

Centre waives Customs duty on charger parts, battery machinery

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To boost domestic manufacturing, the central government has exempted customs duty on parts going into display assemblies used in automotive, medical and industrial equipment, parts used in wireless charging modules of mobile phones and machinery used to produce lithium-ion cells, showed three official orders.

The orders issued late on Wednesday seek to support the domestic electronics industry with lower cost of production at a time when the West Asia crisis has disrupted global supply chains and pushed up shipping costs. A larger list of machinery used in lithium-ion cell manufacturing is now eligible for duty exemption without end use restrictions, replacing an earlier narrow list with restrictions. The benefit of duty exemption is available till March 31, 2029.

Earlier, the applicable duty on these products ranged from 7.5-15 per cent.

The move will benefit a wide range of sectors, including automotive, electric vehicles, medical devices and health care equipment, industrial electronics and manufacturing, mobile phones and smart-phone manufacturing,



Down to zero

Category	Items covered	Old rate (In %)
Display assemblies (Automotive, medical & industrial)	Cell, flexible printed circuit assembly backlight unit, frame, anisotropic conductive film (ACF)	15
Wireless charging inductor	Nano-crystalline assembly, e-shield, PET liner, PC shim (with Z-liner), main stranded coil & NFC coil, NdFeB magnets	7.5-15
Lithium-ion cell manufacturing machinery	85 items of capital goods & machinery (including powder dryers, coating machines, winding machines, filling & sealing machines, testing equipment, welding machines, formation machines, etc.)	7.5-10

Validity is until March 31, 2029

EMS stocks soar

(As on July 9)	Share price (₹)	1-day change (%)
Kaynes Technology India	3,433.3	7.1
Avalon Technologies	1,728.6	6.0
Syrma SGS Technology	1,441.7	5.8
Dixon Technologies India	13,490.0	4.3
Cyient DLM	538.7	3.4

Source:
Bloomberg/Exchange

consumer electronics, battery manufacturing, and energy storage systems.

The duty relief on display components and lithium-ion cell machinery is also expected to support the defence sector, particularly in the production of drones, robots, unmanned systems, and other advanced equipment that rely on high-quality displays and batteries.

One of the notifications exempted five components used in manufacturing display

assemblies for automotive, medical and industrial applications from basic customs duty (BCD) till March 31, 2029.

These include cells, flexible printed circuit assemblies, backlight units, frames and anisotropic conductive film.

“This measure is intended to provide impetus to manufacturing of display assemblies used in automotive, medical and industrial sectors. Similar displays for cellular mobile phones, wearable devices,

televisions and interactive flat panel displays already enjoy concessional rate of customs duty for their parts under their respective calibrated duty structures,” a person informed about the development said on condition of not being named.

BCD exemption on goods used in producing display assemblies, lithium-ion cell and inductor coil modules will help to deepen the value chain of the domestic manufacturing ecosystem, elec-

tronics and information technology secretary S Krishnan said on Thursday.

“Based on 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 electronic component industry in the country,” Krishnan said on the sidelines of the CII GCC Business Summit.

In a separate order, the government extended nil customs duty till March 31, 2029, on six components used in making inductor coil modules for wireless charging in cellular mobile phones. This will further deepen the value addition in mobile phone manufacturing, the person quoted above added.

A third order replaced the existing list of machinery eligible for concessional customs duty for lithium-ion cell manufacturing with an expanded list of 85 capital goods. The revised list includes coating machines, winding machines, welding systems, testing equipment, formation machines, drying systems and other specialised manufacturing equipment used across the lithium-ion cell production process.

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