

GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
(DEPARTMENT OF COMMERCE)

**LOK SABHA**  
**UNSTARRED QUESTION NO. 1441**  
**TO BE ANSWERED ON 27<sup>th</sup> NOVEMBER, 2019**

**OPEN CELL TV PANEL**

1441. SHRI SELVAM G.:  
SHRIMATI SANDHYA RAY:  
SHRI DHANUSH M. KUMAR:  
SHRI SUBRAT PATHAK:  
SHRI VIJAY KUMAR DUBEY:  
SHRI REBATI TRIPURA:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री ) be pleased to state:

- (a) whether the Government has removed 5% custom duty on open cell TV panel which is used in manufacturing of television sets such as LED TVs and if so, the details thereof;
- (b) whether this move would help to reduce the prices of TV as it would lower the input costs for TV makers and if so, the details thereof;
- (c) whether many TV manufacturing companies have stopped making televisions in India and are now importing them from other Asian countries, if so, the details thereof and if not, the reasons therefor;
- (d) the steps taken by the Government to encourage companies for manufacturing in India under the Make in India initiative;
- (e) whether, India would soon become the largest country in the world where every household has a television set; and
- (f) if so, the steps taken by the Government to manufacture more TV sets to meet the growing demand?

**ANSWER**

वाणिज्य एवं उद्योग मंत्री ( श्री पीयूष गोयल )  
THE MINISTER OF COMMERCE AND INDUSTRY  
(SHRI PIYUSH GOYAL)

(a) : Government has removed 5% Basic Custom Duty (BCD) on open cell (15.6" and above) for use in the manufacture of Liquid Crystal Display (LCD) and Light Emitting Diode (LED) TV Panels vide Notification No.30/2019-Customs dated 17.09.2019, till September 2020.

**(b) :** It is expected that the TV manufacturers may pass on the benefit to consumers leading to reduction of prices of TV.

**(c) :** As per the information provided by India Cellular and Electronics Association (ICEA), after imposition of BCD on open cells vide Customs Notification No.32/2018 dated 23.03.2018, the largest TV manufacturer in India had stopped its production activity and shifted the operations to Vietnam and started importing finished TVs under the ASEAN-India FTA.

**(d) :**The steps taken by the Government to encourage companies for manufacturing in India under the Make in India initiative is at **Annexure-I**

**(e) and (f) :** As per Electronics Industry Associations, there is potential for growth of TV Industry in India especially from the manufacturing point of view, both to cater to the domestic market demand as well as exports. To promote domestic manufacturing of TVs, BCD@20% has been imposed on import of TVs in the country. 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 Notification No.30/2019 dated 17.09.2019, till September 2020. BCD has also been exempted on following inputs to promote domestic manufacturing of open cells:

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

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**Steps taken by the Government for promotion of domestic electronics manufacturing**

- (i) Modified Special Incentive Package Scheme (M-SIPS) provides financial incentives to offset disability and attract investments in the electronics manufacturing sector. The scheme was open to receive applications till 31.12.2018 for new projects as well as expansion projects. Under the scheme, 409 investment proposals, involving investment of Rs.1,10,004 crore were received.
- (ii) The Electronics Manufacturing Clusters (EMC) Scheme was notified to provide financial support for creation of state-of-art infrastructure for electronics manufacturing units. The scheme was open for receipt of application for a period of 5 years, i.e., upto 21.10.2017. Further period of 5 years is available for disbursement of funds for the approved applicants. Under the scheme, approval has been accorded for setting up of 20 Greenfield EMCs and 3 Common Facility Centres (CFCs) in 15 States across the country.
- (iii) As per extant Foreign Direct Investment (FDI) policy, FDI upto 100% under the automatic route is permitted for electronics manufacturing, subject to applicable laws/ regulations; security and other conditionalities.
- (iv) The import of used plant and machinery having a residual life of at least 5 years for use by the electronics manufacturing industry has been simplified through the amendment of Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, vide Ministry of Environment, Forest and Climate Change Notification dated 11.06.2018.
- (v) Notified capital goods for manufacture of specified electronic goods are permitted for import at "Nil" Basic Customs Duty (BCD).
- (vi) The Department of Revenue vide Notification No.60/2018-Customs dated 11.09.2018 has amended the Notification No.158/95-Customs dated 14.11.1995, relaxing the ageing restriction from 3 years to 7 years for specified electronic goods manufactured in India and re-imported into India for repairs or reconditioning.
- (vii) In order to ensure safety of Indian citizens by curbing import of substandard and unsafe electronic goods into India, MeitY has notified "Electronics and Information Technology Goods (Requirement of Compulsory Registration) Order, 2012" for mandatory compliance. As per the provisions of the order, the manufacturer has to get the product tested in laboratories recognized by Bureau of Indian Standards (BIS), take registration from BIS and put the registration mark on the product. 44 product categories have been notified under the order.
- (viii) The National Policy on Electronics 2019 (NPE 2019) has been notified on 25.02.2019. The vision of NPE 2019 is to position India as a global hub for Electronics System Design and Manufacturing (ESDM) by encouraging and driving capabilities in the country for developing core components, including chipsets, and creating an enabling environment for the industry to compete globally.
- (ix) **Corporate Income Tax Reduction:** 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 @15% (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%.

## Promotion of Innovation and R&D

- (x) Electronics Development Fund (EDF) has been set up as a “Fund of Funds” to participate in professionally managed “Daughter Funds” which in turn will provide risk capital to companies developing new technologies in the area of electronics, nano-electronics and Information Technology (IT). This fund is expected to foster R&D and innovation in these technology sectors.
- (xi) Ministry of Electronics and Information Technology (MeitY) provides grant-in-aid support to institutes of higher learning like IITs, IISc, Central Universities and R&D Organizations to conduct research in identified thrust areas. These research programmes are aimed to deliver proof of concept, technology/product development and transfer of technology. During the last few years, several research initiatives have been taken in these areas. These research programmes also result in generation of specialized manpower to support “Make in India”.
- (xii) Indian Conditional Access System (iCAS) has been developed in Public-Private Partnership (PPP) mode to promote indigenous manufacturing of Set Top Boxes (STBs). The implementation of iCAS in the cable networks is underway.
- (xiii) An Electropreneur park has been set up in New Delhi for providing incubation for development of ESDM sector which will contribute IP creation and Product Development in the sector.
- (xiv) National Centre of Excellence in Large Area Flexible Electronics (NCFLEX) has been set up in IIT-Kanpur with the objectives to promote R&D; Manufacturing; Ecosystem; Entrepreneurship; International Partnerships and Human Resources and develop prototypes in collaboration with industry for commercialization.
- (xv) National Centre of Excellence for Technology on Internal Security (NCETIS) has been set up at IIT-Bombay with the objective to address the internal security needs of the nation on continuous basis by delivering technology prototypes required for internal security and to promote domestic industry in internal security.
- (xvi) An Incubation centre with focus on medical electronics has been set up at IIT-Patna.
- (xvii) A fabless chip design incubation centre has been set up in IIT Hyderabad to incubate start-ups in semiconductor design and to provide one-stop service to start-ups intending to enter this space.
- (xviii) A Centre of Excellence (CoE) on FinTech at STPI Chennai has been set up to provide infrastructure, resources, coaching/ mentorship, technology support and funding to emerging start-ups in the FinTech sector through a collaborative approach including M/s intellect design as industrial partner, NPCI, UIDAI and Partner Banks as Yes Bank, PayPal, HSBC, IIT Chennai as knowledge partner and TiE Chennai to provide industrial connect.
- (xix) An IoTOpenLab - a Centre of Excellence (CoE) for Internet of Things in partnership with Arrow Electronics at STPI Bangalore has been set up to provide academic and business mentoring of the startups in the IoT emerging technology area for developing products and/ or services around IoT.
- (xx) An ESDM Incubation Centre has been set up at Bhubaneswar with the objective of creating a holistic eco-system to promote ESDM innovation, R&D and create Indian intellectual property in the eastern region of the country.

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