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April 13, 2020

Dr Guruprasad Mohapatra  
Secretary  
Department for Promotion of Industry and Internal Trade

**Subject: Levy the increase of Basic Customs Duty on Industrial laundry equipment**

Respected Sir,

**Greetings from MAIT**, the apex body of the electronics hardware manufacturing sector in India!

We are writing this to request you to accept our recommendation to levy the increase of Basic Custom Duty from 10% to 20% on Industrial laundry equipment of capacity of more than 10 Kg to promote the domestic manufacturing of 40-45% of components used in these finished goods.

**LIST OF GOODS RECOMMENDED TO LEVY INCREASE IN BCD**

S.No.	Item	Product Details	HSN Code	Current BCD	Proposed BCD
1.1	Industrial Washing Machine more than 10kg	<b>Industrial Washer</b>	<b>84502000</b>	10%	20%
1.2	Industrial Washing Machine more than 10kg	<b>Industrial Dryer</b>	<b>84512900</b>	10%	20%
1.3	Industrial Washing Machine more than 10kg	<b>Industrial Ironer</b>	<b>84513090</b>	10%	20%

**Impact of Increase of BCD:**

1. The SMEs and MSMEs will benefit from the increase in duty as 40-45% of components used in Finished Goods will be outsourced to them. It will in turn help strengthen Indian economy.
2. 40-45% of components used in manufacturing laundry equipment are outsourced from local manufacturers, which are bought out components and job work components. Hence, when import duty is increased there will be a shift from foreign manufacturers to Indian domestic manufacturing.
3. It will help in providing a much-required boost to domestic manufacturing of the IT Hardware goods as the idle capacities capable of manufacturing populated printed circuit boards will be utilized.
4. This increase will help in developing required ecosystem and component industry for the domestic IT Hardware manufacturing which will also have multiplier effect.
5. Indigenization of components will make the goods manufactured in the country very competitive in the global market, thereby boosting the exports as well.
6. It will also provide an additional revenue to the Government of India.
7. This will also help in curbing the imports of components from China.

The Industrial Products details with domestic manufacturing capacity is provided under **Annexure-1**.

Looking forward to your favourable consideration of our request.

With regards,

George Paul  
Chief Executive Officer



**ANNEXURE – 1**

**Industrial Products (with details)**

<b>Sl.No.</b>	<b>Type</b>	<b>Product Details</b>	<b>Quantity Imported (Annual)</b>	<b>End uses of the product</b>	<b>Domestic Manufacturing capacity</b>	<b>Imports from China (HSN code)</b>
1	Industrial Product	Industrial Washer	1000	Hospitality Industry, Healthcare sector, Pharmaceutical companies, Education sector, Government sectors	2400	84502000
2	Industrial Product	Industrial Dryer	600		2400	84512900
3	Industrial Product	Industrial Ironer	200		1200	84513090