

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

STARRED QUESTION NO:97
ANSWERED ON:02.03.2016
Manufacture of Electronic Goods
Verma Shri Anshul

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) the details of the branded electronic products manufactured indigenously in the country, State-wise;
- (b) whether the indigenous manufacturing of the electronic products is insufficient to meet the demand, if so, the details thereof; and
- (c) the steps taken by the Government to promote domestic research and development for manufacturing of electronic products in the country?

Answer

(a) to (c): A Statement is laid on the Table of House.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. *97 FOR 02.03.2016 ON MANUFACTURE OF ELECTRONIC GOODS

(a): The total production of electronic goods during 2012-13, 2013-14, and 2014-15 (estimated), based on the figures provided by the respective Electronics Industry Associations, is as under:

Year Indigenous Production of Electronics
(in Rupees Crore)

2012-13 1,64,172
2013-14 1,80,454
2014-15 1,90,366

Source: Annual Report 2014-15 of the Department of Electronics and Information Technology (DeitY), Government of India

(b): The total import of electronic goods during 2012-13, 2013-14, and 2014-15, as per figures of Directorate General of Commercial Intelligence and Statistics (DGCIS) is as under:

Year Import of Electronics
(in Rupees Crore)

2012-13 1,79,000
2013-14 1,95,900
2014-15 2,25,600

The comparison of total production with import of electronic goods suggests that the indigenous production of electronic goods is not sufficient to meet the domestic demand.

(c): Steps taken by the Government to promote domestic research and development for manufacturing of electronic products in the country are as under:

(i) An Electronics Development Fund (EDF) has been set up as a "Fund of Funds" to participate in professionally managed "Daughter Funds" which in turn will provide risk capital to companies developing new technologies in the area of electronics, nano-electronics and Information Technology (IT). The EDF will also help attract venture funds, angel funds and seed funds towards Research and Development (R&D) and innovation in the specified areas. It will help create a battery of Daughter funds and Fund Managers who will be seeking good start-ups (potential winners) and selecting them based on professional considerations. Government has appointed CANBANK Venture Capital Funds Ltd. (CVCFL) as Fund Manager of the EDF.

(ii) To promote Electronics System Design and Manufacturing (ESDM) in the country and develop national capability in ESDM, following three Centres of Excellence in specific areas have been launched:

- (a) National Centre for Flexible Electronics (NCFlexE) at IIT Kanpur
- (b) National Centre of Excellence in Technology for Internal Security (NCETIS) at IIT Bombay
- (c) Centre of Excellence for Internet of Things at NASSCOM Bengaluru

(iii) The Department of Electronics and Information Technology (DeitY) promotes R&D in Industrial electronics, Micro Electronics, Nano Electronics, Agri-electronics and in Medical Electronics by supporting academic institutions / R&D organisations / Societies etc. DeitY also provides funding under several schemes for promotion of R&D, including Support for International Patents in Electronics & IT (SIP-EIT); Multiplier Grants Scheme (MGS) and Scheme for Technology Incubation and Development of Entrepreneurs (TIDE) in the area of Electronics, ICT and Management.

The R&D supported by DeitY has resulted in the Transfer of Technologies to various companies for commercialization. Some of the major outcomes of domestic R&D efforts are as under:

- (a) Wireless Traffic Control System
- (b) Red light Violation Detection System
- (c) Medical Linear Accelerator (LINAC) System
- (d) Microwave Hospital Disinfectant System
- (e) Digital Programmable Hearing Aid

(iv) DeitY also supports projects in the thrust areas of Advanced Communication, Convergence and Broadband Technologies with a focus on indigenous technology development. Two of the major technologies that have been recently developed and transferred to industry to enable manufacturing are:

- (a) Software Defined Radio for Naval Communication (SDR-NC), and
- (b) TETRA - Terrestrial Trunked Radio technology for usage by Police and Army

(v) Under a project funded by the DeitY, M/s. ByDesign, Bangalore, was selected and awarded the task for development and implementation of Indian Conditional Access System (iCASTM) in association with the Centre for Development of Advanced Computing (C-DAC) on 05.11.2014, with technical specifications best in class in the world. The Development Stage of iCASTM was successfully completed on 14.11.2015. The iCASTM is available to domestic Set Top Box (STB) manufacturers at a price of USD 0.5 per license for a period of three years as against market price of USD 4-5 per license for other competing products.

(vi) Modified Special Incentive Package Scheme (M-SIPS) provides financial incentives to offset disability and attract investments in the electronics hardware manufacturing. The scheme provides subsidy for investments in capital expenditure - 20% for investments in Special Economic Zones (SEZs) and 25% in non-SEZs. The capital expenditure will be the total of capital expenditure on land (not exceeding 2% of the capital expenditure), building, plant and machinery and technology including R&D. So far, 179 proposals with investment value of Rs.1,20,294 crores have been received under M-SIPS. Out of the total proposals received, 70 proposals with investment value of Rs. 17,756 crores have been approved/ recommended till date.

(vii) Electronics Manufacturing Clusters (EMC) Scheme provides financial support for creation of world class infrastructure for setting up of EMCs across the country. For Greenfield EMC, financial assistance of 50% of the project cost, subject to a ceiling of Rs.50 crore for 100 acres of land and for Brownfield EMC, 75% of the cost of infrastructure, subject to a ceiling of Rs. 50 crore is provided as Grant. So far, DeitY has accorded final approval to 7 Greenfield EMCs and 1 Common Facility Centre (CFC) in Brownfield EMC and In-principle approval to 17 Greenfield EMCs and 3 CFCs in Brownfield EMCs.
