

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA
UNSTARRED QUESTION NO. 553
TO BE ANSWERED ON 16.09.2020

BANNING OF CHINESE APPs

553. DR. SUKANTA MAJUMDAR:
SHRI VINOD KUMAR SONKAR:
SHRI BHOLA SINGH:
SHRIMATI SANGEETA KUMARI SINGH DEO:
SHRI RAJA AMARESHWARA NAIK:
DR. JAYANTA KUMAR ROY:

Will the Minister of Electronics and Information Technology be pleased to state:

- (a) whether the Government has banned a large number of Chinese apps that were allegedly engaged in activities prejudicial to the sovereignty and integrity, defence and security of the country and if so, the details thereof;
- (b) whether the Government has received any complaints that the earlier banned Chinese apps including TIKTOK are still working in the country and if so, the reaction of the Government thereto;
- (c) whether the Government has excluded Chinese companies out of contracts including for its 5G network infrastructure;
- (d) if so, the details thereof along with the other steps being taken by the Government in this regard; and
- (e) the other steps taken/being taken by the Government to promote Indian Electronics and IT sector?

ANSWER

MINISTER OF STATES FOR ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI SANJAY DHOTRE)

- (a): Yes, Sir. A total of 224 mobile applications have been blocked by the Government of India under the provisions of section 69A of Information Technology Act 2000 and its rules namely “The Information Technology (Procedure and Safeguards for Blocking for Access of Information for Public) Rules, 2009”. These mobile applications were blocked primarily in the interest of sovereignty and integrity of India and defence of India and due to national security concerns linkage with any country may not be disclosed in public domain.
- (b): Blocking of App for public access is a dynamic process. Ministry of Electronics and Information Technology has not been reported of availability of blocked app including Tik Tok.
- (c): There is no such proposal under consideration with Government.
- (d): Does not arise.

(e): The steps taken/being taken by the Government to promote Indian Electronics and IT sector are placed at Annexure I and II, respectively.

Annexure – I

Steps taken by the Government to promote domestic electronics manufacturing

1. **National Policy on Electronics 2019:** The National Policy on Electronics 2019 (NPE 2019) has been notified on 25.02.2019. The vision of NPE 2019 is to position India as a global hub for Electronics System Design and Manufacturing (ESDM) by encouraging and driving capabilities in the country for developing core components, including chipsets, and creating an enabling environment for the industry to compete globally.

To attract and incentivize large investments in the electronics value chain and promote exports, following three Schemes have been notified under the aegis of NPE 2019:

(i) **Production Linked Incentive Scheme (PLI)** for Large Scale Electronics Manufacturing notified vide Gazette Notification No.CG-DL-E-01042020-218990 dated April 01, 2020 shall extend an incentive of 4% to 6% to eligible companies on incremental sales (over base year) involved in mobile phone manufacturing and manufacturing of specified electronic components, including Assembly, Testing, Marking and Packaging (ATMP) units.

(ii) **Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS)** notified vide Gazette Notification No.CG-DL-E-01042020-218992 dated April 01, 2020 shall provide financial incentive of 25% on capital expenditure for the identified list of electronic goods that comprise downstream value chain of electronic products, i.e., electronic components, semiconductor/display fabrication units, ATMP units, specialized sub-assemblies and capital goods for manufacture of aforesaid goods.

(iii) **Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme** notified vide Gazette Notification No.CG-DL-E-01042020-218991 dated April 01, 2020 shall provide support for creation of world class infrastructure along with common facilities and amenities, including Ready Built Factory (RBF) sheds / Plug and Play facilities for attracting major global electronics manufacturers along with their supply chain to set up units in the country. The Scheme shall provide financial assistance for setting up of both EMC projects and Common Facility Centres (CFCs) across the country.

2. **100% FDI:** As per extant Foreign Direct Investment (FDI) policy, FDI up-to 100% under the automatic route is permitted for electronics manufacturing (except from countries sharing land border with India), subject to applicable laws/ regulations; security and other conditions.

3. **Modified Special Incentive Package Scheme (M-SIPS):** The Scheme was notified on 27th July, 2012 to provide financial incentives to offset disability and attract investments in the electronics manufacturing sector. It was amended in August, 2015 to extend the period of the scheme, enhance scope of the Scheme by including 15 more product verticals, and attract more investment. The scheme was further amended in January, 2017 to expedite the investments. The scheme provides subsidy for capital expenditure - 20% for investments in Special Economic Zones (SEZs) and 25% in non-SEZs. The incentives are available for 44 categories / verticals of electronic products and components covering entire electronics manufacturing value chain. The Scheme was open to receive applications till 31.12.2018 and is in the implementation mode.

4. **Electronics Manufacturing Clusters (EMC) Scheme:** Electronics Manufacturing Clusters Scheme was notified on 22nd October, 2012 to provide support for creation of world-class infrastructure along with common facilities and amenities for attracting investment. Under the Scheme, 20 Greenfield EMCs and 3 Common Facility Centres (CFCs) measuring an area of 3,565 acres with total project cost of INR 3,898 crore including Government Grant-in-Aid of INR 1,577 crore have been approved.

5. **Electronics Development Fund (EDF):** 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 startups and companies developing new technologies in the area of electronics and Information Technology (IT). This fund is expected to foster R&D and innovation in these technology sectors. INR 659 crore has been committed through EDF to 11 Daughter Funds with a targeted corpus of INR 5,500 crore.

6. **Phased Manufacturing Programme (PMP)** has been notified to promote domestic value addition in mobile handsets and their sub-assemblies / parts manufacturing. As a result, India has rapidly started attracting investments into this sector and significant manufacturing capacities have been set up in the country. The manufacturing of mobile handsets has been steadily moving from Semi Knocked Down (SKD) to Completely Knocked Down (CKD) level, thereby progressively increasing the domestic value addition.

7. **Tariff Structure** has been rationalized to promote domestic manufacturing of electronic goods, including, *inter-alia*, Cellular mobile handsets, Televisions, Electronic components, Set Top Boxes for TV, LED products and Medical electronics equipment.

8. **Exemption from Basic Customs Duty on capital goods:** Notified capital goods for manufacture of specified electronic goods are permitted for import at “NIL” Basic Customs Duty.

9. **Simplified import of used plant and machinery:** The import of used plant and machinery having a residual life of at least 5 years for use by the electronics manufacturing industry has been simplified through the amendment of Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, vide Ministry of Environment, Forest and Climate Change Notification dated 11.06.2018.

10. **Relaxing the ageing restriction:** The Department of Revenue vide Notification No.60/2018-Customs dated 11.09.2018 has amended the Notification No.158/95-Customs dated 14.11.1995, relaxing the ageing restriction from 3 years to 7 years for specified electronic goods manufactured in India and re-imported into India for repairs or reconditioning.

11. **Public Procurement (Preference to Make in India) Order:** To encourage ‘Make in India’ and to promote manufacturing and production of goods and services in India with a view to enhancing income and employment, 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 dated 15.06.2017 and subsequent revisions vide Orders dated 28.05.2018, 29.05.2019 and 04.06.2020. In furtherance of the aforesaid Order, MeitY has notified 13 Electronic Products viz., Desktop PCs, Laptop PCs, Thin Clients, Tablet PCs, Computer Monitors, Dot Matrix Printers, Contact and Contactless Smart Cards, LED Products, Biometric Access Control / Authentication Devices, Biometric Finger Print Sensors, Biometric Iris Sensors and Servers vide Notification dated 07.09.2020.

12. **Compulsory Registration Order (CRO):** MeitY has notified “Electronics and Information Technology Goods (Requirement of Compulsory Registration) Order, 2012” for mandatory compliance to ensure safety of Indian citizens by curbing import of substandard and unsafe electronic goods into India. 44 Product Categories have been notified under the CRO.

13. **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.

14. **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.

National Centre of Excellence for Next Generation AMOLED Displays, OLED Lighting and OPV Products has been set up at IIT-Madras with a mandate to collaborate with stakeholders to develop next-generation, state-of-the-art, high-volume and cost effective electronic components based on organic devices to address requirements through joint technology developments, to realize indigenous technologies for manufacturing.

Annexure – II

Steps taken for IT Sectors

The Government has notified the National Policy on Software Products-2019 on February 28, 2019 with an aim to develop India as the global software product hub, driven by innovation, improved commercialization, sustainable Intellectual property (IP), promoting technology start-ups and specialized skill sets, for development of the sector, based on ICT. The objective of the policy is to create a robust Indian Software Product development ecosystem leading to ten-fold increase in India share of the Global Software product market and so as to generate direct and in-direct employment for 3.5 million people by 2025.

The salient features of the Policy are as follows:

- 1) To promote creation of a sustainable software product industry leveraging India's strength in IT so as to create disruptive innovations and cutting edge technologies.
- 2) To build domestic market and leverage the Software Products to increase productivity of Indian SMEs thus raising their competitiveness.
- 3) To create a software product ecosystem for transforming social sectors like healthcare, education, agriculture, rural and urban infrastructure.
- 4) To support the software product industry by way of ease of doing business enhanced market access and improved R&D and innovation ecosystem.
- 5) To create a specialized talent pool conversant with nuances of software product development that can support the growth of software product industry.
