



GOVERNMENT OF INDIA
Department of Electronics
and Information Technology (DeitY)
Ministry of Communications
& Information Technology

ELECTRONICS ***e-NEWSLETTER***

.... For Electronics System Design & Manufacturing (ESDM) Sector

Year 3 | Vol. 16: Feb 2013

- President recognizes efforts to promote ESDM
- MCIT leads the marketing effort for ESDM in US
- Gujarat woos investment in ESDM
- Japan Desk in DeitY to facilitate

From Chief Editor's Desk



Dear Readers,

The Electronics and Information Technology Goods (Requirements for Compulsory Registration) Order, 2012 shall come into force on April 3, 2013. As the date of implementation approaches, frenetic activity is seen for getting the products registered. The Department of Electronics and IT is also gearing itself to cater to the need of the industry. We owe this both to the consumers and to the industry of the country to ensure successful implementation of the order in time.

Typically, all standards in the country have been implemented through the license provisions of the BIS Act. This is the first time that a standards regime which provides for self-registration, as against license which has been implemented. Self-registration provides greater sense of responsibility on the industry so that the regulation of Government is lesser. The industry gets its products tested and shows that it complies with required standards. I am sure that the industry and the importing community will rise to the occasion and show that they are able to fulfill the responsibility which has been entrusted to them under the self-registration scheme.

Along with mandatory registration of electronic goods, efforts to develop standards for medical electronics have also been initiated. We invite readers to suggest medical electronic devices for which standards are required. While suggesting names of medical electronic devices, informed readers may also suggest any background standards/documents which can be used by relevant officials for doing preparatory work for the development of standards for those devices. This would help reduce the time cycle for developing standards significantly. Another positive development is the process of amendment of The Drugs And Cosmetics Act by the Ministry of Health and Family Welfare. The amendment, inter alia, proposes to recognize medical devices as separate from drugs and provide for a separate mechanism for testing and approval. Once the said amendment is passed, this would really help the development and manufacture of medical device industry in the country.

Standards are an extremely important part of the National Policy on Electronics, 2012. It can help shape the industry. We need to develop the industry which is good in quality, safe and also specific to India. The steps mentioned are baby steps in this direction. A National Policy Framework regarding standards is envisaged in the Policy. The initial work in this regard has started. Inputs from all stakeholders are vital in this regard. We shall be coming forward with a draft for discussion during the next few weeks. Readers and stakeholders may like to start collecting their thoughts and views on the subject.

Wishing readers happy Basant and Holi celebrations

Dr. Ajay Kumar

• President recognizes efforts to promote ESDM

• Message from Hon'ble MoS(C&IT)

President recognizes efforts to promote Electronics

Highlighting the importance attached by Government to the promotion of electronics, the Hon'ble President of India, Shri Pranab Mukherjee, in his address to both houses of the Parliament on Feb 21, 2013, recognized the efforts being taken by Government to promote the Electronics System Design and Manufacturing in the country.

Pointing attention to the sector, he stated that the National Policy on Electronics covers a comprehensive set of schemes with special focus on promoting domestic Electronics System Design and Manufacturing.

Madhya Pradesh to set up four Electronics Manufacturing Clusters

Madhya Pradesh Government has decided to plan for four Green field Clusters under the Electronics Manufacturing Cluster Scheme of the Government of India. Land has also been identified at several places and DPR is being prepared.

Details of four clusters are as follows:

District	Status and Proposed Area
Bhopal	Land is possession; 50 acres
Gwalior	Land is in possession; 50 acres
Indore	land is being identified; 100 acres
Jabalpur	Land is in possession; 40 acres

Message from Hon'ble Minister of State for Communications and IT's to the Industry

It gives me immense pleasure to say that Electronics System Design and Manufacturing (ESDM) industry is poised to become a very vibrant and happening sector. Electronics touches numerous aspects of our life and demand for Electronic products from 1.2 Billion Indians is already huge. It will multiply many folds in future. The demand is massive and will be sustained for many decades through higher level of disposable income. This goes without saying that the demand should be met through domestic manufacturing in India. This will help build local industry and provide employment to youth in India.

In consultation with the industry, Government has approved various initiatives for promotion of investment in ESDM sector, particularly the National Policy on Electronics, Modified Special Incentive Package Scheme (MSIPS), Electronics Manufacturing Clusters (EMC) Scheme and policy for providing Preference to Domestically Manufactured Electronic Goods.

The Electronics and Information Technology Goods (Requirements for Compulsory Registration) Order will support establishing required quality and safety standards for this sector in India. Several other initiatives are also underway to support creation of right kind of environment for development of a vibrant ecosystem for ESDM sector. Some of the states have also come up with ESDM specific policies and investment initiatives.

India has good semiconductor design expertise and large share of global design work is outsourced to India. Government R&D Capabilities augmented with capacities in private sector can create a suitable environment for growth of ESDM industry in India.

All this provides a larger opportunity for industry in India to increase domestic value addition in their manufacturing facilities in India and also to set up new manufacturing units. India is now ready for becoming a favoured destination for Electronics System Design and Manufacturing. I invite industry in India and abroad to avail of these policy provisions and take India to its rightful position in this sector.

Milind Deora

Milind Deora : A profile

Shri Milind Deora, Hon'ble Minister of State for Communications & IT and Shipping, Government of India is the new MoS looking after promotion of electronics. He is among the youngest ever to be a Member of Parliament, when he was first elected in April 2004 from Mumbai South Lok Sabha seat. He got re-elected in May 2009.



Shri Deora did his Bachelor's in Business Administration from Boston University. As Chairman of its Young Entrepreneurs Wing of Indian Merchants' Chamber, Shri Deora constantly interfaces with the business community and the government for coordinated working in key issues on the national economic agenda.

• **MCIT leads the marketing effort for ESDM**

• **Japan Desk in DeitY to facilitate investment**

Kapil Sibal, Hon'ble Minister leads the marketing effort for ESDM in the Silicon Valley, California

Shri Kapil Sibal, Hon'ble Minister for Communications and IT (MCIT), led a delegation, from Jan 28-Feb 1, 2013, to Silicon Valley, California, USA to market investment opportunities in the Electronics System Design and Manufacturing (ESDM) in India. The delegation included Shri J. Satyanarayana, Secretary DeitY and Dr. Ajay Kumar, Joint. Secretary, DeitY, Prof Rajat Moona, DG, CDAC and Shri Deepak Sharma, Additional Director, DeitY among others. The Indus Entrepreneurs (TiE) organized two major events, one in San Jose and the other in Irvine in connection with the visit of the delegation from India. Over 250 entrepreneurs participated in the event in San Jose. Over 100 entrepreneurs participated in the event in Irvine. Several people working in the ESDM sector in the Silicon Valley expressed interest in the new sunrise sector of ESDM in India.



Shri Kapil Sibal, Hon'ble MCIT and the delegation with Mr. Mike Splinter, Chairperson, Applied Materials and their team

The delegation also held several one-to-one meetings with CEOs of multinational companies. These included Mr. John Chambers of CISCO, Mr Mike Splinter of Applied Materials, Mr. Jore Sola of Sanmina, Mr. Bill Muir of Jabil, Mr. Lip Bu Tan of Cadence, among others. CEOs of Indian companies based out of CEO like Mr. Raju Vegesna of Sify Technologies also met with the delegation and expressed interest in the opportunities. Some NRIs who are active in the field of ESDM also met the delegation and shared their perspective regarding the development of the sector. Among the prominent ones included Prof A. Paulraj at Stanford, Mr. Anant Agrawal, Mr. Nambi Seshadri, Mr. Gagan Madan, Mr. Jag Kapoor, Mr. Preet Virk, Mr. Krishna Yarlagadda, and Mr. Dinakar C Munagala. USIBC organized a round table with the visiting delegation to express their interest in the new Electronics Policy and how their members could participate in the sector.

The visit was able to evince keen interest from several key players in the industry to invest in India. The industry players are expected to complete their due diligence and make announcements over the next few months. The Hon'ble MCIT assured that all possible support will be provided to genuine investors in the sector.

Japan Desk in DeitY to facilitate investment in ESDM by Japanese companies

A High Level Delegation led by Shri Kapil Sibal, Hon'ble MCIT visited Japan from 12-16 Feb 2013. The delegation included Shri J. Satyanarayana, Secretary, DeitY, Prof Rajat Moona, DG, CDAC, Shri Deepak Sharma, Additional Director, DeitY and Shri Rakesh Singh, Chief Secretary, Government of Punjab. The industry representatives included, Dr. M.V Ramana Rao, MIC Electronics Ltd., Mr. A. V. Ravi, Nichia Corp., Mr. Pankaj Mahendroo, ICA and Mr. Rahul Sharma, ASSOCHAM.

The delegation met Mr. Toshimitsu Motegi, Minister for Economy, Trade and Industry (METI) of Japan. Both sides agreed to set up a Joint Working Group (JWG) between India and Japan to develop and work on an agenda of cooperation and investment promotion. It was also decided that a Japan Desk will be established in DeitY to expedite and facilitate the proposals of investment from Japanese companies, to facilitate their interactions with the other agencies of Government of India and with the State Governments.

During the visit, a workshop of Japanese companies was held by JETRO. Over 30 companies participated in the road show. Secretary, DeitY made a presentation regarding the opportunities in the ESDM sector. Mr. Sibal spoke on the need for promoting collaborations between the Japanese and Indian companies at multiple levels, especially the collaboration between the MSMEs in both the countries. Another seminar was organized by ASSOCHAM to help industry meet with the visiting delegation. The delegation also held one to one meetings with CEOs of global MNCs in Japan including Mr. Takashi Kawamura, Chairman, Hitachi Ltd, Mr. Makoto Kawamura, Chairman, Kyocera Corporation, Mr. Hironori Chiba, GM, EPSON of SEIKO-EPSON among others. Mr. Kourou Kato, President and CEO, DOCOMO also called on the delegation.

The meetings reflected genuine interest amongst the Japanese companies to participate in the growth story of electronics in India. The Joint Working Group and the Japan Desk proposed to be set up will provide an institutional mechanism for facilitating this effort and converting the potential into real investments.

• **Madhya Pradesh to set up four EMCs**

PMA Notification for smart cards to be released

DeitY held a meeting for consultation with stakeholders to discuss on Draft Notification in respect of Smart Cards for Preferential Market Access for domestic manufacturers in government procurement. The meeting was held on 21.02.13 under the chairmanship of Dr. Ajay Kumar, JS, DeitY.

The representatives of industry and concerned Ministries/ Departments and government agencies participated in the meeting. The industry representatives informed regarding the manufacturing capabilities relating to smart cards and welcomed the draft notification. Based on inputs received, the notification is expected to be notified shortly.

Third SIPS Appraisal Committee meeting

A meeting of the SIPS Appraisal Committee meeting was held on Feb 5, 2013 at DeitY under the Chairmanship of Sh. Rajiv Gauba, Additional Secretary, DeitY (Chairman Appraisal Committee). Smt. Anita Agnihotri, AS&FA, DeitY, Dr. Ajay Kumar, JS, DeitY, Sh. Tarun Kapoor, JS, MNRE, Sh. P.S. Narotra, Sr. Director, DeitY, Sh. N.K. Kinger, Director, Finance, DeitY, Sh. Kabiraj Sabar, D/o Commerce, Sh. U. Chatterjee, D/o Expenditure, Dr. R. Muralidharan, SSPL, DRDO, (Member Technical Evaluation Committee (TEC) among others participated. The AC is being supported by the SIPS PMU in DeitY.

The Committee also has agreed to have the meetings of Appraisal Committee of SIPS and Modified SIPS every Friday at 11:00 am. This has been done to ensure quick disposal of all SIPS and M-SIPS applications received in the Department.

• **Gujarat woos investment in ESDM**

Gujarat woos investment in ESDM: State Level ESDM Workshop

A workshop on “Electronic Systems Design and Manufacturing - Exploring new opportunities” was organised by Department of Science and Technology, Government of Gujarat and the Indian Cellular Association (ICA) with support from DeitY at Ahmedabad on Jan 5, 2013. The event was attended by delegates from Indian Electronics industry including Hon’ble Minister of Industry and Mines, representatives of Government of India and Government of Gujarat, private players from the electronics manufacturing industry members of SMEs, Entrepreneurs and consultants.

Shri. Saurabhbhai Patel, Hon’ble Minister for Industry and Mines, Government of Gujarat, Shri Ravi S Saxena, Additional Chief Secretary, Department of Science & Technology, Government of Gujarat, Dr. Ajay Kumar, Joint Secretary, DeitY, Mr. Sunil Kakkad, President, GESIA, Mr. Pankaj Mohindroo, National President, Indian Cellular Association shared the dais at the inaugural session. Hon’ble Minister Shri Saurabhbhai Patel emphasized on the importance of innovation and Research and Development in India. He mentioned that Gujarat is committed to increase share of manufacturing sector in GDP to 32% (which is currently at 27%) in next five years and electronics sector policy can be considered for development of electronics sector in Gujarat. He emphasised that Gujarat has good connectivity through ports, air, railway and by road and a new policy focusing on ESDM sector will boost the sector tremendously within the State.

Shri Ravi Saxena discussed the importance of electronics sector in India and mentioned that while the growth of the sector has not been at par with the potential it holds; Gujarat is one place where Electronics Sector manufacturing holds tremendous promise. He invited all industrialists, guests and participants to Vibrant Gujarat Summit 2013. Dr. Ajay Kumar mentioned policies like M-SIPS will support growth of electronics Industry. There are also training & skill enhancement opportunities in the electronics industry and participation are welcomed by Government of India from all stakeholders. Dr. Kumar mentioned that DMIC is a huge opportunity for electronics sector stakeholders and Foreign companies are looking for collaboration to tap the opportunity.

Mr. Arun Sachdeva, Senior Director, DeitY, Mr. S Ramkrishna, Chief Corporate Officer, Nokia India, Mr. Ambrish Bakaya, Vice President – Corporate Affairs, Samsung, Mr. Gururaja Rao, Chairman cum MD, Gujarat Informatics Limited, Mr. Sanjay Kaul, Addl. Director, DeitY, Mrs. Vandana Srivastava, Addl. Director, DeitY, Mr. Arun Roy, Faculty, Dhirubhai Ambani Institute of Information & Communication Tech., Mr. Kaushik Pandya, Head, Federation of Information Technology Associations of Gujarat (FITAG) also shared their views at the event.

Standards for Medical Devices to be formed

As part of the efforts to promote development of medical electronic device industry in the country, DeitY has also taken up activity of developing standards for medical electronic devices. As a step in this direction, DeitY has proposed that Technical Committees be set up for the formulation of standards for Capsule Endoscope, Biochemistry analyzer and HBA1C. Bureau of Indian Standards, the nodal agency of Government of India for standards has been requested to do the needful in this regard. Readers may suggest other medical electronic devices for which standards are presently not there and DeitY would take up setting up of standards for those devices as well. For more information, please contact Shri Arun Sachdeva, Sr. Director, DeitY (asachdeva@mit.gov.in) or Mrs. Asha Nangia, Addl. Director, DeitY (anangia@mit.gov.in)

• **Guidelines for Series Approval released**

Guidelines for Series Approval of Products for Implementation of “Electronics and Information Technology Goods (Requirements for Compulsory Registration) Order, 2012” Approved

“Electronics and Information Technology Goods (requirements for Compulsory Registration) Order, 2012” has been notified and comes into effect from 03 April 2013. With the implementation of above mentioned order, the manufacturers are required to register themselves and their products with BIS. However, there are a group of products which have minor difference, mostly cosmetic in nature, but still identified differently by model numbers. In order to economise the effort required by complying with the requirements of the aforesaid order, a Draft of Guidelines for Series Approval of Products for Implementation of “Electronics and Information Technology Goods (Requirements for Compulsory Registration) Order, 2012” were prepared and circulated to industry for comments in Jan 2013.

These Guidelines have now been approved and issued to facilitate labs / manufacturers in formation of series of products for the purpose of Compulsory Registration under the “Electronics and Information Technology Goods (Requirements for Compulsory Registration) Order, 2012”. The salient aspects of the draft guidelines are as follows:

Definition of Product Family: A **product family** can be defined by the maximum configuration of components / sub-assemblies plus a description of how the models are constructed from the maximum configuration using these components and sub-assemblies. All models which are included in the **family** typically have common design, construction, parts, or assemblies essential to ensure conformity with applicable requirements. If a product standard defines a **product family**, in the context of the specific standard, this definition takes over.

Guidelines for Quantitative Selection of Samples: Number of samples selected for testing from a series shall be **one for every ten models** in the series. However, **worst case configuration from Safety Design consideration** must be selected for testing.

Guidelines for Technical / Qualitative Selection of Samples for Grouping as one series provided product has:

1. Electronic Games (Video)

Basic Configuration	Grouping as one series provided product has
Hand held with consumable non-rechargeable battery	<ul style="list-style-type: none"> • Same Power supply layout. • Same chassis. • Same power requirement and size / type of battery.
Rechargeable battery with external charging facility	<ul style="list-style-type: none"> • Same chassis. • Same re-chargeable battery. • Same Charger. Alternate models of charger to be tested with same electronic Game.
Mains operated with internal re-chargeable battery	<ul style="list-style-type: none"> • Same mains layout or same SMPS board layout. • Same enclosure except for differences of decoration parts. • Same chassis. • Battery to be treated as component (Alternate sources of battery may be evaluated as part of the main product.) • Same processor / speed.
Mains operated - without battery	<ul style="list-style-type: none"> • Same mains layout or same SMPS board layout. • Same enclosure except for differences of decoration parts. • Same processor / speed.

2. Laptop / Notebook / Tablets

Basic Configuration	Grouping as one series provided product has
Laptop	<ul style="list-style-type: none"> • Same CPU. • Same PCB layout. • Power Adaptor. (Alternate models of power adaptor may be evaluated as part of the main product.) • Same enclosure except for differences of decoration parts. • Battery to be treated as component (Alternate sources of battery may be evaluated as part of the main product.)
Notebook	
Tablet	
Devices as combination of above products	

3. Plasma/LCD/LED Televisions

Plasma TV	<ul style="list-style-type: none"> • Same Mains layout or same SMPS board layout. • Same enclosure except for differences of decoration parts. • Power Transformer: Same design and insulation system.
LCD TV	
LED TV	
Devices as combination of above products	

4. Optical Disc Players With built in amplifiers

Basic Configuration	Grouping as one series provided product has
With power adaptor	<ul style="list-style-type: none"> • Power Adaptor. (Alternate models of power adaptor may be evaluated as part of the main product.) • Same enclosure except for differences of decoration parts. • Same PCB layout.

• **Guidelines for Series Approval released**

Basic Configuration	Grouping as one series provided product has
Mains operated with internal power supply	<ul style="list-style-type: none"> • Same Mains layout or same SMPS board layout. • Same enclosure except for differences of decoration parts. • Power Transformer: Same design and insulation system.

5. Microwave Ovens

Microwave Oven	<ul style="list-style-type: none"> • Same Input Power rating. • Same Mains layout / Power Supply. • Same Enclosure except for differences of decoration parts. • Same Magnetron power.
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6. Visual Display Units, Video Monitors

Video Display Units	<ul style="list-style-type: none"> • Same Mains layout or same SMPS board layout. • Same enclosure except for differences of decoration parts.
Video Monitors	<ul style="list-style-type: none"> • Power Transformer: Same design and insulation system.

7. Printers, Plotters

Printers and Plotters	<ul style="list-style-type: none"> • Power Adaptor. (Alternate models of power adaptor may be evaluated as part of the main product.) • Same enclosure except for differences of decoration parts. • Same PCB layout.
	<ul style="list-style-type: none"> • Same Mains layout or same SMPS board layout. • Same enclosure except for differences of decoration parts. • Power Transformer: Same design and insulation system.

8. Scanners

With power adaptor	<ul style="list-style-type: none"> • Power Adaptor. (Alternate models of power adaptor may be evaluated as part of the main product.) • Same enclosure except for differences of decoration parts. • Same PCB layout.
Mains operated with internal power supply	<ul style="list-style-type: none"> • Same Mains layout or same SMPS board layout. • Same enclosure except for differences of decoration parts. • Power Transformer: Same design and insulation system.

9. Wireless Keyboards

Wireless Keyboard	<ul style="list-style-type: none"> • Same Enclosure except for differences of decoration parts. • Battery to be treated as component (Alternate sources of battery may be evaluated as part of the main product.)
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10. Telephone Answering Machines

With power adaptor	<ul style="list-style-type: none"> • Power Adaptor. (Alternate models of power adaptor may be evaluated as part of the main product.) • Same enclosure except for differences of decoration parts. • Same PCB layout.
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Mains operated with internal power supply	<ul style="list-style-type: none"> • Same Mains layout or same SMPS board layout. • Same enclosure except for differences of decoration parts. • Power Transformer: Same design & insulation system.
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11. Amplifiers

With power adaptor	<ul style="list-style-type: none"> • Power Adaptor. (Alternate models of power adaptor may be evaluated as part of the main product.) • Same enclosure except for differences of decoration parts. • Same PCB layout.
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Mains operated with internal power supply	<ul style="list-style-type: none"> • Same Mains layout or same SMPS board layout. • Same enclosure except for differences of decoration parts. • Power Transformer: Same design & insulation system.
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12. Electronic Musical Systems

Mains operated with internal power supply	<ul style="list-style-type: none"> • Same Mains layout or same SMPS board layout. • Same enclosure except for differences of decoration parts. • Power Transformer: Same design & insulation system.
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13. Electronic Clocks with Mains Power

With power adaptor	<ul style="list-style-type: none"> • Power Adaptor. (Alternate models of power adaptor may be evaluated as part of the main product.) • Same enclosure except for differences of decoration parts. • Same PCB layout. • Mounting Mechanism.
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Mains operated with internal power supply	<ul style="list-style-type: none"> • Same Mains layout or same SMPS board layout. • Same enclosure except for differences of decoration parts. • Power Transformer: Same design & insulation system. • Mounting Mechanism.
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14. Set Top Boxes

With power adaptor	<ul style="list-style-type: none"> • Power Adaptor. (Alternate models of power adaptor may be evaluated as part of the main product.) • Same enclosure except for differences of decoration parts. • Same PCB layout.
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Mains operated with internal power supply	<ul style="list-style-type: none"> • Same Mains layout or same SMPS board layout. • Same enclosure except for differences of decoration parts. • Power Transformer: Same design & insulation system.
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15. Automatic Data Processing Machines

With power adaptor	<ul style="list-style-type: none"> • Power Adaptor. (Alternate models of power adaptor may be evaluated as part of the main product.) • Same enclosure except for differences of decoration parts. • Same PCB layout.
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Mains operated with internal power supply	<ul style="list-style-type: none"> • Same Mains layout or same SMPS board layout. • Same enclosure except for differences of decoration parts. • Power Transformer: Same design & insulation system.
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For more information in this regard, the reader may contact Shri A.K. Chawala, Director, DeitY (Email: ak.chawala@nic.in).

• Availing benefits of MSIPS: Summary of Guidelines

Availing benefits of MSIPS: Summary of Guidelines

M-SIPS scheme was notified in Gazette of India in July 2012 and documents to apply under MSIPS scheme including the Guidelines for operation of M-SIPS have also been released and is available at www.deity.gov.in. MSIPS is investment based scheme and the financial incentives are as under:

- 25% of capital expenditure if the ESDM unit is in non-SEZ and 20 % of capital expenditure if the ESDM unit is within SEZ. This capex subsidy is available for investments made within 10 years from the date of approval of the project.
- Reimbursement of CVD/excise on capital equipment for non-SEZ units
- Reimbursement of central taxes and duties (like custom duties, excise duties and service tax) for 10 years in select high- tech units like fabs, Semiconductor Logic and Memory chips, LCD fabrication.

MSIPS scheme provides refund of capex for new units or for expansion of more than 25% of existing capacity in a DeitY Notified Greenfield or Brownfield Electronics manufacturing cluster for production of products across ESDM value chain from Raw Material, Components, Design & Chip, Assembly, Testing, R&D and Packaging. Government has allocated 10,000 Crore Rupees for 12th FYP for MSIPS Scheme. The scheme is open for all initial applications which are received by DeitY on or before 26-07-2015. Investment for the purpose of MSIPS will have to be done before 10 years from approval of their application. Any incentive by State government is extra. Applicant proposing to invest in a project under one of the verticals of ESDM listed under Annexure 2 of the Notification needs to be a legal entity or consortium of legal entities registered in India. For availing incentives under this scheme there are minimum investment requirements defined for different products varying from Rs 5000 Crore for Memory Fab to Rs 1 Crore for Mobile phone and accessories. The details can be obtained from Annexure IV of MSIPS Guidelines uploaded on DeitY website.

M-SIPS is for state-of-the-art technologies i.e. technologies which are currently in vogue or has market potential currently and in near future. It is open for new investment proposals as well as for investment in expansion projects and applicable for all stages of value-chain involved in the development of electronics products and accessories like it includes design, manufacturing, testing, packaging etc.

M-SIPS scheme is available for investments in almost all verticals of the ESDM sector like Telecom eqpts. including mobile sets, Opto-electronics, IT hardware, Bio-metric/ identity devices, Consumer electronics, Power supply for ESDM products, Medical electronics, Semiconductor wafering, Solar photovoltaic, Semiconductor chips & components, Fabs for ESDM products ,LEDS, LCD, Avionics, Electro-mechanical components, nano-electronics, e-waste processing, Automotive electronics, Electronics manufacturing services etc.

For applying into this scheme, application is to be made to Nodal Officer (MSIPS), DeitY. Application to be made either by a legal entity or consortium of legal entities registered in India, for approval of a project under the scheme. In the case initial Application is made jointly by more than one legal entities, each one of them should sign the application. The project proposed under the scheme may include one or more electronic products, however applicable threshold would be sum of the thresholds required to manufacture each of the products separately. An applicant may submit one or more than one Initial Applications under the scheme. Initial application may be made both for the new units and for the expansion units. The project proposed in the initial application may include multiple manufacturing facilities at one or more locations.

The project proposed in the initial application may be implemented in one or more phases, however, in such cases Financial Closure (FC) of at least threshold value and at least one phase of the project (in the case of multiphase project) to be submitted at the time of Initial Application. Capital expenditure for the purpose of MSIPS application includes:

- a. Contribution of Land to Capex calculation is limited to 2%
- b. Expenditure incurred on plant , machinery and equipment is eligible
- c. Expenditure on leasing or hire and purchase of plant, machinery and equipment shall be treated as capital expenditure (AS 19)
- d. R&D and IPR/ technology
- e. Utility machines
- f. Captive power plants if set-up exclusively

Financial Closure for the purposes of the Scheme means:

- a. Firm loan agreement for debt portion of the investment proposed and
- b. Legally binding commitment from equity providers to provide or mobilize funds towards equity or
- c. Legally binding commitment of funding from internal accruals, in case of an existing unit

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• **Availing benefits of MSIPS: Summary of Guidelines**

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- State-of-the-art technology for the purpose of the Scheme is a technology currently in vogue or has market potential currently and in near future and assessed as such by the Technical Evaluation Committee (TEC)
- Separate guidelines will be issued with regard to disbursement of incentives under the ‘Scheme’.

Notification on Modified Special Incentive Package Scheme (M-SIPS), Guidelines for the Operation of the Modified Special Incentive Package Scheme, Application Fee Under MSIPS, MSIPS Initial Application Form for new project, MSIPS Initial Application Form for expansion project are available on www.deity.gov.in/esdm. Details on Investment Thresholds and Financial Incentives for ESDM are given at Annexure 4 of the MSIPS Guidelines, while List of verticals of ESDM for which incentives are available under M-SIPS is available at Annexure 5 of the MSIPS Guidelines. An Online Portal for submission and processing of MSIPS application is being developed and will be active soon.

The Department of Electronics and Information Technology will constitute one or more Technical Evaluation Committees (TECs), which will provide its recommendation regarding the technology proposed by an applicant and whether the said technology is “State-of-the-art” or not. DeitY shall also constitute an Appraisal Committee in accordance with para 6.1 of the ‘Scheme’ to ensure timely consideration of the Initial applications and Follow up Applications.

The Department of Electronics and Information Technology shall process the recommendations of the Appraisal Committee for the approval of the Competent Authority. After receiving the approval of the Competent Authority, the Department of Electronics and Information Technology shall issue a letter communicating approval of the project. The approval of the project would inter-alia include the details relating to points referred to in para 10.4 of these Guidelines. The date of formal approval will be the effective date for the purposes of calculating ten years of eligible period available for investment under the Scheme.

An applicant will be eligible for claiming incentives for that phase of the project which is approved for implementation. Investments made before the date of approval of a project will not be considered for calculation of eligible incentives under the ‘Scheme’. However, investments in land made up to 6 months before the date of approval of a project will be considered for calculation of eligible incentives under the ‘Scheme’. The applicant whose project has been approved will be required to submit through the online portal a quarterly progress report of the project to the PMU / Department of Electronics and Information Technology.

Indicative timelines for projects for which third-party appraisal is not taken up are as under:

Event	Timeline in days
Submission of application	A
Brief assessment on completeness of application by Department of Electronics and Information Technology & communication to applicant for required information (if any)	A + 3
Receipt of completed application in Department of Electronics and Information Technology and issue of acknowledgment along-with Application Id	T
Reference to TEC	T + 2
Recommendation from TEC	T + 16
Preparation of appraisal report by PMU	T + 30
Internal appraisal by Department of Electronics and Information Technology	T + 45
Placing appraisal report for consideration of Appraisal Committee (AC)	T + 52
Circulation of Minutes of Meeting (MoM) of Appraisal Committee (AC)	Within 7 days of AC Meeting
Preparation and circulation of SFC / EFC note	Within 7 days of release of MoM of AC meeting

Indicative timelines for other projects for which third party appraisal is taken up are as under:

Event	Timeline in days
Submission of application	A
Brief assessment on completeness of application by Department of Electronics and Information Technology & communication to applicant for required information (if any)	A + 3
Receipt of completed application in Department of Electronics and Information Technology and issue of acknowledgment along-with Application Id	T
Reference to TEC	T + 2
Reference to selected Financial Institution for detailed appraisal	T + 2
Recommendation from TEC	T + 16
Detailed appraisal by selected Financial Institution	T1
Preparation of appraisal report by PMU	T1 + 07
Internal appraisal by DeitY	T1 + 22
Placing appraisal report for consideration of Appraisal Committee (AC)	T1 + 29
Circulation of Minutes of Meeting (MoM) of Appraisal Committee (AC)	Within 7 days of AC Meeting
Preparation and circulation of SFC / EFC note	Within 7 days of release of MoM of AC meeting

For more information in this regard, please refer to www.deity.gov.in/esdm or contact Nodal Officer, MSIPS Ms Vandana Srivastava, Additional Director, DeitY (Email: vandana.srivastava@nic.in).

• Expression of Interest called for Dev. of Indian CAS • Indian Exports of HS Code 95041000

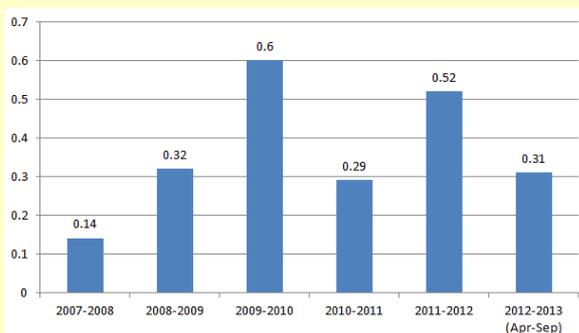
Indian Exports
HS Code 95041000

VIDEO GAMES OF A KIND USED
WITH TV RECEIVR UNIT

Top 5 destinations for Exports from India

2007-2008	2008-2009	2009-2010
AUSTRALIA	SLOVAK REP	AUSTRALIA
BELGIUM	AUSTRALIA	U A E
CANADA	NETHERLAND	U K
U ARAB EMTS	NEPAL	NETHERLAND
U S A	U S A	BELGIUM

2010-2011	2011-2012	2012-2013 (Apr-Sep)
U K	FRANCE	FRANCE
U S A	U K	U A E
DENMARK	CANADA	CHINA P RP
U A E	U S A	U K
S. AFRICA	U A E	U S A



(Value in US\$ Million)

For detailed information on Government of India policies, please visit

Electronics System Design and Manufacturing

page on

www.deity.gov.in

Expression of Interest called for Development of Indian CAS

DeitY has floated an Expression of Interest (Eoi) for Development of Indian Conditional Access System (CAS) on Jan 31, 2012 for bidders to apply in accordance with the conditions and manner prescribed in this Eoi document.

The Government of India has issued an Act to amend the Cable Television Networks (Regulations) Act, 1995 to provide for a Digital Addressable System (DAS). This amendment makes it obligatory for every operator to transmit or re-transmit contents from a provider in an encrypted form through a DAS. According to the said decision, all Cable operators will have to abandon analog in the four metros by October 31, 2012 (Phase-I). Cities with a population of more than one million will be covered by March 31, 2013 (Phase-II). All other urban areas would be covered by September 30, 2014 (Phase-III) while the entire country will be covered by December 31, 2014 (Phase-IV). Thus the Government of India has already announced digitization implementation plan and is all up with its support in every respect to facilitate indigenization of the set top box.

The objective is to develop; and maintain (with appropriate upgrades) a CAS which can be used by STBs. Existing CAS providers with suitable modifications may also participate. The CAS should be available at USD 0.5 per device/STB for all manufacturers in India for a period of three years. During the period the developer will be free to license the CAS to manufacturers outside the country without restriction.

The CAS would be developed broadly as per the provisions of the existing Multiplier Grants Scheme of DeitY. Under the scheme, assistance is provided to encourage industry to collaborate with premier academic and Government R&D institutions for the development of products/packages under Electronics and IT. Under the scheme, if the industry supports the innovation and commits an amount "R", the Government would commit a grant of n*R to the institute, where n is less than or equal to 2. Based on the said scheme, the following model is proposed:

- (i) The industry partner is proposed to be identified through a transparent bidding mechanism. The bidding would be on a QCBS basis, wherein the bidders would indicate the "n" required to develop the CAS.
- (ii) The successful bidder would hold rights to the CAS. The bidder would be required to commit the following:
 - a. Make the CAS available to domestic manufacturers at USD 0.5/license for a period of 3 years.
 - b. Integrate CAS for at least 5 operators covering at least 250,000 end users. Once the bidder has satisfied above conditions, he may be free to sell CAS at market price.
- (iii) The successful bidder should tie up with operators covering minimum 10% of the market share.
- (iv) The bidder MUST support the CAS for at least 10 years. The bidder must have 24*7 support team for problem resolution.
- (v) The integration/validation fees must be indicated in the bid.
- (vi) The integration/validation fees charged to the STB manufacturer (or any other peripheral system developer/manufacturer) MUST be uniform.
- (vii) The integration/validation timeline should also be included in the bid.
- (viii) The CAS must be able to integrate prevailing STB chipsets, which should be given in the bid.

All those interested in participating in the EOI may contact Shri SK Marwah, Additional Director, DeitY (Email: smarwah@mit.gov.in) for more information. The EOI is expected to be concluded in March 2013.

• **Puducherry constitutes Task Force for ESDM**

• **Labs Recognized for Testing of Electronics**

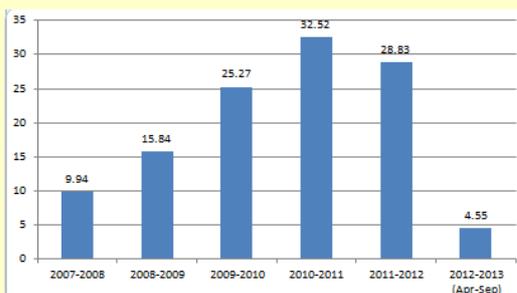
Indian Imports
HS Code 95041000

VIDEO GAMES OF A KIND USED
WITH TV RECEIVR UNIT

Top 5 destinations for Imports in India

2007-2008	2008-2009	2009-2010
CHINA P RP	CHINA P RP	CHINA P RP
NETHERLAND	NETHERLAND	AUSTRIA
JAPAN	AUSTRIA	SLOVAK REP
AUSTRIA	JAPAN	U S A
AUSTRALIA	U S A	AUSTRALIA

2010-2011	2011-2012	2012-2013 (Apr-Sep)
CHINA P RP	CHINA P RP	MALAYSIA
AUSTRIA	GERMANY	TURKEY
U K	SINGAPORE	U S A
SINGAPORE	POLAND	TAIWAN
POLAND	MALAYSIA	MALAYSIA



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Puducherry constitutes Task Force to promote ESDM

Government of Puducherry has constituted a Task Force under the Chairmanship of Chief Secretary to Government of Puducherry to promote Electronics Systems Design and Manufacturing (ESDM) industry in Puducherry, communicated vide G.O.Ms. No. 19/2012-Ind.B dated 13-02-2013. The constitution of the Task Force was announced after MAIT had raised this issue with the Government of Puducherry during the State Level Workshop on ESDM held in Puducherry on 6th December 2012. The members of the Taskforce are Secretary (Finance), Secretary (Industries & Commerce), Secretary (Information Technology), Director (Information Technology), Govt. of Puducherry, the Chairman/President of MAIT (Southern Region) and Chairman, Confederation of Indian Industry, Puducherry. Director of Industries & Commerce, Puducherry is the Member Secretary. The terms and reference of the task force are as follows:

- To suggest measures for development of ESDM sector in this Union Territory
- To suggest measures for creation of infrastructure facilities to enable setting up of electronic manufacturing clusters.
- To suggest measures for sector specific incentives, streamlining procedure and effective single window clearances.
- To suggest measures for appropriate labour reforms
- To suggest other steps for encouraging ESDM sector

The task force will meet every three months and may also meet at its discretion, invite other persons representing ESDM/ electronic/ IT industries, the officials of Central/State government as well as experts in this area to its meetings to enable the task force to discharge its functions effectively.

Labs Recognized for Testing of Electronics Products

TUV Rhineland (India) Pvt. Ltd. testing facility at Bangalore has also been recognized by BIS under “Electronics and Information Technology Goods (requirements for Compulsory Registration) Order, 2012” which comes into effect from 03 April 2013 and This facility has been recognized for testing IS 302(Part 2/Sec 25): 1994, IS 302(Part 2/Sec 26): 1994, IS 616 : 2010 and IS 13252(Part 1): 2010. With this the testing labs which have been recognized are as follows:

S.No.	Name of the laboratory	Scope in terms of safety standards
1	Electronics Regional Test Laboratory (North) New Delhi	IS 616:2010, IS 13252(Pt-1):2010 IS 302-2-26:1994
2	Electronics Regional Test Laboratory (West), Mumbai	IS 616:2010, IS 13252(Pt-1):2010
3	Electronics Test & Development Centre Bangalore	IS 616:2010, IS 13252(Pt-1):2010 IS 302-2-25:1994, IS 302-2-26:1994
4	UL India Pvt. Ltd., Bangalore	IS 13252(Pt-1):2010
5	TUV Rheinland (India) Pvt. Ltd., Bangalore	IS 616:2010, IS 13252(Pt-1):2010 IS 302-2-25:1994, IS 302-2-26:1994

The labs are being progressively recognised for the purpose by BIS. For latest information, please refer to <http://www.bis.org.in/other/ITCompReg.htm>

Considering the requirement of labs for testing electronic products under the notification, more labs are invited to come forward for recognition.