



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. 6: April 2012**

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- Developing Indigenous Conditional Access System

### From Chief Editor's Desk



Dear Readers,

Shri J Satnarayana has joined as the new Secretary of Department of Electronics and Information Technology. The Electronics e-Newsletter welcomes him to the Department and wishes him a very successful tenure. It would also like to place and acknowledge with gratitude the leadership provided by Shri R. Chandrasekhar, the outgoing Secretary under whose guidance the overall agenda for the electronics sector and the idea for starting this e-Newsletter were developed and approved. Our sincerest thanks for your contributions to the ESDM sector.

In several countries, including the USA, Israel, France, Germany, among others, defense and other strategic sectors, including Space and Atomic Energy have had a huge role to play in the development of the ESDM sector of those countries. The major defense procurement deals concluded by India in recent months, for example, the multi-billion Medium Multirole Combat Aircraft deal for Rafale or the Mirage 2000 fighters, provide a golden opportunity for developing manufacturing in the country through the offset route. The draft National Policy on Electronics highlights the need to develop a long-term relationship between ESDM industry and the strategic sectors. The domestic industry must step forward and take up the challenge. The offset requirements of this major defense procurement provide opportunity in this regard.

The new financial year begins this month. It brings new hope for the ESDM sector. The momentum built up needs to be sustained and continued. Let's collectively work towards it.

Dr. Ajay Kumar  
Chief Editor

### Secretary's Message



Dear Readers of the Electronics e-Newsletter,

My joining the Department has coincided with the change of the name of the Department to Department of Electronics and Information Technology. The renaming of the Department is not merely a ritual but a pronouncement of commitment to the nation of the Government's focus on this sector in the coming years.

One of my immediate priorities in the Electronics System Design and Manufacturing (ESDM) sector would be to get the draft National Policy on Electronics finalized at the earliest. The Policy provides a roadmap for the future and will help industry to plan their own investments and commitments to the future.

Given the reality of ITA-1 and the competition that exists in the sector from other countries, the success of the sector would depend on leveraging our strengths and creating an entire ecosystem that fosters activities from design to manufacturing to marketing. We have a growing chip design and embedded software industry which can be leveraged to develop new electronic products. The focus should be on developing products specific to the Indian market. Such products are likely to have market in large parts of developing world across the globe. Our human resource can be a huge advantage in increasing country's competitiveness as a destination for electronics. However, in this direction, concerted efforts need to be taken so that we can convert the potential of our demographic profile to actual strength.

The requirement for fund support for fulfilling the commitments of the National Policy on Electronics is going to be large. Nevertheless, the Government is committed to provide essential support to the sector.

I would be happy to receive any thoughts, suggestions and feedback from the stakeholders of the ESDM community for specific actions or improvements which may be necessary as we proceed in our efforts to promote the sector.

J. Satyanarayana  
Secretary, DeitY

## • Budget 2012-13: Highlights for ESDM Sector

## • Developing Indigenous Conditional Access System

## Budget 2012-13: Highlights for Electronics Hardware Sector

The provisions of Union Budget 2012-13 presented in the parliament by Finance minister Shri Pranab Mukherjee on March 16, 2012, will have following implications on Electronics System Design and Manufacturing industry in India.

- To promote indigenous manufacturing of LCD TVs, LCD Panels have been exempted from basic customs duty for 20 inches and above.
- To promote indigenous manufacturing of Blood Pressure Monitors and Glucometers, basic customs duty has been reduced to 2.5% with 6% Countervailing Duty (CVD) and Nil Special Additional Duty of Customs (SAD) on parts of Blood Pressure Monitors and Blood glucose monitoring systems (Gluco-meters) on actual user basis.
- Basic customs duty of 10% has been imposed on Digital Cameras which are capable of recording video with minimum resolution of 800 x 600 pixels, at minimum 23 frames per second, for at least 30 minutes in a single sequence using the maximum storage (including expanded) capacity.
- To promote indigenous manufacturing of mobile handsets; parts, components and accessories for the manufacture of mobile handsets; sub-parts for the manufacture of such parts and components; and parts or components for the manufacture of battery chargers, PC connectivity cable, hands-free headphones and memory cards of such mobile handsets and sub-parts for the manufacture of such parts and components are exempted from basic customs duty and excise duty. They have also been exempted from SAD upto 31.3.2013. The unconditional excise duty on mobile handsets is 1%.
- To promote indigenous manufacturing of LED Lamps, excise duty has been reduced to 6% on LED lamps & LEDs required for manufacture of such lamps and SAD has been fully exempted on LEDs used for manufacture of LED Lamps.

## Developing Indigenous Conditional Access System

The implementation of the mandatory time-bound and phased digital switch-over of the current analogue cable television to the Digital addressable System (DAS) in the country by 31st Dec., 2014 would generate a huge demand for Set Top Boxes (STBs). Thus, there is need to promote indigenous manufacturing of STBs.

One of the major impediments in developing Indian Set Top Box is customized software in the Set Top Box and license of Conditional Access System (CAS) players. The objective is to develop a CAS which can be used by STBs manufactured in India. It should meet the technical requirements of the broadcasters so that they should be willing to adopt STBs manufactured around the said Indian CAS. The developer should be able to upgrade/develop updated versions of the CAS in an ongoing basis, so that the CAS remains relevant. The CAS should be available at a price which is significantly lower than international price. The current price range at which CAS is licensed is reportedly around USD 3 to 3.5 per device. CAS from other Asian countries is reportedly available at USD 2 to 3. It is, therefore, proposed that the Indian CAS should be made available at USD 0.5 per device. This is a nominal price and will provide an additional 5 to 10% price difference to domestic manufacturers, part of which can be shared with the broadcasters/consumers.

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

- CDAC has a strong capability in encryption software development and system design. It is, therefore, felt that CDAC shall be the Government partner in the project.
- The industry partner is proposed to be identified through a transparent bidding mechanism, on QCBS basis, wherein the bidders would indicate the "n" required to develop the CAS.
- The successful bidder would hold rights to the CAS. He would be required to make available CAS to domestic manufacturers at prescribed rate for a period of 3 years. After 3 years, he may be free to sell CAS at market price.
- The technical specifications of the CAS would need to be finalized.

A Technical committee of experts would be constituted for finalizing the specifications. The Committee will include representatives from CDAC, academicians (with relevant background/experience), industry partners including chip set manufacturers and broadcasters.

A Technical Committee of Experts has been constituted for the Development of a CAS for the Indian market in view of digitalization of the Broadcast Sector. This committee has experts from DeitY, CDAC, Broadcasters, Cable Operators, Prasar Bharti, Digital Broadcast Council, Set Top Box Manufacturers, ISA, NASSCOM and from Academia. The mandate of the Committee is:

- i. Validation of the Concept Paper on the development of CAS for the Indian Broadcast Sector prepared by DeitY including the business model and price point for sale of CAS in Indian market for a fixed period
- ii. Identifying the user requirements of Broadcasters for CAS
- iii. Finalizing technical specifications for development of CAS for the Indian market
- iv. Identification of experts/ resources in the Industry and Academia who could be associated with the development of CAS for the Indian market

The first meeting of the Technical Committee will be held on 12.4.2012. It is expected that the Committee will finalize its recommendations within four weeks. The Request for Proposal for identifying the industry partner will be issued thereafter. For more details, contact Shri S.K. Marwah, Email: [smarwah@mit.gov.in](mailto:smarwah@mit.gov.in)

**• New display technology based on Organic LED****• Electronics Sector Skills Council Formed**

## New display technology based on Organic LED

IIT Kanpur has indigenously developed a display technology based on organic light emitting diodes (OLED) with funding from the Department of Science and Technology, Government of India and Samtel Colour Ltd. The technology has started gaining acceptance and ready for commercialization. It is being used in high end mobile phones and premium displays. This innovation has a passive matrix display completely integrated with its driver suitable for small size displays.

Typically, LCD displays are inefficient devices and lack in contrast characteristics and render a limited colour gamut. Further, inherently a LCD display has issues with viewing angle, which in turn are solved in a very complicated way. These issues are being addressed by OLED displays, which are designed in much simpler displays and hence likely to be manufactured at lesser cost than LCD displays. OLED when the technology is mature. Further, these are efficient devices, they render better colour and the display has no viewing angle issues.

As per the specifications of the project at the Samtel Centre for Display Technologies, IIT has made a full colour (RGB) passive matrix displays with a resolution of 96(3) x 64 in a 1-inch diagonal and 4:3 format and 128(3) x 128, 1.5 inch diagonal display also in the 4:3 format. For more details, contact Dr. Deepak Gupta, Email: saboo@iitk.ac.in.

## Domestic Sourcing for Govt. of India credit to other countries

Department of Economic Affairs, Ministry of Finance, Government of India has, in consultation with Ministry of External Affairs formulated detailed Terms and Conditions and Procedure to be adopted in respect of Government of India (GOI) supported EXIM Bank Lines of Credit (LoC's). These are mentioned in order no F.No.21/6/2008-CIE-II dated 23rd July, 2010 and details are available at <http://www.eximbankindia.com/goi-loc.pdf>. These loans are for importing goods and services and for Project Exports from India. As a rule, goods and services for minimum 75% value of the contracts covered under these loans must be sourced from India. A suitable relaxation not exceeding 10% may be considered on a case to case basis for exceptional reasons.

## Electronics Sector Skills Council Formed

National Skill Development Council (NSDC) has in its meeting held on March 29, 2012 approved the proposal to setup an Electronics Sector Skills Council (ESSC) for the sector. India Semiconductor Association (ISA) and Electronic Industries Association of India (ELCINA), Manufacturer's Association of Information Technology (MAIT), Consumer Electronics and Appliances Manufacturers Association (CEAMA) and Indian Printed Circuit Association (IPCA) are the sponsoring industry associations for the said Sector Skills Council. The Governing Council of ESSC will have members from the above industry associations, NSDC and Ministry of Communications & IT, Government of India. ESSC will engage in the following core functions:

- Setting up Labour Market Information System (LMIS) to assist planning & delivery of training
- Identification of skill development needs and preparing a catalogue of skill types, range and depth of skills to facilitate individuals to choose from them
- Develop a sector skill development plan and maintain skill inventory
- Developing skill competency standards and qualifications
- Standardization of affiliation and accreditation process
- Participation in affiliation, accreditation, standardization
- Interact and coordinate with industry through associations to plan delivery of training progs
- Plan and execute training of trainers
- Promotion of academies of excellence

The ESSC will focus on the following Industry verticals:

A. Electronics Manufacturing, which will include industry verticals:

- Consumer Electronics
- IT & OA
- Solar Photovoltaic
- Strategic Electronics
- Telecom
- Components
- Other verticals like Industrial Electronics, Lighting, Medical, etc.

B. Semiconductor Design will include, Chip design & embedded software and R&D in Semiconductor Design.

ESSC will undertake pilot projects in the first year and focus on creating skill competency standards and qualifications. It is proposed that 5000-6000 persons will be trained and certified during the pilot phase. ESSC will later scale up its operations and on a cumulative basis, about 2 million workforce are expected to be imparted skills and certified by the year 2020 by the ESSC. For more details, contact: Mr. Rajiv Jain, Email: rajiv@isaonline.org and Mr. Rajoo Goel, Email: rajoo@elcina.com

## Workshop to operationalize Sector Skill Council

National Skill Development Corporation (NSDC) is in the process of setting up of Sector Skill Councils (SSC) in various sectors which includes IT/ITES and Electronics, IT Hardware and Manufacturing Sectors also. These SSCs are to be set up by the respective industries/industry associations as not for profit organizations. Objective is to standardize curriculum, streamline the certification framework, accreditation of sector specific and related courses and develop training delivery mechanism.

ESDM sector includes several verticals. Further, there are horizontal industries in electronics like semiconductors, passive components, PCB, EMS etc., which cut across sectoral verticals. Thus to address Skills requirement in such a case and for SSCs to effectively serve the ESDM sector, a close coordination with stakeholders is required. An ESDM brain storming workshop is being organized on April 26, 2012 at DeitY to discuss these issues and also on operationalizing the Sector Skill Councils at the earliest so that necessary human resource capabilities are created in sync with the policy initiatives being developed/already announced.

**• Joint Indo-Israeli Working Group for manuf.****• Renaming Ceremony at 'DeitY'**

## Joint Indo-Israeli Working Group for manufacturing

Shri Kapil Sibal, Hon'ble Minister for HRD and Communications and IT led a delegation to Israel in the first week of April 2012 and met the President of Israel, Mr. Shimon Peres, besides meeting the Finance Minister, Dr. Yuval Steinitz, Education Minister, Mr. Gideon Sa'ar and the Communications Minister, Mr. Moshe Kahlon.

India's endeavour to develop a low cost access-cum-computing device (LCAD), the Aakash - through the National Mission on Education through ICT (NMEICT) programme was discussed in his meeting with the Communications Minister, Mr. Moshe Kahlon. It was also discussed in the meeting that manufacturing facilities could be established in India for mass production of Aakash with Israeli technology support. A joint group has been constituted with representatives from both sides to explore partnership opportunities in manufacturing of low cost tablet, customer premises equipment for broadband and telecom network equipment and Optical Fibre Network (OFC).

Shri Sibal also met the industry captains from Israel to promote investment in India and informed them that Government of India is finalizing a long term policy framework for the ICTE sector in India. Industry captains appreciated the fact that Government in India has consulted all stakeholders in preparing the policy framework for ICTE sector. Several companies showed great interest in realigning their investment proposals for investment in India. M/S Septier expressed its willingness to set up R&D and manufacturing facilities for Location Based Services (LBS).

## Editorial Board

Chief Editor : Dr. Ajay Kumar, Jt. Secretary, DeitY  
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## J. Satyanarayana, Secretary, DeitY: A profile

Shri J. Satyanarayana assumed the office of Secretary to Government of India, Department of Electronics and Information Technology on 14 March 2012. A member of Indian Administrative Service from 1977 Batch and Andhra Pradesh Cadre, Sh. Satyanarayana was Special Chief Secretary in the Government of Andhra Pradesh before joining the current assignment. During his various assignments in Andhra Pradesh, he has served as Principal Secretary Health, Medical & Family Welfare Department, Principal Secretary IT and Communications and CEO of National Institute for Smart Government.

Master of Sciences in Physics and MBA from University of Ljubljana (Slovenia), Sh. Satyanarayana has made wide contributions in the field of e-Governance. Founder of e-Seva, a one stop shop for citizen services, he was responsible for mentoring NISG as a Centre of Excellence in e-Government consultancy and capacity building leading to formulation of e-Governance and Capacity Building Roadmaps for the State Governments and Union Territories in India.

Responsible for conceptualization and development of large e-Government projects for the Ministries of Central and State Governments in India including the extremely successful MCA 21 for the Ministry of Corporate Affairs, e-Biz for Ministry of Industries, Passport Seva Project for the Ministry of External Affairs, Bangalore One and e-Procurement for Govt. of Karnataka, Goa Broadband Network for Government of Goa, he has been instrumental in training the political leaders & policy makers on the concepts and principles of e-Governance.

He has written books entitled, 'e-Government, the science of the possible' and 'Managing Transformation: Objectives to Outcomes' that capture his wide experience in the field of e-Governance and management. Shri Satyanarayana was honored by the Council of Ministers of Andhra Pradesh by passing an extraordinary resolution, placing his services on record for the successful implementation of CARD project for computerization of Registration and Stamps Department in the State in 1998.

## Renaming Ceremony at 'Department of Electronics and Information Technology' (DeitY)

The Cabinet Secretariat, vide its notification no CD-116/2012 dated 26.2.2012 has amended the Government of India (Allocation of Business) rules 1961 and renamed the Department of Information Technology as Department of Electronics and Information Technology (Elektroniki aur Soochana Praudyogiki Vibhag).

A Renaming ceremony is scheduled for April 19, 2012 being organized at Electronics Niketan on April 19, 2012. Hon'ble Minister of Communications & Information Technology, Shri Kapil Sibal has kindly consented to preside over the event.

In recent years, there has been growing feeling that the electronics has not been given adequate importance by Government and therefore there has been a demand from various quarters of industry, academia and other stakeholders that the Department should provide increased focus to the electronics sector.

The renaming of the Department is a symbolic move in that direction. It is expected that it will send a positive signal to domestic as well as foreign investment in the sector. Moreover, within Government and within the Department, it will help providing higher priority to policy initiatives relating to electronics. It is a fulfillment of one of the declarations of the draft National Policy on Electronics.