HFCL coverage report – June 02, 2021

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1	Business Standard	HFCL to apply for telecom products PLI	June 02, 2021

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No.	Publication/Portal	Headline	Date
1	Business Standard India	HFCL to participate in PLI for telecom, networking products manufacturing	June 02, 2021

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HFCL to apply for telecom products PLI

SURAJEET DAS GUPTA
New Delhi, 1 June

Domestic telecom equipment and fibre optic company HFCL has decided to participate in the production linked incentive scheme (PLI) for telecom and networking products manufacturing.

The Department of Telecommunications is expected to come out in the next few days with the final details of the ₹12,195 crore PLI scheme for telecom which is offering incentives of between 4-6 per cent to eligible companies for five years.

Confirming the development, HFCL chairman Mahendra Nahata said: "We will surely participate in being eligible for the PLI scheme on telecom equipment which is meant to give a big push to 'Make in India' in this sector, especially with the coming of 5G." HFCL will be the second homegrown company to avail itself of the scheme. The other is Dixon Technologies which has set up a joint venture with telecom operator Bharti Airtel, which will have a 24 per cent stake. Under the agreement, the joint venture is expected to sell the bulk of its products to Airtel, which will also be its largest client.

HFCL supplies telecom equipment and fibre optics to most of the current Indian operators. These include Reliance Jio (fibre-to-home, for instance), BSNL and other state-owned telecom infrastructure companies that are working on rolling out the Bharat Net fibre broadband network to connect rural India. Currently, about a fourth of HFCL's revenues come from fibre.

The domestic telecom equipment market is also expected to open up with companies like Reliance Jio now testing their own indigenously-made 5G network. Reliance Jio has made it clear that it will support any indigenous technology as long as it offers similar quality.

According to the government's feedback, the PLI scheme for the telecom sector has attracted the attention of global players, EMS companies and domestic companies. These include European gear makers Nokia and Ericsson who already have some manufacturing operations here, Cisco and Siena based in the US, and EMS players such as Jabil, Foxconn and Flex.

Domestically, apart from HFCL and Dixon, other companies, for example Sterlite Technologies, might also participate.

The core aim of the scheme is to offset the huge import bill of telecom equipment in the country that totals over ₹50,000 crore per annum and replace it with 'Made in India' products both for the domestic as well as the global market.

HFCL is working on designing products in key areas in 5G with domestic technology partners. It is designing and will manufacture 5G radio, macro and small cells for both external and indoor coverage of 5G, and carrier grade wi fi 6-based equipment which is compatible with 5G. It has teamed up with Qualcomm and other top companies for wi fi 6.

It will soon start looking for a location to manufacture these products and also start scouting around for global markets.

Under the PLI scheme, the minimum threshold for investment has been pegged at ₹100 crore. Once eligible, investors will be incentivized up to 20 times their minimum investment, enabling them to use their unused capacity.

The government expects the scheme to generate about ₹2.4 trillion of incremental production and ₹3,000 crore of additional investment.

The telecom incentives will be available for core transmission equipment, 4G/5G next generation radio access network, wireless equipment access and customer premises equipment, switches, and routers.

PRODUCTION LINE

- The firm is designing and will manufacture a range of products — 5G radio, macro cells and small cells for internal and external coverage of 5G
- It's looking at manufacturing a large range of telecom products that are currently imported, leading to a foreign exchange outgo of ₹50,000 cr annually
- The firm expects prices of such products to be far cheaper than global vendors, but of international quality

Headline : HFCL to participate in PLI for telecom, networking products manufacturing	Domain : Business Standard India
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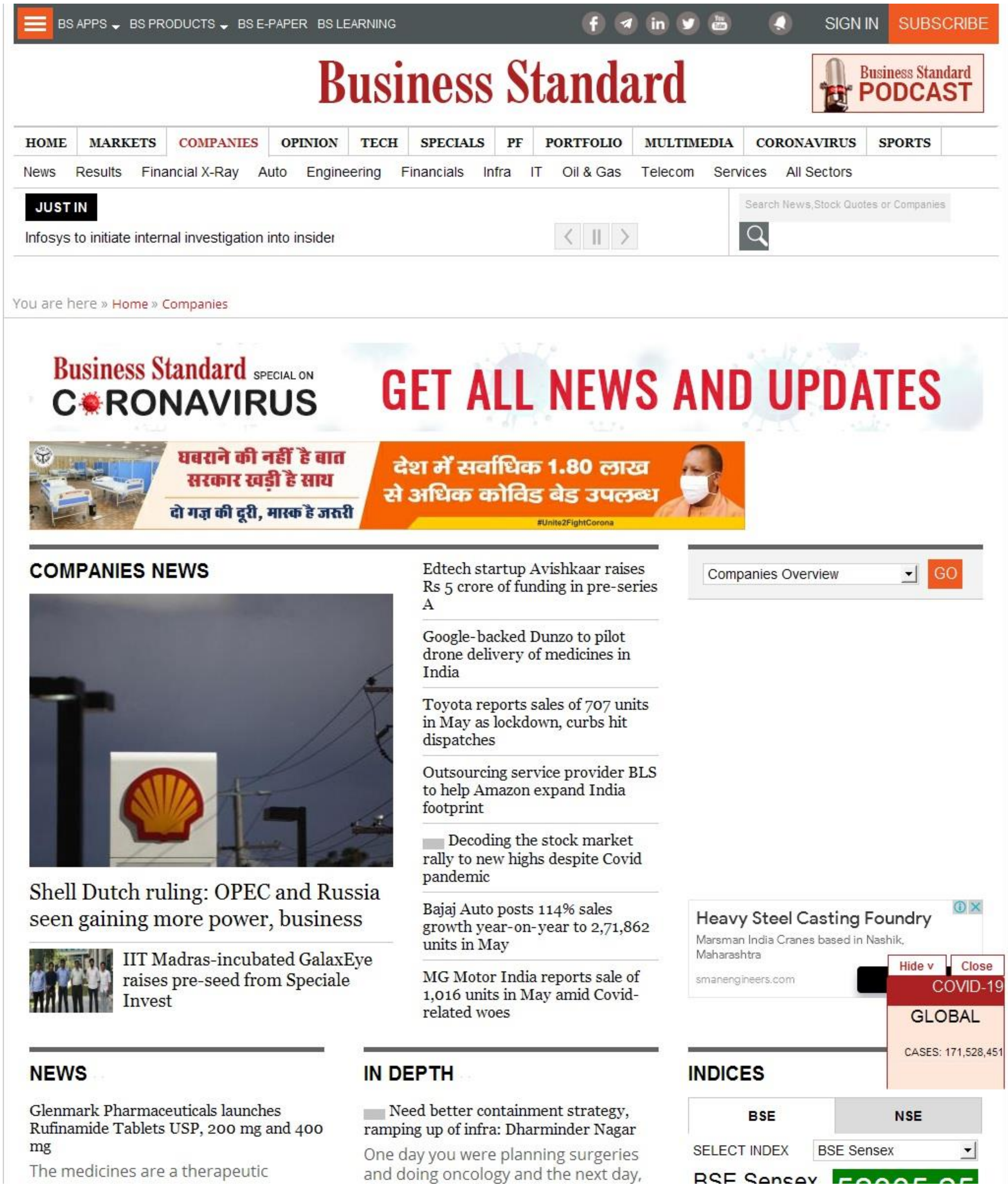
https://www.business-standard.com/article/companies/hfcl-to-participate-in-pli-for-telecom-networking-products-manufacturing-121060200005_1.html



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June 2, 2021

The PLI scheme for the telecom sector has attracted the attention of global players, EMS companies and domestic companies

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Topics

HFCL | PLI scheme | manufacturing

Surajeet Das Gupta | New Delhi Last Updated at June 2, 2021 06:10 IST

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Read our full coverage on HFCL
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