MAIT*wire*

Where IT Industry Connects and Communicates

WELCOME

Dear Readers,

It is with great delight that we kick off another year of our bi-monthly newsletter. This is the seventh edition of *MAITWire* and we are hopeful of your continued patronage.

Our cover story is centred on the much touted Digital India Week that was unveiled by the Prime Minister in July. It is apparent that the government is committed to making the Digital India dream a reality. Its success, however, will be determined by its on-ground implementation.

MAIT also announced the findings of its annual industry performance review for FY 2015. A significant finding was that the overall size of Indian ICT hardware market currently stands at US $15.87 billion, demonstrating a growth of 23.98 percent over the previous year. This includes PCs, desktops, phablets, tablets, smartphones, servers and peripherals. The total PC sales (desktop computers and notebooks) stood at 10.62 million (106.2 lakh) units, registering negative growth of 10 per cent over the last fiscal. The onus of stimulating growth with respect to PC sales lies with both the industry and the government. We look forward to more enabling policies from the government as well as continued collaboration from the industry.

During the Annual General Meeting (AGM) held earlier this month, Ms. Debjani Ghosh Vice President in the Sales and Marketing Group and Managing Director for South Asia at Intel Corporation., has taken over as President. I would like to take this opportunity to congratulate her and look forward to her taking MAIT to greater heights. We look forward to your contributions and backing over the next year.

Warm Regards,

Anwar Shirpurwala
Executive Director, MAIT

Digital India: Charting a Blueprint for Success

With the promise of connecting 2,50,000 gram panchayats in as many as 600 districts of India, the much publicized Digital India program carries with it the assurance of transforming India into a digitally empowered society and knowledge economy from the ground up. At its heart, the Digital India initiative is built on the principle IT + IT = IT (Indian Talent + Information Technology = India Tomorrow) and it aims at achieving inclusive growth in manufacturing, electronics services as well as job creation. During the first week of July 2015, the Digital India revolution was given fresh impetus with the unveiling of the Digital India Week by the Prime Minister. In this issue of MAITWire, we look at the impact of this program.

With its vision being 'infrastructure as a utility to every citizen, 'governance and services on demand' and 'digital empowerment of citizens', Digital India week served as a platform to inform, educate and engage with citizens through events at a large number of digital points of presence. The idea behind organizing Digital India Week was to spur the programme forward by expanding the reach of existing e-services and educating citizens on functional digital literacy. The aim was to connect all netizens through digital media campaigns and events. These events were to help communicate the transformative impact of the Digital India programme and were conducted at various levels starting from the villages, then municipalities, districts, states and finally at a national level.

The Digital India week saw the launch of the Digital Locker, eHospital, eSignature, National Scholarship Portal, Digitize India Platform, Swachh Bharat Mission App, Wi-Fi hotspots, MyGov Mobile App and Next Generation Network among other apps, services and products. "In my view, Digital India Week served as a platform to reiterate the intent of the government to work along with industry leaders towards achieving the goals that have been laid out and ensure its impact at the grass root level", said Ms. Debjani Ghosh, President, MAIT & Managing Director, Intel Technology Pvt Ltd.

"Products announced during the week such as the digital locker, national scholarship portal and e-signature, amongst others, carry with them the promise of delivering good governance to citizens throughout the country by providing much needed transparency and efficiency. How the different departments in the Govt. and industry come together to deploy these will be the key", she added.

Crowd-sourcing to digitize existing files and documents in government offices is an exciting new proposal as it will allow citizens to earn money if they help digitize India. Other interactive apps such as MyGov and Swachh Bharat Mission App also point towards the right direction in terms of encouraging people participation.

The BharatNet Project is pegged at a whopping Rs. 72,000 crore with the ability to connect India and presents a tremendous opportunity for companies to work with the government on the optical fibre cable or OFC requirement. This, coupled with the Next Generation Network (NGN) will enable value added services such as video conferencing and video chats on fixed telephone lines at a nominal cost. Wi-fi hotspots that will provide affordable, anytime, anywhere high speed broadband services while on the move is another thrust area and BSNL has plans to set up 2,500 hotspots in FY 16.

MAIT members were particularly interested by the promotion of innovation in the area of flexible electronics (that will inspire the fabrication of electronics on substrates such as plastics, textiles, metal foils and paper), the Center of Excellence for Internet of Things (IoT) that is expected to propel a vibrant IoT ecosystem and the Electronics Development Fund (EDF) policy. "The EDF will provide a great boost to the start-up environment in the country as it is bound to encourage research, innovation and product development by creating a self-sustaining network of venture funds", said Mr Vinod Sharma, Chairman, ESC & Managing Director, Deki Electronics Ltd. to *MAITWire.*

To do its part MAIT has established the Digital India Action Group (DIAG) to provide thought leadership and enrich the implementation of the Digital India program across the country. Based on in depth discussions and several meetings, MAIT has now come out with its first Report on Digital India Action Group. In addition to this, MAIT is separately working as trusted advisors with various state governments (specifically Meghalaya, Odisha and Puducherry) and central government agencies on pertinent issues that have direct ramifications on the Digital India programme, namely ICT procurement, transition planning from NeGP to Digital India and boosting ICT manufacturing. MAIT has also collaborated with various education institutions and academia (such as the Don Bosco Group of Institutes in the North-Eastern States) on areas like entrepreneur development, capacity building and employability.

Digital India week saw 438 districts organize 1,238 events and has brought the message of the Digital India program to over 136,000 lakh government officials and citizens across the nation. India Inc. has meanwhile committed an investment of Rs. 4, 50,000 crores (US $75 billion) for the initiative. Today the Digital India blueprint has been rolled out and the pace at which the proposal is gaining momentum promises to radically transform the nation. India's digitization will meet with success only if the industry and the government continue to work in consultation with one another.

Digital India Week

Shri Anoop Kumar Agrawal (IAS)
President and CEO, National e-Governance Division (NeGD)

Hon'ble Prime minister launched Digital India Week on 1stJuly, 2015 to Inform, Educate and Engage all the stakeholders of Digital India Programme. People from all walks of life including Elected Representatives, Industry Captains, Students, citizens etc. participated in week long events. More than 60 lakh citizens attended the events, organised at more than 1 lakh locations in the country. More than I billion impressions were created by Digital India Social Media handles.

The week was marked with launches and rollouts of e-services, enrolment and registration drives for citizen-centric e-initiatives, pledges by industry captains in respect of investments to further the cause, publication of books and other awareness material, contests and competitions, mass and social media campaigns, rallies and outdoor sports celebrating an active, alive and vibrant Digital India
.
These events enabled communication of the transformative impact of Digital India program to the masses and helped mainstream the agenda of using technology for delivering public services in the mainstream.

Digital India Action Group

Report - 1 Synopsis

Digital India is one of the most exciting initiatives taken up by Government of India (GoI) in recent times. MAIT's Digital India Action Group launched its first report, 'Transformation Roadmap for Mission Mode Projects' in July. The complete report can be downloaded at **www.diag.org.in**

Excerpts of this report are given below:

Out of the 31 mission mode projects (MMPs) and components identified under NeGP, five were assessed with regard to their current status and alignment with Digital India.

- Common Service Centers (CSCs)
- State Wide Area Network (SWAN)
- State Data Centre
- E-District
- National e-Governance Service Delivery Gateway (NSDG) and State e-Governance Service Delivery Gateway (SSDG)

Common Service Centers (CSCs)

Current Status: As of March'14, CSCs have been set up in 31/35 Indian States and Union Territories. The states/UTs where CSCs were yet to be established were Dadar & Nagar Haveli, Daman & Diu, Goa, Sikkim.

Challenges: No internet connectivity, lack of standardized services, no access to modern facilities, low level of support for Village Level Entrepreneurs (VLEs), financial sustainability.

Proposed Interventions: Mobiles as an alternate means of service delivery, policy intervention to mandate use of CSCs for all government services, Re-packaging of the scheme for promotion/ branding to increase footfall, use of CSCs as SDCs to generate sustainable revenue for VLEs, Integration with other government schemes such as Pradhan Mantri Jan-Dhan Yojana, build CSCs as skill centres for programs such as mobile repairing and the single contact for registering all rural entrepreneurs.

State Wide Area Network (SWAN)

Current Status: Technical and financial assistance is being provided to the States/UTs for establishing SWANs to connect all State/UT Headquarters up to the Block level via District/ sub-Divisional Headquarters, in a vertical hierarchical structure with a minimum bandwidth capacity of 2 Mbps per link. Each of the State / UT can enhance the bandwidth up to 34 Mbps between SHQ and DHQ and up to 8 Mbps between DHQ and BHQ depending upon the utilization. The National Information Infrastructure (NII) will have nationwide coverage to provide on-demand network connectivity to government departments. SWAN, NOFN and NKN will be integrated under the NII project.

Challenges: Bandwidth enhancement & integration, integration with National Knowledge Network (NKN) and National Optical Fibre Network (NOFN), third party audit agency not appointed by most states.

Proposed Interventions: sharing of infrastructure already created, utilize leased links from other private operators, imposition of penalty on network operator, integration with all state departments, skilled manpower to be deployed at all levels.

State Data Centre (SDC)

Current Status: As on date SDC is fully operational in 24 states and G2G, G2C and G2B services can be made available. Two States/UTs (Delhi and Chandigarh) opted out from the Scheme. Implementation process is under progress in remaining states.

Challenges: Site finalization/ handover bid process delays, bid evaluation issues, delayed internal approvals and contract signing, FAT application identification and implementation, interpretation of SLAs and EMS configuration, timely ISO27001 & ISO20000 certifications, TPA & STQC audits and closures, implementation of policies and guidelines, optimum utilisation of the infrastructure by line departments, security audit of applications etc. Need for cloud to be looked beyond public, hybrid, community, or distributed cloud, data center platforms need to be designed to control and manage cloud platforms at a truly agnostic level, create a unified e-Governance Infrastructure, integrate existing ICT infrastructure like SDC with SWAN, NICNET, CLOUD, etc.

Proposed Interventions: Enabling private cloud in the SDCs to enable proliferation of applications and the delivery of services, Disaster Recovery mechanism has also been planned/ operational through NIC to ensure continuity of service delivery mechanisms.

E-District

Current Status: The implementation for eDistrict project is categorized in 2 phases: Phase I: Pilots have been undertaken covering 1-2 districts of a State Phase II: Project is being rolled out across the state subsequent to successful implementation of the pilot

Challenges: Extending e-District services under the umbrella program of Digital India, facilitating single authentication through Aadhaar, making citizen's services available real time through mobility, integrating services with institutions like Banks, Universities, for easy and fast information access.

Proposed initiatives: Create a bouquet for umbrella services by extending it with other citizen centric programs like Passport (utilize e-District centers for Passport fresh/ renewal), Aadhar Card, mobility solution, mobile application for real time easy and fast access of information, integration with banks/ financial institutions for payment gateway; Re-Branding and Digital marketing - Increase utilization by creating awareness among citizens through innovative channels, Banks/ financial, Universities and other affiliated institutions website, promotion through mobile network, Digital marketing through Social Media channels like twitter, FB and LinkedIn.

National e-Governance Service Delivery Gateway (NSDG) and State e-Governance Service Delivery Gateway (SSDG)

Current Status: The project proposal has been approved in 33 States/ UT, of which 20 have gone live, 11 states are under implementation and 2 are yet to initiate.

Proposed Initiatives: Description Integration with Financial Institutions - SSDG portal will act as an Interface to Banks / financial institutions for services like Jan Dhan Yojna, Insurance, Payment Gateway, Utility Bills and Mobile Enablement.
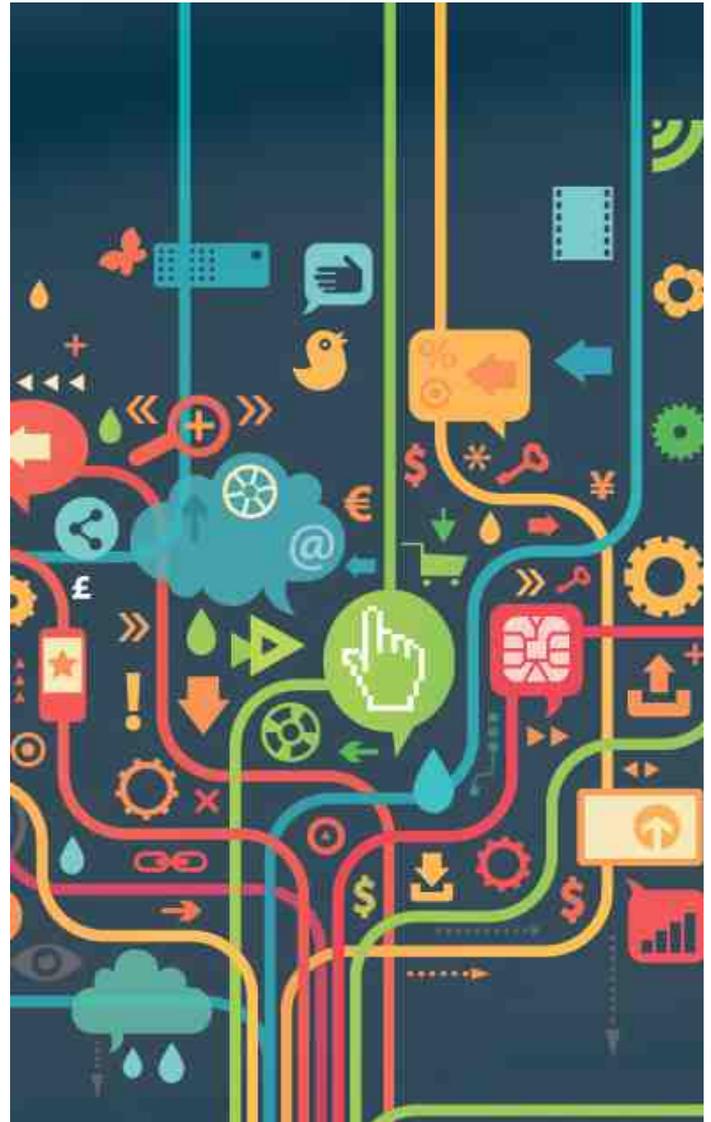
UPCOMING EVENTS

IT ASIA 2015, September 25-27, Hyderabad

MAIT is organizing IT ASIA 2015, an India International Exhibition & Conference on ICT & Electronics Industry between 25 – 27 September 2015 at Hitex, Hyderabad, Telangana. IT ASIA 2015 is being co-organized by the Government of Telangana. It aims to bring together and encourage companies in the ESDM sector to initiate manufacturing and to make the vision of 'Make in India' a reality.

ICT Industry Interface with LTU & Customs, Bangalore

MAIT conducted an interactive programme with key office-bearers from Large Taxpayer Units (LTUs) and customs on June 12, 2015 at the office of the Chief Commissioner, LTU –Bangalore. The interactive programme began with a welcome address by Mr. Vijay Shankar S R, Chairman – MAIT South Regional Chapter. He stressed on the vital role played by customs in shortening the 'time to market' and highlighted the fact that it has played a major role in China becoming a manufacturing leader in the current global scenario.

The keynote address was delivered by Mr. R Venkataraman, Chief Commissioner who explained that although there is a great empathy for the concerns being faced by the industry, in the current scenario there are limitations to the operational freedom and powers that the LTU can exercise. Going forward, he stressed on the need for more decentralization with appropriate participation of the industry in self-auditing and self-certification to ensure seamless flow of goods in the economy. He reiterated the important role that MAIT & other industry bodies played in sensitizing industry issues at a local level towards ensuring that manufacturers are able to operate at full capacity through removal of administrative hurdles. Presentations were made by Mr. Vishwanath Vardhan, Senior Manager – Operations, Intel Technology (India) Pvt Ltd. on the topic of 'Pace of Technology Upgradations and its challenges to the current taxation regime'.

Following this, Mr. Prakash Bheemrao from Intel and Mr. Prakash H N from Dell represented the industry concerns on customs and service tax respectively.

The interactive program featured wide ranging discussions on the above issues and highlighted the need for self-certification and self-auditing by the industry on certain mandatory procedures that could prevent needless delays and non-productive work at LTU / Customs end. The meeting ended with a vote of thanks by Mr. S. Rajendran, Member – Executive Council MAIT and Chief Marketing Officer at Acer India (Pvt) Ltd.

Going forward, it would be the role of MAIT and allied industry bodies to carry forward the highlights of these discussions for implementation at the Central & State levels, and continue engaging with similar bodies for the benefit of the industry.

Perspectives on Goods & Services Tax – Seminar

To enable the industry to prepare well in advance for the new Goods & Services tax regime, MAIT & Indian Electronics & Semiconductor Association (IESA) conducted a half day program with the support of the office of the Chief Commissioner, LTU, Bangalore on May 26, 2015. The Goods and Product Tax Bill or GST Bill, officially known as The Constitution (122nd Amendment) Bill, 2014, would be a Value added Tax (VAT) to be implemented in India from April 2016 onwards.

After the welcome address by Mr. Vijay Shankar S R, Chairman – MAIT South Regional Chapter, a keynote address was delivered by Ms. Kameswari Subramanian, Chief Commissioner who explained the need for LTUs to operate seamlessly in the complex and dynamic Indian economic scenario. She expressed hope that the industry and LTU would jointly lead the way to achieve the goals envisioned for it and set an example for future Department – Industry interactions.

The first presentation of the seminar was made by Mr. D P Nagendra Kumar (IRS), Principal Addl. Director General (Audit), Bengaluru on the topic of 'Inter-state Supply of Goods & Services within GST'. Mr. Akella A S Prakasa Rao from Toyota Kirloskar Motor Pvt Ltd made a representation on behalf of the industry on their concerns with regard to GST. He laid out the industry expectations with respect to 'Place of supply rules' and the industry wish-list on how a friendly GST regime could be implemented. CMA Dr. Suresh Chandra Mohanty, immediate Past President and Chairman - Taxation Committee of the Institute of Cost Accountants of India (ICAI), conducted the final presentation of the seminar; wherein he covered the accounting perspective of GST.

The seminar saw wide ranging queries from participants regarding different aspects of GST and its effect on both domestic and international trade. The seminar ended with a vote of thanks by Mr. Rahul Gupta, Chairman – MAIT SME Chapter.

Digital India Week workshops on Good Procurement Practices

As part of the Digital India week celebrations, MAIT along with Accenture organized a workshop on July 3, 2015 at Shillong to train administrative officers on good procurement practices. Workshops were also conducted in Guwahati (July 4, 2015) and Puducherry (July 7, 2015) on best practices for e-governance projects that saw the attendance of government officials eager to adopt and streamline their procurement practices.

Guwahati Workshop

Mr. Dinesh M Pegu, MD, Amtron

Shillong Workshop

Shri. D P Wahlang, Commissioner & Secretary, Dept. of IT

Puducherry Workshop

Shri. Chandraker Bharti, IT secretary

32nd MAIT Annual Day

The 32nd MAIT Annual General Meeting was held on July 17, 2015 in New Delhi. Ms. Debjani Ghosh has taken over as President, MAIT.

Before taking on her role as President, Ms. Debjani Ghosh was the Vice President of MAIT. She is currently Vice President in the Sales and Marketing Group and Managing Director for South Asia at Intel Corporation.

Debjani works with governments and industry in India to establish policies and initiatives that help accelerate the adoption of technology in the region, especially as an enabler of inclusive growth and development.

Debjani is a member of the Executive Council of National Association of Software and Services Companies (NASSCOM) and the chair of the IT Committee at the Federation of Indian Chambers of Commerce and Industry (FICCI). She is also a trustee of the NASSCOM Foundation. In 2013, Fortune India ranked her among the 25 most powerful women in India. In 2014, Information Week gave her the ICON award at the Women Achiever in IT award ceremony.

Launch of MAIT Annual Industry Performance Review

MAIT announced the findings of its Annual Industry Performance Review for the financial year 2014-15. According to the findings, the overall size of Indian ICT hardware market stands at US $15.87 billion, showing a growth of 23.98% over the previous year. ITOPS is a syndicated end-user based study on the IT hardware market conducted by the eTechnology Group of IMRB International since 1996-97. The study is based on over 42,000 face-to-face interviews with end-users spread over 35 cities, with data projected to the 'All India Urban market' and 41 SCRs (socio economic regions) to estimate the 'All India Rural market.

The MAIT-IMRB study involves data collection after the 'last mile' that the product travels, i.e. from the premise where the product is finally installed. It is therefore an accurate estimate of 'what' was bought, 'by whom', and for 'what purpose'. Since the MAIT-IMRB study is based entirely on data collected from 'users', it is able to accurately estimate the large unorganised market as well as direct imports. It does not suffer from shortcomings of estimates based on shipment or supply which in addition to under or over-counting, may also reflect biases in perception of vendors and resellers.

With eighteen consecutive years of ITOPS data, the study is now able to closely track emerging segments such as small offices, home users, first time buyers, etc. and identify the role of key drivers for purchase such as the internet. By virtue of tracking the installed base built over the years, and monitoring the extent of upgradation/ replacements taking place in the market, the study has been able to identify emerging business opportunities that promise to expand the market for IT products in India.

Some salient findings of the 2014-15 Study are given below.

Phablets:

- Phablets made a huge growth of 527% over last year to do 50.8 million sales and is expected to grow by around 65% in the next fiscal year

Smartphone:

- Smartphone sales have increased by 33% over the last year and stood at 69.67 million

The Notebook Market:

- Notebook sales among establishments during 2014-15 have ended with a rise of 6%. The growth is mainly accounted by start-up companies and SMBs.

- Notebook sales have been low with a negative growth rate of fifteen per cent (-15%) in this fiscal year compared to a positive growth of 55% in the last year. This de-growth was driven by House-Hold (HH) segment with a negative growth of twenty six per cent (-26%). The market share of Notebooks in lower SECs has fallen down significantly.

  The high fall in notebook share is because of the large UP government deal which happened in the previous FY (2013-14).

- The notebook sale is expected to grow by around 17% in the FY 2015-16.

The Desktop Market:

- Overall Desktop market has shown a negative growth of -04% driven by Establishment as it de-grew at -14% over previous year.

- Desktop sales are expected to de-grow by around 10% in the FY 2015-16. The major sales of desktop are going to happen in rural India and lower SECs.

The Tablet Market:

- Tablet PC has witnessed a slight growth of 04% when compared to the huge growth in the last three years. The sales for 2014-15 stood at 3.48 million units as against 3.35 million units in 2013-14, which indicates the decline of the category even before it established itself.

- The market is expected to de-grow by about 16% in FY 2015-16 owing to the consumers moving to adoption of higher screen size smartphone and phablets with voice calling facility.

The Servers Market:

- During the year 2014-15, server sales have registered a growth of 30% over the last financial year and it stood at 182,727 units in the current year.

- The server market is expected to de-grow by another 10% in FY 2015-16. The movement of SMBs to cloud is one of the major reasons for this.

The Peripherals Market:

- Overall printer sales have grown by a small margin of 1.7%during 2014-15 over the last fiscal year. The sales at 2014-15 stood at 3.15 million (31.5 lakh) units.

- Among hard copy peripherals, the sales of Ink Jet printer have remained stable. While Laser Jet Printer had a positive growth of 5% over last FY.

- Dot-matrix printer sales have declined by 12% to stand at 0.238 Million Units from 0.270 million (2.70 lakh) units in 2013-14.
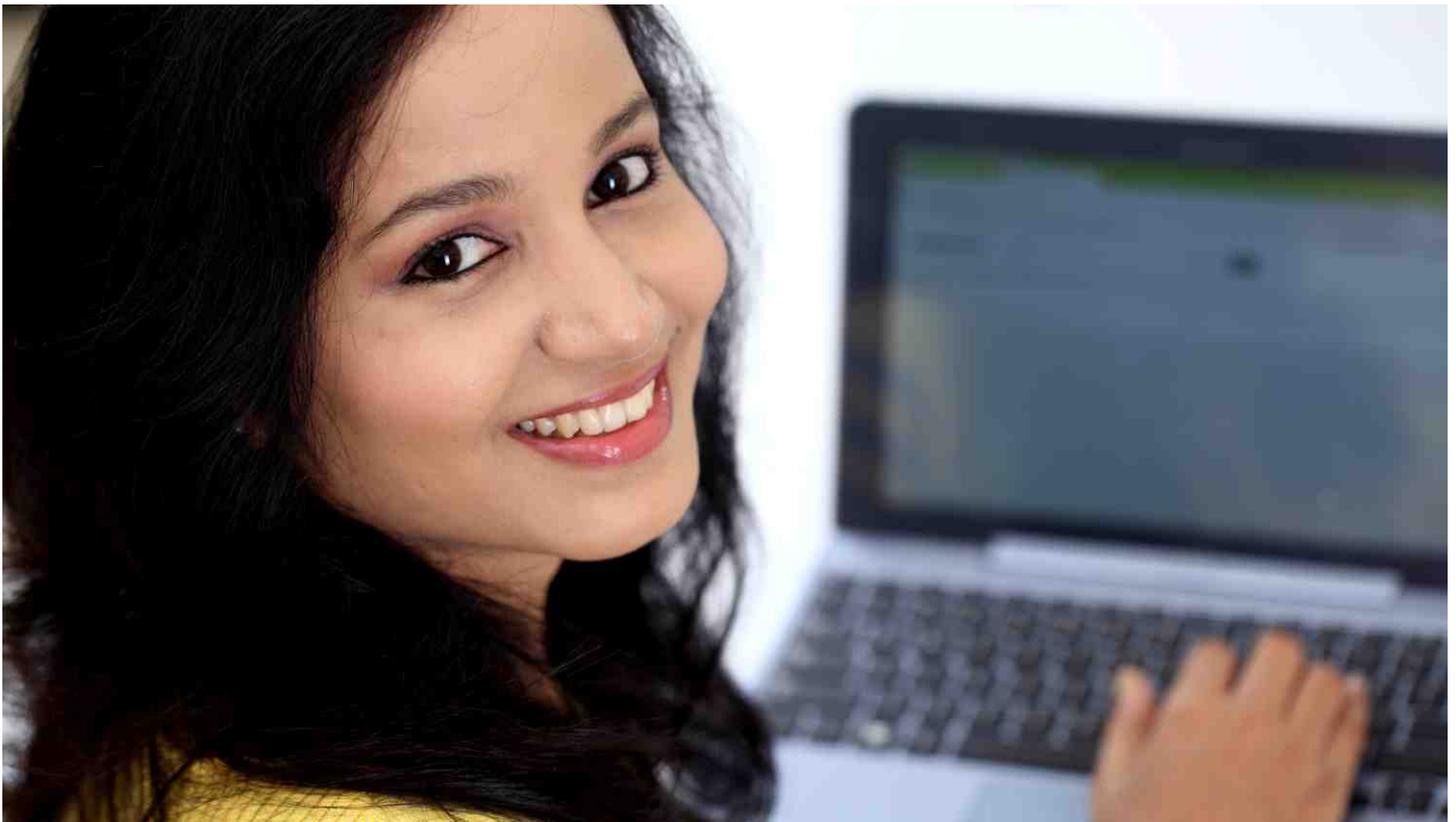
Chhattisgarh

Chhattisgarh is the 9th largest state in India with 1, 35,000sq. kms, a population of 2.6 Crores and a per capita GDP of Rs. 69,000. It is one of the fastest growing states in India and amongst the richest states in terms of natural and mineral resources. The 'Make in India' program is propelling the growth of the manufacturing sector and aims to facilitate investment, foster innovation, enhance skill development, protect intellectual property and build best-in-class manufacturing infrastructure. The state of Chhattisgarh acknowledges that the ESDM Sector will have an unprecedented impact on the Indian economy and its contribution to the country's GDR. Leveraging the state's strengths in core sectors, Chhattisgarh is now focussing on this sunrise sector. Keeping in view the advantages in terms of resources and business environment it offers to the industry, Chhattisgarh is poised to become a major ESDM hub of the country.

Unique advantages offered by the state to the ESDM Sector:

1. Chhattisgarh provides for a unique locational advantage with direct physical access to markets of 7 states: Telangana, Andhra Pradesh, Uttar Pradesh, Madhya Pradesh, Maharashtra, Bihar and Odisha central location. This gives the industry unique market accessibility to 509 mn people, the combined population of these states and Chhattisgarh.

2. Chhattisgarh has the single highest freight loading capacity and generates 1/6th of Railway's revenues; apart from rail and road connectivity, the state is an export hub as it is well connected with Vizag Port at a distance of 548 km from Raipur.

3. Energy is the most important resource when it comes to setting up an ESDM unit and Chhattisgarh is one of the very few power surplus states in the country. It provides stable power at economical rates from redundant grids which results in availability of power throughout the year without outages and power spikes. Future efforts are on to ensure the power status of Chhattisgarh, 1/3rd of national target of 90,000 MW of establishing new power plants in the 12th Five Year Plan is being done by the State.

4. It is pertinent to note that most of Chhattisgarh is placed in Zone 2 (Low Damage Risk zone) in Seismic Zones of India map released by Government of India.

5. A multi-modal logistics hub is being Setup by CONCOR in Naya Raipur which will add a new dimension to the logistics in state.

Top banner with MAIT WIRE logo and technology graphics

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6. One more resource which is the most crucial for success of any sector and industry is Human Resource and the state has an excellent educational ecosystem with IIM, IIIT, NIT, AIIMS, National Law University successfully operational. An IIT and Centre of Excellence in IIIT by Siemens are also being planned in the near future. Around 30,000 professionals pass out annually from these and other institutes of higher education which provides for a quality Workforce with a significant wage differential.

7. Chhattisgarh is the first state to have provided the 'Right to Skill' and more than 1.8 Lakh youth have been trained so far. There is a target of skill up gradation of over 1 lakh students in 3 Years and finishing schools for graduates to done in mission mode state-wide.

8. Ernst & Young Analysis clearly shows 20% lower setting up and operating cost and 30% enhanced return on capital investment in Chhattisgarh versus other states

Chhattisgarh has outpaced others by establishing Naya Raipur with a gross area of 237 Sq Km, the first greenfield SMART city of the 21st century planned and designed city to focus on socio-economic and cultural life of Chhattisgarh having its role and recognition at national and international levels. An investment of around US $1 billion has already been done in Naya Raipur which is being followed by further investment of US $2 billion in next 5 years. The smart city is equipped with SCADA compliant power, water and sewage systems on which various Internet of Things (IoT) and sensor based solutions can be implemented.

MEMBER CORNER

WELCOMING NEW MEMBERS

Sap India Pvt. Ltd.
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Opera Software India Pvt. Ltd.
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Supreme Technologies
www.supremetechnologies.biz

Amatra Gadgets Pvt. Ltd.
www.amatragadgets.com

SME Onesource Strategies P. Ltd.
www.smeonesource.com

Annual round-up on IT hardware industry

Devices - How did they perform?

Growth	Muted	DeGrowth
Smartphone	Printers	PC
Tablets	Keyboards	DMP
Phablets		Monitors
Servers		

Products	2014 - 15 (In Min)	2013 - 14 (In Min)	% Growth
Desktop	4.79	5.01	-04%
Notebook	5.81	6.83	-15%
Total PC (DTP + NB)	10.83	11.85	-09%
Smartphone	69.66	52.43	33%
Phablet	50.8	8.1	527%
Tablets	3.48	3.35	04%
UPS	1.51	3.00	-50%
Dot Matrix Printer	0.24	0.27	-12%
Ink Jet Printer (IJP)	1.173	1.170	0%
Laser Jet Printer (LJP)	1.66	1.74	05%
Total Printer Sales	3.15	3.10	02%
Monitor	5.48	5.66	-03%
Key Board	5.76	5.67	02%
Server	1.82	1.41	30%

Technology Device Ownership: Rural India

Mobile Phone*

29% ▶ 49%

349
+69%
224

2013-14   2014-15

Desktop PC

5% ▶ 6%

9.8
+19%
8.2

2013-14   2014-15

Notebook

2%   2%

3.9
+10%
3.5

2013-14   2014-15

Negligible

81
+10%
72

2013-14   2014-15
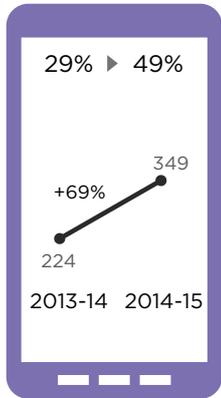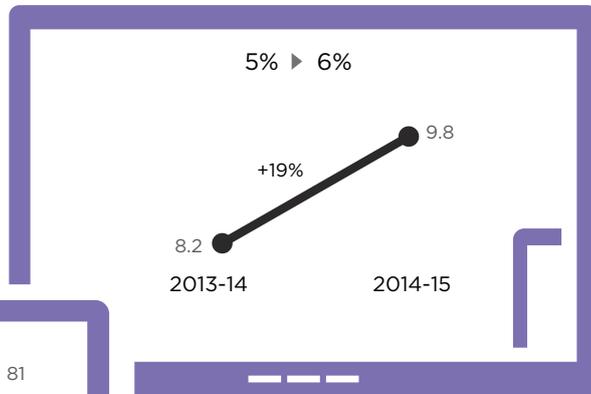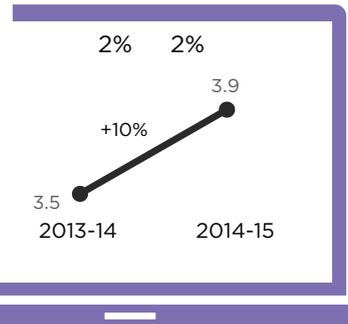
Tablet

Devices ownership (in million)   *Estimated at an individual level

Phablets had made a huge growth of 527% over last year.

Sales of Smartphones and Phablet - All India, Urban

SPS grows first time
at a decreasing rate! ▶ **+33**

69.67

52.43

+244

15.22

9.54

3.97   5.96

2009-10 2010-11 2011-12 2012-13 2013-14 2015-16
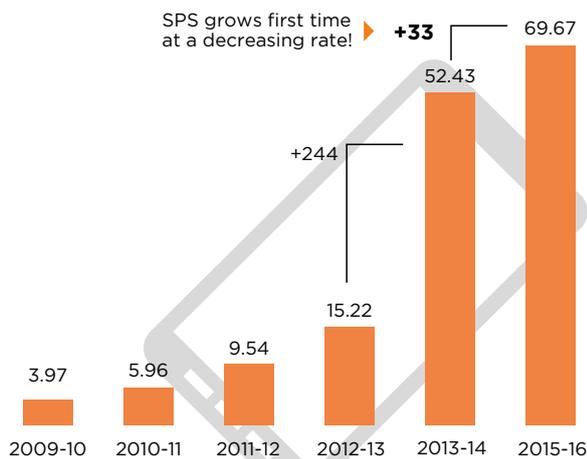
Smartphone

Sales in Million Units

+527%

50.82

8.10

2013-14   2014-15
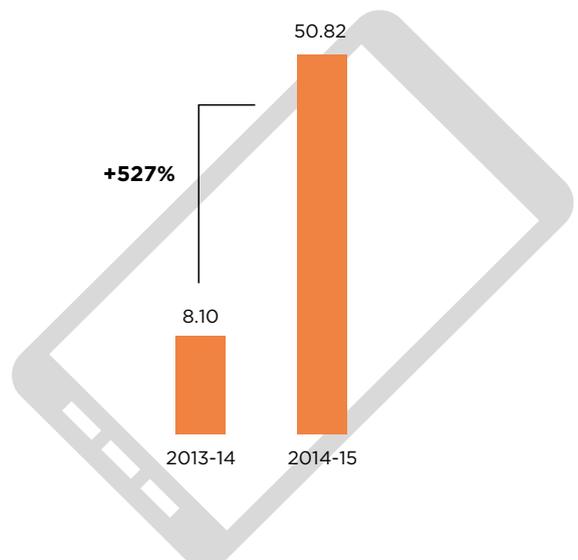
Phablet*

Sales in Million Units   * SP with screen equal to or
greater than 5 inch

Key Takeaways

▶ **Govt programs can drive growth**

▶ **Desktop PC finds new households**

▶ **Phablets & Smartphones are key devices of today**

▶ **Phablets - an extremely desirable product**

▶ **Role of tablets slowly emerging as specialized device**

Overall IT hardware market in India grew by 24% over 2014.

Breakup by Products

IMRB ITOPS Estimates

PC takes a big hit

Others 21%

PC (DT+NB) - 32%

USD
12.80
BN

Printer-3%

Tablet-3%

Smartphone+ Phablet - 41%

FY 2013 - 14

Others - 15%

PC (DT+NB)-21%

Tablet - 1%

Printer - 1%

USD
15.87
BN

Smartphone + Phablet - 62%

Sps grows >50 % in revenue
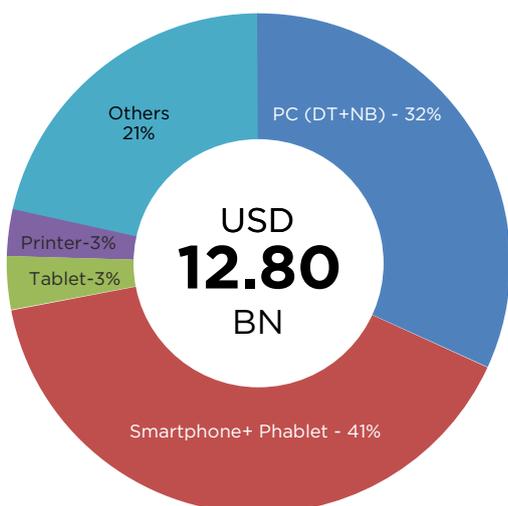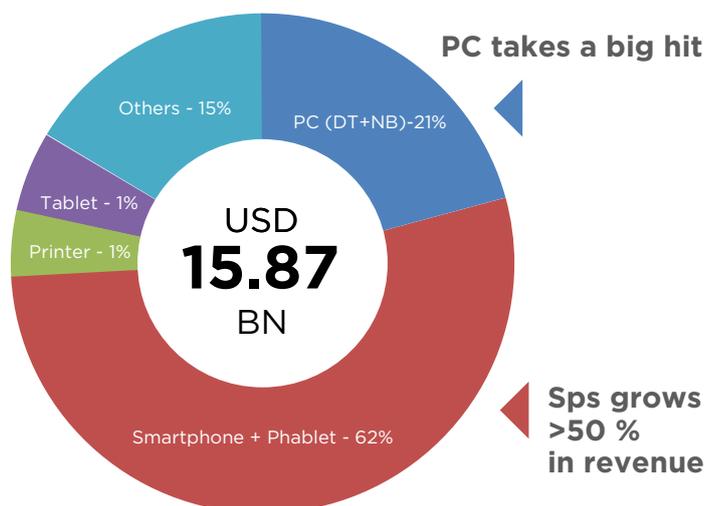
FY 2014 - 15

Forecasted market size for 2015-16

Products	Forecasted Market Size 2015-16	Forecasted Growth %
Desktop PC	4.31 Mn	-10%
Notebook	6.80 Mn	+17%
Tablets	2.92 Mn	-16%
Smartphone	88.4 Mn	+27%
Phablet	83.8 Mn	+65%
Laser Jet Printer	1.91 Mn	+10%
Ink Jet Printer	1.21 Mn	+03%
Dot Matrix Printer	0.28 Mn	0%
Server	0.16 Mn	-10%

To access the complete report, please contact **thomas@mait.com**

In the News

Make in India: Special incentive package for electronic manufacturing to stay.

- The government has extended the special incentive package for electronic manufacturing in India by five years.

- The package, called M-SIPS (modified special incentive package scheme), has been sweetened by including 15 new product categories to the list and by easing the procedure to receive the subsidy.

Vivo Says Noida Plant Will Be Operational in 3 to 4 Months

- Chinese handset-manufacturer Vivo said its new manufacturing plant in Noida will be operational in 3-4 months.

- The company also said that they would be investing Rs.125 crores by the end of the year in India.

Micromax to set up phone making unit in Telangana

- Micromax Informatics Ltd will invest Rs.80 crore to set up a mobile phone manufacturing facility in Rangareddy district of Telangana.

Micromax to invest up to Rs 500 crore for new manufacturing unit; to increase localisation

- Consumer electronics firm Micromax is aspiring to capture 15% market share in the TV panel segment by next year and planning to set up a new unit to ramp up production of budget-range models by investing up to Rs 500 crore.

Karbonn in talks with Telangana for handset assembly unit

- Domestic mobile phone company Karbonn is in discussions with the Telangana government to set up a handset assembly unit in the state.

- The proposed unit is part of the company's Rs 800 crore investment plan with the funds being deployed over next three years.

Foxconn starts making Xiaomi phones in the country, to up capacity

- Foxconn Technology Group has started making and shipping its first smartphones for China's Xiaomi and American phone brand InFocus out of its new plant in Andhra Pradesh, as it takes a step forward towards making India its next manufacturing hub.

Foxconn eyes Karnataka to set up start-up incubator

- Foxconn, a US$131.8-billion Taiwanese electronics giant, with an aim to set up a few start-up incubators is exploring Karnataka and other States.

- The company is planning to invest in areas such as services, mobile internet, e-commerce and hardware technologies.

Lava International to raise US $200 million to finance Rs 1,800 crore handset manufacturing unit

- Smartphone maker Lava International will raise nearly US $200 million (about Rs 1,260 crore) in phases through overseas borrowings to part-finance its upcoming Rs 1,800-crore handset manufacturing unit.

Xiaomi plans to invest in 'few' Indian start-ups

- Chinese handset maker Xiaomi is betting big on start-ups and has earmarked aboutUS $100 million over the next two years to invest in this segment.

- It is also looking to fund Indian startups and build an eco-system for innovation.

IBM unveils its 7nm superchip to hold 20 billion transistors

- IBM has announced that it has completed developing a thin 7-nanometer (7nm) chip which will be capable of holding 20 billion transistors.

- IBM has already unveiled the prototypes of next-generation chips, but it is not yet ready for mass production.

Lava in talks with state governments to set up new manufacturing unit for Rs 250 crore

- Domestic handset maker Lava today said it is in discussions with various state governments to set up a new assembly unit that will entail an investment of about Rs 250 crore.

Delta Electronics promises 20,000 new jobs in India

- Delta Electronics, a global leader in power and thermal management solutions, announced that it will increase its presence in India with further investment in electronics manufacturing.

- Delta India Electronics is looking to invest about US$500 Million over the next 10 years, helping to generate employment for India's multi-skilled talents with the expected creation of over 20,000 new jobs.

Sony to 'Make in India' via Foxconn

- Japanese electronics giant Sony is all set to make in India, though the products will be contract-manufactured at Taiwanese maker Foxconn's upcoming facilities in the country.

- Sony looks at local sourcing for the second time after it stopped the practice in 2004 when it opted to only import.

Plan to invest $9 billion over 5-years, says Kumar Mangalam Birla

- Aditya Birla group, which owns the country's third largest mobile operator Idea Cellular said it will invest US $ 7 billion over the next five years in network roll out, broadband and wi-fi deployment.

- Apart from that, the company will invest US $ 2 billion over the next five years in Digital India initiatives.

Mukesh Ambani Commits Rs. 2.5 Lakh Crore for 'Digital India'

- Reliance Industries will make an investment of over Rs. 250,000 crore in the digital space, including rollout of wireless broadband infrastructure and manufacturing of mobile handsets.

- Reliance Jio Infocomm Ltd is set to launch telephony and broadband services by December, and will create employment for over 5 lakh people.

Gionee to invest US $50 million for manufacturing in India

- Chinese handset brand Gionee will go for contract manufacturing for its locally-made smartphones and has shortlisted three vendors, including Foxconn Technology Group and Global Devices Network.

HTC to manufacture mobile handsets in the country

- HTC has finalised its 'Make in India' plans, becoming the second major global smartphone maker to produce handsets in the country.

- The Taiwanese premium smartphone maker has entered into an agreement with Global Devices Network, which set up a manufacturing and assembling unit three months ago in Noida, to make the handsets on contract.

Mobile phone manufacturing hub to come up in Hyderabad

- A group of mobile phone manufacturers have come forward to set up a manufacturing hub in Hyderabad.

Celkon opens phones manufacturing unit in Hyderabad

- Celkon's unit is in Medchal and equipped with four assembly lines and has a capacity of two lakh units a month.

Sony may consider setting up manufacturing facility in India

- Japanese electronics major Sony is looking at participating in the government's 'Make in India' initiative and may consider setting up a manufacturing plant in the country.

Lenovo eyeing smartphones manufacturing unit in India

- Chinese electronics major Lenovo is looking at the possibility of setting up a manufacturing unit for smartphones and tablets in India. The company already has a computer manufacturing plant in Puducherry.

Videocon to manufacture mobile handsets at Salt Lake unit

- Videocon BSE 0.13 % group would start manufacturing mobile handsets at its Salt Lake facility in West Bengal in a few months' time.

Micromax in talks to sell one fourth stake to Alibaba for Rs 4,200 crore; SoftBank may join the deal

- Micromax is on the verge of signing an agreement to sell a fourth of itself to China's Alibaba for about US $700 million (Rs 4,200 crore), in what is likely to be the first such stake purchase in an Indian phonemaker by an overseas investor.

3 cos may partner to make iPhone in India

- Sunil Mittal's Bharti Enterprises may be looking at joining hands with Foxconn, one of the world's biggest mobile phone contract manufacturer, and Japan's SoftBank to manufacture electronic devices in India.

- The proposal could see the production of iconic products like Apple's iPhones and other electronics devices at a time when the government is looking at giving a major push to local manufacturing through duty sweeteners.

LG to make smartphones in India

- South Korean handset maker LG Electronics will set up its manufacturing plants and start producing its smartphones in India after it achieves a 10% market share.

- The company also plans to invest Rs 1,000 crore in 2015 on research and development (R&D) and marketing.

DietY's E-3 centre to come up in Vizag

- The blueprint for India's first Centre for Electromagnetic Environmental Effects (E3) being set up in Vizag by the Department of Electronics and Information Technology (DeitY), Ministry of Communications and IT has been finalised.

D-Link to set up Rs.350 crore R&D centre in Hyderabad

- D-Link, global leader in connectivity for SME and large enterprise business networking, will set up a global research and development and network training centre in Hyderabad with an investment of Rs.350 crore.

- A memorandum of understanding (MoU) was signed between D-Link and the Telangana government in Taipei.

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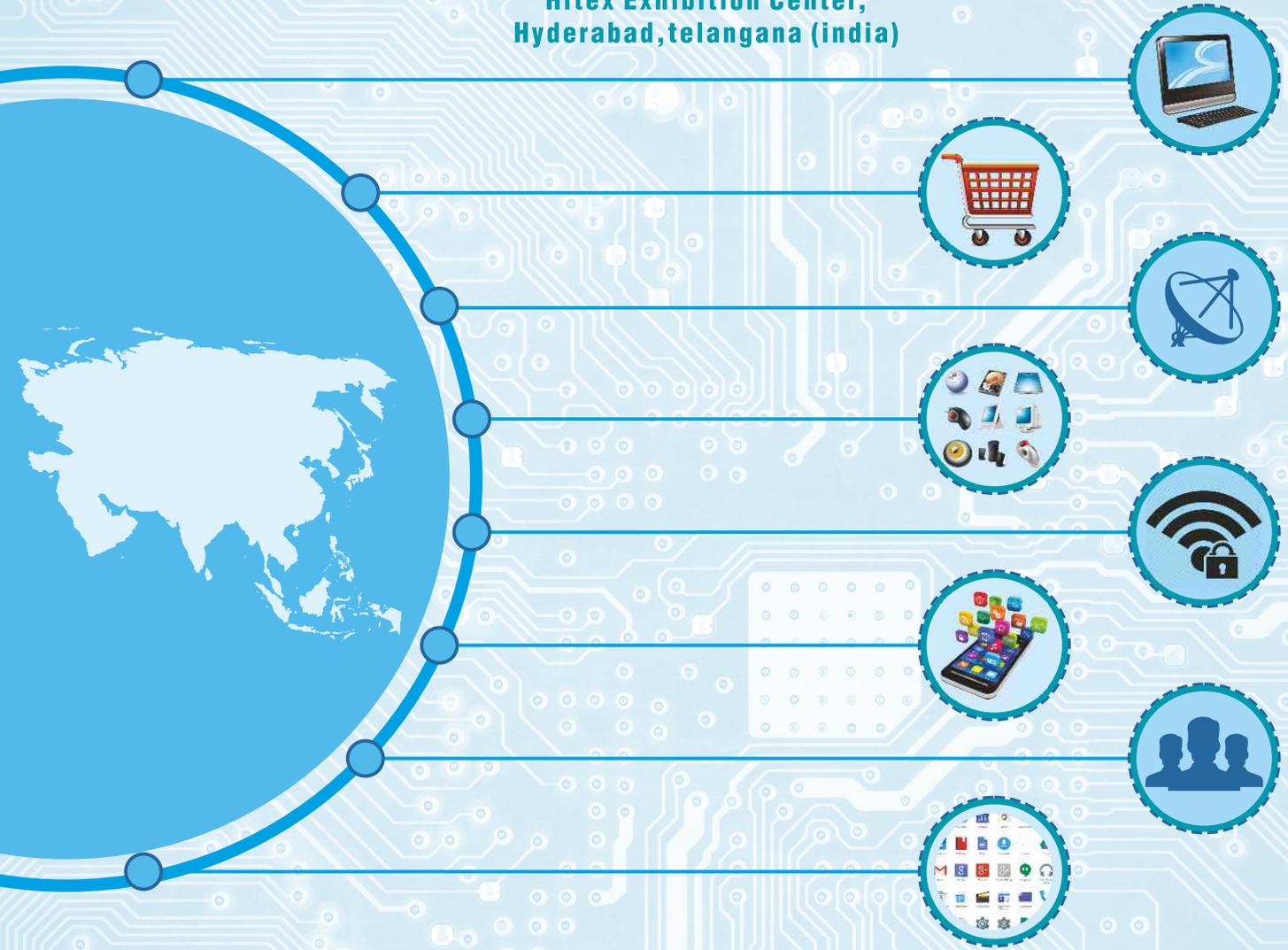
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