

**GOVERNMENT OF INDIA
MINISTRY OF COMMUNICATIONS
DEPARTMENT OF TELECOMMUNICATIONS**

**LOK SABHA
UNSTARRED QUESTION NO.1831
TO BE ANSWERED ON 27TH JULY, 2016**

R&D IN TELECOM

1831. SHRI ANANDRAO ADSUL:
SHRI SHRIRANG APPA BARNE:
DR. SHRIKANT EKNATH SHINDE:
SHRI VINAYAK BHAURAO RAUT:

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether the Union Government has proposed to set up three funds with a combined corpus of Rs.17,500 crore to boost local research and manufacturing of telecom products;
- (b) if so, the details thereof along with the Governing bodies for the funds;
- (c) the extent to which it is likely to cut dependence on imports at a time when the current account deficit has widened to a record and is also likely to reduce security concerns posed by such imports, particularly from China; and
- (d) the details of plan prepared for utilization of corpus funds?

ANSWER

**THE MINISTER OF STATE (IC) OF THE MINISTRY OF COMMUNICATIONS &
MINISTER OF STATE IN THE MINISTRY OF RAILWAYS
(SHRI MANOJ SINHA)**

(a) to (d) The Working Group for the Telecom sector in the 12th Plan had proposed to create the following three funds with a total corpus of Rs. 17,500 Crore for promoting Research & Development (R&D) and manufacturing of telecom equipments during the 12th Five Year Plan period:

- Telecom Manufacturing Promotion Fund (TMPF) of Rs. 10,000 Crore
- Telecom Entrepreneurship Promotion Fund (TEPF) of Rs. 2,500 Crore
- Telecom Research Development Fund (TRDF) of Rs. 5,000 Crore

However, the Cabinet on 10th December 2014 approved a proposal of DeitY (Department of Electronics and Information Technology) to establish an Electronic Development Fund (EDF). The EDF is a Venture Capital Fund in the nature of "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 including telecommunications, nano-electronics and Information Technology. The EDF will also help attract venture funds, angel funds and seed funds towards R&D and innovation in the specified areas. Setting up of EDF is one of the important strategies which would enable creating a vibrant ecosystem of innovation and research and development. Since the EDF would also take care of R&D and manufacturing of telecom products, the proposal to set up three separate funds was dropped.
