता है। का घटाव।
- बाह्य मूल्य से उत्पादन प्रक्षाल मूल्य/आवक, सीमा और अन्य महत्वपूर्ण लागत को घटाया जाए, उससे से कर प्रक्षाल लाभ, फिर वारंटी लागत को घटाया जाए, उससे से उत्पाद के उत्पादन में इनपुट सामग्री के रूप में प्रयुक्त आयातित सामग्री के दाम के योग (केवल उन्हें, जिनके लिए





## प्रारम्भिक प्राप्ति परिदृश्यों के कुछ उदाहरण

## उदाहरण 1

## 1 लाख लैपटॉप का प्राप्ति

एक सरकारी परियोजना के तहत 1,00,000 लैपटॉप के प्राप्ति का आग्रह है। प्रस्तावित नीति के माध्यम को पूरा करने के लिए उन्होंने घरेलू इलेक्ट्रॉनिक उत्पाद विनिर्माता से 30,000 लैपटॉप प्राप्त करने हैं। निविदा दस्तावेज में प्राप्ति मूल्य के 30% के सन्दर्भ में एल 1 मूल्य का मिलान करते हुए और निविदा की तकनीकी विशिष्टता पूरी करते हुए घरेलू स्तर पर निर्मित इलेक्ट्रॉनिक उत्पादों को विशेष प्राथमिकता दी जाती चाहिए। मान ले कि इसमें पांच निविदाएं हैं। डीएम को घरेलू विनिर्माता और एनडीएम को गैर घरेलू विनिर्माता मानें।

प्रकरण 1 : वाणिज्यिक निविदाओं को खोलने के बाद रिश्ते इस प्रकार हैं एल 1: डीएम 1, एल 2: एनडीएम 1, एल 3: एनडीएम 2, एल 4: एनडीएम 3 और एल 5: डीएम 2, तो संपूर्ण बचत डीएम 1 विक्रेता को दिया जाएगा।

प्रकरण 2क: वाणिज्यिक निविदाओं को खोलने के बाद रिश्ते इस प्रकार हैं एल 1: एनडीएम 1, एल 2: एनडीएम 2, एल 3: एनडीएम 3, एल 4: डीएम 1 और एल 5: डीएम 2। एनडीएम 1 को एल 1 के रूप में काम प्रदाता प्राप्त और डीएम 1 संपूर्ण बचत वाले लयाने वाला घरेलू विनिर्माता है। इसके बाद एनडीएम 1 को प्राप्ति मूल्य का 70% मूल्य के लिए और बचत आदेश की 30% मान ले कि बचत आदेश डीएम 1 को दिया जाएगा, यद्यपि कि बचत वाले गोलीदाता की दूरे एल 1 के सामान ही।

प्रकरण 2ख: यदि डीएम 1 एल 1 के मूल्य पर निविदा बचत लेने से मना करता है तो डीएम 2 को एल 1 मूल्य पर आपूर्ति करने के लिए आदेश दिया जाना चाहिए।

प्रकरण 3: वाणिज्यिक निविदाओं को खोलने के बाद रिश्ते इस प्रकार हैं एल 1: एनडीएम 1, एल 2: एनडीएम 2, एल 3: एनडीएम 3, एल 4: एनडीएम 4 और एल 5: एनडीएम 5। इस मामले में कोई घरेलू स्तर पर इलेक्ट्रॉनिक उत्पाद का निर्माण उपलब्ध नहीं है अतः यह पूरा क्वांटिटी एनडीएम 1 को दिया जाएगा।

## उदाहरण 2

## गैर कंप्यूटर का प्राप्ति

प्राप्ति एड्रेसी 50 करोड़ रु. की विविध निविदाओं के माध्यम से गैर कंप्यूटर का प्राप्ति करने की दुनयूर है। आदेश को दो पक्षकारों के बीच नहीं बांटा जा सकता है। प्राप्ति एड्रेसी 20,00,00,000 रु. के माध्यम से गैर कंप्यूटर का प्राप्ति करने में सक्षम नहीं की जा सकती है। इसलिए कथित एड्रेसी द्वारा घरेलू स्तर पर निर्मित इलेक्ट्रॉनिक उत्पादों को प्राप्ति एड्रेसी 5 करोड़ रु. के प्राप्ति निविदा मूल्य का 30% का अतिरिक्त मूल्य प्रदान किया जाता चाहिए।

## MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY

(Department of Electronics and Information Technology)

## NOTIFICATION

New Delhi, the 23<sup>rd</sup> December, 2013

**Subject: Preference to domestically manufactured electronic products in Government procurement**

**No. 33(3)/2013-IPHW.**—In supersession of the policy for providing preference to domestically manufactured electronic goods in procurement notified vide the Department of Electronics and Information Technology (Deitry) Notification No. 8/78/2010-IPHW dated 10 February 2012, the Government of India has laid down the following policy for providing preference to domestically manufactured electronic products in Government procurement for its own use and not with a view to commercial resale or with a view to use in the production of goods for commercial sale.

## 2.1 Scope

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 goods for commercial sale. This would also be applicable for procurement of electronic products made under all Centrally Sponsored Schemes and grants made by Central Government Subject to the provisions of para 2.2 each Ministry/ Department would notify the sector specific product(s) for which preference would be accorded to domestically manufactured electronic product(s). Generic products which are procured across sectors, such as, computers, communication equipment etc. would be notified by the Departments of Electronics and Information Technology/Telecommunications as the case may be.



2.1.2 The notification issued by each Ministry/ Department for providing preference to domestically manufactured electronic product(s) would specify the percentage of procurement to be made from domestically manufactured electronic product(s), which shall not be less than 30% of the total procurement value of that electronic product(s). Further each Ministry/ Department would also specify the domestic value addition requirement which the electronic product should satisfy for the product to qualify as domestically manufactured electronic product. However, such specification should not be below the generic definition of domestically manufactured electronic products provided in para 2.3 below.

## 2.2 Governance Mechanism

2.2.1 A two-tiered governance mechanism shall be established to oversee the implementation of the policy.

**Tier 1:** There shall be a National Planning and Monitoring Council for Electronics Products (NPMC-EP) comprising of the following:

- i. Secretary, Deptt. of Electronics, Government of India - Chairman
- ii. Secretary, Department of Telecommunications (DoT) or representative
- iii. Secretary, Department of Expenditure or representative
- iv. Secretary, Department of Industrial Policy and Promotion (DIPP), or representative
- v. Secretary of Ministry/ Department proposing to notify electronic product(s) under the Policy, or representative
- vi. Director General, Directorate General of Supplies & Disposals (DGS&D)
- vii. Joint Secretary, Deptt. - Member-Convenor

2.2.2 The mandate of the NPMC-EP shall be as follows:

- a. Design a 10-year road map for electronic products identified for notification under the policy.
- b. Approval of notifications proposed to be issued by Ministries / Departments of Government of India
- c. Monitoring the implementation of the policy
- d. Establishing a Grievance Redressal System

2.2.3 **Tier 2:** Line Ministries/ Departments will notify electronic products together with the necessary compliance requirements for electronic products being procured for Government use, based on the approval of NPMC-EP.

2.2.4 The notifications/ guidelines issued thus far, under the earlier policy notified on 10th February 2012, shall be reviewed by the NPMC-EP, based on this policy. The notifications for Government procurement issued under earlier policy will continue till these are reviewed under the revised policy.

2.3 **Domestically Manufactured Electronic Products:** The Domestically Manufactured Electronic Products are products manufactured by companies registered in India and engaged in manufacture in India and including Contract Manufacturers, but excluding traders. The electronic products to be notified under this policy shall meet the following graded domestic value-addition in terms of Bill of Material (BOM) from domestic manufacturers.

Percentage domestic value addition in terms of BOM of domestic manufacturers	Year
25%	Year 1
30%	Year 2
35%	Year 3
40%	Year 4
45%	Year 5

## 2.4 Domestic Value Addition

2.4.1 Percentage of domestic value-addition =  $\frac{\text{Domestic BOM} \times 100}{\text{Total BOM}}$

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**2.4.2 Bill of Material** sourced from domestic manufacturers (Domestic BOM) may be calculated based on one of the following methodologies depending on the data available for each product.

- a. sum of the costs of all inputs which go into the product (including duties and taxes levied on procurement of inputs except those for which credit / set-off can be taken) which have not been imported directly or through a domestic trader or an intermediary
- b. Ex-Factory Price of product minus profit after tax minus sum of imported Bill of Material used (directly or indirectly) as inputs in producing the product (including duties and taxes levied on procurement of inputs except those for which credit / set-off can be taken) minus warranty costs
- c. Market price minus post-production freight, insurance and other handling costs minus profit after tax minus warranty costs minus sum of Imported Bill of Material used as inputs in producing the product (including duties and taxes levied on procurement of inputs except those for which credit / set-off can be taken) minus sales and marketing expenses

**2.4.3 Total Bill of Material (Total-BOM)** may be calculated based on one of the following methodologies depending on data available.

- a. sum of the costs of all inputs which go into the product (including duties and taxes levied on procurement of inputs except those for which credit / set-off can be taken)
- b. Ex-Factory Price of product minus profit after tax, minus warranty costs.
- c. Market price minus post-production freight, insurance and other handling costs minus profit after tax, minus warranty costs minus sales and marketing expenses

**3. Eligibility:** All companies registered in India and engaged in manufacture of electronic products in India are eligible for consideration under the policy

**4. Procurement:** The procuring agencies shall follow their own procurement procedures, subject to meeting the requirement that specified percentage of procurement shall be of domestically manufactured electronic products

**4.1** Aggregation of annual requirements and such other procurement practices, which facilitate the implementation of this policy, may be adopted by procuring agencies

**4.2** Procurement by Government Ministry/ Department or agencies under their administrative control

**4.2.1** Wherever the domestically manufactured electronic products are procured under this policy by a Government Ministry/ Department or an agency thereof, such procurement shall be subject to matching of L1 price and on satisfying technical specifications of the tender

**4.2.2** For procurement by Government Ministries/ Departments and agencies under their administrative control, the tender for procuring electronic products would normally specify that specified percentage of the procurement value would be awarded to the lowest-priced technically qualified domestic manufacturer of electronic products, subject to matching with L1, if such bidders are available. The remaining will be awarded to L1, irrespective of whether he is a domestic manufacturer or not. In case L1 is quoted by a domestic manufacturer, the entire order quantity will be awarded to such domestic manufacturer, subject to the other conditions of the tender, if any, relating to splitting of the order

**4.2.3** It is not necessary that each tender for the procurement of electronic product is split. If a tender cannot be split, either because the unit of procurement is small or because of technical reasons, or because no domestic manufacturer is available for the product, the procuring agency may ensure that the annual requirement of procuring the specified extent of electronic products from domestically manufactured products is achieved through suitable enhancements in other tenders

**4.2.4** The tender conditions would ensure that domestically manufactured electronic products are encouraged and are not subject to restrictive mandatory requirement of prior experience. However, procuring Department/ Agency may incorporate such stipulations as may be considered necessary to satisfy themselves of the security, production capability and product quality of the domestic manufacturer.

## 5. Compliance

**5.1** A suitable self-certification system would be devised to declare domestic value addition by the vendor. The system would also provide for checks by Standardization, Testing and Quality Certification (STQC), Telecommunications Engineering Centre (TEC) (for telecom products) and other testing laboratories or technical auditors accredited by the Department of Electronics and Information Technology/ Department of

Telematics for the purpose. In cases of false declaration of domestic value addition, suitable penalties will be imposed.

5.2 Each Ministry/Department shall annually obtain a declaration indicating the extent of compliance to the policy and reasons for non-compliance thereof from all procuring agencies under its administrative control.

5.3 Individual Ministries/Departments may provide for suitable incentives/disincentives for compliance of the policy.

6. **Electronic products:** In case of a question whether an item being procured is an electronic product to be covered under the proposed policy, the matter would be referred to the Department of Electronics and Information Technology for clarification.

7. **Time period:** The policy will be valid for 10 years from the date of its notification. The policy will be reviewed at regular intervals of time.

8. **Guidelines:** Detailed guidelines shall be issued for operationalizing the policy which would, *inter alia*, provide for modalities of self-certification by the vendor and the procuring agencies.

9. Some examples of typical procurement scenarios are illustrated in Appendix.

Dr. AJAY KUMAR, Jt. Secy.

## Appendix

### EXAMPLES OF TYPICAL PROCUREMENT SCENARIOS

#### Example 1

##### Procurement of 1 lakh Laptops

Under a Government project, it is intended to procure 100,000 laptops notified under the policy. In order to fulfil the norm of the proposed policy, they have to procure 30,000 laptops (30%) from domestic manufacturer. The bid documents should specifically provide preference to domestically manufactured electronic products in terms of 30% of procurement value subject to matching of L1 price and on satisfying technical specifications of the tender. Suppose there are five bids. Consider DM as Domestic Manufacturer and NDM as Non Domestic Manufacturer.

**Case 1:** After opening of commercial bids, position is like L1: DM1, L2: NDM1, L3: NDM2, L4: NDM3 and L5: DM2. Then the entire quantity shall be awarded to DM1.

**Case 2A:** After opening of commercial bids, position is like L1: NDM1, L2: NDM2, L3: NDM3, L4: DM1 and L5: DM2. NDM1 qualifies as L1 and DM1 is the lowest-priced domestic manufacturer. Then NDM1 shall be given purchase order for 70% and 30% of the purchase order shall be given to DM1, subject to the later matching the L1 price.

**Case 2B:** If DM1 declines to undertake the tendered work at L1 price, DM2 should be given the offer to supply the 30% at L1 prices.

**Case 3:** After opening of commercial bids, position is like L1: NDM1, L2: NDM2, L3: NDM3, L4: NDM4 and L5: NDM5. In this case, no domestic electronic product manufacturer is available; hence the full order will be awarded to NDM1.

#### Example 2

##### Procurement of Super Computer

Procuring agency desires to procure a Super Computer with prescribed specification for Rs. 50 crore. The order cannot be split between two parties. The procuring agency is not able to apply 70:30 norm. Hence this policy cannot be implemented in this tender. Therefore, in subsequent procurement of electronic products by the said agency, it should reserve an additional value of Rs. 15 crore (30% of the earlier tender) for domestic manufactured electronic products.



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

Dated: 22<sup>nd</sup> 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 Desktop PCs and Dot Matrix Printers as per the said policy. The details are as follows:

**(I) Desktop Personal Computers (PCs)**

**I(A) Definition:**

For the purpose of this Notification, a Desktop PC shall necessarily consist of a CPU, Memory, Hard disk drive, Keyboard, Mouse and a separate or integrated display unit and should be able to operate independently.



I(B)

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

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

The domestic BOM of Desktop 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 Desktop PC	Value addition required for the input to be classified as domestic BOM
1	2
Processor	Domestic ATMP / fabrication or both
Memory	Domestic assembly of imported memory chips on imported / indigenously manufactured bare PCB/ Domestic ATMP fabrication/ or combination
Hard Disk Drive	Domestic assembly and testing from imported / indigenously manufactured parts and components
LCD Monitor	Domestic assembly from imported LCD Panel wherein plastic moulding and stamping of metal parts is done domestically and testing / Domestic fabrication of LCD Panel or both
DVD Drive	Domestic assembly and testing from imported / indigenously manufactured parts and components
Cabinet + SMPS	Domestically manufactured Cabinet and domestic assembly and testing of SMPS from imported indigenously manufactured parts and components subject to the condition that value of domestic

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

The domestic BOM of Dot Matrix Printer would be the sum of the cost of main inputs 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 Dot Matrix Printer	Value addition required for the input to be classified as domestic BOM
1	2
Main PCB	Domestic assembly and testing from imported / indigenously manufactured parts and components subject to the condition that value of domestically manufactured parts and components used in the assembly of "Main PCB" will be minimum 10% (of the total value of parts and components used in the manufacture of "Main PCB") in Year 2, which will increase to minimum 15% (of the total value of parts and components used in the manufacture of "Main PCB") in Year 3 and subsequent years except value of bare PCB
Bare PCB	Domestically manufactured
SMPS	Domestic assembly and testing from imported / indigenously manufactured parts and components subject to the condition that value of domestically manufactured parts and components used in the assembly of "SMPS" will be minimum 10% (of the total value of parts and components used in the manufacture of "SMPS") in Year 2, which will increase to minimum 20% (of the total value of parts and components used in the manufacture of "SMPS") in Year 3 and subsequent years
Carriage Motors & Paper Feed Motors	Imported as sub assembly and tested domestically alongwith main Printer Mechanism

Main inputs in BOM/stages for manufacture of Desktop PC	Value addition required for the input to be classified as domestic BOM
	manufactured parts and components used in the assembly of "SMPS" will be minimum 10% (of the total value of parts and components used in the manufacture of "SMPS") in Year 2, which will increase to minimum 20% (of the total value of parts and components used in the manufacture of "SMPS") in Year 3 and subsequent years
Keyboard Mouse	Domestic assembly and testing from imported / indigenously manufactured parts and components
Motherboard	Domestic assembly and testing from imported / indigenously manufactured parts and components except value of bare PCB
Bare PCB	Domestically manufactured
Final Assembly Testing and Design Development	Domestically assembled/tested and any Intellectual Property (IP) resident in India

## II. Dot Matrix Printers

### II(A) Definition:

A Dot Matrix Printer is a type of impact printer that forms dot on paper by a metal pin of diameter 0.2 mm to 0.3 mm which is driven by electromagnet based on solenoid principle and required character matrix is produced by horizontal and vertical resolution of dot matrix printhead. Dot matrix Printer can create carbon copies and carbonless copies based on mechanical pressure of pin.

### II(B)

Percentage of procurement for which preference to domestically manufactured Dot Matrix Printers is to be provided (in value terms)	Percentage domestic value addition in terms of Bill of Material (BOM) required for the Dot Matrix Printers to qualify as domestically manufactured
50%	40% in Year 1



Main inputs in BOM/ stages for manufacture of Dot Matrix Printer	Value addition required for the input to be classified as domestic BOM
Front Control Panel	Domestic assembly and testing from imported / indigenously manufactured parts and components
Home Position Paper End Sensors	Domestic assembly and testing from imported / indigenously manufactured parts and components
Main Printer Cabinet and other small plastic components	Domestic moulding of Printer Cabinet and other parts
Printer Mechanism Assembly	Domestic assembly using indigenously manufactured Rubber Platens, small rubber parts, sheet metal components, plastic gears and other plastic parts with turned steel shafts and above mentioned sensors and Motors
Print Heads and Interconnecting Cables	Domestic assembly and testing from imported / indigenously manufactured parts and components
Final Assembly Testing and Design Development	Domestically assembled/tested and any Intellectual Property (IP) resident in India

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. 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 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.


9. This notification is issued in supersession of the Notification No.8(41)/2012-IPHW dated 17.12.2012 on the subject.

  
(Dr. Ajay Kumar)  
Joint Secretary to Government of India  
Tel.: 24360160

New Delhi, Dated 22.05.2014

**Copy to:**

1. All Ministries/Departments of Government of India
2. Cabinet Secretariat
3. PMO
4. Planning Commission
5. Comptroller and Auditor General of India
6. JS&FA, Department of Electronics and Information Technology
7. Internal Distribution

  
(Dr. Ajay Kumar)  
Joint Secretary to Government of India  
Tel.: 24360160

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

Dated: 22<sup>nd</sup> 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 The value of only these Semiconductor

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	(i) Domestically assembled/tested and
(ii) Design Development	(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

**Copy to:**

1. All Ministries/Departments of Government of India
2. Cabinet Secretariat
3. PMO
4. Planning Commission
5. Comptroller and Auditor General of India
6. JS&FA, Department of Electronics and Information Technology
7. Internal Distribution



(Dr. Ajay Kumar)  
Joint Secretary to Government of India  
Tel.: 24360160



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

Dated: 22<sup>nd</sup> 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)/2010-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 Laptop PCs as per the said policy. The details are as follows:

**Laptop Personal Computers (PCs)**

**(A) Definition:**

For the purpose of this Notification, a Laptop PC (commonly known in the market as Laptop/Notebook/Netbook/Ultrabook, etc.) shall necessarily consist of a CPU, Memory, Hard disk drive, Keyboard, Touchpad and / or Trackpoint, an integrated display unit, integrated battery and should be able to operate independently.

(B)

Percentage of procurement for which preference to domestically manufactured Laptop PCs is to be provided (in value terms)	Percentage domestic value addition in terms of Bill of Material (BOM) required for the Laptop PCs to qualify as domestically manufactured
50%	25% in Year 1

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

The domestic BOM of Laptop 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 Laptop PC	Value addition required for the input to be classified as domestic BOM
1	2
Hard Disk Drive	Domestic assembly and testing from imported indigenously manufactured parts and components
Display Panel (LCD, LED, etc.) + Back cover + Bezel	Domestic assembly and testing from imported indigenously manufactured Display Panel, Back cover and Bezel or combination subject to the condition that from Year 3 onwards:  (i) back cover shall be domestically manufactured and  (ii) backlight assembly and testing of Display Panel shall be done domestically.
DVD Drive	Domestic assembly and testing from imported indigenously manufactured parts and components
Cabinet + Motherboard + Power Module	Domestic assembly and testing from imported indigenously manufactured Cabinet, Motherboard, Power Module or combination except value of bare PCB and Semiconductor BOM (i.e. the Semiconductor Chips and Modules in Motherboard) subject to the conditions that


Main inputs in BOM/stages for manufacture of Laptop PC	Value addition required for the input to be classified as domestic BOM
	<p>(i) value of domestically manufactured parts and components used in the assembly of "Motherboard + Power Module" will be minimum 10% (of the total value of parts and components used in the manufacture of "Motherboard + Power Module") in Year 2, which will increase to minimum 20% (of the total value of parts and components used in the manufacture of "Motherboard + Power Module") in Year 3 and subsequent years <u>and</u></p> <p>(ii) Cabinet shall be domestically manufactured from Year 3 onwards</p>
Semiconductors (i.e. the Semiconductor Chips and Modules on Motherboard)	The value of only those Semiconductor Chips and Modules (including Processor and Memory) of the 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
Keyboard/Touchpad and or Trackpoint	Domestic assembly and testing from imported / indigenously manufactured parts and components
Battery	Domestic assembly and testing from imported / indigenously manufactured parts and components
(i) Final Assembly Testing and	(i) Domestically assembled/tested and



Main inputs in BOM/stages for manufacture of Laptop PC	Value addition required for the input to be classified as domestic BOM
(ii) Design/ Development	(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. 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 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.
9. 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

Copy to:

1. All Ministries/Departments of Government of India
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



(Dr. Ajay Kumar)

Joint Secretary to Government of India

Tel.: 24360160