

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI MILIND DEORA): (a) and (b) Cloning of Subscriber Identity Module (SIM) in GSM (Global System for Mobile communication) networks is difficult due to elaborate authentication and encryption mechanism used in GSM mobile networks. No case has been reported so far regarding cloning of SIM card in GSM networks. However, in CDMA (Code Division Multiple Access) networks lot of cloning cases were reported in past, due to absence of encryption keys in CDMA handsets. Accordingly, it was decided to mandate presence of encryption keys in CDMA handsets. The same has been implemented and no cloning case has been reported since Sept. 2011.

(c) As such, the telecom equipments including SIM cards (manufactured in India or abroad) are prone to spyware/malwares etc. if attempted by the outfits, antisocial or anti national activists. Security agencies have pointed out the vulnerabilities associated with use of SIM cards in India which are manufactured/personalized outside India.

(d) Policy has been laid down by Department of Electronics and Information Technology for providing preference to domestically manufactured electronic products in procurements in Government procurement and Government funded projects. Department of Telecom (DoT) has already notified Preferential Market Access (PMA) for Government procurement including USO projects on 5th October, 2012. In order to extend PMA to Telecom Licensees for domestically manufactured telecom products based on security considerations, a committee was constituted by Department of Telecom. The recommendations of the committee have been sent for inter ministerial consultation.

#### **Incentives for mobile phone manufacturers**

2850. SHRI A. ELAVARASAN: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether Indian Cellular Association (ICA) has asked Government to exempt ail products used across mobile phone manufacturing value chain from duties and taxes;

(b) if so, the details thereof;

(c) whether the industry body has also asked for a ten year tax holiday on profits earned by mobile phone industry and reduce the price of mobile devices; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI MILIND DEORA): (a) to (d) The Indian Cellular Association (ICA) in its recommendation to the Department of Telecommunications for Union Budget 2013-14 has, inter-alia, recommended as follows:

- Continuation of the existing dispensation on Custom duties i.e. Countervailing Duty (CVD) and Excise Duty and requested for a withdrawal of the 1% National Calamity Contingencies Duty on the mobile phone segment.
- Zero duty eco system for manufacturing of parts and accessories and service industry.
- Ten year tax holiday on a block of 15 years on all profits and gains from manufacturing or rendering of services in or in relation to the mobile phone industry.

**Hike in tariff by private telecom players**

2851. DR. KANWAR DEEP SINGH: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether Government has taken note of recent call tariff hikes by a number of private telecom players;

(b) whether Government would intervene if such tariff hikes continue to add burden to the rural consumers of the country;

(c) if so, the details thereof, including the kind of intervention contemplated; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI MILIND DEORA): (a) As per the existing tariff framework, tariff for telecom services is under forbearance except rental, free call allowances and local call charges in the case of fixed line rural subscribers, roaming services in mobile telephony and for leased circuits. The telecom operators, including private players, have the flexibility to offer different tariffs depending on