



# **ELCINA POLICY CAPSULE**

Part 2  
March 2025

## ELCINA POLICY CAPSULE PART-2 —16<sup>th</sup> March to 31<sup>st</sup> March 2025

### 1. Cabinet Approves Electronics Component Manufacturing Scheme to Boost Atmanirbhar Bharat on 28<sup>th</sup> March 2025

The **Union Cabinet** has approved the **Electronics Component Manufacturing Scheme** with a **funding of ₹22,919 crore** to strengthen India's electronics supply chain and make the country **Atmanirbhar** in component manufacturing.

#### Key Highlights of the Scheme:

- **Investment Attraction:** ₹59,350 crore in investments.
- **Production Impact:** ₹4,56,500 crore worth of electronic components.
- **Employment Generation:** 91,600 direct jobs and many indirect jobs.
- **Integration with Global Value Chains (GVCs):** Encouraging domestic and global players to invest in India.

#### Salient Features:

- **Incentives:** Tailored support for various categories of electronic components and sub-assemblies.
- **Key Segments Covered:**
  - **Sub-assemblies:** Display modules, camera modules.
  - **Bare components:** Non-SMD passive components, electro-mechanical components, PCBs, Li-ion cells, enclosures.
  - **Advanced Components:** HDI/MSAP/Flexible PCBs, SMD passive components.
  - **Supply Chain & Capital Equipment:** Incentives for parts, components, and capital goods.
- **Scheme Tenure:** 6 years with a 1-year gestation period.
- **Employment-Linked Incentives:** Partial incentives are tied to job creation.

This scheme is a **major step towards self-reliance** in electronics, strengthening domestic manufacturing, and positioning India as a **global hub** for electronic components.

This is a **critical opportunity** to strengthen India's electronics ecosystem and enhance company's global competitiveness. **We encourage members to actively participate and take advantage of this initiative.**

**For any queries or if you need further guidance, please contact ELCINA.**

## 2. CBIC Circular no: 08/2025- Customs dated 24<sup>th</sup> March 2025: Clarification on the scope of the Camera Module of Cellular Mobile Phones.

The Central Board of Indirect Taxes & Customs (CBIC) has issued **Circular No. 08/2025-Customs** on **March 24, 2025**, clarifying the scope of **camera modules for mobile cellular phones** under **Notification No. 57/2017-Customs**.

### Key takeaways:

#### a) Definition of Camera Module:

- a. A camera module consists of **lens, sensor, FPCB assembly, bracket/holder, connectors, and mechanical parts**.
- b. The “**essential character**” of a camera module is determined by its **primary function as a camera**, irrespective of design changes due to technological advancements.

#### b) Classification & Eligibility for Concessional Duty:

- a. **Complete camera modules** (including single or multiple cameras) meant for **mobile phone manufacturing** will qualify for **10% Basic Customs Duty (BCD)** under **S. No. 5A of Notification No. 57/2017-Customs**.
- b. **Individual components** of a camera module (imported separately) **will not** qualify for this concessional rate and will attract **applicable duty rates**.

#### c) Clarification on Structural Elements:

- a. Parts such as metal chassis, plastic covers, or holders **only providing strength or protection** without additional functionality will still be considered part of the **camera module assembly**.

#### d) Duty Implications:

- a. If a camera module is **imported as a fully integrated assembly**, it will continue to get the **concessional duty**.
- b. If components of a camera module are **imported separately**, they will be taxed **at standard BCD rates**.

### Impact on the Mobile Phone Industry:

- Provides **clarity for importers** on duty benefits for camera modules.
- Ensures **uniformity in classification** across customs offices.
- Prevents **misclassification of imports** where structural components were previously considered **non-camera parts** and taxed separately.

This clarification is expected to **streamline imports** and **prevent disputes** related to the classification of camera modules under customs laws.

*For more details, members are advised to refer to the official CBIC website regarding CBIC Circular no: 08/2025- Customs dated 8<sup>th</sup> March 2025.*

### **3. CBIC Notification No. 21/2025-Customs dated 28<sup>th</sup> march 2025: Government Issues Amendment to notification no. 22/2022-Customs to notify the fourth tranche of tariff concessions under India-UAE CEPA.**

The Government of India has issued Notification No. 21/2025-Customs, which comes into effect on April 1, 2025. This latest amendment, announced by the Ministry of Finance's Department of Revenue, revises the customs duty rates by replacing Table I of the previous notification (No. 22/2022-Customs, dated April 30, 2022).

The new table provides an updated schedule of duty rates for a wide range of goods, including various electrical and telecommunications equipment—with rates set at percentages such as 0%, 1.5%, 2%, 2.5%, 3%, 6%, and 12%. This update follows the earlier amendment made on February 1, 2025, and is aimed at aligning customs regulations with current trade needs and public interest.

The new tariff structure will be relevant for manufacturers, importers, and exporters of electrical machinery, electronic goods, and related components, and it reflects the government's efforts to fine-tune import duties to ensure a balanced approach to both industry interests and public policy.

*For more details, members are advised to refer to the official CBIC website regarding CBIC Notification No. 21/2025-Customs dated 28<sup>th</sup> March 2025 and refer to the specific HS codes and corresponding duty rates as listed Table I.*

### **4. CBIC Notification No. 22/2025-Customs dated 28<sup>th</sup> March 2025 : Government Issues Amendment to notification no. 25/2021-Customs to notify the fifth tranche of tariff concessions under India-Mauritius CECPA.**

The Government of India has issued Notification No. 22/2025-Customs amending the previous customs notification (No. 25/2021-Customs, dated 31st March 2021). The amendments, notified under the Customs Act, 1962, come into effect on 1st April 2025.

#### **Key Changes:**

##### **a. Table 1 Amendments:**

The tariff schedule for several goods under specific HS codes has been updated. Notably:

- a. HS Code 85340000: Duty maintained at 0%.
- b. HS Codes 85365010, 85365020, 85365090, 85369010, 85369020, 85369030, and 85369090: Duty set at 5%.

b. **Table 2 Amendments:**

A new table details tariff concessions on certain food products under HS codes for vegetable preparations: a 50% concession on the applied rate of duty has been granted.

These revisions aim to adjust duty rates in line with current trade and economic policies, impacting importers and exporters across the affected sectors.

*For more details, members are advised to refer to the official CBIC website regarding CBIC Notification No. 22/2025-Customs dated 28<sup>th</sup> March 2025 and refer to the specific HS codes and corresponding duty rates as listed Table 1 and Table 2.*

**5. CBIC Notification No. 11/2025–Central Tax (GST Amendment Rules, 2025) dated 27<sup>th</sup> March 2025: Amendments to CGST Rules on Refunds and Appeals**

The **CBIC** has amended the **CGST Rules, 2017** through **Notification No. 11/2025-Central Tax (March 27, 2025)** to clarify **refund eligibility** and **appeal withdrawal procedures** under **Section 128A**.

**Key Changes:**

a) **Refund Restriction (Rule 164(4))**

a. No refund for tax, interest, or penalty already discharged if the demand covers **both the period under Section 128A and any other period.**

b) **Appeal Withdrawal (Rule 164(7))**

a. Taxpayers **can withdraw only part of the appeal** related to **Section 128A**, without affecting the appeal for other periods.

c) **Automatic Appeal Withdrawal (Explanation in Rule 164(7))**

a. Appeals will be deemed **withdrawn** for the period **July 1, 2017 – March 31, 2020**, where applicable under **Section 128A(3)**.

These changes **streamline refunds and appeals**, reducing **litigation and compliance burden** for taxpayers.

*For more details, members are advised to refer to the official CBIC website regarding CBIC Notification No. 11/2025–Central Tax (GST Amendment Rules, 2025) dated 27<sup>th</sup> March 2025.*

**6. DGFT Public Notice No. 51/2024-25, dated 19<sup>th</sup> March 2025 : Extension of Last Date for Filing Annual RoDTEP Return (ARR) for FY 2023-24**

The Government has extended the **last date for filing the Annual RoDTEP Return (ARR) for FY 2023-24** from **March 31, 2025, to June 30, 2025**. The grace period has also been extended from **June 30, 2025, to September 30, 2025**.

This extension is notified through **Public Notice No. 51/2024-25, dated March 19, 2025**, under the Foreign Trade Policy, 2023.

**Effect of the Public Notice:** Exporters availing **RoDTEP for FY 2023-24** now have an additional **three months** to file their ARR.

*For more details, members are advised to refer to the official DGFT website regarding DGFT Public Notice No. 51/2024-25, dated 19<sup>th</sup> March 2025.*

**7. DGFT Notification No. 66/2024-25, dated March 20, 2025: Extension of RoDTEP Scheme for AAs, SEZs, and EOUs Until February 5, 2025**

The Government has extended the **Remission of Duties and Taxes on Export Products (RoDTEP) Scheme** for exporters operating under **Advance Authorizations (AAs), Special Economic Zones (SEZs), and Export-Oriented Units (EOUs)** until **February 5, 2025**. This extension is notified through **DGFT Trade Notice No. 66/2024-25, dated March 20, 2025**.

*For more details, members are advised to refer to the official DGFT website regarding DGFT Notification No. 66/2024-25, dated March 20, 2025.*

**For any queries regarding this ELCINA Policy Capsule, please contact [policy@elcina.com](mailto:policy@elcina.com).**

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