

Customs duty cut on key components for electronics to deepen value chain, ecosystem: MeitY's Krishnan

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New Delhi

The government's move to waive basic customs duty on key components for electronics manufacturing will help deepen the value chain and the ecosystem, S Krishnan, Secretary, Ministry of Electronics and Information Technology (MeitY), said on Thursday.

Speaking on the sidelines of the CII GCC Business Summit, he said it was an "important change", and the move will also stimulate the electronics component industry in the country.

"Based on the industry representations, this is something that we had taken up with the Ministry of Finance. We are very happy that these notifications have been issued. This will really stimulate the electronics industry, especially the electronics component industry in the country," Krishnan said.

The Finance Ministry, through a notification, has exempted customs duty on specified goods used in the manufacture of lithium-ion cells, inductor coil modules and display assemblies.

EXPANDED LIST

Under the new notification, the government has expanded the list of machinery and equipment that can be imported without payment of customs duty for use in manufacturing lithium-ion cells.

The exemption also covers a wide range of specialised machines and systems used across the production process including powder



MANUFACTURING PUSH. S Krishnan, Secretary, MeitY, at the inaugural session of the CII GCC Business Summit 2026

dryers, automatic feeding and blending systems, slurry transfer systems, cathode and anode extrusion coating machines, compression equipment, high vacuum pumps, winding machines, electrode cutting and slitting machines, testing machines, auto-packing systems, etc.

The exemption list also includes welding machines, ultrasonic cleaning machines, electrolyte injection machines, solvent and heat recovery systems, cell baking and cooling machines, laser welding and notching equipment, cell formation and inspection systems, water

sprinkler systems, racks and wire filling and welding machines.

The Finance Ministry also said the amendments have been made after the government was satisfied that such measures are necessary in the public interest. The duty exemptions are likely to lower production costs and strengthen India's manufacturing ecosystem for advanced batteries and electronic components.

According to Pankaj Mohindroo, Chairman, India Cellular & Electronics Association, the broad basing of the duty dispensation for display assembly to auto display, medical display and industrial displays is a huge step which will building the

industry in these verticals like it has happened in mobiles and consumer electronics. "The exemption on important capital goods for lithium ion industry across all segments including electric vehicles and battery energy storage system will make the industry more competitive," he added.

Manoj Mishra, Partner and Tax Controversy Management Leader at Grant Thornton Bharat, said the Centre's decision to grant BCD exemptions on key inputs used in the manufacture of display assemblies, wireless charging modules and lithium-ion cells is another step towards strengthening India's electronics manufacturing ecosystem.