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Ref.No.MAIT/PY/2729

May 08, 2023

Ms. Limatula Yaden
Joint Secretary (TRU-I)
CBIC

Subject: - Request for rescinding Customs Notification No.35/2023-Customs dated 29.04.2023

Respected Madam,

Greetings from MAIT, the apex industry association for ICT in India!

This bears reference to Customs Notification No.35/2023-Customs dated April 29, 2023, where the duty has been increased for open cells with drivers while in the notification subject, it is just to align the recent HS Code changes.

Please refer the WCO Explanatory Notes of Flat Panel Display without drivers or control Circuits and Notification No.35/2023 dated 29.04.2023-Customs subject merely to align the recent HS code changes.

WCO Explanatory Notes of Flat Panel Display

"Flat panel display modules without drivers or control circuits, which are generally referred to as 'cells'. In the case of LCD cells, liquid crystals are placed between two sheets or plates of glass or plastics such as TFT substrates and color filter substrates. In the case of OLED cells, they have organic materials deposited on TFT substrates. Those cells do not contain electrical parts such as drivers or control circuits, whether or not fitted with electrical connections or attached with polarizing plates."

Customs Notification No.50/2017-Customs dated 30.06.2017 as amended.

S.No.	HS Code	Description of goods	BCD
515A	85241130 or 85241230	Open cell (15.6" and above) for use in the manufacture of Liquid Crystal Display (LCD) and Light Emitting Diode (LED) TV panels of heading	5%
515B	8529	The following goods for use in the manufacture of Open cell of Liquid Crystal Display (LCD) and Light Emitting Diode (LED) TV panels of heading namely:- (i) Chip on Film; (ii) Printed Circuit Board Assembly (PCBA); (iii) Cells (glass board/substrate).	2.5%

Subject of Customs Notification No.35/2023-Customs dated 29.04.2023

Customs Notification No	Date	Subject
35/2023-Customs	29-Apr-23	Seeks to amend 50/2017-Customs in order to align the HS Codes of the said notifications with the Finance Act, 2023, w.e.f. 01.05.2023

Customs Explanatory Notes have clearly articulated that when we import Open Cell without drivers or Control Units, it is referred to only "Cells" which is covered already in SI. No. 515B of Customs Notification No.50/2017 where the BCD attracts only 2.5% under IGCR. It is also to be noted that the intended purpose for removing Drivers or Control Circuits from Open Cells is to manufacture of Open Cell in India. Having said that this intended purpose, which is manufacturing of Open Cell in India is already covered in another SI.No.515B of 50/2017 of Customs notification, hence **the recent issuance of Notification No. 35/2023 dated 29.04.2023 is not necessary.**

Therefore, in combined reading of subject of the Notification No.35/2023 (Notification issued to align the HS code changes) and WCO Explanatory Notes (Flat Panel Display Modules without drivers or control circuits generally refers to only Cells), the Customs notification would have negative impact on manufacturing of TVs in India.

Hence, **we request CBIC to rescind Notification No.35/2023.**

We also seek a meeting at your earliest convenience to discuss and explain industry's position on the matter as referred above.

Looking forward to favourable consideration of the inputs.

Warm regards,



Col. AA Jafri, Retd.
Director General