

## **WEST CENTRAL RAILWAY**

**Annexure: D----for DMEP**

### **PREFERENCE TO DOMESTICALLY MANUFACTURED ELECTRONIC PRODUCTS IN GOVERNMENT PROCUREMENT**

**1.0** Preference to Domestically Manufactured Electronic Products (DMEP) in Government Procurement in supply tenders will be for its own use and not with a view to commercial sale or with a view to use in the production of goods for commercial sale. The preference will be given to all the companies registered in India and engaged in manufacture of electronic products subject to fulfilling the eligibility criteria as per the policy and in addition to this Railways Important Terms & Conditions of Tender (SOR)/IRS conditions of contract, updated from time to time.

#### **2.0 Eligibility:**

DMEP are those Electronic products; manufactured by entities registered in India including Special Economics Zones (SEZs) and engaged in manufacture of such electronic products in India which would include OEM and their Contract Manufacturers, but not traders. Additionally, such products shall meet the criteria of domestic value-addition as laid down in the policy, issued vide various Notifications, for being classified as DMEP.

#### **3.0 Terms and Conditions:**

**3.1.** Purchaser reserves the right for providing preference to domestically manufactured electronic products in terms of Department of Electronics and Information Technology (DeitY) Notification No.33(3)/2013-1PHW dtd.23.12.2013 read with further Notifications issued from time to time. A copy of the aforesaid Notifications/Guidelines can be downloaded from DeitY website i.e., URL [www.deity.gov.in/esdm](http://www.deity.gov.in/esdm). Purchase preference for domestic manufacturer, methodology of its implementation, value addition to be achieved by domestic manufacturers, self certification and compliance and monitoring shall be as per the aforesaid Guidelines/Notifications. The Guidelines may be treated as an integral part of the tender documents.

**3.2** The modalities through which the Preference for Domestically Manufactured Electronic Products (DMEPs) shall be operated as follows:

- (i) The Electronic products for which preference will be provided to domestic manufacturers shall be the products notified by Department of Electronics and Information Technology (DeitY) and Department of Telecommunications (DOT).
- (ii) The quantity of procurement for which preference will be provided to domestic manufacturers shall be minimum 30% (of the total net procurable quantity) or as notified by the Government from time to time (refer to DeitY website i.e., URL [www.deity.gov.in/esdm](http://www.deity.gov.in/esdm)).
- (iii) The Percentage of Domestic value addition, which qualifies the above mentioned electronic products to be classified as Domestically Manufactured, as notified by Govt of India i.e. Department of Electronics and Information Technology (DeitY) and Department of Telecommunications (DOT) from time to time.
- (iv) The preference to DMEP shall be subject to meeting the technical specifications and matching L1 price.

**3.3** Domestic Manufacturers are required to indicate the **domestic value addition** in terms of Bill of Manufacture (BOM) for the quoted product, in terms of the aforesaid guidelines, in their bid in the following format:

**Format for Domestic Value Addition in terms of guidelines issued for procurement of Notified Electronic Products by Government:**

Item No	Item Description	Manufacturer/Supplier	Country of Origin	Value	Domestic Value addition in %

**3.4** Bidders claiming to bid in the status of domestic manufacturer, are required to give an undertaking (Self Certification regarding Domestic Value Addition) in the format as given in **Form1. *Furnishing false information on this account shall attract penal provisions as per the Guidelines /Notifications.***

**3.5** Procedure for award of contracts involving procurement from Domestic Manufacturers:

For each electronic product proposed to be procured, among all technically qualified bids, the lowest quoted price will be termed as L1 and the rest of the bids shall be ranked in ascending order of price quoted, as L2, L3, L4 and so on. If L1 bid is of a domestic manufacturer, the said bidder will be awarded full value of the order. If L1 bid is not from a domestic manufacturer, the value of the order awarded to L1 bidder will be the balance of procurement value after reserving specified percentage of the total value of the order for the eligible domestic manufacturer. Thereafter, the lowest bidder among the domestic manufacturers, whether L2, L3, L4 or higher, will be invited to match the L1bid in order to secure the procurement value of the order earmarked for the domestic manufacturer, In case first eligible bidder (i.e., domestic manufacturer) fails to match L1 bid, the bidder (i.e. domestic manufacturer) with next higher bid will be invited to match L1 bid and so on. However, the procuring agency may choose to divide the order amongst more than one successful bidder as long as all such bidders match L1 and the criteria for allocating the tender quantity amongst a number of successful bidders is clearly articulated in the tender document itself. In case all eligible domestic manufacturers, fail to match the L1 bid, the actual bidder holding L1 bid will secure the order for full procurement value. ***Only those domestic manufacturers, whose bids are within 20% of the L1 bid would be allowed an opportunity to match L1 bid.***

**3.6** In case of turnkey/system-integration projects, eligibility of the bidder as a domestic manufacturer would be determined on the domestic value addition calculated only for the value of the notified DMEPs (i.e. product notified by Govt of India i.e. Department of Electronics and Information Technology (DeitY) and Department of Telecommunications (DOT) from time to time) forming a part of turnkey/system-integration projects and not on the value of whole project.

**3.7** At present, the products notified by Department of Electronics and Information Technology (DeitY) and Department of Telecommunications (DOT) are given in **Annexure DMEP 1 & DMEP 2**. Additionally, the Notified DMEP's with percentage of procurement and Domestic Value Addition Percentage are also given in **Annexure DMEP 3**. However,

the percentage of procurement and Domestic Value Addition Percentage will be as notified by Government of India i.e. Department of Electronics and Information Technology (DeitY) and Department of Telecommunications (DOT) from time to time.

**5.8** The DMEPs which are not covered in Annexure DMEP-3 but covered in Annexure DMEP-1 & DMEP-2, the Bill of Material sourced from Domestic Manufacturers (Dom-BOM) will be calculated as per the provisions given in the policy. As per the notifications issued by Department of Electronics and Information Technology (DeitY) and Department of Telecommunications (DOT), Domestic Value Addition in terms of BOM of domestic manufacturers for the Year 1 will be 25% for the purpose of procurement upto **31.03.2015**. The Domestic Value Addition for Year 2 onwards shall automatically increase by 5% in terms of the policy.

The methodology for calculating the Percentage of Domestic Value Addition will be as per the Notification issued by the Department of Electronics and Information Technology (DeitY) vide Notification No.33(3)/2013-1PHW dtd.23.12.2013 read with further Notifications issued from time to time.

Formula for calculating the Percentage is as under:

**Percentage of Domestic Value Addition= Domestic BOM x 100/ Total BOM.**

**Form-1**

**Format for Affidavit of Self Certificate regarding Domestic Value Addition in an Electronic Product to be provided on ₹ 100/- Stamp Paper.**

Date:

I, \_\_\_\_\_ S/o, D/o, W/o \_\_\_\_\_, Resident of \_\_\_\_\_  
do hereby solemnly affirm and declare as under:

That I will agree to abide by the terms and conditions of the policy of Government of India issued vide Notification No.8(78)/2010-IPHW dated.10.02.2012.

That the information furnished hereinafter is correct to the best of my knowledge and belief and I undertake to produce relevant records before the procuring authority or any authority so nominated by the Department of Electronics and Information Technology, Government of India for the purpose of assessing the domestic value-addition.

That the domestic value-addition for all inputs which constitute the said electronic product has been verified by me and I am responsible for the correctness of the claims made therein. That in the event of the domestic value addition of the product mentioned herein is found to be incorrect and not meeting the prescribed value-addition norms, based on the assessment of an authority so nominated by the Department of Electronics and Information Technology, Government of India for the purpose of assessing the domestic value-addition. I will be disqualified from any Government tender for a period of 36 months. In addition, I will bear the cost of such an assessment.

That I have complied with all the conditions referred to, in the Notification No.8 (78)/2010-IPHW dated.10.02.2012 wherein preference to domestically manufactured electronic products in Government procurement is provided and that the procuring authority is hereby authorized to forfeit and adjust my EMD and other security amount towards such assessment cost and I undertake to pay the balance, if any, forthwith.

I agree to maintain the following information in the Company's record for a period of 08 years and shall make this available for verification to any statutory authorities.

- i. Name & details of the Domestic Manufacturer (Registered office, Manufacturing Unit Location, nature of legal entity).
- ii. Date on which this certificate is issued.
- iii. Electronic Product for which the certificate is produced.
- iv. Procuring agency to whom the certificate is furnished.
- v. Percentage of domestic value addition claimed.
- vi. Name and contact details of the unit of the manufacturer.
- vii. Sale price of the product.
- viii. Ex-factory price of the product.
- ix. Freight, Insurance and handling
- x. Total Bill of Material
- xi. List and cost value of inputs used for manufacture of the electronic product.
- xii. List and total cost of inputs which are domestically sourced. Please attach certificates from suppliers, if the input is not in-house.
- xiii. List and total cost of inputs which are imported, directly or indirectly.

For and on behalf of \_\_\_\_\_ (Name of firm/entity)

Authorised signatory (To be duly authorized by the Board of Directors)

**<Insert Name, Designation and Contact No.>**

**Indicative List of Generic Products:**

S. No.	Items
1	Notebooks and Netbooks
2	Tablets
3	Desktops
4	Servers
5	Printers
6	Keyboards
7	Monitors
8	Storage USBs, Memory Cards
9	CCTV and Surveillance cameras
10	ATMs
11	Photocopiers
12	Scanners
13	Faxes
14	Smart cards
15	Mobile Handsets
16	Hand Held Terminals
17	PC Projector
18	POS based devices

**Indicative List of Telecom and Network Products:**

S.No.	Items
1	SIM Cards (Personalisation & OS in India)
2	Encryption/UTM Platforms (TDM and IP)
3	Core/Edge/Enterprise routers
4	Managed Leased Line Network Equipment
5	Ethernet Switches (L2 and L3), Hubs, etc.
6	IP based Soft switches, Media Gateways
7	Wireless, Wireline PABXs
8	CPE (including Wifi Access points and Routers, Media Converters), 2G/3G Modems, Leased line modems, data cards etc.
9	Set-Top Boxes
10	SDH/Carrier Ethernet/Packet Optical Transport Equipment
11	DWDM/CWDM systems
12	GPON Equipments
13	Digital Cross-Connects/MUXs
14	Small size 2 G/3 G GSM based Base Station Systems
15	GSM 2G & 3G/4G, CDMA based wireless Access systems including BTS, BSC, MSC, Media Gateway, Media server, GGSN, SGSN, Node B, RNC, E Node B, EPC, HLR, SMSC & other subsystems.
16	LTE based on broadband wireless access systems (e Node B, EPC etc.)
17	WiFi based broadband wireless access systems (Access Point, Aggregation Block, Core Block, etc.)
18	Microwave Radio systems (IP/Hybrid)
19	Software Defined Radio, Cognitive Radio systems
20	Repeaters (RF/RF-over-optical), IBS and Distributed Antenna system
21	Satellite based systems – Hubs, VSAT, etc.
22	Copper access system (DSL/DSLAM), Optical Fibre, Optical Fibre Cable.
23	Network Management systems
24	Security & Surveillance communication systems (video and sensor based).

**Annexure – DMEP 3**

**Notified Electronic Products having “Preference for Domestically Manufactured Electronic Products in Government Procurement”:**

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

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.

<b>Percentage of procurement for which preference to domestically manufactured PCs is to be provided (in value terms)</b>	<b>Percentage of domestic value addition in terms of Bill of Material (BOM) required for the desktop PCs to qualify as domestically manufactured</b>
<b>50%</b>	<b>30% in year 1</b>

**Criteria BOM classified as domestic:** The domestic BOM of desktop PCs would be the sum of 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 the table.

<b>Main inputs of BOM / Stages for manufacture of desktop PCs</b>	<b>Value addition required for the inputs to be classified domestic BOM</b>
<b>1</b>	<b>2</b>
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 where in plastics 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 the domestically manufactured parts and components used in the assembly of “SMPS” will be minimum 10% (of the value of part and components used in the manufactured of “SMPS ) in year 2 which will increase to minimum 20% of the value of part and components used in the manufactured of “SMPS ) in year 3 and subsequent years
Key Board/ Mouse	Domestic assembly and testing from imported / indigenously manufactured parts and components
Mother Board	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 :

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

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

**Criteria BOM classified as domestic:** The domestic BOM of Dot Matrix Printers 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 the table.

<b>Main inputs in BOM / Stages for manufacture of Dot Matrix Printers</b>	<b>Value addition required for the inputs to be classified domestic BOM</b>
<b>1</b>	<b>2</b>
Main PCB	Domestic assembly and testing from imported/ indigenously manufactured parts and components subject to the condition that value of the domestically manufactured parts and components used in the assembly of “Main PCB” will be minimum 10% (of the value of part and components used in the manufactured of “Main PCB in year 2 which will increase to minimum 15% the value of part and components used in the manufactured of “Main PCB) in year 3 and subsequent years except value of bare PCB
Bare PCB	Domestically manufactured
SMPS	Domestically assembly and testing from imported/ indigenously manufactured parts and components subject to the condition that value of the domestically manufactured parts and components used in the assembly of “SMPS” will be minimum 10% (of the value of part and components used in the manufactured of “SMPS ) in year 2 which will increase to minimum 20% of the value of part and components used in the manufactured of “SMPS ) in year 3 and subsequent years
Carriage Motors and Paper feed motors	Imported as sub assembly and tested domestically along with main printer mechanism.
From 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 Cabinets and other parts
Printer Mechanism Assembly	Domestic assembly using indigenously



	manufactured rubber platens, small rubber parts , sheets metal components, Plastic Gears and other Plastic Parts with turned steel shafts and above mentioned sensors and motors
Print Heads and inter connecting 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.

### III. Tablet Personal Computers:

For the purpose of this notification a Tablet PC shall necessarily consist of an Integrated Motherboard with a broad 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 Tablets PCs is to be provided (in value terms)</b>	<b>Percentage domestic value addition in terms of Bill of Material (BOM) requirement for the Tablet PCs to qualify at domestically manufactured</b>
<b>50%</b>	<b>30 % in one year</b>

**Criteria BOM classified as domestic:** The domestic BOM of Tablet PCs 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 the table.

<b>Main inputs in BOM / Stages for manufacture of Tablet PC</b>	<b>Value addition required for the inputs to be classified domestic BOM</b>
<b>1</b>	<b>2</b>
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 the Display Panel shall be done domestically
Integrated Motherboard with a broad CPU / Processor , Memory and Power Module, Semiconductor (i.e. the Semiconductor Chips and module on Integrated Motherboard	Domestically assembly and testing from imported / indigenously manufactured parts and components except value of bare PCB and Semiconductor BOM (i.e. the Semiconductor Chips and module 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 value of part and components used in the manufactured of “Integrated Motherboard) in year 2 which will increase to minimum 20% of the value of part and components used in the manufactured of “Integrated Motherboard) in year 3 and subsequent years. The value of only those Semiconductor Chips and module (including processor and memory) of the Integrated Motherboard less the value of there 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 Adaptor	Domestically assembly and testing from imported/ indigenously manufactured parts and components subject to the condition that value of the domestically manufactured parts and components used in the assembly of “Power Adaptor” will be minimum 20% (of the value of part and components used in the manufactured of “Power Adaptor ) in year 2 which will increase to minimum 30%,40% and 50% in years 3, 4 and 5 respectively.
Casing	Domestically manufactured casing
Battery	Domestic assembly and testing from imported/ indigenously manufactured parts and components Accessories ( Camera, Speaker, Wifi, Antenna, etc) Domestic assembly and testing from imported/ indigenously manufactured parts and components.
(i) Final Assembly/ Testing and (ii) Design/ Development	(i) Domestically assembled/ tested and (ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above item shall be reduce from its value in domestic BoM.

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

#### IV. Laptop Personal Computers (PCs):

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, Touch pad and/or Trackpoint, an Integrated Display Unit, Integrated Battery and should be able to operate independently.

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) requirement for the Laptop PCs to qualify at domestically manufactured
<b>50%</b>	<b>25 % in one year</b>

**Criteria BOM classified as domestic:** The domestic BOM of Laptop PCs 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 the table.

Main inputs in BOM / Stages for manufacture of Tablet PC	Value addition required for the inputs to be classified domestic BOM
<b>1</b>	<b>2</b>
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, Bezel or combination subject to the condition that from year 3 onwards: <b>(i)</b> Back cover shall be domestically manufactured and <b>(ii)</b> Back Light 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., Semiconductor chips & modules on Motherboard) subject to the conditions that: <b>(I)</b> Value of domestically manufactured parts and components used in the assembly of “Motherboard + Power Module” will be minimum 10% (of the value of part and components used in the manufactured of “Motherboard + Power Module”) in year 2, which will increase to minimum 20% (of the value of part and components used in the manufactured of “Motherboard + Power Module”) in year 3 and subsequent years and <b>(II)</b> Cabinet shall be domestically manufactured from year 3 onwards.
Semiconductors (i.e. Semiconductor chips and Modules on Motherboard)	The value of only those Semiconductor Chips and modules (including processor and memory) of the Integrated Motherboard less 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	Domestically assembly and testing from imported/ indigenously manufactured parts and components subject to the condition that value of the domestically manufactured parts and components used in the assembly of “Power Adaptor” will be minimum 20% (of the value of part and components used in the manufactured of “Power Adaptor”) 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 (ii)Design/ Development	<b>(i)</b> Domestically assembled/ tested and <b>(ii)</b> Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above item shall be reduce from its value in domestic BoM.

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

**V. Smart Cards:**

For the purpose of this notification, Smart Card is usually a Credit Card sized plastic card with an Integrated Circuit (IC) contained inside. The IC contains a Microprocessor and Memory. Smart Cards can be contact, contactless and dual interface (both contact & contactless). Some of the applications of Smart Card are Identity Card, Banking Card, Health Card, Vehicle Registration Card etc.

**(A) Contact Smart Cards:**

<b>Percentage of procurement for which preference to domestically manufactured Laptop PCs is to be provided ( in value terms)</b>	<b>Percentage domestic value addition in terms of Bill of Material (BOM) requirement for the Laptop PCs to qualify at domestically manufactured</b>
<b>50%</b>	<b>30 % in Year 1 45% in Year 2 65% in Year 3 onwards*</b>

**Criteria BOM classified as domestic Contact Smart Cards:** The domestic BOM of contact Smart Cards 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 the table.

<b>Main inputs in BOM / Stages for manufacture of Contact Smart Cards</b>	<b>Value addition required for the inputs to be classified domestic BOM</b>
<b>1</b>	<b>2</b>
Plastic Card Body	Domestic Manufacturing including sheet cutting and punching, printing, lamination and testing using imported/ indigenously manufactured raw material, parts and components*
IC Chip Module	Domestic assembly and testing of IC Chip Module using imported/ indigenously manufactured raw materials, parts and components*
Milling and Embedding of IC Chip Module on Plastic Card	Milling and Embedding of IC Chip Module on Plastic Card done domestically
(i)Final Assembly/ Testing and (ii)Design/ Development	(i)Domestically assembled/ tested and (ii)Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above item shall be reduce from its value in domestic BoM.

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

**(B) Contactless Smart Cards (Includes Dual Interface Cards):**

<b>Percentage of procurement for which preference to domestically manufactured Laptop PCs is to be provided ( in value terms)</b>	<b>Percentage domestic value addition in terms of Bill of Material (BOM) requirement for the Laptop PCs to qualify at domestically manufactured</b>
<b>50%</b>	<b>40 % in Year 1 50% in Year 2 70% in Year 3 onwards*</b>

**Criteria BOM classified as domestic Contactless Smart Cards:** The domestic BOM of Contactless Smart Cards 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 the table.

<b>Main inputs in BOM / Stages for manufacture of Contactless Smart Cards</b>	<b>Value addition required for the inputs to be classified domestic BOM</b>
<b>1</b>	<b>2</b>
Plastic Card Body	Domestic Manufacturing including sheet cutting and punching, printing, lamination and testing using imported/ indigenously manufactured raw material, parts and components*
Card Inlay (Antenna)	Domestic assembly and testing from imported/ indigenously manufactured parts and components
IC Chip Module	Domestic assembly and testing of IC Chip Module using imported/ indigenously manufactured raw materials, parts and components*
Milling and Embedding of IC Chip Module on Plastic Card	Milling and Embedding of IC Chip Module on Plastic Card done domestically
(i)Final Assembly/ Testing and (ii)Design/ Development	(i)Domestically assembled/ tested and (ii)Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above item shall be reduce from its value in domestic BoM.

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

#### **VI. LED Products:**

For the purpose of this notification, LED Products are those whose function is to utilize light produced by LEDs and spanning applications in the areas of (i) Illumination, (ii) Optical Displays including true LED TVs (iii) Backlighting, (iv) Signalling and Indication and (v) Transportation.

<b>Percentage of procurement for which preference to domestically manufactured Laptop PCs is to be provided ( in value terms)</b>	<b>Percentage domestic value addition in terms of Bill of Material (BOM) requirement for the Laptop PCs to qualify at domestically manufactured</b>
<b>50%</b>	<b>50 % in Year 1</b>

**Criteria BOM classified as domestic LED Products:** The domestic BOM of LED Products 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 the table. However, the weightage of total cost of (d) Heat Sink or Thermal Management Solutions, (e) Secondary Optics, (f) System Fixture and Fitting shall not exceed 20% of domestic BOM of the LED Product.

<b>Main inputs in BoM / Stages for manufacture of LED Products</b>	<b>Value addition required for the inputs to be classified domestic BoM</b>
<b>1</b>	<b>2</b>
(a) LED Emitter	Packaging from imported/ domestically fabricated bare LED Die subject to the condition that from Year 2 onwards, the bare LED Die shall be domestically fabricated using imported/ indigenously manufactured inputs.
(b) Driving Electronics	Domestically assembly from imported/indigenously manufactured parts and components subject to the condition that the value of domestically manufactured parts and components (excluding the value of bare PCB) used in the assembly of “Driving Electronics” will be minimum 10% (of the total value of part and components used in the manufacture of “Driving Electronics”) in Year 1 which will increase to minimum of 20% of the total value of part and components used in the manufactured of “Driving Electronics”) in year 2 and minimum 30% (of the total value of part and components used in the manufacture of “Driving Electronics”) in Year 3 and subsequent years.
(c) Bare PCB including MCPCB	Domestically manufactured using imported/indigenously manufactured inputs.
(d) Heat Sink or Thermal Management Solutions	Domestically manufactured using imported/indigenously manufactured inputs.
(e) Secondary Optics	Domestically manufactured using imported/indigenously manufactured inputs.
(f) System Fixture	Domestically manufactured
(g) Final Assembly/Testing	Domestically Assembled/Tested meeting Indian standards as notified from time to time.