



RSM/COAI/2013/201  
November 13, 2013

**Smt. Rita Teotia**  
**Additional Secy. (T),**  
Department of Telecommunications  
Sanchar Bhawan  
20, Ashoka Road,  
New Delhi – 110001

Dear Madam,

**Subject: Final Report of Telecom Equipment Manufacturing Council (TEMC): Investments required**

**References:**

- i. DoT's notification no. 18-25/2012-IP dated November 23, 2012 on Constitution of Telecom Equipment Manufacturing Council
  - ii. E-mail sent by Shri. R. K. Bhatnagar dated September 5, 2013
1. This is with reference to the final report of Telecom Equipment Manufacturing Council (TEMC) shared by Shri. R. K. Bhatnagar vide email dated September 5, 2013 (Copy of the e-mail attached as **Annexure – 1**).
  2. National Telecom Policy – 2012 has identified that efforts are required to boost investments and manufacturing activities in the telecom sector, as per sections in the NTP – 2012 as below:-
    - a) **Mission**, point no. 7,  
*"To attract investment, both domestic and foreign"*
    - b) **Objectives**, point no. 33  
*"Put in place appropriate fiscal and financial incentives required for indigenous manufacturers of telecom products and R&D institutions"*
  3. The projected investments in the Telecom sector are as below:
    - a) The TEMC report (Para 6.6, page 34) has a estimate of demand forecast for Telecom Equipment only as below:-
      - i) **2017: INR 1,210,67 crores (i.e. \$19.5 billion)**
      - ii) **2020: INR 1,700,91 crores (i.e.\$27.5 billion)**
    - b) **2012 – 17:**



12th Five Year Plan estimated investments in Telecom Sector for the period 2012-2017 is INR 943,899 crores (i.e. \$152 billion) are given at:

[http://planningcommission.nic.in/plans/planrel/12thplan/pdf/12fyp\\_vol1.pdf](http://planningcommission.nic.in/plans/planrel/12thplan/pdf/12fyp_vol1.pdf)

The projected investment required each year by Government and private sector is attached as **Annexure – 2**. While this figure is for the entire Telecom Sector, needless to say this will have a significant bearing for the Telecom Manufacturing as well. The important point to note is that the Government has projected that 92% of this has to come from the Private Sector.

4. The need for attracting investments has also been highlighted in the various sections of the NTP – 2012 which endeavours to create an investor friendly environment for attracting additional investments in the sector. Indian telecom product companies already face various fiscal and other handicaps and need to increase levels of investments in line with demand profile discussed as given in TEMC report. Para 7.6 of the TEMC report also highlights skills and competence exists, but policy and eco system does not support fresh investments in high value added manufacturing.
5. You will appreciate that both Government and industry will have to work in close co-ordination to enable these investments for telecom equipment manufacturing to actually take place. We will need to keep in mind the international telecom equipment market projections and how much of that can we expect to bring to India in a span of 4 years from now till 2017 with a yearly target and reviews in our Project Planning.
6. **Recommendations:**
  - a) TEMC to discuss the important issue of measures, steps for attracting investments in Telecom Equipment Manufacturing.
  - b) Given the substantial projections and the global economic outlook, we request that a Meeting of the TEMC be scheduled for the specific purpose of investments. It will be useful if this meeting includes potential investors, banks, financial analysts and members from the Department of Commerce, DIPP, etc. as invited members.

We hope our above inputs will merit your kind consideration.

Regards,

**Rajan S. Mathews**  
Director General

**CC:** Shri. Anil Kaushal, Member (T), DoT  
Shri. A. K. Mittal, Sr. DDG, TEC  
Shri. R. K. Pathak, DDG (IP), DoT  
Dr. C. Muralikrishna Kumar, Sr. Advisor (CIT&I), Planning Commission



## ANNEXURE 1

### E-mail sent by Shri. R. K. Bhatnagar dated September 5, 2013

From: Rakesh Kumar Bhatnagar [mailto:bhatnagarrk@gmail.com]  
Sent: 05 September 2013 13:18  
To: Rajesh Pathak; Sangeeta Chugh; R.K. Bhatnagar  
Cc: Arun Golas; jst-dot@nic.in; srddg TEC; ddgsecurity-dot; C-DOT Executive Director s Account; cmd@itilttd.co.in; secretary.tepc@telecomepc.in; R S Mathews; Auspi; Bhaskar Ramamurthi; Prof. Rekha Jain; dbp@it.iitb.ac.in; Prof N. Balakrishnan; tcil; Sanjay Nayak; Rajesh Kumar Pathak; Swati Rangachari; Bhargava, Sandeep (NSN - BE/Brussels); Rajesh Tuli; Sanjeev Kakkar; Ashok Sud; Rajiv Mahajan; RM; RM; Director TCOE; srddgas.hq-dot; jayant bhatnagar; pankaj mohindroo; NK GOYAL; naresh.ajwani@vnl.in; Vikram TIWATHIA; Pramod Mittal; ddgsat.tec@gov.in; advt-dot@nic.in  
Subject: FINAL REPORT of TELECOM EQUIPMENT MANUFACTURING COUNCIL dated 5th September 2013

Dear friends,

The Final Report of the Telecom Equipment Manufacturing dated 5th September 2013 is being formally submitted by me today. It captures all the inputs received till early morning today including detailed one from AUSPI. I once again would like to thank all Members & co-opted members of TEMC for their valuable contribution towards the finalization of this Report and I do hope that acceptance of TEMC Recommendations should support all the stakeholders in the Telecom Industry.

Copy of the FINAL Report is enclosed.

Regards

Rakesh Kumar Bhatnagar  
Advisor (Technology),  
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**TABLE 3.17**  
**Projected Investment in Infrastructure—Twelfth Plan**

(₹ Crore at Current Prices)

Sectors	Total Eleventh Plan	Twelfth Plan Projections					Total Twelfth Plan
		2012-13	2013-14	2014-15	2015-16	2016-17	
<b>Electricity</b>	7,28,494	2,28,405	2,59,273	2,94,274	3,33,470	3,86,244	15,01,666
Centre	2,33,501	69,059	77,650	87,228	97,616	1,09,242	4,40,796 <sup>1</sup>
States	1,84,696	56,338	62,337	68,909	75,888	83,572	3,47,043
Private	3,10,297	1,03,008	1,19,286	1,38,137	1,59,966	1,93,429	7,13,827
<b>Renewable Energy</b>	89,220	31,199	42,590	58,125	79,075	1,07,637	3,18,626
Centre	9,630	3,631	4,739	6,179	8,027	10,427	33,003
States	1,018	744	886	1,056	1,253	1,487	5,425
Private	78,572	26,825	36,965	50,890	69,795	95,724	2,80,198
<b>Roads and Bridges</b>	4,53,121	1,50,466	1,64,490	1,80,415	1,98,166	2,21,000	9,14,536
Centre <sup>2</sup>	1,94,678	61,920	64,567	67,272	69,833	72,502	3,36,094
States	1,65,903	47,844	51,222	54,786	58,377	62,204	2,74,433
Private	92,540	40,702	48,702	58,357	69,955	86,294	3,04,010
<b>Telecommunications<sup>3</sup></b>	3,84,962	1,05,949	1,36,090	1,76,489	2,30,557	2,94,814	9,43,899
Centre	86,375	15,203	14,827	14,446	14,023	13,611	72,110
Private	2,98,586	90,746	1,21,263	1,62,042	2,16,535	2,81,203	8,71,789

**Note:**

- For the Telecom Sector, this 12th FYP estimated investments in Telecom Sector for the period 2012-2017 is INR 943,899 crores (**i.e. \$152 billion**) given at [http://planningcommission.nic.in/plans/planrel/12thplan/pdf/12fyp\\_vol1.pdf](http://planningcommission.nic.in/plans/planrel/12thplan/pdf/12fyp_vol1.pdf)
- In USD terms, this is as below:

Projected Investment (in USD billion) in Telecommunications under Twelfth Five Year Plan							
	2012-13	2013-14	2014-15	2015-16	2016-17	Total	%
<b>Centre</b>	2	2	2	2	2	12	7.24
<b>Private</b>	15	20	26	35	45	141	92.76
<b>Total</b>	17	22	28	37	48	152	100