

File No.4(8)/2016-IPHW
Government of India
Ministry of Electronics and Information Technology
Digital Industry (Hardware) Division

NOTIFICATION

Subject: Phased Manufacturing Programme (PMP) to promote indigenous manufacturing of Cellular Mobile Handsets, its sub-assemblies and parts/ sub-parts/ inputs of the sub-assemblies thereof

To promote indigenous manufacturing of Cellular mobile handsets, in the Budget 2015-16, a differential Excise Duty dispensation, i.e. Countervailing Duty (CVD) on imports @12.5% and Excise Duty @1% without input tax credit (or 12.5% with input tax credit) was made available to domestic manufacturers of Cellular mobile handsets. Parts, components and accessories for the manufacture of Cellular mobile handsets; Parts/ sub-parts/ inputs for the manufacture of such parts and components were exempted from Basic Customs Duty (BCD), CVD/ Excise Duty and Special Additional Duty of Customs (SAD). This gave an impetus to the Assembly, Programming, Testing and Packaging (APTP) model of manufacturing Cellular mobile handsets.

2. To promote depth in manufacturing of domestically manufactured Cellular mobile handsets, a phased manufacturing roadmap has been prepared keeping in view the state of play of the design/ manufacturing ecosystem in the country, wherein through appropriate fiscal and financial incentives, indigenous manufacturing of Cellular mobile handsets and various sub-assemblies that go into the manufacturing of Cellular mobile handsets shall be promoted over a period of time. The intention is to substantially increase value addition within the country.

3. The following Phased Manufacturing Programme (PMP) is notified with the objective of progressively increasing the domestic value addition for establishment of a robust Cellular mobile handsets manufacturing eco-system in India. The PMP shall enable the Cellular mobile handset and related sub-assembly/component industry to plan their investments in the sector.

Year	Sub-Assembly
2016-17	(i) Charger/ Adapter, (ii) Battery Pack, (iii) Wired Headset
2017-18	(iv) Mechanics*, (v) Die Cut Parts*, (vi) Microphone and Receiver, (vii) Key Pad, (viii) USB Cable
2018-19	(ix) Printed Circuit Board Assembly (PCBA), (x) Camera Module, (xi) Connectors
2019-20	(xii) Display Assembly, (xiii) Touch Panel/ Cover Glass Assembly, (xiv) Vibrator Motor / Ringer

* Indicative list at Annexure

4. The PMP shall also be extended to parts/ sub-parts/ inputs of aforesaid sub-assemblies, starting with Charger/ Adapter, as the manufacturing ecosystem evolves over a period of time.

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New Delhi, Dated 28th April, 2017

Indicative List of Mechanics and Die Cut Parts

A. Mechanics

1. Battery Cover (HS 39209999)
2. Front Cover (HS 39209999)
3. Front Cover (With Zinc Casting) (HS 39209999)
4. Middle Cover (HS 39209999)
5. GSM Antenna/ Antenna of any technology (HS 39209999)
6. Side Key (HS 85389000)
7. Main Lens (HS 39209999)
8. Camera Lens (HS 39209999)
9. Screw (HS 73181500)
10. Mic Rubber Case (HS 40169990)
11. Sensor Rubber Case/ Sealing Gasket including sealing gaskets/ cases from Rubbers like SBR, EPDM, CR, CS, Silicone and all other individual rubbers or combination/ combinations of rubbers (HS 40169990)
 - 11.1 PU Case/ Sealing Gasket (HS 39269091) - Other articles of Polyurethane foam like sealing gaskets/ cases.
 - 11.2 Sealing Gaskets/ Cases from PE, PP, EPS, PC and all other individual polymers or combination/ combinations of polymers (HS 39269099)
12. SIM Socket/ Other Mechanical items (Metal) (HS 73269099)
13. SIM Socket/ Other Mechanical items (Plastic) (HS 39269099)
14. Back Cover (HS 39209999)

B. Die Cut Parts

1. Conductive Cloth (HS 39269099)
2. Heat Dissipation Sticker Battery Cover (HS 39199090)
3. Sticker-Battery Slot (HS 39199090)
4. Protective Film for Main Lens (HS 39199090)
5. Mylar for LCD FPC (HS 39199090)
6. LCD Conductive Foam (HS 39269099)
7. Film-Front Flash (HS 39199090)
8. LCD Foam (HS 39269099)
9. BT Foam (HS 39269099)