

Summary of Budget 2017-18 for Electronics Industry

1. **Promotion of manufacturing of Point of Sale (POS) and other Digital Payment Devices:** POS devices and all goods for manufacture of POS devices, subject to actual user condition, were exempted from Excise Duty / Countervailing Duty (CVD) vide Notification No.35/2016-Central Excise dated 28.11.2016. These exemptions which were valid till 31.03.2017, have been extended up to 30.06.2017 vide Notification No.6/2017-Central Excise dated 02.02.2017.

Following goods and parts/ components for use in the manufacture of these goods, subject to actual user condition, have been exempted from Basic Customs Duty (BCD), Excise Duty / CVD and consequently Special Additional Duty of Customs (SAD) vide S.No.408A of Notification No.6/2017-Customs dated 02.02.2017 and S.No.256C of Notification No.6/2017-Central Excise dated 02.02.2017, respectively:

- (i) Micro ATMs as per standards version 1.5.1;
- (ii) Fingerprint reader / scanner;
- (iii) Iris scanner;
- (iv) Miniaturised POS card reader for mPOS (other than Mobile phone or Tablet Computer).

2. **Promotion of manufacturing of LED (Light Emitting Diode) Lights:** BCD on all parts for use in the manufacture of LED lights or fixtures including LED lamps has been reduced to 5%, subject to actual user condition. BCD on all inputs for use in the manufacture of LED driver or MCPCB (Metal Core Printed Circuit Board) for LED lights and fixtures or LED lamps has also been reduced to 5%, subject to actual user condition. Notification No.12/2012-Customs dated 17.03.2012 as amended vide Notification No.6/2017-Customs dated 02.02.2017 [new S. Nos.410A & 410B respectively] refers.

Concessional Excise Duty / Countervailing Duty (CVD) @ 6% applicable to LED driver and MCPCB for use in the manufacture of LED lights and fixtures or LED lamps has been extended to all parts for use in the manufacture of LED lights or fixtures including LED lamps, subject to actual user condition. This 6% concessional Excise duty will be valid till 30.06.2017. Notification No.12/2012-Central Excise

dated 17.03.2012 as amended vide Notification No.6/2017-Central Excise dated 02.02.2017 [S.No.321A] refers.

3. **Promotion of manufacturing of Solar Cells and Modules:** BCD on solar tempered glass or solar tempered (anti-reflective coated) glass for use in manufacture of solar cells / panels / modules has been reduced from 5% to NIL, subject to actual user condition. Notification No.12/2012-Customs dated 17.03.2012 as amended vide Notification No.6/2017-Customs dated 02.02.2017 [S. No. 305A] refers.

Excise Duty exemption on solar tempered glass for use in the manufacture of (a) solar photovoltaic cells or modules; (b) solar power generating equipment or systems; (c) flat plate solar collectors; and (d) solar photovoltaic module and panel for water pumping and other applications has been withdrawn and 6% concessional Excise Duty has been extended on such solar tempered glass, subject to actual user condition. This 6% concessional Excise Duty will be valid till 30.06.2017. Notification No.12/2012-Central Excise dated 17.03.2012 as amended vide Notification No.6/2017-Central Excise dated 02.02.2017 [S. No.187C and S. No.332 A] refers.

Excise Duty has been reduced from 12.5% to 6% on parts / raw material for use in the manufacture of solar tempered glass for use in (a) solar photovoltaic cells or modules; (b) solar power generating equipment or systems; (c) flat plate solar collectors; and (d) solar photovoltaic module and panel for water pumping and other applications, subject to actual user condition. This 6% concessional excise duty will be valid till 30.06.2017. Notification No. 12/2012-Central Excise dated 17.03.2012 as amended vide Notification No.6/2017-Central Excise dated 02.2.2017 [new S. No.187D] refers.

4. **Promotion of manufacturing of Populated Printed Circuit Boards (PPCBs) of Mobile Phones:** PPCBs of mobile phones have been excluded from the purview of Nil SAD. Notification No.21/2012-Customs dated 17.03.2012 as amended vide Notification No.4/2017-Customs dated 02.02.2017 [S. No.1] refers. Simultaneously, 2% concessional SAD has been extended to PPCBs for use in the manufacture of mobile phones, subject to actual user condition. The concessional SAD will be valid till 30.06.2017. Notification No. 21/2012-Customs dated 17.03.2012 as amended vide Notification No.4/2017-Customs dated 02.02.2017 [new S. No. 85B] refers.