



PRESS RELEASE

ICEA Hails Rationalisation of Tariffs on Components and Inputs of Mobile Phone as a Major Industry Win

New Delhi, January 31, 2024 – India Cellular & Electronics Association (ICEA), the premier industry body representing mobile phone and electronics industry, celebrates a significant milestone in the rationalization of tariffs on components of mobile phones vide Custom Notification 9/2024 notified on January 30, 2023. ICEA acknowledges the significant efforts and commitment of the Prime Minister’s Office, Ministry of Finance (MoF), Ministry of Electronics and Information Technology (MeitY).

The amendment is an important policy change toward export-led growth, ensuring policy consistency, and addressing competitiveness in manufacturing, which is a crucial victory for the mobile phone manufacturing industry in India. This was amongst the key asks that have been made by ICEA for the interim budget 2024-25.

According to Custom Notification 9/2024, the Basic Customs Duty (BCD) has been rationalised on inputs of mobile phone for the following: mechanics and die cut parts to 10%, inputs of mechanics and die cut parts has been reduced to 0%, and all others inputs of mobile phones classified as ‘Others’ under HSN code 85177990 has been adjusted to 10%.

Table: Change in Duty

S. No	Description	2023-24 (Old)	2024-25 (New)
	Components/ Inputs of Mobile Phones	Basic Customs Duty (%)	
1	“Others” (HSN: 85177990)	15	10
2	Mechanics 1. Battery cover 2. Front cover 3. Middle cover 4. Main lens 5. Back cover 6. GSM Antenna/Antenna of any technology 7. PU case/Sealing Gasket – Other articles of Polyurethane foam like sealing gaskets/case 8. Sealing Gaskets/ Cases from PE, PP, EPS, PC and all other	15	10

	individual polymers or combination/combinations of polymers 9. SIM socket 10. Screw 11. Other mechanical items of plastic 12. Other mechanical items of metal 13. Side Key		
3	Parts of Mechanics and Die Cut Parts (Resin, Mesh, Adhesive, Sponge, Film, Gasket, Logo, Steel Sheet, Cover Tape, Adhesive Tape, etc)	7.5-15	0
4	Die Cut Parts 1. Conductive cloth 2. LCD conductive foam 3. LCD foam 4. BT foam 5. Heat dissipation sticker battery cover 6. Sticker-Battery slot 7. Protective film for main lens 8. Mylar for LCD FPC 9. Film-front flash	15	10

Pankaj Mohindroo, Chairman, ICEA, said, " This is a critical and welcome policy intervention by the Government towards making mobile manufacturing competitive in India. Building scale, riding on low input tariffs is key to transforming India into a global hub for Electronics Manufacturing and Exports. The mobile phone industry would like to express its heartfelt appreciation to the Prime Minister's Office, MoF and MeitY."

"The adjustment of BCD to 10% on parts of mobile phones and mechanics and die-cut parts and 0% on inputs of mechanics represents **the start** of a paradigm shift in the policy orientation of the government towards export-led growth and competitiveness." Mr. Mohindroo remarked.

The BCD on 'Others' under HSN code 85177990 was earlier raised from 5% to 15% in 2018 under the Phased Manufacturing Programme (PMP). The 15% BCD on 'Others' under HSN 85177990 was never intended and led to issues of misinterpretations and created inadvertent complications for the mobile phone industry. Similarly, the duty on mechanics and die-cut parts and their inputs, which was also part of the PMP architecture, has been appropriately adjusted.

"Electronics has improved from the 9th position few years ago to India's 5th largest export in 2024. Mobiles constitute over 52% of electronics exports thanks to the PLI Scheme. This is the first industry to leapfrog out of import substitution to export-led growth within the last 8

years. Government has been an excellent and willing partner in this transformation.” concluded Mr. Mohindroo

About ICEA: India Cellular & Electronics Association is the apex industry body representing India's electronics manufacturing sector. Committed to driving growth and innovation in the industry, ICEA plays a pivotal role in shaping policies and strategies to strengthen India's position in the global electronics market.

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