

Next-Gen GST Reforms to Drive Demand, Promote Localisation , Generate Jobs and Deepen Global Value Chain Integration in Electronics Ecosystem

Lower GST on Air Conditioners, TVs, Monitors, Projectors and Power Banks to Enable Digital Growth and Affordable ICT Hardware

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The recent next-gen reforms in Goods and Services Tax (GST) are set to boost sectors under the Ministry of Electronics and Information Technology (MeitY), particularly consumer electronics and ICT hardware. The rate reductions will make essential products more affordable for citizens while strengthening domestic manufacturing, supporting MSMEs and start-ups, and advancing the goals of *Digital India* and *Aatmanirbhar Bharat*.

Boost to Domestic Electronics Manufacturing

The reduction in GST on air conditioners, dishwashers and large-screen televisions (LCD and LED) from 28 percent to 18 percent is expected to expand domestic demand while enhancing affordability for households. This is likely to create stronger backward linkages in components such as compressors, displays and semiconductors, and provide new opportunities for MSMEs engaged in plastics, wiring, cooling systems, LED panels and assembly services. The reforms also support localisation and reduce dependence on imports, with the GST cut on dishwashers additionally improving ease of living for households.

Enabling Digital Growth and Affordable ICT Hardware

GST on monitors and projectors (non-TV) has been reduced from 28 percent to 18 percent, which will lower costs for educational institutions, offices and digital learning centres. Affordable ICT hardware will directly support the IT sector, the start-up ecosystem and digital education. Similarly, the reduction in GST on electric accumulators (non-Li-ion, including power banks) from 28 percent to 18 percent will make energy storage solutions more affordable, improving access to backup power for digital devices and encouraging the adoption of efficient energy systems in both homes and workplaces.

The reforms also strengthen internal security communication infrastructure. The GST on two-way radios (walkie-talkies) has been brought down from 12 percent to 5 percent, thereby lowering procurement costs for police, paramilitary and defence forces.

Promoting Renewable Energy and Sustainability

The GST on renewable energy devices and solar photovoltaic cells has been cut from 12 percent to 5 percent, significantly reducing the cost of renewable energy deployment at both household and industrial levels. Composting machines will also now attract GST at 5 percent instead of 12 percent, encouraging waste-to-energy solutions and composting technologies to further the vision of sustainable and smart cities.

These reforms are expected to drive growth across multiple segments of India's electronics and technology ecosystem. By stimulating demand, reducing costs and creating opportunities for domestic manufacturers and MSMEs, the GST rate cuts will generate employment, support localisation and deepen India's integration into

global value chains.

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