

MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY

(IPHW DIVISION)

NOTIFICATION

New Delhi, the 7th September, 2020

Subject : Public Procurement (Preference to Make in India) Order 2017-Notifying Electronic Products in furtherance of the Order**Reference : Department for Promotion of Industry and Internal Trade (DPIIT) Order No. P-45021/2/2017-B.E.-II dated 15.06.2017, as amended by Orders dated 28.05.2018, 29.05.2019 and 04.06.2020**

F. No. W-43/4/2019-IPHW-MeitY.—The Government has issued Public Procurement (Preference to Make in India) Order 2017 vide the Department for Promotion of Industry and Internal Trade (DPIIT) Order No. P-45021/2/2017-B.E.-II dated 15.06.2017, as amended by Orders dated 28.05.2018, 29.05.2019 and 04.06.2020, to encourage 'Make in India' and promote manufacturing and production of goods and services in India with a view to enhancing income and employment.

2. In furtherance of the Public Procurement (Preference to Make in India) Order 2017 [PPP-MII Order 2017] notified vide reference cited above, and in supersession of the Electronic Product Notification Nos.33(1)/2017-IPHW dated 14.09.2017 and 33(5)/2017-IPHW dated 01.08.2018 issued thereunder, the Ministry of Electronics and Information Technology (MeitY) hereby notifies that preference shall be provided by all procuring entities to locally manufactured Electronic Products as per the aforesaid Order, as amended from time to time.

3. For the purpose of this notification:

- The definition of Class-I local supplier, Class-II local supplier and Non-local supplier shall be as per paragraph 2 of the DPIIT PPP-MII Order 2017 No.P-45021/2/2017-PP(BE-II) dated 04.06.2020, as amended from time to time. The mechanism for calculation of local content has been prescribed for each notified Electronic Product in this notification, in accordance with paragraph 5 of the DPIIT PPP-MII Order 2017 No.P-45021/2/2017-PP(BE-II) dated 04.06.2020, as amended from time to time.
- Paragraph 3A of the DPIIT PPP-MII Order 2017 No.P-45021/2/2017-PP(BE-II) dated 04.06.2020, as amended from time to time, shall be referred for percentage of procurement for which preference to domestically manufactured Electronic Products is to be provided (in value terms).

4. Following Electronic Products are notified under the Public Procurement (Preference to Make in India) Order 2017:

4.1 Desktop Personal Computers (PCs)**(A) Definition:**

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

(B) Mechanism for calculation of local content:

The domestic Bill of Material (BOM) of Desktop PC would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

Main inputs in BOM/stages for manufacture of Desktop PC	Value addition/local content required for the input to be classified as domestic BOM
1	2
Main Board / Motherboard and CPU / GPU	Domestic PCB Assembly* and testing from imported/ domestically manufactured parts and components, including the value of Semiconductors** and CPU/ GPU** and excluding

	the value of bare PCB. However, the weightage of total value of CPU shall not exceed 30% of the total BOM of the Desktop PC.
Memory Module	Domestic PCB Assembly* and testing from imported / domestically manufactured memory chips** and parts / components on imported/ domestically manufactured bare PCB, excluding the value of bare PCB.
Hard Disk Drive / Solid State Drive (SSD)	Domestic PCB Assembly* and final product assembly and testing from imported / domestically manufactured parts and components, excluding the value of bare PCB.
LCD / LED Monitor	Domestic assembly and testing of LCD / LED Monitor from parts consisting of imported/domestically assembled LCD / LED Panel and Domestic PCB Assembly*, Domestic plastic moulding and Domestic stamping of metal parts, excluding the value of bare PCB.
DVD Drive	Domestic assembly and testing from imported / domestically manufactured parts and components.
Cabinet + SMPS	Domestically manufactured Cabinet and Domestic PCB Assembly* and the final assembly and testing of SMPS from imported/ domestically manufactured parts and components, subject to the condition that the domestically manufactured parts and components used in the assembly of "SMPS" will be minimum 20% (of the total value of parts and components used in the manufacture of "SMPS").
Keyboard/Mouse	Domestic PCB Assembly* and the final assembly and testing from imported / domestically manufactured parts and components.
Bare PCB	Domestically manufactured from imported / domestically manufactured inputs.
(i) Final Assembly / Testing and (ii) Design / Development	(i) Domestically assembled/tested and (ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in domestic BOM.

* It is essential that the Printed Circuit Board Assembly (PCBA) of the CPU(s)/ GPU/ processor(s) parts/ components on the bare PCB using the SMT process should mandatorily be done in India.

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

4.2 Thin Clients

(A) Definition:

For the purpose of this Notification, a Thin Client (TC) shall necessarily consist of a CPU, Memory, DOM, Keyboard, Mouse and a separate or integrated display unit and should be able to operate independently.

(B) Mechanism for calculation of local content:

The domestic Bill of Material (BOM) of a Thin Client would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

Main inputs in BOM / stages for manufacture of Thin Client	Value addition / local content required for the input to be classified as domestic BOM
1	2
Main Board / Motherboard and CPU	Domestic PCB Assembly* and testing from imported/ domestically manufactured parts and components, including the value of Semiconductors** and CPU** and excluding the value of bare PCB. However, the weightage of total value of CPU shall not exceed 30% of the total BOM of the Thin Client.
Memory Module/ DOM	Domestic PCB Assembly* and testing from imported/ domestically manufactured memory chips** and parts/ components on imported/ domestically manufactured bare PCB, excluding the value of bare PCB.
SMPS/ Power Adapter	Domestically PCB Assembly* and the final assembly and testing of SMPS/ Power Adapter from imported/ domestically manufactured parts and components, subject to the condition that the domestically manufactured parts and components used in the assembly of "SMPS" will be minimum 20% (of the total value of parts and components used in the manufacture of "SMPS").
LCD/ LED Monitor	Domestic assembly and testing of LCD/ LED Monitor from parts consisting of imported/ domestically assembled LCD/ LED Panel and Domestic PCB Assembly*, Domestic plastic moulding and Domestic stamping of metal parts, excluding the value of bare PCB.
Cabinet	Domestically manufactured.
Keyboard/Mouse	Domestic PCB Assembly* and the final assembly and testing from imported / domestically manufactured parts and components.
Bare PCB	Domestically manufactured from imported/ domestically manufactured inputs.
(i) Final Assembly/ Testing and (ii) Design/ Development	(i) Domestically assembled/ tested and (ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in domestic BOM.

* It is essential that the Printed Circuit Board Assembly (PCBA) of the CPU(s)/ processor(s)/ parts/ components on the bare PCB using the SMT process should mandatorily be done in India.

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

4.3 Laptop Personal Computers (PCs)

(A) Definition:

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

(B) Mechanism for calculation of local content:

The domestic Bill of Material (BOM) of a Laptop PC would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

Main inputs in BOM/ stages for manufacture of Laptop PC	Value addition/ local content required for the input to be classified as domestic BOM
1	2
Main Board/ Motherboard and CPU/ GPU	Domestic PCB Assembly* and testing from imported/ domestically manufactured parts and components, including the value of Semiconductors** and CPU/ GPU** and excluding the value of bare PCB. However, the weightage of total value of CPU shall not exceed 35% of the total BOM of the Laptop PC.
Power Module	Domestic PCB Assembly* and testing from imported/ domestically manufactured parts and components.
Memory Module	Domestic PCB Assembly* and testing from imported/ domestically manufactured memory chips** and parts/ components on imported/ domestically manufactured bare PCB, excluding the value of bare PCB.
Hard Disk Drive/ Solid State Drive (SSD)	Domestic PCB Assembly* and final product assembly and testing from imported/ domestically manufactured parts and components, excluding the value of bare PCB.
Display Panel (LCD, LED, etc.)	Domestic assembly into the Back Cover and Bezel and final testing from imported/ domestically assembled Display Panel, LED Back light, Antennae, excluding the value of the Back Cover and Bezel.
DVD Drive	Domestic assembly and testing from imported / domestically manufactured parts and components.
Power Adapter	Domestic assembly with domestic PCB Assembly* and final testing from imported/ domestically manufactured parts and components, subject to the condition that the value of domestically manufactured parts and components used in the assembly of "Power Adapter" will be minimum 40% (of the total value of parts and components used in the manufacture of "Power Adapter").
Bare PCB	Domestically manufactured from imported/ domestically manufactured inputs.
Keyboard/ Touchpad and/ or Trackpoint	Domestic assembly and testing from imported/ domestically manufactured parts and components.
Battery	Domestic assembly and testing from imported/ domestically manufactured parts and components.
Cabinet/ Chassis of Laptop including bottom cover, back cover, Keyboard face bezel and Display face bezel and Hinges	Domestically manufactured through injection moulding/ stamping using imported/ domestic inputs.
(i) Final Assembly/ Testing and (ii) Design/ Development	(i) Domestically assembled/ tested and (ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in domestic BOM.

* It is essential that the Printed Circuit Board Assembly (PCBA) of the CPU(s)/ GPU/ processor(s)/ parts/ components on the bare PCB using the SMT process should mandatorily be done in India.

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

4.4 Computer Monitors

(A) Definition:

For the purpose of this Notification, a Computer Monitor (commonly known in the market as Monitor) shall necessarily consist of a LCD/ LED Display assembly, Logic card, Power Supply Adaptor and Cabinet with Display Ports for connecting it to a Desktop PC or Laptop PC or Tablet PC.

(B) Mechanism for calculation of local content:

The domestic Bill of Material (BOM) of a Computer Monitor would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

Main inputs in BOM/ stages for manufacture of Computer Monitor	Value addition/ local content required for the input to be classified as domestic BOM
1	2
Logic Cards/ Micro controller	Domestic PCB Assembly* and testing from imported/ domestically manufactured parts and components including value of Semiconductors** and excluding the value of bare PCB.
LCD/ LED Panel	Domestic integration and testing of imported/ domestically assembled LCD/ LED Panel*** into the Monitor Cabinet/ Chassis, excluding the value of the Cabinet/ Chassis. However, the weightage of total value of LCD/ LED Panel shall not exceed 35% of the total BOM of the Computer Monitor.
Cables	Domestically manufactured and tested from imported/ domestically manufactured inputs.
Power Adapter	Domestic assembly with domestic PCB Assembly* and final testing from imported/ domestically manufactured parts and components, subject to the condition that the value of domestically manufactured parts and components used in the assembly of "Power Adapter" will be minimum 40% (of the total value of parts and components used in the manufacture of "Power Adapter").
Bare PCB	Domestically manufactured from imported/ domestically manufactured inputs.
Cabinet/ Chassis	The Monitor Bezel, Back cover, Stand, Base and Chassis wherein the plastic mouldings and the stamping of metal parts is done domestically using imported/ domestic inputs.
(i) Final Assembly/ Testing and (ii) Design/ Development	(i) Domestically assembled/ tested and (ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in domestic BOM.

* It is essential that the Printed Circuit Board Assembly (PCBA) of the CPU(s)/ GPU processor(s)/ parts/ components on the bare PCB using the SMT process should mandatorily be done in India.

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

*** This shall be reviewed when LCD/LED Panel manufacturing of Computer Monitors (of each size and type) in India is operational.

4.5 Tablet Personal Computers (PCs)**A. Definition:**

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

(B) Mechanism for calculation of local content:

The domestic Bill of Material (BOM) of Tablet PC would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

Main inputs in BOM/ stages for manufacture of Tablet PC	Value addition/ local content required for the input to be classified as domestic BOM
1	2
Integrated Motherboard with on board CPU/ GPU/ Processor	Domestic PCB Assembly* and testing from imported/ domestically manufactured parts and components, including value of Semiconductors** and Processor/CPU/ GPU** and excluding the value of bare PCB. However, the weightage of total value of CPU shall not exceed 35% of the total BOM of the Tablet PC.
Memory and Power Module	Domestic PCB Assembly* and testing from imported/ domestically manufactured parts and components, excluding the value of bare PCB.
Display Panel (Touch Panel + LCD/ LED Module)	Domestic assembly and testing from imported/ domestically manufactured Touch Panel, LCD/ LED Module or combination, subject to the condition that backlight assembly and testing of Display Panel shall be done domestically.
Power Adapter	Domestic assembly and testing from imported/ domestically manufactured parts and components, subject to the condition that the value of domestically manufactured parts and components used in the assembly of "Power Adapter" will be minimum 40% (of the total value of parts and components used in the manufacture of "Power Adapter").
Bare PCB	Domestically manufactured from imported/ domestically manufactured inputs.
Casing	Domestically manufactured Casing.
Battery	Domestic assembly and testing from imported/ domestically manufactured parts and components.
Accessories (Camera, Speaker, WiFi Antenna, etc.)	Domestic assembly and testing from imported/ domestically manufactured parts and components.
(i) Final Assembly/ Testing and (ii) Design/ Development	(i) Domestically assembled/ tested and (ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in domestic BOM.

* It is essential that the Printed Circuit Board Assembly (PCBA) of the CPU/ GPU/ processor/ parts/ components on the bare PCB using the SMT process should mandatorily be done in India.

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

4.6 Dot Matrix Printers**(A) Definition:**

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

(B) Mechanism for calculation of local content:

The domestic Bill of Material (BOM) of a Dot Matrix Printer would be the sum of the cost of main inputs specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

Main inputs in BOM/ stages for manufacture of Dot Matrix Printer	Value addition/ local content required for the input to be classified as domestic BOM
1	2
Main PCB	Domestic PCB Assembly* and testing from imported/ domestically manufactured parts and components, subject to the condition that value of domestically manufactured parts and components used in the assembly of "Main PCB" will be minimum 15% (of the total value of parts and components used in the manufacture of "Main PCB"), excluding the value of bare PCB.
Bare PCB	Domestically manufactured from imported/ domestically manufactured inputs.
SMPS	Domestic assembly and testing from imported/ domestically manufactured parts and components, subject to the condition that value of domestically manufactured parts and components used in the assembly of "SMPS" will be minimum 20% (of the total value of parts and components used in the manufacture of "SMPS").
Carriage Motors and Paper Feed Motors	Imported as sub-assembly and tested domestically along with main Printer Mechanism.
Front Control Panel	Domestic assembly and testing from imported/ domestically manufactured parts and components.
Home Position/Paper End Sensors	Domestic assembly and testing from imported/ domestically manufactured parts and components.
Main Printer Cabinet and other small plastic components	Domestic moulding of Printer Cabinet and other parts.
Printer Mechanism Assembly	Domestic assembly using domestically manufactured Rubber Platens, small rubber parts, sheet metal components, plastic gears and other plastic parts with turned steel shafts and above mentioned sensors and Motors.
Print Heads and Interconnecting Cables	Imported as sub-assembly and tested domestically along with main Printer Mechanism.
(i) Final Assembly/ Testing and (ii) Design/ Development	(i) Domestically assembled/ tested and (ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in domestic BOM.

* It is essential that the Printed Circuit Board Assembly (PCBA) of the parts/ components on the bare PCB using the SMT process should mandatorily be done in India.

4.7 Smart Cards**(A) Definition:**

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 or dual interface (both contact and contactless). Some of the applications of Smart Card are Identity Card, Banking Card, Health Card, Vehicle Registration Card etc.

I(B) Mechanism for calculation of local content for Contact Smart Cards

The domestic Bill of Material (BOM) of a Contact Smart Card would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

Main inputs in BOM/ stages for manufacture of Contact Smart Card	Value addition/ local content required for the input to be classified as domestic BOM
1	2
Plastic Card Body	Domestic manufacturing including sheet cutting & punching, printing, lamination and testing using imported/ domestically manufactured raw material, parts and components.
IC Chip Module	Domestic assembly, packaging and testing of IC Chip Module using imported/ domestically manufactured raw material, 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 and Testing (ii) Design/ Development	(i) Domestically assembled/tested and (ii) Intellectual Property (IP) resident in India for any of the above items, including fusion of domestically developed Operating System. The value of IP resident in India for any of the above items shall be reduced from its value in domestic BOM.

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

II(B) Mechanism for calculation of local content for Contactless Smart Cards

The domestic Bill of Material (BOM) of Contactless Smart Card would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

Main inputs in BOM/stages for manufacture of Contactless Smart Card	Value addition/local content required for the input to be classified as domestic BOM
1	2
Plastic Card Body	Domestic manufacturing including sheet cutting & punching, printing, lamination and testing using imported/ domestically manufactured raw material, parts and components.
Card inlay (Antenna)	Domestic assembly and testing from imported/ domestically manufactured raw material, parts and components.
IC Chip Module	Domestic assembly, packaging and testing of IC Chip Module using imported/ domestically manufactured raw material, 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 and Testing (ii) Design/ Development	(i) Domestically assembled/ tested and (ii) Intellectual Property (IP) resident in India for any of the above items, including fusion of domestically developed Operating System. The value of IP resident in India for any of the above items shall be reduced from its value in domestic BOM.
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* This shall be reviewed when the Semiconductor FAB in India is operational.

4.8 **LED Products**

(A) **Definition:**

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 & Indication and (v) Transportation.

(B) **Mechanism for calculation of local content:**

The domestic Bill of Material (BOM) of LED Products would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table. However, the weightage of total value of (d) Heat Sink or Thermal Management Solutions, (e) Secondary Optics and (f) System Fixture and Fitting shall not exceed 20% of the total BOM of the LED Product:

Main inputs in BOM/ stages for manufacture of LED Products	Value addition/ local content required for the input to be classified as domestic BOM
1	2
LED Emitter	Packaging from imported/ domestically fabricated Bare LED Die, subject to the condition that the Bare LED Die shall be domestically fabricated using imported/ domestically manufactured inputs.
Driving Electronics	Domestic assembly from imported/ domestically 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 30% of the total value of parts and components used in the manufacture of "Driving Electronics".
Bare PCB including MCPCB	Domestically manufactured using imported/ domestically manufactured inputs.
Heat Sink or Thermal Management Solutions	Domestically manufactured using imported/ domestically manufactured inputs.
Secondary Optics	Domestically manufactured using imported/ domestically manufactured inputs.
System Fixture and Fitting	Domestically manufactured.
Final Assembly/ Testing	Domestically assembled/ tested meeting Indian Standards as notified from time to time.

4.9 **Biometric Access Control/Authentication Devices**

(A) **Definition:**

For the purpose of this Notification, Biometric Access Control/ Authentication Device shall include *inter-alia* a Finger Print Sensor/ Iris Sensor, Controller Module and Power supply. It may or may not contain a display unit. Some of the applications of Biometric Access Control/ Authentication Device are Physical access control, Time and Attendance control etc.

(B) Mechanism for calculation of local content:

The domestic Bill of Material (BOM) of Biometric Access Control/ Authentication Device would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

Main inputs in BOM/ stages for manufacture of Biometric Access Control/ Authentication Device	Value addition/ local content required for the input to be classified as domestic BOM
1	2
Finger Print Sensor/ Iris Sensor	Domestically manufactured as notified (refer Paragraphs 4.10 and 4.11).
Main PCB (Controller Module)	Domestic assembly and testing from imported / domestically manufactured parts and components, excluding the value of bare PCB.
Bare PCB	Domestically manufactured from imported / domestically manufactured inputs.
Power Supply/ Battery(if separate)	Domestic assembly and testing from imported/ domestically manufactured parts and components.
Display Unit	Domestic assembly and testing from imported/ domestically manufactured parts and components.
Optional features such as Camera, Keyboard, RFID, Smart Card Reader, GPRS Module, Wi-Fi, Blue Tooth etc.	Domestic assembly and testing from imported/ domestically manufactured parts and components.
Plastic Housing	Domestically manufactured from imported/ domestically manufactured inputs.
USB Cables	Domestically manufactured from imported/ domestically manufactured inputs.
(i) Final Assembly and Testing (ii) Design/ Development	(i) Domestically assembled/ tested and (ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in domestic BOM.

4.10 Biometric Finger Print Sensors**(A) Definition:**

For the purpose of this Notification, Biometric Finger Print Sensor consists of a Controller Module, CMOS Sensor and Optics. The applications of the Biometric Finger Print Sensor are personal identification and verification, etc.

(B) Mechanism for calculation of local content:

The domestic Bill of Material (BOM) of Biometric Finger Print Sensor would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

Main inputs in BOM/stages for manufacture of Biometric Finger Print Sensor	Value addition/local required for the input to be classified as domestic BOM
1	2
Main PCB (Controller Module)	Domestic assembly and testing using imported / domestically manufactured parts and components, excluding the value of bare PCB.

Optics	Domestically manufactured from imported / domestically manufactured inputs.
CMOS Sensor	Domestic assembly, packaging and testing of CMOS Sensor using imported/ domestically manufactured inputs*
Bare PCB	Domestically manufactured from imported/ domestically manufactured inputs.
Plastic Housing	Domestically manufactured from imported / domestically manufactured inputs.
USB Cables	Domestically manufactured from imported / domestically manufactured inputs.
(i) Final Assembly and Testing (ii) Design/ Development	(i) Domestically assembled/ tested and (ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in domestic BOM.

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

4.11 Biometric Iris Sensors

(A) **Definition:**

For the purpose of this Notification, Biometric Iris Sensor consists of a Controller Module, CMOS Sensor and Optics. The applications of the Biometric Iris Sensor are personal identification and verification, etc.

(B) **Mechanism for calculation of local content:**

The domestic Bill of Material (BOM) of Biometric Iris Sensor would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

Main inputs in BOM/stages for manufacture of Biometric Iris Sensor	Value addition/local content required for the input to be classified as domestic BOM
1	2
Main PCB (Controller Module)	Domestic assembly and testing using imported / domestically manufactured parts and components except value of bare PCB.
Optics	Domestically manufactured from imported/ domestically manufactured inputs.
CMOS Sensor	Domestic assembly, packaging and testing of CMOS Sensor using imported/ domestically manufactured inputs*
Bare PCB	Domestically manufactured from imported/ domestically manufactured inputs.
Plastic Housing	Domestically manufactured from imported/ domestically manufactured inputs.
USB Cables	Domestically manufactured from imported/ domestically manufactured inputs.
(i) Final Assembly and Testing (ii) Design/ Development	(i) Domestically assembled/ tested and (ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in domestic BOM.

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

4.12 Servers**(A) Definition:**

For the purpose of this Notification, a Server shall necessarily consist of a Mother Board, CPU, Memory (RAM), Hard Disk Drive (HDD)/ Solid State Storage Drive (SSD), Power Supply Unit (SMPS), Chassis, Connecting Cables and Firmware & OS.

(B) Mechanism for calculation of local content:

The domestic Bill of Material (BOM) of a Server would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

Main inputs in BOM/ stages for manufacture of Server	Value addition /local content required for the input to be classified as domestic BOM
1	2
Server Board/ Mother Board and CPU(s)/ GPU(s)	Domestic PCB Assembly* and testing from imported/ domestically manufactured parts and components, including the value of Semiconductors** and CPU(s)/ GPU(s)** and excluding the value of bare PCB.
Memory Module	Domestic PCB Assembly* and testing from imported/ domestically manufactured memory chips** and parts/ components on imported/ domestically manufactured bare PCB, excluding the value of bare PCB.
Hard Disk Drive/ Solid State Storage Drive (SSD)	Domestic assembly and testing from imported/ domestically manufactured parts and components.
Cabinet + SMPS	Domestically manufactured Cabinet and domestic assembly and testing of SMPS from imported / domestically manufactured parts and components, subject to the condition that value of domestically manufactured parts and components used in the assembly of "SMPS" will be minimum 25% (of the total value of parts and components used in the manufacture of "SMPS").
Bare PCB	Domestically manufactured from imported/ domestically manufactured inputs.
Accessories (Power Cables, Connectors, etc.)	Domestic assembly and testing from imported/ domestically manufactured parts and components.
(i) Final Assembly and Testing (ii) Design and Development	(i) Domestically assembled/ tested and (ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in the domestic BOM.

* It is essential that the Printed Circuit Board Assembly (PCBA) of the CPU(s)/ GPU(s)/ processor(s), parts/ components on the bare PCB using the SMT process should mandatorily be done in India

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

4.13 Cellular Mobile Phones**(A) Definition:**

For the purpose of this Notification, a Cellular Mobile Phone (Feature Phone or Smart Phone) shall necessarily consist of a Main Printed Circuit Board (PCB), Battery Pack, Display Unit, Key Pad/ Touch Panel, Charger/ Adapter, Microphone & Receiver, Vibrator Motor/ Ringer and Mechanics.

(B) Mechanism for calculation of local content:

The domestic BOM of Cellular Mobile Phones would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

Main inputs in BOM/stages for manufacture of Cellular Mobile Phone	Value addition/ local content required for the input to be classified as domestic BOM
1	2
Main PCB*	Domestic assembly and testing from imported/ domestically manufactured parts and components including Processor and Semiconductor** BOM (i.e the Semiconductor Chips and Modules on Main PCB), and excluding value of bare PCB.
Bare PCB	Domestically manufactured from imported/ domestically manufactured inputs.
Battery Pack	Domestic assembly and testing of imported/ domestically manufactured inputs.
Charger/ Adapter	Domestic assembly and testing from imported/ domestically manufactured inputs.
Wired Headset	Domestic assembly and testing from imported/ domestically manufactured inputs.
Mechanics***	Domestic assembly and testing from imported/ domestically manufactured inputs.
Die Cut Parts***	Domestic assembly and testing from imported/ domestically manufactured inputs.
Microphone and Receiver	Domestic assembly and testing from imported/ domestically manufactured inputs.
Key Pad	Domestic assembly and testing from imported/ domestically manufactured inputs
USB Cable	Domestic assembly and testing from imported/ domestically manufactured inputs.
Camera Module	Domestic assembly and testing from imported/ domestically manufactured inputs.
Connectors	Domestic assembly and testing from imported/ domestically manufactured inputs.
Display Unit	Domestic assembly and testing from imported/ domestically manufactured inputs.
Touch Panel/ Cover Glass Assembly	Domestic assembly and testing from imported/ domestically manufactured inputs.
Vibrator Motor/ Ringer	Domestic assembly and testing from imported/ domestically manufactured inputs.
(i) Final Assembly and Testing (ii) Design and Development	(i) Domestically assembled/ tested and (ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in the domestic BOM.

* It is essential that the Printed Circuit Board Assembly (PCBA) of the processor/ components on the bare PCB using the SMT process should mandatorily be done in India.

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

***Refer Annexure

5. The Notification comes into effect immediately. This Notification shall remain valid till the revised Notification is issued.

6. No Electronic Product Notification under the Public Procurement (Preference to Make in India) Order 2017 shall have retrospective effect.

7. Purchase Preference shall be provided as per the provisions cited in the Public Procurement (Preference to Make in India) Order 2017 dated 04.06.2020 for the procurement of aforesaid electronics products.

8. The notification would also be applicable to all Central Schemes (CS)/ Central Sector Schemes (CSS) for the procurement of electronic products made by States and local bodies, if project or scheme is fully or partially funded by Government of India.

9. Procedure for calculating local content/ domestic value addition

9.1 Bill of Material sourced from domestic manufacturers (Dom-BOM) may be calculated based on one of the followings depending on data available. Each of these calculations should provide consistent result.

a. Sum of the costs of all inputs which go into the product (including duties and taxes levied on procurement of inputs except those for which credit/ set-off can be taken) and which have not been imported directly or through a domestic trader or an intermediary.

b. Ex-Factory Price of product minus profit after tax minus sum of imported Bill of Material used (directly or indirectly) as inputs in producing the product (including duties and taxes levied on procurement of inputs except those for which credit/ set-off can be taken) minus warranty costs.

c. Market price minus post-production freight, insurance and other handling costs minus profit after tax minus warranty costs minus sum of Imported Bill of Material used as inputs in producing the product (including duties and taxes levied on procurement of inputs except those for which credit / set-off can be taken) minus sales and marketing expenses.

9.2 Total Bill of Material (Total-BOM) may be calculated based on one of the following depending on data available. Each of these calculations should provide consistent result.

a. Sum of the costs of all inputs which go into the product (including duties and taxes levied on procurement of inputs except those for which credit / set-off can be taken).

b. Ex-Factory Price of product minus profit after tax, minus warranty costs.

c. Market price minus post-production freight, insurance and other handling costs minus profit after tax, minus warranty costs minus sales and marketing expenses.

9.3 The percentage of domestic value-addition may be calculated based on information furnished as per the following formula:

$$\text{Percentage of local content/ domestic value-addition} = \frac{\text{Dom -BOM}}{\text{Total -BOM}} \times 100$$

It is recommended that each agency assessing should calculate the domestic local content/ value-addition using at least two of the above formulae so as to validate the assessments in this regard and ensure that the domestic value addition that is claimed is consistent.

10. Verification of local content/ Domestic Value Addition

a. The local supplier at the time of tender, bidding or solicitation shall provide self-certification that the item offered meets the minimum local content and shall give details of the location(s) at which the local value addition is made.

b. In cases of procurement for a value in excess of Rs. 10 crore, the local supplier shall provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content.

c. In case a complaint is received by the procuring agency or the concerned Ministry/Department against the claim of a bidder regarding local content/ domestic value addition in an electronic product, the same shall be referred to STQC.

- d. Any complaint referred to STQC shall be disposed of within 4 weeks. The bidder shall be required to furnish the necessary documentation in support of the domestic value addition claimed in an electronic product to STQC. If no information is furnished by the bidder, such laboratories may take further necessary action, to establish the bonafides of the claim.
- e. A complaint fee of Rs.2 Lakh or 1% of the value of the domestically manufactured electronic products being procured (subject to a maximum of Rs. 5 Lakh), whichever is higher, to be paid by Demand Draft to be deposited with STQC. In case, the complaint is found to be incorrect, the complaint fee shall be forfeited. In case, the complaint is upheld and found to be substantially correct, deposited fee of the complainant would be refunded without any interest.
- f. False declarations will be in breach of the Code of Integrity under Rule 175(1)(i)(h) of the General Financial Rules for which a bidder or its successors can be debarred for up to two years as per Rule 151 (iii) of the General Financial Rules along with such other actions as may be permissible under law.
11. MeitY shall be the Nodal Ministry to monitor the implementation of the Electronic Products Notification.
12. In case of a question whether an item being procured is an electronic product to be covered under the Public Procurement (Preference to Make in India) Order 2017, the matter would be referred to the Ministry of Electronics and Information Technology for clarification.

SAURABH GAUR, Jt. Secy.

Annexure

Indicative List of Mechanics and Die Cut Parts

A. Mechanics

1. Battery Cover (HS 39209999)
2. Front Cover (HS 39209999)
3. Front Cover (With Zinc Casting) (HS 39209999)
4. Middle Cover (HS 39209999)
5. GSM Antenna/ Antenna of any technology (HS 39209999)
6. Side Key (HS 85389000)
7. Main Lens (HS 39209999)
8. Camera Lens (HS 39209999)
9. Screw (HS 73181500)
10. Mic Rubber Case (HS 40169990)
11. Sensor Rubber Case/ Sealing Gasket including sealing gaskets/ cases from Rubbers like SBR, EPDM, CR, CS, Silicone and all other individual rubbers or combination/ combinations of rubbers (HS 40 1 69990)
 - 11.1 PU Case/ Sealing Gasket (HS 39269091) - Other articles of Polyurethane foam like sealing gaskets/ cases.
 - 11.2 Sealing Gaskets/ Cases from PE, PP, EPS, PC and all other individual polymers or combination/ combinations of polymers (HS 39269099)
12. SIM Socket/ Other Mechanical items (Metal) (HS 73269099)
13. SIM Socket/ Other Mechanical items (Plastic) (HS 39269099)
14. Back Cover (HS 39209999)

B. Die Cut Parts

1. Conductive Cloth (HS 39269099)
2. Heat Dissipation Sticker Battery Cover (HS 39199090)
3. Sticker-Battery Slot (HS 39199090)
4. Protective Film for Main Lens (HS 39199090)
5. Mylar for LCD FPC (HS 39199090)
6. LCD Conductive Foam (HS 39269099)
7. Film-Front Flash (HS 39199090)
8. LCD Foam (HS 39269099)
9. BT Foam (HS 39269099)