

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:116

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Mobile Production

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Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether in terms of value, mobile phone production in the country has increased by 95% in the ongoing financial year as compared to the previous fiscal;
- (b) if so, the details thereof;
- (c) whether mobile phone production in India has increased with leading companies setting up their manufacturing base in the country;
- (d) if so, the details thereof; and
- (e) the extent to which new investment has been made in mobile phone production and new jobs created as a result thereof and the steps taken to attract more world leading companies to set up their manufacturing unit in India?

Answer

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY
(SHRI RAVI SHANKAR PRASAD)

(a) to (d) As per Indian Cellular Association, the production of mobile phones in India during current financial year is expected to cross ? 40,000 Crores (value) compared to the production of ? 18,900 Crores (value) during 2014-15.

(e) The total investments made by companies during the past 7-8 months are estimated to be in the range of ? 250 Crs – 300 Crs which is likely to increase to ? 600-650 Crores by the end of 2015-16. More than 30,000 new jobs have already been generated in this industry during the past 7-8 months and an additional 8000 - 10000 new jobs are expected to be generated by the end of current financial year. Following steps have been taken by the Government to attract more world leading companies to set up their manufacturing units in India:

(1) Modified Special Incentive Package Scheme (M-SIPS) provides financial incentives to offset disability and attract investments in the manufacturing of electronics products (including telecom). The scheme is available for both new projects and expansion projects. The scheme provides subsidy for investments in capital expenditure - 20% for investments in SEZs and 25% in non-SEZs.

(2) Excise Duty structure for mobile handsets has been changed from 1% without CENVAT credit or 6% with CENVAT credit to 1% without CENVAT credit or 12.5% with CENVAT credit. The differential duty for the mobile handset manufacturing is being termed as a game changer by the industry and consequent to this various Mobile phone manufacturing companies like Foxconn, Xiomi, Micromax, Celkon, and Karbonn have committed to mobile phone manufacturing in the country.

(3) Full exemption of all goods, except populated printed circuit boards, for use in manufacture of ITA bound items from Special Additional Duty (SAD) and reduction in SAD on imports of certain other inputs and raw materials is available now.
