



## **Indirect Tax Committee**

India's electronics manufacturing sector has witnessed unprecedented growth over the past decade, driven by the success of mobile phone manufacturing. Electronics production has grown around 4x, from USD 31.4 Bn in 2014-15 to USD 115 Bn in 2023-24.

**The Hon'ble Prime Minister's vision of achieving USD 500 billion in electronics production by 2030 represents an unprecedented target, marking more than 400% growth compared to the current USD 115 billion.** This ambitious goal is driving the industry to scale operations, boost exports, and significantly increase domestic value addition, setting India on a path to becoming a global electronics powerhouse.

To realize this vision, a robust and competitive tax policy is paramount. Indirect taxes- Customs and GST, serve as the backbone of this transformative journey. Establishing a streamlined and competitive tariff and globally aligned tax policy framework is essential to foster domestic growth, attract investments, and strengthen India's position in the global electronics landscape.

### **Objective of ICEA's Indirect Tax Committee**

The objective of the Indirect Tax Committee is to discuss and refine the indirect tax environment, making it conducive to the growth of the electronics industry.

The committee focuses on the entire ecosystem of indirect taxation, foreign trade, and export incentives, along with their interplay within India's broader business and economic landscape. It also addresses the critical bottlenecks faced by existing and potential businesses, including challenges in implementing the GST regime and other tax policy-related issues.

### **Policy Focus-Indirect Tax Committee**

The committee is committed to fostering an environment where businesses can thrive without the hindrances of a complex tax system and to reducing the cost of doing business in India. Its key focus areas include:

- Addressing and resolving challenges in indirect tax environment.
- Advocating tax rationalization to keep India globally competitive, avoiding inverted duty structure and minimum tax slabs for electronics industry.
- Exploring bilateral and multilateral tax treaties to strengthen India's integration into Global Value Chains (GVCs).

### **Key Achievements**

Some notable achievements among many others that have set the stage in the past few years include:

- Resolving penalty issues with respect to invoking Section-2A for **Wearables and Hearables** industry which was not aligned with the original PMP notification as issued by MeitY.



- Rationalized tariffs on **parts of Mobile Phone** like mechanics, PCBAs, chargers, and other key inputs to make the tariff structure competitive.
- Clarity on duty deferment and seamless goods movement between **MOOWR units**, reducing operational hurdles.
- Resolved longstanding ambiguity around **Display Assemblies for mobile phones**, providing a predictable, unified tax framework for manufacturers.
- **Clarification on the applicability of concessional duty benefits** under IGCRS, 2022 for intermediate goods.

This robust and targeted approach continues to strengthen India's electronics manufacturing sector, supporting its journey toward achieving the USD 500 billion target.

**To become a committee member, reach out to:**

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