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Interview with Manish Agrawal

“Telecom networks are shaping India’s digital economy”



Manish Agrawal
Chief Executive Officer,
Conductor and Telecom
Businesses, APAR Industries;
Managing Director,
APAR T&D Projects Pvt. Ltd.

Driven by the advent of 5G, supportive government policies and rapid technological advancements, the telecom industry is undergoing a significant transformation. Manish Agrawal, Chief Executive Officer, Conductor and Telecom Businesses, APAR Industries Limited, and Managing Director, APAR T&D Projects Pvt. Ltd., shared his insights on the burgeoning fibre space and key drivers and challenges that shape the landscape. He also outlined APAR’s strategic priorities and ambitious plans for its telecom business...

How has APAR’s journey been in the telecom space? What are its current offerings and focus areas?

APAR has significantly contributed to India’s digital transformation by providing optical fibre solutions that address high speed connectivity needs. In the past few years, we have expanded our product portfolio for diverse digital connectivity applications. We offer a range of products, including OFC, hybrid cables, specialty cables, LAN cables, and pre-connectorised solutions, which are apt for applications such as microduct, underground, aerial, underwater, indoor and last-mile connectivity. Our Giga-Volt hybrid cables incorporate both fibre and copper conductors in one cable, thus combining power and data transmission and helping meet the demand for use cases across 5G, Wi-Fi and internet of things (IoT). Another product is the Tarang Shakti Category 6 cables, which provide enhanced performance for the transmission of high speed data, digital and analog voice and video signals on local area networks, with applications across office networks, data centres, educational institutions and residential set-ups.

We offer services to build fibre networks and passive infrastructure gateways, and are the first in India to implement a high-span aerial fibre services deployment model.

Additionally, we have products in our conductor business such as optical ground wire (OPGW) and the soon-to-be-launched optical phase conductor (OPPC) that complement our telecom product portfolio. These combine power transmission with data capabilities, enabling real-time monitoring and supporting smart cities, 5G and IoT infrastructure.

What is your view on India’s progress on 5G?

India’s 5G roll-out has been one of the fastest

in the world. This is a big achievement since we were late entrants in 3G/4G. By the end of 2024, the number of 5G mobile subscribers crossed the 270 million mark, adding more than 140 million subscribers during the year. Telcos have invested heavily in building reliable infrastructure with the installation of more than 460,000 5G base transceiver stations. We are seeing faster download speeds and the consumption of more data. 5G has opened up new avenues for business expansion and service differentiation across industries.

However, several challenges hamper achieving its full potential, including the digital divide and limited deployment of fibre-based backhaul. India’s level of tower fiberisation at around 45 per cent is significantly lower than the minimum 75-80 per cent required for delivering quality 5G services. The low average revenue per user (ARPU), with still emerging 5G use cases, is impacting the RoI and placing a financial burden on telcos.

The challenges notwithstanding, the outlook for 5G in India is bright. The market is poised to grow threefold over the next five years to become the second largest 5G market globally. This will create a higher demand for digital infrastructure, including fibre solutions.

How are you looking to participate in the 5G space?

APAR, through its specialised offerings, can help create strong fibre backhaul and fronthaul connectivity, which is critical to meet the needs of 5G. We have made significant investments in developing advanced fibre solutions. For example, our hybrid cable solution, Giga-Volt, is developed specifically for 5G connectivity, which provides both data and power supply to 5G equipment. We have deployed fibre networks across the country for enabling 5G. Through a diverse portfolio of

“The demand for OFC will increase as the industry experiences high data usage, and quality of service and reliable connectivity become critical.”

products and services, APAR will play a key role in shaping India's 5G future.

How would you assess the progress made under the government's Make in India/PLI programmes?

The government had launched the production-linked incentive (PLI) scheme for 14 critical sectors, including telecom, in 2020. By incentivising the production of core transmission and wireless equipment, the scheme has given a massive boost to indigenous telecom R&D and manufacturing. With cumulative sales of Rs 680 billion, including exports of Rs 130 billion, and a reduction in imports and the trade deficit by about 60 per cent and over 90 per cent respectively, telecom is one of the sectors that has shown the most progress. The growth in exports reflects India's deeper integration into the global value chain. For example, 5G telecom equipment is being exported to North America and Europe.

However, stringent incentive conditions, high production costs, and supply chain vulnerabilities, including a heavy reliance on imports for semiconductors, are hampering progress. The Department of Telecommunications (DoT) is already considering amendments, including additional incentives for overachieving companies, and incentives for the design and inclusion of new products.

Key measures announced in Union Budget 2025, such as a reduction in the basic customs duty (BCD) on carrier-grade Ethernet switches from 20 per cent to 10 per cent, an increase in the compensation the government pays service providers for creating telecom infrastructure, prioritising BharatNet expansion and enhanced allocation to the domestic industry incentivisation scheme (including the PLI scheme) to stimulate domestic value addition, are expected to foster affordability, boost local manufacturing and accelerate the deployment of high speed fibre networks.

The government should consider including submarine cables under the PLI/Make in India scheme. Given that it carries most of the intercontinental communication traffic and India plays a key role in the global submarine cable network, the focus should be on developing indigenous submarine cable production capabilities.

What do you see as the biggest challenges for your telecom-related business at this point in time?

Increased competition from China, particularly in regions like Southeast Asia, the Middle East and Africa, results in pricing pressure. The anti-dumping duty imposed by Europe on OFC exports from India has impacted the industry. 5G has been deployed in a majority of cities and towns where capex by telcos has been deployed; however, as use cases are still evolving, it has pushed the demand for OEM products further for a few quarters.

Do you have a policy/regulatory wish list?

Considering the increased competition from China, government support is required to have free trade agreements with more countries and also to look at higher rates and more benefits under the Remission of Duties and Taxes on Export Products scheme.

DoT has published the Right of Way Rules for telecom infrastructure deployment, simplifying approval processes and enabling the digital management of applications, and has mandated states to implement these rules starting January 1, 2025. Ensuring effective implementation of the rules will lead to faster deployment of telecom infrastructure, particularly for 5G networks, while also reducing costs, and eventually improving network coverage and service quality for consumers.

The government may incentivise projects like BharatNet to explore the possibility of leveraging the existing fibre network of power, and oil and gas utilities. It will result in savings for the national exchequer.

The government may also encourage service providers to switch networks to a higher fibre count (96F, 144F, 288F), especially in congested city networks to avoid the cumbersome process of repeated installations with multiple rounds of digging up of infrastructure. This will not only improve network quality but also reduce the per km fibre cost to address future broadband needs.

Meanwhile, manufacturing facilities still struggle with 24x7 reliable power. This is another area where government support would be highly appreciated. The adoption of renewable energy and sustainable practices can also be incentivised.

What is your outlook for the telecom sector and for fibre demand?

India is currently the world's second largest telecom market, which is poised to grow at a CAGR of 9-10 per cent over the next five years and will be the cornerstone of India's aim to be a \$7 trillion economy by 2030. Multiple government initiatives such as BharatNet, smart city projects, the Bharat 6G Alliance and the satellite policy will drive the demand for digital connectivity infrastructure.

The demand for OFC will increase as the industry experiences high data usage, and quality of service and reliable connectivity become critical. The emergence of hyper-scale data centres and edge data centres will support real-time applications, enabling analytics and artificial intelligence-powered innovations, thus creating further demand for fibre networks.

What will be the company's key business priorities for 2025?

APAR is well positioned to drive connectivity and digital transformation in India and across the globe. We will continue to develop end-to-end connectivity solutions, catering to the diverse and evolving demands of the telecom sector. Our key priorities include:

- Expanding our presence in existing markets while tapping into new market areas, for example, the specialised connectorisation market;
- Gradually entering developed markets, driven by our success in Europe and the US markets;
- Strengthening service offerings to help build fibre networks, and engaging with government projects and other state-led initiatives, guided by our experience of undertaking turnkey projects for private players and building of OPGW networks across the toughest terrain in the country;
- Exploring opportunities arising from the intersection of the telecom and power sectors for creating digital infrastructure.

We aim to maintain leadership and be the preferred partner for our customers through innovative and differentiated solutions that meet environmental goals. ▲