

To
The Hon'ble Finance Minister,
Union Government,
NEW DELHI.

Sir,

- Sub: 1) **Request for Reduction of Custom Duty to 5% and CVD Nil for Dental Equipment and Materials of the Custom Notification No.21/2002-Cus dated 1.3.2002 as amended on 01.03.2003 vide Ntn.No.26/2003 List 8 (See S.No.94 of the table)**
- 2) **Reducing effective rate of Central Excise Duty to Nil instead of 8% on dental equipment and material covered under Chapter 30 & 34 also, vide Ntn.No.26/2003 List 8 (See S.No.94 of the table).**

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Sir, Dental science is advancing very fast. But, unfortunately most of the precision dental equipment, instruments and materials are still not manufactured in India. The present custom duty is totalling to 29% to 39% (BCD=15%, CVD=8 or 16% & SADC-4%) on the majority of the dental equipment, instruments and materials.

We appeal to you sir, that atleast Duty on some of the vital Equipment, Instruments & Materials should be reduced to Custom Duty 5%, CVD Nil

Sir, as you know, as on today there are 160 dental colleges in the country and as many as 10,000 graduates are coming out every year. Out of this, 99% graduates are getting self-employed by opening their dental clinics in cities as well as in towns and villages. There are some vital equipment and materials which every dentist use it on every patient. All these are basic equipments and materials used irrespective of patient in the village or town. Many of these equipments and materials are very small and miniature in size, but costly in nature.

Sir, many times public at large have a wrong impression that Dentistry is Cosmetic in nature, but, in reality only small percentage of the patients may use Dentistry for Cosmetic consideration but rest majority of the patients use it as a vital, oral health treatment. Specially, in small towns & villages, Cosmetic dentistry does not exist, only curative and reconstructive dentistry exists.

The duty structure on dental equipment & materials was increased and the logic behind this, the dentistry is cosmetic in nature. At this point, we would like to remind you that highest number of oral cancer patients in the world and the highest number of Edentulous mouth is in India because of Periodontial diseases. So, the dentistry is to be given vital importance taking this aspect into consideration.

REVENUE:

The government has increased tax on dental equipment, instruments & materials to collect additional revenue, but at this point, we request you to go through the additional revenue collected over the previous year out of dental item after increasing the duty. We, Dental Fraternity definitely feel that revenue has not at all increased but only paved way for illegal import, because these items are such a small in size but expensive.

For example: Dental implants few mm in size 2 to 3 gms in weight cost Rs. 2,000 to 3,000, Dental Turbine Cartridge which weighs only 10 gms. Costs Rs.2,000/- and Dental Light cure composite material weighs about 4.5 gms. costs about Rs.1,100/-. Definitely people are tempted for illegal ways to bring such items into the country, **as such Government will not earn revenue out of this import. Reduction in custom duty will pave way to more revenue to the government.**

Sir, we would like to bring to your kind notice some of the facts for your due considerations:

4 years ago, the duty structure was "ZERO" for listed dental items. But today it is 29% (Custom Duty + CVD + SADC) all together as per Custom Ntn.No.21/2002-Cus dtd.1.3.2002 List 8 (See S.No.94 of the table) as amended on 1.3.2003 vide Ntn.No.26/2003 List 8 (See S.No.94 of the table). With add-ons like sales tax, local octroi, etc. altogether the equipment & material cost goes up by another 16 to 17%. It is just impossible for a Dentist to buy and impart treatment to the society at this tax structure.

At this point of time, we would like to mention that dentists have no scope in getting appointment from the government because in the State Health dentistry has lowest priority. The Dental Surgeon who intent to start his private practice as a self-employed with meager resources paying this type of duty is just impossible.

Duty Structure (Duty + CVD+SADC) at a glance.

1998-1999	0%	(Ntn No. 23/98 List 24 S. No. 248, Table Sl No. 8) BCD - NIL, SCD- NIL, ADC-NIL & SADC-NIL
2003-2004	29%	(Ntn. No. 26/2003 dtd 1.3.03 List 8 (See S.No. 94A table) BCD -15%, SCD- NIL, ADC-8% (C.Excise Ntn No. 10 dtd. 01-02-03, list 1 Sl No. 43) & SADC-4%

With regards to "other dental goods mentioned under heading (D)" of Ntn. 21/2002 as amended on 01/03/2003, which attracts customs duty at 39%. (BCD - 15%, ADC-16% and SADC-4%)

APPEAL

Now, we sincerely request to you that the list of below mentioned Dental Equipment and Materials to be given benefit of custom duty at 5%, CVD Nil.

The following list which is a consolidated dental item appearing in (A), (C), (D) of the of the list 8 of the above notification should be considered for concessional duty for 5% Custom Duty, CVD Nil.

CONSOLIDATED FROM LIST A, C, D

A) DENTAL EQUIPMENT

- 1) Airmotor/Turbine handpiece (and control box with foot control) Micromotors.
- 2) Airotor/turbine complete with or without air compressor.
- 3) Dental Engines, for laboratory work or for chair side clinical work on patients.
- 4) Dental operating lights and Fibre optic lights.
- 5) Ultrasonic Dental Cleaning system
- 6) Ultrasonic scalers of all types.
- 7) Spot welders for dental use with auxiliary functions, outlet: annealing jac, heat-treat tables, auxiliary cables or plug-in vise.
- 8) Air turbine head/cartridges:- Borden turbines-regular cartridge, borden turbines-silencer cartridge and quiet air turbines-compact miniature standard.
- 9) Dental Burs of all varieties, various shapes & sizes: carbide, diamond, steel titanium coating, tungsten burs.
- 10) Dental Handpieces ALL TYPES for airmotor, air turbine or drilling engines(clinical and laboratory) for filling, packing and condensation purposes and micromotors
- 11) Root canal instruments/endodontic instruments, broshes, reamers & files, fillers/wideners and pluggers.
- 12) Anaesthetic cartridges for dental use.
- 13) Body contoured self-adjusting electrically operated dental chair.
- 14) Equipment for chrome cobalt work.

- 15) Fibre optic Light equipment with attachments for dental work.
- 16) Porcelain furnace/Ceramic furnace.
- 17) Sand blasting equipment for dental use.
- 18) Vacuum investing equipment for dental castings.
- 19) Developing tanks for dental x-ray(automatic and ordinary).

(C) Other Medical Equipment (Only Dental items available in the List)

- 1) Dental X-Ray Machine.
- 2) Digital Imaging system for face X-rays.
- 3) Orthopantom ram(OPG)X-Rays for jaws.

(D) Other Goods namely:-

- 1) DENTAL IMPLANT
- 2) Dental Cements
- 3) Impression materials of all types - algenate, rubber base, silicon base
- 4) Dental fillings and non-precious metal for crown/bridge and cast partial denture.
 - a) CHROME COBALT / NICKEL CHROME/PORCELAIN BOND METAL, LOW FUSING TECHNIC ALLOY.
 - b) DENTAL CROWNS/ARTIFICIAL TEETH
- 5) Gutta - percha points for dental fillings---Dental Silver amalgam alloys for fillings.
- 6) Dental investment of all types/ phosphatate bond, zypsum bond/dental plaster and stone.
- 7) Dental X-ray film, intra oral/extra oral/panoramic/occlusal.
- 8) Dental porcelain materials of all types.
- 9) Acrylics for dental use - denture base material, heat cure and cold cure.
- 10) Waxes of all types for dental use.

THE FOLLOWING DENTAL ITEMS ARE OF VITAL IMPORTANCE IN DENTAL TREATMENT, TO BE INCLUDED IN THE ABOVE LIST.

- i) CCD Camera for ORAL Diagnosis**
- ii) Dental Lasers all types (Yag & Diode)**
- iii) Orthodontic Brackets, Bands & Wires.**

IN ORDER TO SIMPLIFYING AND IDENTIFY THE DENTAL EQUIPMENT/MATERIALS MAY BE CONSIDERED UNDER ONE HEADING AS DENTAL EQUIPMENT & MATERIALS

Instead of appearing in 3(three) different headings(as shown under A, C & D).

Further, we would like to bring to your notice though there is tremendous improvement in the field of Dental Science---the item list appearing in the custom book has not changed for the last 10 years.

CENTRAL EXCISE:

With regards to Central Excise, the concessional rate of duty structure (i.e. 8% Excise Duty) given to DENTAL, Veterinary and Medical equipment as per chapter 9018.00 & 9022.10 to bring it to nil as an encouragement for the indigenous manufacture of hi-tech dental and medical equipment. This will definitely encourage the domestic manufacturers.

FURTHER, in the last budget, the Dental chair Chapter Heading 9402 was considered for 8% duty, now, we request you to bring it to Nil. Similarly Dentists Chair used by the Dental Surgeon may be considered the benefit of nil Duty. In order to encourage local manufacturers of Dental material covered under chapter headings 30 & 34 to be given the benefit of nil instead of 16% excise duty.

Today, only one or two companies paying the excise duty which you can verify. By giving 5 years holiday many companies may grow.

We once again request you to consider our request and oblige.

Thanking you,