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Ref.No.MAIT/PY/2443

February 24, 2022

Shri K Rajaraman, IAS Secretary Department of Telecommunications

Subject: Reversal of Customs Duty on "Router apparatus Accessories-External Antenna"

Respected Sir,

Greetings from MAIT!

This bears reference to imposition of 20% customs duty on Router components (External Antenna).

As per Notification No. 24/2005 dated 01-03-2005 vide serial no. 39, there is no Customs duty applicable for Router barebone & its accessories. They are classified under HSN codes 85177990 & 85177100 vide Notification No.24/2005 dated 01-03-2005 and are used for manufacturing of Routers in the country.

However, recently post the re-alignment of HSN Codes with WCO, importers of these Router components which are used for the manufacturing of Routers are being asked by the Customs officials to put these items under "**HSN Code 8517 7100**" which attracts 20% Customs duty. This change is having an adverse effect on local manufacturing and consequent pricing of product by Indian manufacturers will go up making them uncompetitive in the market. Also, this is impacting the existing contracts and obligations of the companies' manufacturing Routers in the country. Also, we are landing up in an inverted duty structure of the raw materials having higher duty compared to the finished product.

A technical write-up on "Router apparatus Accessories-External Antenna" is attached for your kind reference.

Hence, we would request the support of DoT to clarify the fact stated above considering the serious impediment that this change in tariff is causing.

Being the line Ministry, your recommendation to Department of Customs shall greatly help in clarifying that

- 1. Router Components fall under HS Code 85177990 and 85177100
- They will attract zero duty as per exemptions vide Notification No.24/2005 dated 01-03-2005 vide serial no.39

We also request that for the companies who have paid 20% duty on imports post 1st January 2022, an order to refund the same may be issued. This will greatly help the manufacturing industry of India.

Look forward to your favourable consideration and support.

With regards,

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George Paul Chief Executive Officer

CC: Shri Gaurav Masaldan, IRS, Jt. Secretary-Customs, Ministry of Finance