



Confederation of Indian Industry

Subject: Key submissions by members of Delegation from CII National Committee on ICTE Manufacturing

Reference: Meeting with Chairman, TRAI on the 23rd October 2017

TRAI has prepared a consultation paper on 'Promoting Local Telecom Equipment Manufacturing and has hosted the same on their website and comments have been sought. Telecom is an important sub-sector of Electronics industry. The generic issues impacting growth of electronics manufacturing are equally applicable to Telecom Equipment manufacturing.

In order to share the issues and challenges faced by electronics manufacturers in India, a meeting was sought by CII National Committee on ICTE Manufacturing with Chairman, TRAI. Meeting was held on 23 October 2017 at office of TRAI, New Delhi.

A delegation consisting of the following was present in the meeting:

- Mr Sunil Vachani, Co-Chairman, CII National Committee on ICTE Manufacturing and Chairman, Dixon Technologies (I) Ltd.
- Mr Sanjiv Narayan, Chairman, SGS Techniks Manufacturing Pvt. Ltd
- Mr Satendra Singh, Global Head – Operations and Strategy, NSN
- Mr Rajesh Tuli, Managing Director, Coral Telecom Ltd.
- Mr Sanjeev Kakkar, President and CSO, Vihaan Networks Limited
- Mr Rajiv Mahajan, Senior VP, Tejas Networks Ltd.
- Mr Ramesh A Vaswani, Senior Advisor, Intex Technologies (I) Ltd.

The delegation was accompanied by Dr. R C Chopra and Mr H Navneet from the CII secretariat.

Mr Sunil Vachani, Co-Chairman, CII National Committee on ICTE Manufacturing briefed Chairman, TRAI on the broad composition and activities of the Committee and brought the followed issues to his notice:

The ICTE suffers from disability on account of high cost of finance, power and transportation/logistics. The disability increases with value addition (VA) in step with increasing exposure to domestic resources, about 10% at 50% VA and seriously impacts competitiveness.

Following three approaches were suggested for mitigation of the disabilities.

Method I: Through Direct Tax.

(In this methodology weighted deduction in respect of Interest paid, Power cost and Freight in proportion to the disabilities is provided for as a deduction in Profit Before Tax (PBT).

