

WELCOME

Dear Readers,

We are truly heartened by your response to the inaugural issue of *MAIT Wire*. Thank you for your encouragement and we look forward to your continued support.

In every issue we aim to give you a sense of what is happening in the electronics manufacturing sector. The industry is abuzz with excitement since the Union Cabinet approved the Prime Ministers' ambitious e-governance initiative - the Digital India Project to be completed by 2019. With a total outlay of a whopping Rs. 1.13 lakh crore, *MAIT Wire* explores what the Digital India Project will mean for the industry and how this will impact the manufacturing set up in the country.



“ With a total outlay of a whopping Rs. 1.13 lakh crore, *MAITWire* explores what the Digital India Project will mean for the industry and how this will impact the manufacturing set up in the country. ”

This issue features a write up on the MAIT-SME chapter by an esteemed member. We are also greatly enthused by the overwhelming response to the MAIT ICT SME conclave, the India Standards Conclave and the Smart Cities interaction we organized. Detailed coverage of these events in this issue will give you a sense of the significant work that MAIT is involved in across the country.



We will continue to feature articles and opinions by members of the IT manufacturing fraternity and we look forward to receiving your discerning ideas, comments and feedback.

Warm Regards,

Anwar Shirpurwala
Executive Director, MAIT

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LONG AWAITED IMPETUS TO MANUFACTURING

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IN FOCUS

THE DIGITAL INDIA PROGRAM: LONG AWAITED IMPETUS TO MANUFACTURING



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communication infrastructure in new building projects.

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The energy and vibrancy in the IT sector is unmistakable after the Prime Minister unveiled the Digital India Program, with an allocation of Rs. 1.13 lakh crores. Comprising new ideas and restructured schemes, synchronized implementation of the program will be under a monitoring committee, chaired by the Prime Minister himself. As the country is set to leap into the next era of digitization, *MAIT Wire* spoke to industry leaders for their reactions.

“What sets the Digital India Project apart is the fact that it has brought the entire gamut of digitization under one umbrella with specific timelines and deliverables. Industry is pinning big hopes on the assurance that the Prime Minister will closely follow its implementation. This, in my mind, reiterates the clear-cut intention of the government to make this policy successful on ground”, said Ms. Debjani Ghosh, Vice President, MAIT and Vice President Sales and Marketing Group, Managing Director, South Asia, Intel.

The Digital India project has identified nine pillars for growth, as highlighted below, and it is indeed heartening that most of these areas are guaranteed to stimulate manufacturing in India.

By developing broadband highways, the government proposes to include an additional 250,000 gram panchayats under broadband coverage by December 2016, at a cost of Rs. 32,000 crore. Steps are being taken to enhance broadband usage in urban areas as well through virtual network operators for service delivery and mandated communication infrastructure in new building projects.

Ranked amongst the fastest growing telecom markets in the world, India is poised for growth in the area of mobile connectivity. By 2018, the Digital India Program aims to bring 42,300 villages under the banner of *universal mobile connectivity*.

Mr. Alok Ohrie, President and Managing Director, Dell India told *MAIT Wire*, "Digital India comes at a very opportune time. We have clearly reached a point where India's growth story would henceforth depend on technology investments. Broadband reaching villages and towns across the country, would mean increasing access to internet, information, education, healthcare, etc. A proliferation of devices could be expected. This will also pave the way for effective e-governance. One of the main challenges for IT manufacturing in the country is low demand. A growing demand across the country for infrastructure and devices, coupled with a significant exports push would definitely help attract investment in the component manufacturing ecosystem. We don't see 'Digital India' as just a government initiative, rather a big opportunity for all major IT companies in India to partner with the government to install technology as the backbone of all development in this country."



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The National Rural Internet Mission with a fund of Rs. 4,750 crores will aid in setting up common service centres (CSCs) across 2.5 lakh villages. CSCs are to become viable, multi-functional end-points for service delivery by March 2017. *e-Governance and e-Kranti* are set to revolutionize government transactions. Information Technology will be at the core of improving transactions, thereby providing benefits such as online filing of applications, tracking and integrating of all prevailing platforms. This will automatically result in increased efficiency, and will help transform education, healthcare and technology for planning. Another goal is to provide *information to all* through an open data platform that hosts information and documents online.

Electronics manufacturing, with the objective of achieving net zero inputs is a key area of focus in the Digital India program. In his Independence Day speech, the Prime Minister's call for 'Make in India' found resounding support from within the industry. "To cater to the large domestic demand of IT penetration, tapping into the vast resource pool and to develop India specific products and services, it is pertinent to promote domestic manufacturing", said Mr. Amar Babu, President, MAIT and Managing Director, Lenovo India Private Limited.



Creating an IT ready workforce through the *IT for jobs* proposal is another focus area over the next five years. In addition, *early harvest programs* with definite results have been launched. These include sending e-greetings, using IT to send out mass messages, developing smart cities and setting up Wi-Fi in all universities by 2015.

The Digital India undertaking augurs well for the manufacturing sector and the expectation and enthusiasm amongst industry players is palpable. MAIT is committed to liasoning between members and the government to ensure that this mammoth plan translates to actuality on ground.

SPOTLIGHT

INTERACTION: SMART CITIES- THE SMART WAY FORWARD

With Smart Cities becoming an emerging area in the ICT ecosystem today, MAIT organized an interaction between the government and industry to help define an integrated and collaborative approach to smart cities, connected through standardized platforms. Mr. Arvind Gupta, Head IT Cell, BJP shared the government's intent and vision and highlighted the need to provide urban facilities to non-urban areas - a 'Rurban Approach', so as to reduce the burden on current urban cities. Shri Shankar Aggarwal, Secretary, Ministry of Urban Development, Government of India also spoke on the occasion and emphasized that optimum utilization of resources is the need of the hour.



Several industry representatives shared their knowledge and experience on the subject. Dr. Neena Pahuja, Director General, Education & Research Network (ERNET), moderated the Q&A session, where the audience interacted with the speakers. Ms. Valsa Williams, Country Manager, Govt. Affairs & Public Policy, Intel, gave the concluding remarks.



THE INDIA STANDARDS CONCLAVE

MAIT organized the India Standards Conclave that witnessed a huge turnout from the IT sector, government, industry associations as well as testing labs. Dr. Ajay Kumar, Jt. Secretary, Department of Electronics & IT gave a detailed overview of the Requirements for Compulsory Registration Order (CRO) to the audience. He said the Government is making efforts towards reducing compliance processes for the industry.



Mr Sunil Soni, Director General, Bureau of Indian Standards said that products entering the market are coming from a global supply chain and therefore need to be based on global standards. He mentioned that the safety of consumers lies at the heart of the CRO. Mr Keshav Desiraju, Secretary, Ministry of Consumer Affairs said that enormous responsibility rests on those who undertake self-declaration. MAIT proposes to get back with a consolidated report to BIS, DeitY as well as Ministry of Consumer Affairs on recommendations from the industry on CRO. Areas that will be looked at in the report include multiple factory ownership, the possibility of testing prototypes (near final products), aligning the labelling order (yet to be announced) with global standards, reducing the cost of compliance in India and feedback on random market sampling testing versus factory testing.



SME CONCLAVE

MAIT organized the 'MAIT ICT SME (Small and Medium Enterprises) Conclave' in five cities that included Bangalore, Hyderabad, Pune, Ahmedabad and Noida in July and August. The conclaves were organized in association with the Ministry of Communication & IT and the Ministry of Micro Small and Medium Industries (MSME) and were specially designed to bring SMEs from Information and Communication Technology (ICT) companies on one platform. At these conclaves, SMEs were encouraged to share their problems and the government could provide solutions through various schemes and policies.



Speakers in the Conclave represented eminent organizations such as the Department of Electronics & Information Technology (DeitY), Government of India, MSME Development Institute, National Small Industries Corporation (NSIC), Green Electronics Council, among others. Speakers walked the audience through on various Central Government schemes for the electronics & information technology sector.



They broadly explained the National Policy on Electronics 2012 formulated to promote manufacturing & export activities in IT & ITES sectors in India, gave particular focus on the setting up of Greenfield & Brownfield Electronics Manufacturing Clusters in India and also gave references to the Preferential Market Access Scheme (procurement from domestic manufacturers to be not less than 30% annually), the Electronic Development Fund, the Compulsory Registration Order (CRO), and Schemes for supporting MSMEs, National Awards for the ESDM sector and Assistance for skill development.



The audience was also introduced to the EPEAT standards, which is an environment rating & certification standard launched in India on July 23, 2014 and is the definitive global registry for global electronics prevalent in 43 countries.

UPCOMING EVENTS

MAIT RECOGNITION SUMMIT (Bengaluru – November 11, 2014)

MAIT will be organizing its first ever recognition summit to recognize the contributions from the government towards the ICT sector's growth and development in India. In the senior cadre award categories include IT champion, Best IT Person of the Year, IT Industry Critic and Best Women Empowerment Programme. Awards in the mid-level cadre include the Government 2.0 Innovator, Transformational Leader in IT and Best Business Stewardship of the Year for both large business and small and medium businesses.

MAIT CeBIT event (2nd week of November)

MAIT has joined hands with CeBIT, the global benchmark for lead generation and new business development to bring a host of benefits to all those who attend the CeBIT India event under the MAIT pavilion. CeBIT India will feature the top technology brands from around the world, along with a cutting edge conference programme. C-Level and decision making personnel and influencers from across India and the sub-continent will attend CeBIT to procure innovative cutting edge technology solutions to ensure that their companies and enterprises are techno-abled. The dedicated MAIT pavilion at the event will conduct a pre-registration drive, offer special discounted participation rates, have a promotional campaign involving MAIT and its members, have CeBIT India host the MAIT delegation and offer dedicated B2B matching facilities.

MAIT ICT SME Conclave (Chennai, Thiruvananthapuram, Kochi; November 15-Dec 31, 2014)

Organized in partnership with the Department of Electronics & Information Technology (DeitY), Ministry of Micro Small and Medium Industries (MSME) and National Small Industries Corporation (NSIC), the MAIT ICT SME conclave is designed to bring ICT SMEs, Government and Companies together. This conclave will serve as a platform where SMEs can share their problems and Government will provide solutions through various schemes and policies.

Digital India Conclave (New Delhi, November 20, 2014)

The conclave will be centered on the Government of India's Digital India Program that aims at transforming India into a digitally empowered society and knowledge economy. The Conclave will focus on the three pillars of Digital India - Digital Infrastructure, Digital Governance and Digital Empowerment and will provide an excellent platform for ISPs, IT Solution companies, IT Hardware companies and Consultancy firms to share best practices and explore new business opportunities in specific areas.

National Workshop on ESDM – Creating Manufacturers of Tomorrow (Mumbai, December 19, 2014)

This workshop will be organized in partnership with DeitY, MSME and NSIC and is aimed at motivating traders to become manufacturers in India.

PERSPECTIVE

AN ASSESSMENT: MAIT-SME CHAPTER

Mr. Rahul Gupta, Chairman, SME Chapter, MAIT
and Managing Director of Smile Security and Surveillance Pvt. Ltd.



Local manufacturing in Information Technology (IT) and Electronics has tremendous potential in India and the Small and Medium Enterprise (SME) sector can significantly contribute towards this segment. The fact is that the entire gambit of IT manufacturing does not involve just

laptops, computers, smart phones, tablets and personal computers. There are many more electronic products and sub-assemblies required in the country. In fact, for some of these high technology sub-assemblies and products, India has the capability to perform better than China, currently dubbed as the hub of manufacturing. While China can achieve produce in mass quantities, I am of the opinion that India has the capability to manufacture highly specialized products and sub-assemblies, which can also be exported.



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The government has launched many new schemes and a thorough Electronic System and Design Manufacturing (ESDM) policy to boost local manufacturing and also facilitate the SME sector. Yet the problem is most SME companies are unaware of these schemes. It is for this reason that I applaud MAIT for rolling out the MAIT-SME chapter as it has initiated the process of bringing SME sector IT manufacturers into the main stream. Some notable initiatives undertaken by the MAIT-SME chapter are given below:

- Informing SME manufacturers of the several schemes that have been launched and facilitating funding / investment for their growth.
- Providing tender notifications and creating business opportunities.

- Creating a special MAIT SME portal where all SME members can be represented. This fosters interaction amongst various players in the SME space and encourages them to conduct business amongst themselves.
- Assisting SME's to find suitable, qualified manpower by providing them a platform on the portal to post jobs and access CV's posted by candidates and educational institutions.
- Supporting SME organizations in representing themselves to government departments.

ABOUT MAIT

Set up in 1982 for purposes of scientific, educational and IT Industry promotion, MAIT is today an influential and dynamic organization. Representing hardware, training, R&D, hardware design and other associated service segments of the Indian IT industry, MAIT's charter is to develop a globally competitive Indian IT industry. MAIT works to promote the usage of IT in India, strengthen the role of IT in national economic development, promote business through international alliances, promote quality consciousness in the IT industry and transform the Indian IT industry into a World Scale Industry leading to a World Class Usage and thus a World Size Market.



The MAIT-SME chapter is committed to spurring growth across the SME landscape. Going forward we would like to focus on the following areas, amongst others:

- Educating SME's on possible manufacturing of products and sub-assemblies
- Developing testing labs and testing standards for products that do not have standards and facilities available in India
- Collaborating with Taiwan, Japan and other countries towards establishing joint ventures with Indian SME companies for local manufacture
- Assisting in identification of SME manufacturers who can become part of the ESDM eco-system and bring them to identified manufacturing clusters

WE WOULD LIKE TO TAKE THIS OPPORTUNITY TO WELCOME OUR NEWEST MEMBERS

SanDisk India Device Design Centre Pvt.Ltd.
www.sandisk.in

ASUS India Pvt. Ltd.
www.asus.com/in

TUV Rheinland (India) Pvt Ltd

Vidarbha Computers & Media Dealer's Welfare Association
www.vcmdwa.org

Jasper Infotech Pvt Ltd (Snapdeal)
www.snapdeal.com

SynInfoway& Ventures Ltd
www.equityventuring.com

All Delhi Computer Traders Association
www.adcta.com

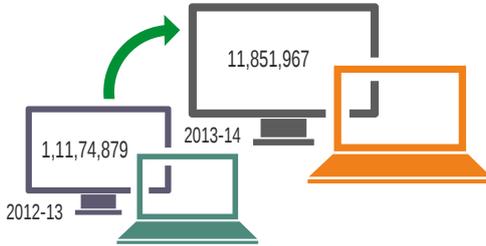
ESY Tech Resources India Pvt Ltd
www.esy.co.in

RDP Work Stations Pvt Ltd
www.rdp.in

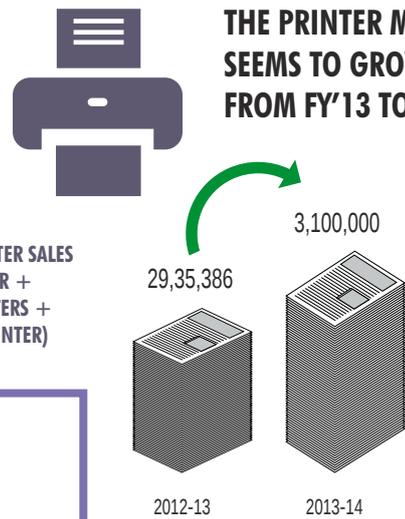
Apple India Private Limited
www.apple.com/in

INDUSTRY TRACKER

OVERALL PC MARKET IS HAVING A GROWTH OF 6% IN FY'14

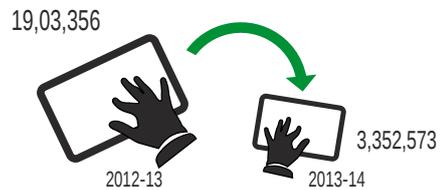


THE PRINTER MARKET SEEMS TO GROW BY 6% FROM FY'13 TO FY'14...



TREND OF PRINTER SALES (INK JET PRINTER + LASER JET PRINTERS + DOT MATRIX PRINTER)

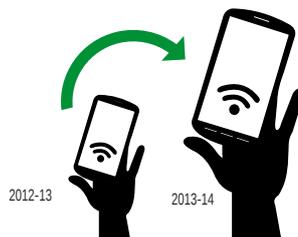
TABLET PC MARKET IS SLOWING DOWN WITH AN EXPECTED GROWTH RATE OF 76% IN FY'14



TREND OF TABLET PC SALES

SMARTPHONE PC MARKET HAS GROWN BY 244% IN FY'14

TREND OF SMARTPHONE SALES



DOMESTIC PRODUCTION VALUES – Q3 VS. Q4

PRODUCTION DATA INCLUDES THE MANUFACTURING, ASSEMBLY AND INVENTORY CARRIED

IT hardware products	Total Domestic Production & Inventory carried in India during Q2 FY'14 (in INR Crore)	Total Domestic Production & Inventory carried in India during Q3 FY'14 (in INR Crore)	Total Domestic Production & Inventory carried in India during Q4 FY'14 (in INR Crore)
Desktop	3,399	2,022	2,724
Monitors #	1,100	955	1,088
Keyboards # #	102	92	53
Notebook/Laptops	2,858	3,526	4,273
Smart phone	4,326	3,087	16,235
Tablet PC	992	841	1,228
Servers	-	201	129
Printers (IJP + LJP)	-	665	366

Methodology for Calculation:
 $\Sigma \text{Production} + \Sigma \text{Import} = \Sigma \text{Export} + \Sigma \text{Sales}$ Thus, $\Sigma \text{Production} = \Sigma \text{Sales} - \Sigma (\text{Imports-Exports})$

The production value is calculated based on the EXIM and the Sales value. It is not based out of the followings –
 - Unit cost of production
 - Depreciation of Inventory
 - The Logistics cost

IMPORT & EXPORT VALUE OF PRODUCTS – Q2 VS. Q3

IMPORTS			EXPORTS		
IT hardware products	Import Asset Value in Q2 (in INR Crore)	Import Asset Value in Q3 (in INR Crore)	IT hardware products	Import Asset Value in Q2 (in INR Crore)	Import Asset Value in Q3 (in INR Crore)
Desktop	22.9	176.61	Desktop	2.41	10.79
Monitors #	18.0	286.7	Monitors #	0.10	0.73
Keyboards # #	9.1	15.5	Keyboards # #	0.29	0.11
Notebook/Laptops	3,488.6	1743	Notebook/Laptops	16.49	10.89
Smart phone	10,000.0	3,445	Smart phone	50.00	973.92
Tablet PC	516.17	513.45	Tablet PC	32.73	10.59
Servers	774.7	38.32	Servers	16.42	22.47
Storage Systems # # #	493.4	561.61	Storage Systems # # #	13.46	33.74
Printers (IJP + LJP)	525.3	226.21	Printers (IJP + LJP)	9.89	3.09

IMPORT & EXPORT VALUE OF PRODUCTS – Q3 VS. Q4

IMPORTS			EXPORTS		
IT hardware products	Import Asset Value in Q3 (in INR Crore)	Import Asset Value in Q4 (in INR Crore)	IT hardware products	Import Asset Value in Q3 (in INR Crore)	Import Asset Value in Q4 (in INR Crore)
Desktop	176.61	113.92	Desktop	10.79	33.19
Monitors #	286.7	164.16	Monitors #	0.73	3.26
Keyboards # #	15.5	36.35	Keyboards # #	0.11	0.21
Notebook/Laptops	1743	1342.94	Notebook/Laptops	10.89	7.92
Smart phone	3,445	4449.14	Smart phone	973.92	1016.54
Tablet PC	513.45	254.55	Tablet PC	10.59	7.85
Servers	38.32	248.82	Servers	22.47	23.39
Printers (IJP + LJP)	226.21	465.94	Printers (IJP + LJP)	3.09	4.37

- Includes monitors that is sold with Desktops

- Includes keyboards that is sold with Desktops

- Storage devices include Storage Area Networks (SAN), Disk Attached Storage (DAS), Network Attached Storage (NAS), Flash drives and External HDD

CONGRATULATIONS



SHRI ASHOK LAVASA
Secretary Forests and Environment



SHRI GOKUL CHANDRA PATI
Chief Secretary of Orissa



SHRI K V CHOWDARY
Chairman
Central Board of
Direct Taxes (CBDT)



SMT. SHAKUNTLA JAKHU
Chief Secretary of Haryana



SHRI SHANKAR AGARWAL
Secretary
Urban Development



SHRI SUNIL ARORA
Secretary, Skill Development



SHRI SWADHEEN S KSHATRIYA
Chief Secretary of Maharashtra



SHRI RAJIV SHARMA
1st Chief Secretary
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THE FIRST GOVT OWNED NABL ACCREDITED RoHS TESTING FACILITY



Centre for Materials for Electronics Technology (C-MET) has established first Govt. owned NABL accredited Restriction of Hazardous Substance (RoHS) testing facility for the RoHS compliance of various products given in the scope. Ministry of Environment and Forest (MoEF) has enacted e-waste rule (Management and Handling) which is effective from May 2014. As per the rule, the hazardous substances such as Lead (<1000 ppm), Cadmium (<100 ppm), Hexavalent Chromium (<1000 ppm), Mercury (<1000 ppm), Polybrominated Biphenyls (<1000 ppm), Polybrominated Diphenyl ethers (<1000 ppm) are restricted. All manufacturers and suppliers should ensure the RoHS compliance of their chemicals, products, systems etc. as per e-waste rule 2011 before releasing in to the Indian market or export to certain countries.



SCOPE

- ❖ Large household appliances
- ❖ Small household appliances
- ❖ IT & Telecommunications equipment
- ❖ Consumer equipment
- ❖ Lighting equipment
- ❖ Electronic and electrical tools
- ❖ Toys, leisure and sports equipment
- ❖ Medical devices
- ❖ Monitoring and control instruments
- ❖ Automatic dispensers
- ❖ Semiconductor devices.

Testing facilities established with SOPs as per IEC 62321:2008-2011



EDXRF



GC-MS



ICP-MS



ICP-OES



IC



UV-VIS



AAS



MDS



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