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Shri Vivek Johri, IRS
Chairman-CBIC
Ministry of Finance

Sub: Regarding BCD Exemption on the Parts Imported for Domestic Manufacture of Thermal Printers

Reference: - Customs Notification No.24/2005 dt 01.03.2005 (Sl. No. 4)

Request: - Extension of BCD Exemption benefits for “Thermal Printer Module/Engine for use in the manufacture of Thermal Printers” for revision in Customs Notification No.24/2005 dt 01.03.2005 (Sl. No. 4)

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 thermal printing, a type of digital printing widely used in E-Commerce and marketplaces for trade in goods & Services. It is mainly used in low-cost and durable printing receipts, like in PoS machines, ATMs, VVPAT (Voter Verifiable Paper Audit Trail), etc. Budget 23-24 allows an exemption for parts or components of PoS machine and mini-ATM, but the producer of thermal printer deals in B2B produce thermal printer for all products. The share of the household consumption component in the GDP for India is an average of 68%, shows that a person spends 68% of their income on goods and services on average, which attracts marketplaces, traders & sellers, logistics, etc. that directly or indirectly increases thermal printers demand.

The core product used in the manufacturing of thermal printers is the Thermal Printer Module/Engine, and due to lack of technical knowhow, we depend on developed countries like Japan.

As you will agree that while India is promoting the “Make in India” campaign, it is important to promote imports of the core parts, which are used for domestic manufacturing of Thermal printers and are not currently manufactured or not possible to manufacture soon. It is also because the thermal printing market size is growing and expected to grow further with a 9.4% Projected CAGR. On the other side, the import of thermal printers is expected to increase at 29% CAGR in the period of 2021 to 2025.

The thermal printing market will grow soon, but if we do not take necessary measures like removing the BCD on essential parts of thermal printers, then the dependency on imports will rise, and soon we will be 100% dependent on imports. We should directly incentivize domestic manufacturers instead of indirectly incentivising importers.

Therefore, we request to extend the benefit of exemption of BCD for the parts imported for domestic manufacture of Thermal Printers as per Customs Notification No. 24/2005 dt 01.03.2005 (Sl. No. 4), which exempts Thermal Printer Module/Engine for use in the manufacture of Thermal Printers

We suggest the following changes in the existing Customs notification:

Notification	Sl No	Present	Suggested	Change Sought	Justification
24/2005 dt 01.03.2005	4	Parts and accessories of the following goods except (Ink cartridges, with print assembly, ink cartridges, without print assembly, Ink spray nozzle) namely, (a) All goods under Tariff Heading 8443 31 00, 8443 32 10, 8443 32 20, 8443 32 30, 8443 32 40, 8443 32 50, 8443 32 60	Parts and accessories of the following goods except (Ink cartridges, with print assembly, ink cartridges, without print assembly, Ink spray nozzle) namely, (a) All goods under Tariff Heading 8443 31 00, 8443 32 10, 8443 32 20, 8443 32 30, 8443 32 40, 8443 32 50, 8443 32 60, 8443 32 90, 8443 39 90	Add the HSN codes "8443 32 90, 8443 39 90"	The notification restricts the exemption only if it is used in the manufacture of printers other than thermal printers like line printer, laser jet printer, facsimile machine, etc. Now that the Govt is encouraging Make in India, it is proposed that the exemption to be provided to manufacture of Thermal Printers for parts including thermal printer module/engine. Most of the parts produced domestically but thermal printer module is an essential part not produced domestically.

The detailed analysis on Thermal Printer is attached as **Annexure-I** for your kind perusal.

We look forward to your favourable consideration of our request.

Warm regards,



Col. AA Jafri, Retd.
Director General