



सत्यमेव जयते

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

ELECTRONICS

e-NEWSLETTER

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

Year 2 | Vol. 10: Aug 2012

- **M-SIPS Scheme for ESDM Approved**
- **Industry consultation on PMA**

- **AP to set up EMCs in Hyderabad & Vishakapatnam**
- **Telecom Sector Skill Council formed**

From Chief Editor's Desk



Dear Readers,

With both the Modified SIPS and the EMC schemes being approved by the Cabinet, the basic framework for promoting the sector is now in place. Several people have in the last week enquired the procedure for applying under these schemes. States have announced their Electronic clusters, Andhra Pradesh has proposed two, in Hyderabad and in Visakhapatnam. Punjab has suggested one in Ropar. Rajasthan is in advanced stages of finalizing. I expect that the guidelines for both these schemes will be ready by September. These guidelines will provide the application format and procedure details. So, for all those interested, the good news is that applications can be made shortly. Let me mention that each of the applications, whether it is for Modified SIPS or for EMC scheme, it would require a DPR to be submitted for the project for which the assistance is sought. Therefore, it would make sense to start getting the DPR prepared at the earliest.

DeitY is going to set up a Project Management Unit to process applications under MSIPS and EMC scheme. The PMU will be manned by a leading consultancy firm, with experience in project appraisal. The EOI is expected to be issued shortly. The selection of PMU is expected to be completed before the end of the current calendar year. Meanwhile, applications received before the PMU is put in place will be handled by the Department directly.

The web page relating to ESDM on the DeitY website (www.mit.gov.in) is being updated with additional information which may be of interest to stakeholders in the ESDM ecosystem. Arunava Ray, Consultant, who has recently joined DeitY, is coordinating the effort. Keep visiting the page and you may be surprised by the content it has. Also feel free to send suggestions on what you want to see on the website.

With the policies now in place, look forward to announcements regarding investments. So industry, come forward and take the lead.

Dr. Ajay Kumar, Chief Editor

Modified Special Incentive Package Scheme for ESDM Approved

On July 12, 2012, the Union Cabinet has approved the proposal to provide a special incentive package to promote investment in the Electronic System Design and Manufacturing (ESDM) sector. The scheme is called the Modified Special Incentive Package Scheme (M-SIPS). The main features of M-SIPS are as follows:

- i) Subsidy for investments in capital expenditure, i.e., 20% for investments in SEZs and 25% in non-SEZs. It also provides for reimbursement of CVD/excise for capital equipment for the non-SEZ units. For high technology and high capital investment units, like Fabs, reimbursement of Central taxes and duties is also provided.
- ii) The incentives are available for investments made in a project within a period of 10 years from the date of approval.
- iii) The incentives are available for 29 category of ESDM products including telecom, IT hardware, consumer electronics, medical electronics, automotive electronics, solar photovoltaic, LEDs, LCDs, strategic electronics, avionics, industrial electronics, nano-electronics, semiconductors chips and chip components, other electronic components and EMS. Units across the value chain starting from raw materials including assembly, testing, packaging and accessories of this category of products are included. The scheme also provides incentives for relocation of units from abroad.
- iv) The scheme is open for three years from notification.

Approvals for incentives not exceeding Rs 10,000 Crores are proposed to be granted during the XII Plan period. The projects with incentives of Rs 10,000 Crores have potential to create employment for nearly 0.5 million persons. The policy covers all States and districts and provides them an opportunity to attract investments in ESDM sector.

The scheme was notified on July 27, 2012 and the notification is available at www.mit.gov.in. Necessary guidelines for operationalizing the scheme will be issued shortly. It will interalia specify the modalities for making applications under the scheme, the other implementation related procedures.

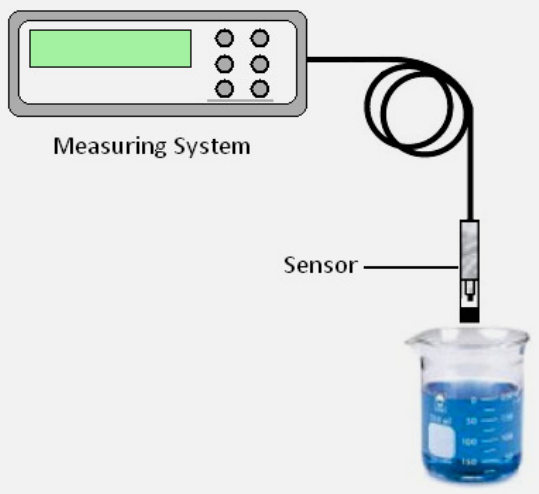
• AP to set up EMCs in Hyderabad & Vishakapatnam

• NIELIT, Chennai launches PG Diploma progs

Portable Lab-on-a-Chip Biosensor developed at IIT, Bombay

Prof. A. Q. Contractor, Department of Chemistry, Indian Institute of Technology, Bombay has developed a lab-on-a-chip (LOC) device that integrates one or several laboratory functions on a single chip. The technology has tremendous potential in developing point-of-care testing devices.

The innovative product, Lab-on-a-Chip, is an electrical conductance-based biosensor that can be used to measure the concentration of biomolecules such as blood sugar, haemoglobin, cholesterol, diagnose and manage HIV infections, urine sugar levels, soil urea in agriculture and fat levels in food.



A single chip Biosensor Schematic of Biosensor Measurement System

Some of the major benefits of LOC include:

- Cost Effectiveness, Compactness & Portability
- Allows digitized inputs, compatible for quantitative analysis
- Enables on the spot sample testing
- Products can be easily enhanced to simultaneously test for several parameters

The technology is licensed to Polymeric Sensors Pvt. Ltd., a company incubated at IIT Bombay. (Patent Application number: 89/BOM/94, Grant Number: 179848). For more details, please contact, Prof. A. Q. Contractor (email: aqcontractor@iitb.ac.in)

Source: IIT Bombay Technologies, IRCC; Dec 2011 (www.ircc.iitb.ac.in)

Andhra Pradesh takes Initiative to set up Electronic Manufacturing Clusters in Hyderabad & Vishakapatnam

Government of Andhra Pradesh vide G.O.Ms. No 28, dated June 24, 2012 has decided to create two Electronic Manufacturing Clusters (EMCs), one in Hyderabad region and the other in Visakhapatnam region. These EMCs will be jointly developed by AP Industrial Infrastructure Corporation Ltd. (APIIC) and Software Technology Parks of India (STPI), Hyderabad. Government of Andhra Pradesh has identified APIIC as the nodal agency for developing infrastructure for the electronic hardware industry in the state.

APIIC has been mandated to identify and earmark at least 100 acres of clear land in Hyderabad and Visakhapatnam regions for the purpose of creating the clusters. It is also proposed that APIIC and STPI will undertake feasibility study on the promotion of clusters and accordingly prepare detailed project reports/ proposals indicating the area/extent of land to be developed, mode of development, cost of infrastructure, source of funds, plan of action/mode of implementation, etc., if necessary, by engaging a professional consultant, and furnish the same to Government of Andhra Pradesh in the next two months. The Government of Andhra Pradesh will thereafter seek approval of the projects under the Electronic Manufacturing Clusters Scheme of the Government of India. Further, a meeting has been called by Department of Electronics and IT on August 22, 2012 to discuss the specifics of the proposed proposal.

NIELIT, Chennai launches PG Diploma programmes

NIELIT, Chennai has recently initiated the following programme(s) in VLSI and Embedded Systems:

- VLSI System Design and Verification
- Digital Design and Verification using Verilog
- FPGA Design and on-chip Debugging
- ASIC Front-end & Back-end Design
- Embedded System Design
- Microcontroller programming using EmbeddedC and
- Practical Automation using ARM/ Arduino/ Beagle boards.

The VLSI and Embedded Systems lab houses state-of-art infrastructure which includes Xilinx ISE, Altera Quartus II, Simulink, Cadence Analog and Digital bundles, LabVIEW, Keil MDK, ADK, Atlys Spartan 6 FPGA Development boards, DE2-115 and DE0 Nano FPGA Development boards, National Instruments ELVIS/Compact-RIO and Microcontroller/ARM/ Arduino/ Beagle boards.

New M. Tech and PG Diploma programmes in VLSI & Embedded Systems, Electronics Product Design and Production Technologies and Network Administration and Information Security will also be launched shortly.

For more details, please contact, Dr. M. P. Pillai (email: dir_chennai@doeacc.edu.in) or visit website www.nielitchennai.edu.in

• **IPCA Expo, 2012 held at Bengaluru**

• **Industry consultation to operationalize PMA**

IPCA Expo, 2012 held at Bengaluru



Delegates lighting the lamp at IPCA Expo



Secretary, DeitY addressing the participants

IPCA Expo 2012 was organized by Indian Printed Circuit Association (IPCA) on July 25-27, 2012 at KTPO Trade Centre, Bengaluru. The expo included an exhibition, a business meet, an IPCA Certified SPC Training Course and International Technical Seminars. The event was inaugurated by Shri J. Satyanarayana, Secretary, DeitY.

Fifty-Nine companies from the field of PCB Manufacturing, EMS, Equipment manufacturing, Raw Material Suppliers, CAD/CAM Software & service providers, Embedded system designers and System integrators and from countries like USA, Japan, Taiwan, China, Germany, Italy and India participated in the exhibition. International trade delegations from global PCB Associations also participated at the event. A Business Meet was also convened, where members of World Electronic Circuit Council were also present.

Industry consultation on modalities to operationalize the policy for Preference to Domestically Manufactured Electronic Goods

Vide Gazette Notification No.8(78)/2010-IPHW dated 10th February, 2012, the Government has laid down the policy for providing preference to domestically manufactured electronic products, in procurement of those electronic products which have security implications for the country and in Government procurement not with a view to commercial resale or with a view to use in the production of goods for commercial sale. As per clause 8 of the above Notification, detailed guidelines for operationalizing the proposed policy which would, inter-alia, provide for modalities of self-certification by the vendor and the procuring agencies need to be issued with the concurrence of the Ministry of Finance. Once issued, these guidelines would be applicable to all Ministries/Departments of Govt. of India and organizations working under them. A draft has been prepared by the DeitY and the same was shared with all major industry associations including ELCINA, MAIT, CII, ISA, TEMA, ICA, FICCI, NASSCOM and ASSOCHAM. A meeting was also held on July 30, 2012 under the Chairmanship of Dr. Ajay Kumar, Joint Secretary, DeitY to discuss the draft guidelines. The salient provisions of the draft guidelines are as follows:

- i. "Bill of Material": Bill of Material (BOM), for the purposes of the Policy is proposed as the sum of costs of all inputs which go into the product including parts, sub-parts, components, assemblies, manufacturing costs including cost of design and development/ assembling / testing/ sourcing/ power/ finance/ logistics/ insurance done in-house, and/or by external Electronic Manufacturing Service provider, royalties or licensee fee for IPR, and/or in-house R&D costs incurred/amortized to create IPR, embedded and other software integral to the device. The "profit after tax" and warranty cost of the manufacturer is not part of the BOM.
- ii. Domestically Manufactured Electronic Products are those electronic products which are manufactured by entities that are registered and established in India, including in Special Economic Zones (SEZs), and engaged in manufacture of such electronic products in India and would include OEM and their Contract Manufacturers, but not traders. In addition, such products are required to meet the criteria of domestic value-addition as laid down in the Policy, for being classified as DMEP.
- iii. The guidelines suggest that Ministry/Departments should strive to notify all electronic products relating to their sector but should take up those electronic products which constitute significant part of the demand for Government on priority.
- iv. Reaffirms that the objective of the policy is to eventually notify all electronic products/goods which are procured by Government and its Agencies for Governmental purposes and not with a view to commercial resale or with a view to use in the production of products for commercial sale.
- v. An understanding and analysis of the domestic manufacturing base needs to precede the identification of an electronic product for notification under the Policy. Only those electronic products in respect of which at least **one** domestic manufacturer exists, shall be notified. Consultation with industry, as necessary, may be carried out.

.....*contd. on page 5.*

• Carl Zeiss India's new Production Facility

Carl Zeiss India's new Production Facility at Bengaluru

Carl Zeiss India, a German multinational in the Optical and Opto Electronic Industry has setup as a new production facility in Electronic City, Bengaluru.

Built on an area of 240,000 sq ft, the new facility will accommodate close to 300 staff, a warehouse and production facilities for Coordinate Measuring Machines from the Industrial Metrology Business Group and Prescription lenses from the Vision Care Business Group.

This also includes CARIn (Center for Applications & Research in India), the R&D center of the Medical Technology Business Group of Carl Zeiss.

Source: www.business-standard.com

EXIM Bank to study Electronics Industry of China vis-à-vis India

EXIM bank proposes to conduct a study regarding Electronics industry of China Vis-à-vis India and its trade in Electronic goods. The study will find out reasons, need, analysis, trade complementarities, identify products for cooperation, time period, etc.

The study is proposed to be undertaken as a part of the Working Group on Information Technology & Electronics Sector on India-China Strategic Economic Dialogue (SED).

The proposal to conduct a study was agreed to in the 3rd Meeting of this Working Group, held on August 6, 2012.

• SES 2012 on Defence & Aerospace held

Strategic Electronics Summit: Defence & Aerospace held

The 3rd Strategic Electronics Summit (SES) was organized jointly by ELCINA Electronic Industries Association of India (ELCINA) and India Semi-conductor Association (ISA) on July 26-27, 2012 at HAL Convention Centre, Bengaluru. Mr. M. M. Pallam Raju, Hon'ble Minister of State for Defence, the Chief Guest at the event, highlighted the government's commitment to encouraging the involvement of the private sector in Strategic Electronics Sector, in order to boost the indigenization of defence technologies and production. He mentioned that the Govt. is considering giving a higher weightage to contracts signed with SME Companies by Foreign OEMs under Defence Offset provisions.

During the inaugural session, a research paper on the 'Landscape of Opportunities & Challenges in Strategic Electronics' jointly prepared by ELCINA and ISA was released by the Hon'ble Minister. The research paper provides details of the current opportunities on the Indian Strategic Electronics (ISE), Govt. policy & procurement procedures, landscape of Capabilities, Business Areas, Certification & Licenses, Aspirations & Goals of ISE Companies, IPR & Technology Safety Mechanisms, Focus Areas, Dept. of Electronics & IT Initiatives to boost growth of Electronics Industry in India and provided recommendations for greater value additions. A copy of the paper is available at www.elcina.com.

Shri J. Satyanarayana, Secretary, DeitY and the 'Guest of Honour' at the event, said that Union Cabinet had already cleared two key elements of the new Electronic Policy viz., scheme for Electronics Manufacturing Clusters and the Modified Special Incentive Package Scheme (M-SIPs). Dr. K. D. Nayak, Chief Controller (R&D-M&M), DRDO, the Guest of Honour said that an indigenous designer pool was urgently required. A mini-exhibition was also organized at the event and more than 25 companies from Private & Public sector showcased the technologies developed indigenously in the Strategic Electronic Sector.

Sessions on 'Future requirements of Indian Defence Sector' and other on 'Defence Procurement Policies and Offset Opportunities', followed the inaugural session on day one. Dr. K. Tamilmani, Chief Executive CEMILAC, Rear Adm. B. R. Taneja, NM, Director General WESEE, Mr. Vipin Tyagi, AVM P. K. Srivastva, VSM, Director (Production) BDL, Col. K. V. Kuber, (Defence Offset Expert), Brig. S. C. Sharma, President Axis Aerospace & David Keynan, Israel-Asia Chamber of Commerce shared their views at the event. Buyer-Seller meet followed the deliberations at the conference. Prominent buyers were BEL, BDL, HAL, Tata Power, ECIL, BHEL, Base Repair Workshops of Indian Air Force & Army Base Workshop. Mr. Ajai Chowdhry, Founder HCL and Mr. Suvarna Raju Director (Research & Projects) HAL were also present.

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MoS, Defence inaugurating SES



Secretary, DeitY at the event



Delegates on the dais: SES 2012

• **Indian Exports of Optical Fibre Cables**

• **ESDM Workshop held at Bhubaneswar**

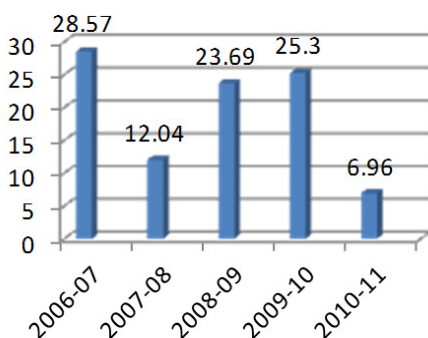
Indian Exports of Optical Fibre Cables (HS Code 854470)

Top 5 destinations India Exported to

2006-07	2007-08
UAE	UAE
UK	UK
Denmark	Germany
Singapore	Nigeria
Malaysia	Malaysia

2008-09	2009-10
USA	UAE
Singapore	Kenya
Nigeria	Malaysia
Norway	Bangladesh
UK	UK

2010-11	2011-12 (Apr-Sep)
Japan	USA
Belgium	Belgium
Kenya	UK
Bangladesh	UAE
USA	Japan



Export of Optical Fibre Cables (US\$ Million)

ESDM Workshop held at Bhubaneswar

The State level ESDM Workshop was held at Bhubaneswar on 18th July, 2012 in presence of Shri R C Majhi, Hon'ble Minister of IT, Govt. of Odisha. Among other dignitaries who participated, included, Sh. B. K. Patnaik, Chief Secretary, Sh. M. S. Padhi, Commissioner & Secretary, IT Dept, both from Govt. of Odisha and Shri Omkar Rai, DG, STPI, Sh. P. S. Narotra, Sr. Director, DeitY, Shri S.K. Marwaha, Addl. Director, DeitY, all from Govt. of India and Shri Sanjeev Keskar, Vice Chairman, ISA.

The State Minister assured that the Government will provide all ancillary support to the investors in the ESDM sector. Chief Secretary said that the State Government advised the ISA and the State IT Department to prepare a roadmap for the development of ESDM sector in the State. Sh. J. B. Pany, President, TIE, Bhubaneswar, Sh. B. Venkat Ramana, ED, VMC Systems Ltd., Sh. Vivek Pawar, CEO, Sankalp Semiconductor, Dr. G. K. Nayak, Director, IIIT Bhubaneswar, Sh. C. S. Kumar, Commissioner & Secretary, Employment, Tech. Education & Training Dept., Govt. of Odisha, Sh. Rashmi Mahapatra, Technical Head, Semtech, Sh. PVG Menon, President, ISA also shared their views at the workshop.

Industry consultation on.....

.....contd. from page 3

- vi. The configuration / specifications representative of the entire range of a product should be categorized in a single notification. For example, there may be a separate notification for Desktop PCs, Servers and Tablets, but all Desktop PCs, with different configurations, may be clubbed under a single notification.
- vii. Since identification of all electronic products cannot be taken up simultaneously, products having high value of procurement in Govt. may be identified for notification on priority.
- viii. Encourages Ministry/Departments to assess the prospective annual demand for Government procurement over the next 5 years, with the objective of encouraging development/investment in such manufacturing, along with the prospective date on which the product will be notified for applicability of the policy.
- ix. The percentage of total procurement value for which preference is provided to domestically manufactured electronic products should be so fixed that competition is maximized while at the same time domestic manufacturing is encouraged. The decision should be taken after an understanding of the domestic manufacturing base including the available production capacities with the indigenous manufacturers and their number as well as that of their suppliers of inputs, which should, inter alia, meets the value addition norms proposed to be notified. This would inter alia depend on the availability of multiple domestic manufacturing units with sufficient capacities, so that the Government requirement can be fulfilled without compromising on timelines. The after-sales service support network of domestic manufacturer/s also needs to be factored in. However, if there is only one domestic manufacturer, the percentage of procurement for which preference to domestically manufactured electronic products is provided should normally be 30%.
- x. The guidelines for deciding the value-addition for the electronic product being notified is proposed to be determined as follows. This involves identifying main inputs as per industry norms, constituting the Bill of Material (BOM) for the electronic product. The granularity at which the inputs need to be identified (i.e. the number of inputs) should not be very large and be based on industry practices. Secondly, the value of input should, as far as possible, be clearly discernible based on industry billing practices. Thereafter the status of manufacture of the input needs to be ascertained and accordingly, define what would mean to manufacture the input domestically. Based on the cumulative understanding of these inputs, the value addition will be determined.

• **Telecom Sector Skill Council formed**

• **Indian Imports of Optical Fibre Cables**

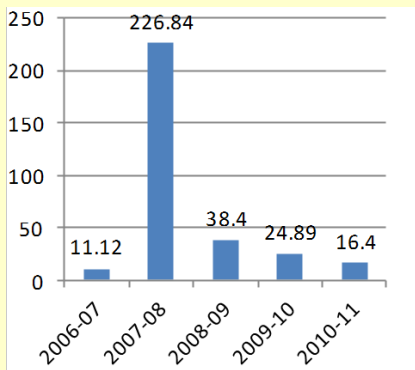
Indian Imports of Optical Fibre Cables (HS Code 854470)

Top 5 destinations India Imported Optical Fibre Cables from

2006-07	2007-08
China	Norway
USA	China
UK	Korea
Singapore	Italy
Korea	Spain

2008-09	2009-10
China	China
Japan	Indonesia
USA	USA
UK	Switzerland
Germany	UK

2010-11	2011-2012 (Apr-Sep)
China	China
Singapore	Japan
USA	USA
UK	UK
Germany	Germany



India's Import of Optical Fibre Cables (Value in US\$ Million)

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Telecom Sector Skill Council (TSSC) formed

National Skill Development Council (NSDC) during its Board meeting held on July 06, 2012 has approved the proposal to setup the Telecom Sector Skill Council (TSSC). The TSSC will train 5 million people over the next 10 years and is expected to play a critical role for the growth of the industry by bridging critical skill gaps across different verticals.

The Cellular Operators Association of India (COAI), Indian Cellular Association (ICA) & Telecom Centres of Excellence (TCOE) have joined hands for the setting up of TSSC in India under the aegis of National Skills Development Corporation (NSDC). Indian telecom sector employ close to 2.8 million people directly and almost another 7 million indirectly making it one of the largest employment generating sectors in the country [Frost & Sullivan]. It is expected that at the current rate of growth, this sector has the potential to generate an equal number of job opportunities over the next decade, thereby enabling the need for skilled & up-skilled manpower in the industry in an organized manner. TSSC will be an industry driven body to develop competency based framework for skills development and Quality Assurance of personnel in Telecom sector. The TSSC Board will comprise members from ICA, COAI, TCOE, Government of India, NSDC and the telecom industry. For details on TSSC, please contact Mr. Pankaj Mohindroo, at email: ica@ica-ind.org. The main objectives of TSSC are as follows:

- a) Work with Industry to create an ecosystem for developing right skilled personnel in Telecom domain
- b) Research and aggregate skill requirements of the Industry
- c) Create skill database, collate and disseminate labour market information
- d) Develop occupational Standards and provide quality assurance through accreditation & certifications
- e) Identifying upcoming technologies in the sector and determine technology specific skills
- f) Build Capacity for training delivery and regulate the skill development activities in the Industry sectors

Strategic Electronics Summit:

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On the second day, Shri Amarendra Sinha, Addl. Secretary, Ministry of MSME, Govt. of India chaired the Session on a case study and panel discussion on Potential for SMEs in Defence Sector. He was joined by Mr. SM Jamkhandi, Director, MSME.

The other two sessions were on 'Perspective From Large Corporates – Opportunities & Challenges' and 'Opportunities & Challenges in Aerospace Sector'. The speakers for these Sessions were Mr. Vinod C. Hippalkatti, of Centum Electronics, Mr. S. Rangarajan of Data Patterns, Mr. S. Reddy of Astra Microwave, Mr. D. R. Subramanyan of SLN Technologies, Capt. (Retd.) T. N. Pranesha of Alpha Design, Dr. B. M. Chengappa, Former Asst. Editor, Deccan Herald, Brig. Rajesh Jayaswal of 515 ABW, Mr. Keerthi Bukinakere of Mahindra System, Mr. Raghuvver B. K. of Infosys, Mr. J K Dudani of Samtel HAL Display Systems, Dr. Surendra Pal, Chairman GAGA, Dr. Ajay Batra of Vittal Innovation City, Mr. Ashok Baweja of HCL Technologies, Dr. Rakesh Mohan Jha of National Aerospace Laboratories.