

## **PRESS RELEASE**

### ***ELCINA Welcomes Key Announcements in Budget Encouraging Electronics Eco-System – Will boost ESDM Sector to Next Level !***

***At the outset, it is noteworthy that the Annual Union Budget, is no longer limited to ‘annual’ policy document tweaking tax rates and procedures or limited to announcing budget allocations for key sectors. Instead it has become a long term policy document outlining the roadmap of the government. The Budget now provides impetus to the long term vision and goals which would determine the future of our country, economic as well as social, complemented by the required physical and digital eco-system.***

The Budget provides a thrust to the electronics sector and it is heartening that several steps have been taken in this direction. At the macro level, the focus on enhancing and creating new digital platforms will lead to growth in demand for electronics and ease of doing business. Further, outlay for capital expenditure has been stepped up sharply with a 35.4% jump in capex to 7.5 lac crores. This will bolster economic growth, infra projects and employment opportunities. The projected capital expenditure is 4% of GDP.

Major announcements and budget allocations have been made in key areas such as support to R&D through public funding, extending concessional tax support to Start Ups and new manufacturing enterprises, marginal reduction in Surcharge on Corporate Tax are all welcome steps.

The announcement notifying PMP Schemes for Wearable and Hearable devices, a rapidly growing market segment in electronics as well as Smart Meters is a timely move and will put these high growth sectors on track for domestic value added manufacturing. It is encouraging to see the government making early moves to encourage investing in these products.

The PLI Scheme for Solar Photovoltaics is another relevant extension of the highly successful PLI Scheme/s of Government of India. Electronics and power management equipment and component will see significant growth due to this Scheme.

At the granular level, ELCINA thanks the government for considering our several recommendations and introducing changes in duties on inputs through Customs duty in several products such as Chargers, Transformers, Solar Cell inputs and reviewing Cust. Notif. 25/1999 and 50/2017 thereby rationalizing the duty considerations for various electronic components and subassemblies.. Further vide Customs Notif 02/2022 (NT), major changes have been made in ICGR items (Customs 25/1999) thereby easing the procedure for availing end use based duty exemption on Capital Goods. There are however a few items which need to be added here for which ELCINA will approach the Finance Ministry to support.

This change will impact several electronic components and equipment such as Capacitors, Resistors, LED/LCD Displays, PCB's, Mobile phone adapters, Photovoltaic cells and many more.

This is an excellent change which will make life easier and more efficient for component manufacturers.



Rajoo Goel

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*For Favour of Publication*

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### **ABOUT ELCINA**

ELCINA was established in 1967 as the first industry association supporting electronics hardware, when India's Electronics industry was still in its infancy. Since then, ELCINA has established itself as an interactive forum for electronics and IT manufacturers. ELCINA actively interacts with the government and advises it on policy and business environment issues. It networks with technical institutions and business support organisations in India and abroad to enable business expansion and information dissemination on technical developments. With greater liberalisation, ELCINA's focus has shifted to professional and value-added services to the Electronics Community. While ELCINA's focus was originally on promotion of manufacturing components - the building blocks of the industry, ELCINA, now renamed as Electronic Industries Association of India (ELCINA), has widened its horizons and broadened its activities to include the development of entire Electronics and IT Hardware. ELCINA now focuses on promoting manufacture of:

- Electronic Components
- Industrial/professional electronics
- Defence/strategic electronics
- Electronic Manufacturing Services
- Other expanding areas in electronics such as Medical, Automobile, Electronic Design, Embedded Systems and more

ELCINA's focus is to support the value chain for Consumer Electronics, Telecom and Computers/ IT correlating their common interest with that of equipment, material and machinery producers for expansion of manufacturing. ELCINA believes that the Government and the industry need to work together to stimulate manufacturing and catalyse an IT/Electronics boom that can contribute significantly to the development of India. ELCINA persistently works to facilitate changes that would strengthen India's electronics and IT manufacturing base to make it a leader on the world electronics map.