

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA
UNSTARRED ADMITTED QUESTION NO. 188
TO BE ANSWERED ON 18.07.2018

MANUFACTURING OF ELECTRONIC ITEMS

188. SHRI JUGAL KISHORE:

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

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

ANSWER

MINISTER OF STATE FOR ELECTRONICS AND INFORMATION
TECHNOLOGY
(SHRI S.S. AHLUWALIA)

(a) to (c): Indigenously manufactured branded (Foreign and Indian) electronic items are available across various sub-sectors viz., Consumer electronics; Mobile handsets; Industrial electronics; LED lighting products; Computers, peripherals and related products; Communication & Broadcasting equipment; Strategic electronics and Components. The major brands which are involved in indigenous manufacturing of some of the key segments of electronic items are given below:

- Consumer electronic items: LG, Samsung, Panasonic, Haier, Philips, Videocon, Onida, T-Series, Onkyo, Sonodyne, Ahuja, Ajanta, etc.
- Mobile handsets: Apple, Samsung, Nokia (TNS), Lava, Vivo, Oppo, Huawei, Micromax, Sony, LG, HTC, Karbonn, Xiaomi, Lenovo, Motorola, Intex, etc.
- LED lighting products: Philips, Bajaj, Crompton, Eveready, Havells, Osram, Halonix, Surya, Wipro, etc.
- Computers, peripherals & related products: Acer, HP, Dell, Lenovo, Cisco, Samsung, Datamini, LG, Lipi, TVSE, Smart Link, Prysm, etc.

While the indigenous manufacturing of electronic items is not sufficient to meet the domestic demand, it is increasingly being met out of domestic production. As a result of initiatives taken by the Government under the aegis of National Policy on

Electronics, 2012, the domestic production of electronic items has increased substantially from Rs.1,90,366 crore in 2014-15 to Rs.3,87,525 crore in 2017-18, at a Compound Annual Growth Rate (CAGR) of 26.7%.

(d): Government has taken following steps to promote the domestic research and development (R&D) for manufacturing of electronic items in the country:

- (i) Ministry of Electronics and Information Technology (MeitY) provides grant-in-aid support to institutes of higher learning like IITs, IISc, Central Universities and R&D Organizations to conduct research in identified thrust areas. These research programmes are aimed to deliver proof of concept, technology/ product development and transfer of technology. During the last three years, several research initiatives have been taken in these areas. These research programmes also result in generation of specialized manpower to support “Make in India”.
- (ii) Keeping in view the huge indigenous requirement on account of roadmap for digitalization of the broadcasting sector, a Conditional Access System (iCAS) has been developed in Public-Private Partnership mode to promote indigenous manufacturing of Set Top Boxes (STBs). The iCAS is available to domestic STB manufacturers at a price of USD 0.5 per license for a period of three years, as against market price of USD 3-5 per license for other competing products. The implementation of iCAS in the cable networks is underway.
- (iii) An Electropreneur park has been set up in New Delhi for providing incubation for development of Electronic System Design & Manufacturing (ESDM) sector which will contribute IP creation and Product Development in the sector.
- (iv) National Centre of Excellence in Large Area Flexible Electronics (NCFLEX) has been set up in IIT-Kanpur with the objectives to promote R&D; Manufacturing; Ecosystem; Entrepreneurship; International Partnerships and Human Resources and develop prototypes in collaboration with industry for commercialization.
- (v) National Centre of Excellence for Technology on Internal Security (NCETIS) has been set up at IIT-Bombay with the objective to address the internal security needs of the nation on continuous basis by delivering technology prototypes required for internal security and to promote domestic industry in internal security.
- (vi) Centre for Excellence on Internet of Things (IoT) has been set up in Bengaluru jointly with NASSCOM.
- (vii) An Incubation centre with focus on medical electronics has been set up at IIT-Patna.
- (viii) As per extant FDI policy, FDI upto 100% under the automatic route is permitted for electronic product manufacturing, including R&D therein, subject to applicable laws/ regulations; security and other conditions.
- (ix) 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). This fund is expected to foster R&D and innovation in these technology sectors. Twenty two Daughter Funds have been approved for investment through EDF.

- (x) Government also initiated Visvesvaraya PhD Scheme in the Electronics System Design and Manufacturing (ESDM) and IT/ ITES areas to give thrust to research & development, create an innovative ecosystem and enhance India's competitiveness in these knowledge intensive sectors. The Scheme was initiated in the Year 2014 with a budget outlay of Rs.466 crores for nine years. At present, 967 Full Time and 178 Part-Time PhD Scholars at 94 academic institutions across the country are pursuing PhD under the Scheme.
- (xi) To offset disability and attract investments in electronics manufacturing, Modified Special Incentive Package Scheme (M-SIPS) was launched by the Government in July 2012. The scheme has been suitably amended from time to time. The scheme mainly provides 20-25% subsidy for investments in capital expenditure for setting up of an electronic manufacturing facility (20% for SEZ Units and 25% for non-SEZ Units). The incentives are available for 44 categories of electronic products and product components. Under the scheme, expenditure on captive research and development including associated software costs and software license fees; purchase of technology, IPRs, patents, copyrights is treated as part of the capital expenditure.
