

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA
UNSTARRED QUESTION NO. 631
TO BE ANSWERED ON 20.11.2019

NATIONAL POLICY ON ELECTRONICS

**631. SHRI P.V. MIDHUN REDDY:
SHRI BALLI DURGA PRASAD RAO:**

Will the Minister of Electronics and Information Technology be pleased to state:

- (a) whether the Government has taken any steps under The National Policy on Electronics 2019 (NPE 2019), to position India as a global hub for Electronics System Design and Manufacturing (ESDM);
- (b) if so, the details thereof;
- (c) whether any institutions have been proposed to be established under the said policy in the State of Andhra Pradesh; and
- (d) if so, the details thereof?

ANSWER

MINISTER OF ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI RAVI SHANKAR PRASAD)

(a) and (b): The Government has notified the National Policy on Electronics 2019 (NPE 2019) on 25.02.2019, with the vision to position India as a global hub for Electronics System Design and Manufacturing (ESDM) and create an enabling environment for the industry to compete globally. The steps taken under NPE 2019 to position India as a global hub for ESDM are given in the annexure.

(c) and (d): The Paragraph 6 of National Policy on Electronics 2019 proposes to encourage and support the States to play a proactive role in promotion of electronics manufacturing by providing conducive environment to promote investments. So far, no institutions have been proposed to be established under the said policy in the State of Andhra Pradesh.

Annexure

Steps taken under NPE 2019 to position India as a global hub for ESDM

1. Reduction of Corporate Income Tax

Domestic companies can now opt for concessional tax regime @22% (25.17% inclusive of surcharge and cess) provided that such a company has not claimed any income tax incentive or exemption. Such companies will also not be liable to pay Minimum Alternate Tax (MAT). Further, to attract fresh investments in manufacturing and boost Make in India programme, new provision has been made which allows new domestic companies incorporated on or after October 1, 2019, making fresh investment in manufacturing, and starting operations before March 31, 2023, an option to pay corporate income tax at 15 per cent (17.16% inclusive of surcharge and cess). Such company cannot avail any other income tax exemption/ incentive under the Income-Tax Act. Such companies will also not be liable to pay Minimum Alternate Tax (MAT).

MAT rate for companies availing exemptions/incentives has been reduced from 18.5% to 15%.

2. Exemption of Basic Customs Duty (BCD) on capital goods for the manufacture of specified electronic goods

In the Union Budget 2019-20, BCD has been exempted on specified capital goods [falling under Chapter 82, 84, 85 and 90] for the manufacture of specified electronic goods such as Printed Circuit Board (PCB), Charger of cellular mobile phones, Display Panel, etc., subject to actual user condition, with the objective of increasing competitiveness of the industry.

3. Exemption of BCD on Open Cell for manufacture of TV Panels

To promote domestic manufacturing of TV Panels, the BCD levied on Open Cell (15.6" and above) for use in the manufacture of Liquid Crystal Display (LCD) and Light Emitting Diode (LED) TV Panels has been reduced to Nil from 5% vide Customs Notification No.30/2019 dated 17.09.2019 till September 2020. Also, BCD has been exempted on following inputs to promote domestic manufacturing of Open Cells:

- Chip on Film
- Printed Circuit Board Assembly (PCBA)
- Cell (glass board/substrate)

4. Efforts for promotion of investments in electronics manufacturing

Various efforts have been made by Ministry of Electronics and Information Technology (MeitY) to attract Indian and foreign companies in various countries to invest in electronics sector. In this regard, recently, Secretary, MeitY led a Government-Industry delegation to Taiwan, during October 15 - 18, 2019, for promotion of investment in electronics manufacturing sector and participation in TAITRONICS 2019. During the visit Secretary, MeitY had one-on-one meetings with electronics manufacturing companies, viz., Sercomm, Foxlink, Foxconn, Nanya Plastics, Passive System Alliance, Wistron and Tripod.

A round table meeting under the chairmanship of Hon'ble Minister of Electronics and Information Technology was organised with the key leaders of Electronics Industry on 16.09.2019. The objective of meeting was to recognize the key challenges being faced by the Industry, opportunities and expectations of the industry from the Government. The companies from different verticals of electronics sector such as mobile handsets, consumer electronics, strategic electronics, medical devices, information technology, electronics manufacturing services, electronic components, telecom and LED lighting participated in the round table.
