



सत्यमेव जयते

**GOVERNMENT OF INDIA**  
Department of Information Technology  
Ministry of Communications &  
Information Technology

# ***ELECTRONICS*** ***e-NEWSLETTER***

.... For Electronics System Design & Manufacturing (ESDM) Sector

**Vol 2 | December 2011**

- Draft National Telecom Policy- 2011 released
- Cabinet approves National Optical Fibre Network
- National Manufacturing Policy approved
- C-DOT transfers GPON technology

## From Chief Editor's Desk



Dear Readers,

Electronics e-Newsletter was initiated last month as an official publication from Department of Information Technology to serve as medium to communicate Government policies and proposed initiatives to all stakeholders and provide information on other major developments in ESDM sector. The feedback to the first edition released last month has been encouraging.

The month of November saw several policy decisions which bring good news for the ESDM sector. I would specifically mention two: first the National Manufacturing Policy, which will provide an ecosystem favourable for manufacturing; second, the National Optical Fibre Programme (NoFP), which proposes to provide optical fibre network to all Panchayats in the country. The NoFP is estimated to cost approximately Rs 20,000 crore, to be implemented in twenty-four months.

Let me wish all readers a very Merry Christmas and a Very Happy 2012. Let 2012 be a year of all round growth for the ESDM sector.

Dr. Ajay Kumar  
Chief Editor

## Draft National Telecom Policy- 2011 released

Draft National Policy 2011 was released by Shri Kapil Sibal, the Union Minister of Communications and Information and Human Resource Development on October 10, 2011. The policy envisions an affordable, reliable and secure telecommunication and broadband services across the country, increase in rural teledensity from 35 to 100 by 2020, provide broadband on demand and 600 million connections by 2020, One nation - one license and one nation - free roaming to citizens, besides additional 300 MHz spectrum by 2017 and another 200 MHz by 2020 to be made available. The provisions provide for Seamless voice, data, multimedia and broadcasting services on converged networks and to have 80% telecom sector demand met through domestic manufacturing with a value addition of sixty five percent by 2020.

The Policy provides great thrust on development of domestic manufacturing of telecom equipment and are of specific interest. Three of the five Missions of the draft Policy underscore the need for domestic manufacturing. The relevant Missions are extracted as follows. (i) Make India a global hub for telecom equipment manufacturing and provisioning of converged services (ii) To promote R&D and Product Developments in cutting edge ICTE technologies and services for meeting the domestic security needs and worldwide market. And (iii) To promote development of new standards and generation of IPRs to make India a leading nation in the area of telecom standardization, especially among Asia Pacific countries.

More specifically, the draft Policy sets a target of domestic production of telecom equipment to meet 80% Indian telecom demand with a value addition of 65% by the year 2020. It may be mentioned that the domestic demand is estimated to be of the order of Rs 2,50,000 crores by 2018. It also proposes to provide preferential market access for domestically manufactured telecommunication equipment including mobile devices, SIM cards with enhanced features etc. with special emphasis on Indian products for which IPR reside in India to address strategic and security concerns of Government, consistent with international commitments.

Some of the other initiatives included in the draft Policy include setting up of a council consisting of experts from Telecom Service Providers, Telecom Manufacturing Industry, Government, Academia and R&D institutions to technology and product development in the sector; to encourage young entrepreneurs by making available needed funding (pe-venture and venture capital), management and mentoring; to assist entrepreneurs to develop and commercialize Indian products, ..... **contd. 2**

## • National Manufacturing Policy approved

## • Prime Minister emphasizes on domestic manufacturing

**Draft National.....contd. from page 1**

... to create a fund to promote indigenous R&D and IPR creation, entrepreneurship, manufacturing, commercializing and deployment of state-of-the art telecom products and services; and to promote setting up of Telecommunications Standards Development Organization as an autonomous body with participation from industry, R&D centres, service providers and academia to drive consensus regarding national requirements on standards; to mandate testing and certification of all telecom products for conformance, performance, interoperability, health, safety, security, EMF/EMI/EMC etc. to ensure safe-to-connect and seamless functioning in the existing and future networks; to create suitable testing infrastructure; to incentivize export of telecom equipment and to facilitate soft credit to Indian product manufacturers for domestic deployment of exports.

The draft NTP-2011 is available on website of Department of Telecommunications ([www.dot.gov.in](http://www.dot.gov.in)).

**Flexi-time M.Tech program in VLSI & Embedded System Design**

RV-VLSI Design Center, Bangalore and JSS Mahavidyapeetha, Mysore have joined hands with IGNOU) to offer a M.Tech program in VLSI and Embedded System Design. Students with degrees in BE/B.Tech, in Computer Sciences, Electronics, Telecommunications, IT, ISE and Electrical, MSc (Computer Science), MSc (IT), are eligible for the M.Tech program.

While the first and fourth semesters will be conducted at RV-VLSI, Bangalore, the second and third semesters will be at the JSS Academy of Technical Education, Bangalore. The degrees will be awarded by IGNOU for this regular flexi-time course.

**Prime Minister emphasizes need for domestic capabilities for manufacturing**

Dr. Manmohan Singh, Hon'ble Prime Minister has stressed on the need for development and manufacture of telecom equipments for our needs. He was speaking at the "India Telecom" at New Delhi. Dr. Manmohan Singh said that, "While telecommunication networks could be set up with imported equipment, it becomes a concern when a large telecom network in a country like ours requires continuous large imports. Keeping in view the growth potential for the manufacture of telecom equipment in our country and our strategic and security interests, there is an urgent need to give impetus to domestic Research & Development and manufacturing in the telecom sector."

India is the fastest growing telecom market in the world, with the addition of over 18 million subscribers every month. The penetration of wireless voice services has increased from about 2 per cent in 2000 to about 72.1 per cent in August 2011. As per estimates of the Telecom Regulatory Authority of India (TRAI), the demand of telecom equipment is estimated to be around Rs 54,765 Crores currently and is expected to increase to Rs 170,091 Crores in 2020. The current value-addition in telecom is extremely low, and a large part of it continues to be imported.

**National Manufacturing Policy approved**

The Union Cabinet approved the National Manufacturing Policy (NMP) on October 25, 2011. Major objectives of the National Manufacturing Policy are to increase the sectoral share of manufacturing in GOP to at least 25% by 2022; to increase the rate of job creation so as to create 100 million additional jobs by 2022; and to enhance global competitiveness, domestic value addition, technological depth and environmental sustainability of growth.

The NMP envisages Industrial infrastructure development, not only generally but also through the creation of large integrated industrial townships called National Investment and Manufacturing Zones (NIMZs) with state-of-the-art infrastructure; land use on the basis of zoning; clean and energy efficient technologies; necessary social and institutional infrastructure in order to provide a productive environment to persons transitioning from the primary to the secondary and tertiary sectors. The land for these zones will preferably be waste infertile land not suitable for cultivation; not in the vicinity of any ecologically fragile area and with reasonable access to basic resources.

It is envisaged to ensure compliance of labour and environmental laws while introducing procedural simplifications and rationalization so that the regulatory burden on industry is reduced. The interventions proposed are generally sector neutral, location neutral and technology neutral except the attempt to incentivize green technology for sustainable development. No subsidies are proposed for individual units or areas. The basic thrust is to provide an enabling environment for tapping the potential of the private sector and the entrepreneurial skills of the younger population.

It is relevant to mention that the draft proposal for setting up of Electronic Manufacturing Clusters (EMCs) proposes that all provisions applicable to NIMZs be applicable to EMCs also, mutatis-mutandis.

The National Manufacturing Policy is available at <http://dipp.nic.in/English/Policies/Policy.aspx>

• **National Innovation Council's First Report**

• **Cabinet approves National Optical Fibre Network**

**Public Procurement Policy for goods produced and services rendered by Micro and Small Enterprises by the Central Ministries, Departments and Public Sector Units**

The Union Cabinet in its meeting held on November 1, 2011 approved the Public Procurement Policy for goods produced and services rendered by Micro and Small Enterprises (MSEs) by the Central Ministries/Departments/PSUs to be notified under Section 11 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

As per the Policy, every Central Ministry/PSU shall set an annual goal for procurement from the Micro and Small Enterprises (MSE) sector at the beginning of the year, with the objective of achieving an overall procurement goal of minimum 20% of the total annual purchases of the products or services produced or rendered by MSEs from the latter in a period of three years. Out of 20% target, a sub-target of 4% (i.e. 20% out of 20%) will be earmarked for procurement from MSEs owned by SC/ST entrepreneurs.

The participating MSEs in a tender quoting price within the band of L1 + 15% may also be allowed to supply a portion of the requirement by bringing down their prices to the L1 price, in a situation where L1 price is from someone other than an MSE. Such MSEs may be allowed to supply up to 20% of the total tendered value. In case of more than one such MSE, the supply will be shared equally.

The Policy is expected to provide boost for MSE manufacturers of various electronic products, including UPS, Inverters, Computers, Keyboards, Monitors, Cables and other accessories, LED products, electronic components among others.

**National Innovation Council's 'First Report' to People released**

Realizing the fact that innovation has a critical role to play in the processes of India's economic and social growth and development, Government of India declared 2010-2011 as the 'Decade of Innovation'. A National Innovation Council (NInC) was established with the objective to explore potential of innovation to bridge unmet needs and access gaps in vital sectors such as agriculture, education, energy, health, skills, urban and rural development, and others; and to drive growth, competitiveness, employment, and opportunity for our country. The Council is chaired by Dr. Sam Pitroda, Adviser to Prime Minister on Public Infrastructure, Information and Innovation.

The NInC's 'First Report to the People 2011' was released by the Hon'ble Prime Minister Dr. Manmohan Singh on November 15, 2011 at New Delhi. The NInC is attempting to nurture a culture of innovation through education. It builds on the work of the National Knowledge Commission towards creating a National Knowledge Network (NKN). It also proposes to launch a meta-university, which would provide students the opportunity to pursue a discipline of study in a college other than his own through the NKN.

NInC together with the Ministry of Micro Small and Medium enterprises and with the assistance of CSIR is also setting up industry innovation clusters. The work on two University clusters is underway. Two universities also plan to introduce courses in innovation—the University of Delhi and the MS University of Baroda.

**Cabinet approves National Optical Fibre Network**

On October 25 2011, the Cabinet approved the scheme for National Optical Fibre Network (NOFN) aimed at providing broadband connectivity to Panchayats, which will help in offering governance, banking and health services online. The objective of the scheme is to extend the existing optical fibre network which is available up to district/block headquarter level to the gram panchayat level initially by utilising the Universal Service Obligation Fund (USOF). The scheme is being implemented by the Department of Telecommunications of the Ministry of Communications and Information Technology.

The cost of this initial phase of the scheme is likely to be about Rs 20,000 crore and the target is to complete it in two years. A similar amount of investment is likely to be made by the private sector complementing the NOFN infrastructure while providing services to individual users. Initially, the broadband project will be executed by state-owned Bharat Sanchar Nigam Limited (BSNL) and other institutions like RailTel. For the implementation and execution, the Cabinet has approved the formation of a special purpose vehicle (SPV) with equity from the Government of India. Later on BSNL, Power Grid and Gas Authority of India would also be made partners.

**US-based defence production major looking to tie-up with BEL**

It is reported that Raytheon, a US-based defence equipment major, Raytheon, is exploring the possibility of setting up a joint venture with Bharat Electronics Limited (BEL) for developing products including missiles in the country.

Source: *The Economic Times* dated Nov 10, 2011

• **India Launches New Generation Strategic Missile AGNI 4**

• **C-DOT transfers GPON technology**

### **Smartlink looking for contract manufacturing of electronic products**

Smartlink Network Systems, Goa is reportedly expanding manufacturing capabilities by adding more surface mount technology lines in Goa to manufacture smartphones and tablets.

Currently, Smartlink manufactures computer motherboards and provides switching solutions under its Digilite and Digisol brands, respectively. 'Digicare' division of the company focuses on repair and servicing of IT products of IBM, HP, Dlink and others.

*Source: The Business Line , Mumbai, Oct. 13, 2011*

### **Colombia Joining ITA**

It is reported that Columbia is expected to join the Information Technology Agreement (ITA) shortly. Colombia has indicated its intention of joining the Information Technology Agreement (ITA) to the World Trade Organization (WTO) and has submitted an ITA Schedule in HS 2002 for verification by the WTO Secretariat.

The signing of ITA by Columbia will provide opportunity to Indian ESDM manufacturers to export ESDM products to that country under a zero duty import duty regime as mandated under the Agreement.

### **Corrigendum**

This is with reference to story published in Vol 1: November 2011 edition of Electronics-e-Newsletter, titled 'Ministry of Env. & Forests notifies e-Waste guidelines'. In this article, the word, 'guidelines' may please be read as 'rules'.

### **India Launches New Generation Strategic Missile AGNI 4**

On 15th November 2011, India today successfully test fired the most advanced long range missile system Agni-4 from a Road Mobile System from Wheelers' Island off the coast of Odisha. The missile followed its trajectory, in a text book fashion, attained a height of about 900kms and reached the pre-designated target in the international waters of Bay of Bengal. All mission objectives were fully met. All the systems functioned perfectly till the end encountering the re-entry temperatures of more than 3000°C.

This Missile system marks further advancement of ESDM sector in the country, with advanced avionics, navigation systems and high speed communication systems which were successfully developed and deployed by the Indian Space establishment. The Missile System is equipped with modern and compact Avionics with Redundancy to provide high level of reliability. The indigenous Ring Laser Gyros based high accuracy INS (RINS) and Micro Navigation System (MINGS) complementing each other in redundant mode have been successfully flown in guidance mode for the first time. The high performance onboard computer with distributed Avionics architecture, high speed reliable communication bus and a full Digital Control System have controlled and guided the Missile to the target. Radars and electro-optical systems along the Coast of Odisha have tracked and monitored all the parameters of the Missile.

### **C-DOT transfers Gigabit Passive Optical Network (GPON) technology to Manufacturers**

Gigabit Passive Optical Network (GPON) technology indigenously designed and developed by the Centre for Development of Telematics (C-DOT), was transferred to manufactures on December 5, 2011. GPON technology is the pivotal component required for broadband connectivity over optical fiber. It is now being transferred to public and private manufacturers. The GPON technology would help in the roll out of the National Optical Fiber Network program, apart from other programmes like the State-Wide-Area Network, National Knowledge Network and other networks belonging to ReilTel and Power Grid Corporation India.

### **Mahindra-Telephonics JV to manufacture radars, surveillance systems**

It is reported that Mahindra & Mahindra (M&M) is forming a joint venture (JV) with US aviation communications equipment major Telephonics Corporation to manufacture radars, surveillance systems, and communications solutions for the Indian defence ministry and civilian sector. The US firm will bring in 26 per cent investment for the JV, while M&M will bring the rest 74 per cent. JV will be setup by April 1, 2012. The JV is looking for land to set up a manufacturing plant for radars, surveillance systems, and friend or foe identification system for military purposes. The JV will also manufacture air traffic management services, homeland security and other emerging surveillance requirements.

The JV is expected to supply and service radar systems for Hindustan Aeronautics Limited (HAL) and will support airborne maritime surveillance systems for the Indian Navy and Coast Guard.

*Source: The Times of India, Nov 17, 2011*