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Ref. No.MAIT/PY/2523

August 25, 2022

Shri Vivek Johri, IRS  
Chairman-CBIC  
Ministry of Finance

**Sub: Regarding BCD Exemption on the Inputs and capital goods Imported for Domestic Manufacture of Primary Cells / Battery / Battery Pack**

**Reference: - Customs Notifications No. 25/2002 dt 01.03.2002 (SI. No. 69), and No. 50/2017 dt 30.06.2017 (SI No. 512)**

**Request: - Extension of BCD Exemption benefits given for “Lithium Ion Cell for use in the manufacture of Battery of Mobile Handsets” to EV & Energy Storage Systems vide revision in Custom Notification No.25/2002 dt 01.03.2002 (SI. No. 69)**

Respected Sir,

***Greetings from MAIT!***

At the outset, MAIT would like to take this opportunity to thank CBIC for its continued support to the Indian industry. We deeply appreciate the multiple initiatives undertaken by Gol to promote electronics H/w manufacturing in the country including mobiles, laptops, tablets and other ICT products.

One of the fastest upcoming sub-sectors is Electrical Vehicles which are a natural extension of electronics where electronics control technology is the core constituent of EVs along with the battery and motor.

As you will agree that while India is building up a sustainable ecosystem for the EV industry; it is important to promote cheaper imports of the inputs and capital goods which are used for domestic manufacturing of Primary Cells / Battery / Battery pack which is a major constituent of electric vehicles.

Therefore, **we request to extend the benefit of exemption from BCD for the inputs and capital goods imported for domestic manufacture of Primary Cells / Battery / Battery pack as per Customs Notifications No. 25/2002 dt 01.03.2002 (SI. No. 69), which exempts Lithium Ion Cell for use in the manufacture of Battery of Mobile Handsets & No. 50/2017 dt 30.06.2017 (SI No. 512)**

We suggest the following changes in the existing Customs notification:

Sl. No	Notification	SI No	Present	Suggested	Change Sought	Justification
1	25/2002 dt 01.03.2002	69	Lithium Ion Cell for use in the manufacture of Battery of Mobile Handsets	Lithium Ion Cell for use in the manufacture of Battery of Mobile Handsets, EV and Energy Storage Systems (ESS)	Add the words "EV and Energy Storage Systems (ESS)"	The notification restricts the exemption only if it is used in the manufacture of Battery of Mobile Handsets. Now that the Govt is encouraging EV, it is proposed that the exemption to be provided to manufacture of Lithium Ion Cell/ Battery for all applications including Mobile Handsets, Electric Vehicle, Energy Storage Systems (ESS), etc
2	50/2017 dt 30.06.2017	512	Parts, components and accessories, except Lithium Ion cell and PCBA for use in the manufacture of Lithium Ion Battery and battery pack	All inputs, Parts, components and accessories, except Lithium Ion cell and PCBA for use in the manufacture of Lithium Ion Cell Battery and battery pack	Add the words "All inputs"	The exemption restricts to parts and components which needs to be extended to all goods required for manufacture of Lithium Ion Cell/ Battery for all applications including Mobile Handsets, Electric Vehicles, Energy Storage Systems (ESS), etc

We look forward to your favourable consideration of our request.

With regards,



Col. AA Jafri, Retd.  
Dy. COO  
(Acting Director General – MAIT)