

Customs

As a measure of rationalization of duty structure the rates of 2% and 3% are being unified with the median rate of 2.5%. Accordingly basic customs duty on all goods currently attracting 2% has been increased to 2.5% and basic customs duty on those goods attracting 3% has been decreased to 2.5%.(S. No. 1 & 2 of Notification No. 21/2011-Cus dated the 1st March 2011 refers)

Chapter 1 and 2

No change

Chapter 3

Basic customs duty is being reduced from 30% to 10% on Live SPF L. Vannamei (*S. No. 2A of Notification No.21/2002-Cus dated 1st March, 2002, as amended by Notification No. 21/2011-Cus dated the 1st March 2011 refers*)

Chapter 4 to 7

No change

Chapter 8

8.1 Basic customs duty is being reduced from 30% to 10% on Pistachios (*S. No. 14A of Notification No.21/2002-Cus dated 1st March, 2002, as amended by Notification No. 21 /2011-Cus dated the 1st March 2011 refers*)

8.2 Basic customs duty is being reduced from 100% to 30% on Sun-dried dark seedless raisin (*S.No.16A of Notification No.21/2002-Cus dated 1st March, 2002, as amended by Notification No. 21 /2011-Cus dated the 1st March 2011 refers*)

Chapter 9 to 13

No change

Chapter 14

Basic customs duty is being reduced from 30% to 10% on Bamboo for use in the manufacture of agarbatti (*S. No. 28A of Notification No.21/2002-Cus dated 1st March, 2002, as amended by Notification No. 21 /2011-Cus dated the 1st March 2011 refers*)

Chapter 15 and 16

No change

Chapter 17

Basic customs duty is being reduced from 25% to 10% on Lactose for use in the manufacture of homeopathic medicine (*S. No. 39A of Notification No. 21/2002-Cus dated 1st March, 2002, as amended by Notification No. 21/2011-Cus dated the 1st March 2011 refers*)

Chapter 18 and 19

No change

Chapter 20

Basic customs duty is being reduced from 30% to 10% on Cranberry products (*S. No. 45A of Notification No.21/2002-Cus dated 1st March, 2002, as amended by Notification No. 21/2011-Cus dated the 1st March 2011 refers*)

Chapter 21 and 22

No change

Chapter 23

23.1 De-oiled rice bran oil cake is being exempted from Basic customs duty (*S. No. 53AA of Notification No.21/2002-Cus dated 1st March, 2002, as amended by Notification No. 21/2011-Cus dated the 1st March 2011 refers*)

23.2 Export duty of 10% is being levied on de-oiled rice bran oil cake

23.3 Fin fish feed is being exempted from Basic customs duty (*S. No. 53AB of Notification No.21/2002-Cus dated 1st March, 2002, as amended by Notification No. 21 /2011-Cus dated the 1st March 2011 refers*)

Chapter 24

No change

Chapter 25

25.1 Basic customs duty on mineral gypsum is being reduced from 5% to 2.5% (*S. No.584A of Notification No.21/2002-Cus dated 1st March, 2002 as amended by Notification No.21 /2011-Cus dated the 1st March 2011 refers*)

Chapter 26

26.1 Basic customs duty is being increased on all ores and concentrates from 2% to 2.5%. (*S. No. 518 of Notification No.21/2002-Cus dated 1st March, 2002, as amended by Notification No. 21 /2011-Cus dated the 1st March 2011 refers*)

26.2 Basic customs duty is being exempted on the value of gold and silver content in copper concentrate. (*Notification No. 23 /2011-Cus dated the 1st March 2011 refers*)

26.3 Export duty on Iron ore is being increased on both fines and lumps (other than pellets) to a unified rate of 20%. Iron ore pellets have been exempted from export duty. (*Notification No. 27 /2011-Cus dated the 1st March 2011 refers*).

26.4 Full exemption from the additional duty of customs leviable under section 3(5) of customs Tariff Act is being provided to copper dross, copper residues, copper oxide mill scale, brass dross and zinc ash (*S. No. 76 of Notification No.20/2006-Cus dated 1st March, 2006, as amended by Notification No. 20/2011-Cus dated the 1st March 2011 refers*).

Chapter 27

27.1 An explanation is being inserted to define coking coal as coal of Crucible Swelling Number (CSN) of above 2 and mean reflectance of above 0.85 have been prescribed for "Coking coal" for the purposes of this exemption. *(S. No.68 & 68A of Notification No.20/2002-Cus dated 1st March, 2002, as amended by Notification No. 21 /2011-Cus dated the 1st March 2011 refers)*

27.2 Basic customs duty on carbon black feed stock is being reduced from 5% to 2.5%. *(S. No. 541 of Notification No.20/2002-Cus dated 1st March, 2002, as amended by Notification No. 21 /2011-Cus dated the 1st March 2011 refers)*

27.3 Basic customs duty on petroleum coke is being reduced from 5% to 2.5%. *(S. No. 596 of Notification No.21/2002-Cus dated 1st March, 2002, as amended by Notification No. 21/2011-Cus dated the 1st March 2011 refers);*

27.4 Basic customs duty on bio-based asphalt sealer and preservation agent (CTH: 2715), millings remover and crack filler (CTH: 2715), asphalt remover and corrosion protectant (CTH: 3402.90) and sprayer system for bio-based asphalt (CTH 8705) imported for bio-based asphalt road construction is being fully exempted *(S. No.230A of Notification No.21/2002-Cus dated 1st March, 2002, as amended by Notification No. 21/2011-Cus dated the 1st March 2011 refers)*

Chapter 28

No change

Chapter 29

29.1 Basic customs duty on Acrylonitrile is being reduced from 5% to 2.5%. *(S. No. 476 of notification No. 21/2002-Customs as inserted vide notification No. 21 /2011-Customs, dated 1st March, 2011 refers)*

29.2 Basic customs duty on Diphenylmethane 4, 4-diisocyanate (MDI) is being reduced from 7.5% to 5% subject to actual user condition. *(S. No.553D of notification No. 21/2002-Customs as inserted vide notification No. 21 /2011-Customs, dated 1st March, 2011 refers)*

29.3 Basic customs duty on Caprolactam is being reduced from 10% to 7.5 %. *(S. No. 553E of notification No. 21/2002-Customs as inserted vide No. 21 /2011-Customs, dated 1st March, 2011 refers)*

Chapter 30

30.1 Concessional rate of 5% of basic customs duty is being provided on four live saving drugs, with Nil CVD along with on bulk drugs used in the manufacture of said drugs. *(S. No. 171 to 174 in list 2 appended to notification No. 21/2002-Customs as inserted vide No. 21 /2011-Customs, dated 1st March, 2011 refers).*

Chapter 31 to 37

No change

Chapter 38

38.1 Basic customs duty on Crude Palm Stearin imported for the manufacture of laundry soap, is being reduced from 20% to nil on actual user basis (*S. No. 491A of notification No. 21/2002-Customs as inserted vide No. 21 /2011-Customs, dated 1st March, 2011 refers*)

Chapter 39

39.1 Basic customs duty on Sodium Polyacrylate is being reduced from 7.5% to 5%. (*S. No. 559B of notification No. 21/2002-Customs as inserted vide notification No. 21 /2011-Customs, dated 1st March, 2011 refers*)

39.2 Basic customs duty on Polytetramethylene ether glycol (PT MEG) is being reduced from 7.5% to 5% subject to actual user condition. (*S. No. 559C of notification No. 21/2002-Customs as inserted vide No. 21 /2011-Customs, dated 1st March, 2011 refers*)

39.3 Basic customs duty on nylon chips is being reduced from 10% to 7.5%. (*S. No. 559D of notification No. 21/2002-Customs as inserted vide No. 21 /2011-Customs, dated 1st March, 2011 refers*).

Chapter 40

40.1 Basic customs duty on pneumatic tyres and retreaded tyres of kind used for aircrafts is being decreased from 3% to 2.5% (*S. No. 605 of Notification No.21/2002-Cus dated 1st March, 2002, as amended by Notification No. 21/2011-Cus dated the 1st March, 2011 refers*)

Chapters 41 to 46

No change

Chapter 47

47.1 Basic customs duty on Rayon grade wood pulp is being reduced from 5% to 2.5%. (*S. No. 606 of Notification No.21/2002-Cus dated 1st March, 2002, as amended by Notification No.21/2011-Cus dated the 1st March 2011 refers*)

47.2 Similarly, Basic customs duty on waste paper is being reduced from 5% to 2.5% (*S. No. 152 of Notification No.21/2002-Cus dated 1st March, 2002, as amended by Notification No. 21/2011-Cus dated the 1st March 2011 refers*)

Chapter 49

49.1 Customs exemption to printed books is being restricted to tariff items 4901 10 10, 4901 91 00 and 4901 99 00. (*S. No. 160 of Notification No.21/2002-Cus dated 1st March, 2002, Notification No. 21/2011-Cus dated the 1st March 2011 refers*)

Chapter 50

50.1 Basic customs duty on raw silk (not thrown), of all grades is being reduced to 5%. (S. No. 164A Of notification No. 21/2002-Customs as inserted vide No. 21 /2011-Customs, dated 1st March, 2011 refers)

Chapter 51

No change

Chapter 52

50.2 Basic customs duty on cotton waste is being reduced from 10% to nil. (S. No. 587 of notification No. 21/2002-Customs as inserted vide No. 21 /2011-Customs, dated 1st March, 2011 refers)

Chapter 53

No change

Chapter 54

54.1 Basic customs duty on nylon yarn is being reduced from 10% to 7.5%. (S. No. 534A of notification No. 21/2002-Customs as inserted vide No. 21 /2011-Customs, dated 1st March, 2011 refers).

Chapter 55

55.1 Basic customs duty on nylon fibre is being reduced from 10% to 7.5%. (S. No. 535B of notification No. 21/2002-Customs as inserted vide No. 21 /2011-Customs, dated 1st March, 2011 refers).

Chapter 56 to 63

No change

Chapter 64 to 70

No change

Chapter 71

71.1. An import duty structure of 'Nil basic customs duty, CVD of Rs.140 per 10 gram and Nil SAD is being prescribed for gold dore bars having gold content not exceeding 80%, imported for refining and manufacturing serially numbered gold bars in India. (S. No. 518B of notification No. 21/2002-Customs dated 01.03.2002 as inserted by notification No. 21/2011-Customs dated 01.03.2011 refers)

Chapter 72

72.1 Basic customs duty is being fully exempted on Stainless steel Scrap (S.No. 202 of the notification No. 21/2002-Customs, dated 01.03.2006 as inserted vide Notification No. 21/2011 Customs dated 01.03.2011 refers).

72.2 Basic customs duty on Ferro-nickel is being reduced from 5% to 2.5%. (S.No. 197A of the notification No. 21/2002-Customs, dated 01.03.2006 as inserted vide Notification No. 21/2011 Customs dated 01.03.2011 refers).

Chapter73-83

No change

CHAPTER 84

84.1 Basic customs duty is being reduced from 5% to 2.5% on specified Agriculture Machinery such as Paddy Transplanter, Laser land Leveller, Cotton Picker, Reaper-cum- binder, Straw or fodder balers, Sugarcane Harvesters, Track used for manufacture of Track-type Combine Harvester etc. Basic Customs Duty on the parts and components required for manufacture of the said equipment is being reduced from 7.5% to 2.5% (*Notification No. 21/2002-Customs as amended vide notification No. 21/2011-Customs refers*).

84.2 Full exemption from Basic Customs Duty and additional duty of customs (CVD) on tunnel boring machines and parts and components thereof for use in the assembly of Tunnel boring machines used for highway development projects is being provided. [*List 18 of Notification No. 21/2002-customs as amended vide notification No. 21/2011-Customs refers*].

84.3 Excise duty/ CVD is being reduced to 5% and SAD to NIL on parts of inkjet & laser jet printers imported by actual users for manufacture of printers.

84.4 The concessional rate of duty of 5% BCD, 5% Excise Duty/CVD & Nil SAD presently applicable to High speed machinery (>70000 copies per hour) is being extended to mailroom equipment viz. overhead conveyor gripper, stacker, wrapper, labeler, strapper, inserters and delivery conveyors designed for use with high speed printing machines with a minimum speed of 70000 copies per hour, imported by newspapers registered with Registrar of Newspapers of India (RNI). [*S. No. 267C of notification No. 21/2002-Customs inserted vide notification No. 21/2011-Customs refers*]

84.5 Import of parts & components for manufacture of 23 specified high voltage transmission equipments (*List 44 of Notification No. 21/2002-Customs dated 01.03.2003*) is being allowed at a concessional rate of 5% BCD+4% CVD +Nil SAD subject to actual user condition. [*S. No. 424A of notification No. 21/2002 inserted vide notification No. 21/2011-Customs refers*].

84.6 CVD / excise duty on the parts of optical disc drives viz. DVD Drives/ Writers, CD Drives and Combo Drives is being reduced to 5% and NIL SAD subject to actual user condition.

84.7 Basic Customs Duty is being reduced from 7.5% to 5% on Micro Irrigation equipment classifiable in 84248100 [*S. No. 607 of notification No. 21/2002-Customs inserted vide notification No. 21/2011-Customs refers*].

84.8 Basic customs duty on cash dispensers is being reduced to nil. Parts of cash dispensers required for manufacture of cash dispensers are also being fully exempted from basic customs duty subject to actual user condition [*S. No. 608 and 609 of notification No. 21/2002-Customs inserted by notification no 21/2011-customs refers*].

84.9 Basic Customs Duty on specified gems and jewellery machinery is being reduced from 7.5% to 5% [S. No. 610 of notification No. 21/2002-Customs inserted by notification no 21/2011-customs refers].

CHAPTER 85:

85.1 Full exemption from basic customs duty, additional duty of customs equivalent to excise duty presently available on parts, components and accessories of mobile handsets including cellular phones is being extended to parts, components for manufacture of PC connectivity cable and sub-parts of parts and components of PC connectivity cable, battery chargers and hands-free headphones of mobile handsets including cellular phones. [Notification No. 23/2010-Customs as amended vide notification No. 19/ 2011-Customs refers].

85.2 Full exemption from Special Additional Duty of customs on parts, components and accessories of mobile handsets including cell phones is now being extended to parts, sub-parts and components of battery chargers, PC connectivity cable and hands-free headphones of mobile handsets including cellular phones. Validity of this exemption is also being extended upto 31.3.2012. [Notification No. 22/2011-Customs refers].

85.3 The list of specified raw materials for use in electronics/IT industry, eligible for custom duty exemption is being expanded to include some more items (S. Nos. 38, 133, 190, 234, 235, 236 and 237 of notification No. 25/99-Customs as amended vide notification No. 14/2010-Customs refers).

85.4 LEDs used for manufacture of LED lights and light fixtures are being fully exempted from levy of special duty of customs leviable under Section 3(5) of the Customs Tariff Act, 1975.

85.5 Full exemption from payment of Additional duty of Customs (CVD) is being granted on the portion of value representing the consideration paid or payable for the transfer of the right to use such goods to those packaged or canned software, which do not require affixation of RSP under The Legal Metrology Act, 2009 or the rules made there under, subject to the Importer being registered under the Service Tax.

Chapter-86

No change

Chapter-87

87.1 The definition of "Completely Knocked Down (CKD) unit" for vehicles of CTH 8703 & 8711 (Motor cars and other motor vehicle including two wheelers) is being inserted to exclude such units which contain a pre-assembled engine or gearbox or transmission mechanism or a chassis where such parts or sub-assemblies is installed. (Explanation in S.No. 344 & 345 of the notification No. 21/2002- Customs, dated 01.03.2006 inserted vide Notification No. 21/2011 Customs dated 01.03.2011 refers).

87.2 A concessional rate of Nil BCD CVD @ 5% and full exemption from SAD is being extended to specified parts of the hybrid vehicles, namely, battery pack, battery charger, AC/DC electric motors,

and motor controllers. *(S.No. 345A of the notification No. 21/2002-Customs, dated 01.03.2006 as amended vide Notification No. 21/2011- Customs dated 01.03.2011 refers).*

87.3 A concessional rate of CVD @ 5% and full exemption from basic custom duty and Special Countervailing duty (Special CVD) is being extended to spare battery pack to such importers who are registered with Indian renewable energy development agency (IREDA) or any State Nodal agencies notified for Central Financial Assistance (CFA) scheme of the Ministry of Non- Conventional & Renewable Energy (MNRE). *(S.No. 613 of the notification No. 21/2002-Customs, dated 01.03.2006 as inserted vide Notification No. 21/2011- Customs dated 01.03.2011 refers).*

Chapter 88

88.1 A basic customs duty @ 2.5 % is being imposed on imports of aircrafts for Non- scheduled operations while exemption from CVD and SAD would continue in this category. The restriction on the inter-changeability of aircraft imported for non-scheduled operations (passenger) and non-scheduled operations (charter) is also being removed. *(S.No. 347B of the notification No. 21/2002-Customs, dated 01.03.2006 as inserted vide Notification No. 21/2011- Customs dated 01.03.2011 refers).*

88.2 The education cess and secondary and higher education cess is being imposed on aircrafts falling under 8802 20 00, 8802 30 00 and 8802 40 00 *(S. No 1 Notification No. 69/2004-Customs, dated 09.07.2004 as inserted vide Notification No. 17/2011- Customs dated 01.03.2011 refers).*

Chapter 89

89.1 Full exemption is being extended on imports of spares and consumables required for repair of ocean going vessels by ship owners for such vessels which are registered in India. *(S.No. 351A of the notification No. 21/2002-Customs, dated 01.03.2006 as inserted vide Notification No. 21/2011-Customs dated 01.03.2011 refers).*

CHAPTER 90

90.1 Basic Customs Duty has been reduced from 10% to 5%, Additional Customs Duty(CVD) from 10% to 5% and Special Additional Duty of Customs (Special CVD) to Nil on Polypropylene, Stainless Steel Strip and Stainless Steel capillary tube for manufacture of syringe, needle, catheters, cannulae on actual user basis. *[S. No. 357C of notification No. 21/2002-Customs inserted vide notification No. 21/2011-Customs refers].*

90.2 Endovascular stents have been fully exempted from Basic Customs Duty of 5%; *[S. No. 543A of notification No. 21/2002-Customs inserted vide notification No. 21/2011-Customs refers].*

Chapter 97

ART AND CULTURE

97.1 At present specified categories of works of art and antiquities are exempted from customs duty. The scope of the exemption is being expanded by including,-

(a) works or arts or antiquities for exhibition or display in private art galleries or similar premises that are open to general public;

(b) works of art created by an Indian artist abroad, irrespective of the fact whether such works are imported along with the artist or the sculptor on their return to India.

(Notification No. /2011-Customs dated 01.03.2011 refers)

MISCELLANEOUS:

M.1 Full exemption from Basic Customs Duty is being provided for Toughened Glass & silver paste imported for manufacture of Solar cells/Modules subject to actual user condition; *[S. No. 38 of notification No. 25/1999-Customs as amended/inserted vide notification No. 14/2011-Customs refers]*.

M.2 Basic customs duty on solar lantern/ lamps is being reduced from 10% to 5%. *[S. No. 612 of notification No. 21/2002-Customs inserted vide notification No. 21/2011-Customs refers]*.

M.3 The benefit of exemption available on Ultra Mega Power Projects is being extended for development of facilities such as Ash disposal system including ash dyke, water intake including treatment and storage facilities and coal transportation, both inside and also outside the power plant's designated boundary except the township.

M.4 It is being clarified that the Cement & steel going into construction activity of the power project are not eligible for the benefit of customs duty and excise duty exemptions and that the special power cables connecting generators and right upto the transformer within the power generation plant would be eligible for the benefits of the said exemptions.

M.5 Water Pumping Station and Water Reservoir are being included in the scope of projects eligible for such exemption. *[Notification Nos. 13/2011-Customs and 16/2011-Customs refers]*.

M.6 Safeguard Duty: The levy of safeguard duty on imports of caustic soda lye, when imported into India during the period 01.04.2009 to 30.03.2010 is being incorporated in the Finance bill for validating or confirming the provisional safeguard duty already imposed vide Notification no.131/2009-Custom, dated 04.12.2009.

M.7 Acetate Tow: The notification under section 11 of the Customs Act, 1962 is being issued for restricting the imports of Acetate Tow for manufacture of Filter Rods and Filter Rods for manufacture of Filter cigarettes. *(Notification No. --/2011-Customs (NT) refers)*.

M.8 SPECIAL ECONOMIC ZONES:

M.8.1 All clearances from SEZ into DTA are being exempted from SAD charged at 4% provided they are not exempt from the levy of VAT/Sales Tax. *(Notification No. 45/2005 dated 16.05.05 as amended by 18/2011-Cus dated 01.03.2011 refers)*.

M.8.2 CVD exemption currently available to Plastic materials reprocessed in India out of the scrap or the waste of goods falling under specified chapters is being extended to domestic tariff area clearances of such plastic materials manufactured in SEZ units also. *(S.No. 78 of notification No. 4/06-CE dated 01.03.06 as amended by 04/2011-CE dated 01.03.2011 refers)*

M.9 EXPORT PROMOTION:

M.9.1 The list of specified goods, allowed to be imported duty free for use in the manufacture of leather goods, for export is being expanded.

M.9.2 The list of specified goods, allowed to be imported duty free for use in the manufacture of textile and leather garments, is being expanded by including anti-theft devices like labels, tags and sensors therein.

M.9.3 Description of some items is being changed in the list of items that are allowed to be imported duty free for manufacture of textile/leather garments and other leather goods for export.

M.9.4 Benefit of duty free import is being extended to trimmings, embellishments, components etc. against exports of leather goods, footwear and textile garments by merchant exporters also subject to certain conditions.

M.9.5 Specified tools used in the handicrafts sector are being included in the list of specified goods, allowed to be imported duty free to the Handicrafts exporters.

(S. Nos. 114, 167, 167A, 583 and Condition No 21 of notification No 21/2002-Customs date 01.03.2002 as amended by notification by 21/2011-Customs dated 01.03.2011 refer).
