

EXPLANATORY NOTES (CUSTOMS)

Chapter 1 to 4

No change

Chapter 5

5.1 Basic customs duty on artemia classified under tariff item 0511 99 11 is being reduced from 30% to 5%. [S.No.15 of notification No.12/2012-Customs dated 17.03.2012 refers]

Chapter 6 to 18

No change

Chapter 19 to 20

No change

Chapter 21

21.1 Basic customs duty on Soya protein Concentrate classified under 2106 10 00 is being reduced from 30% to 10%. [S. No 91 of notification No.12/2012-Customs dated 17.03.2012 refers]

Chapter 22 to 25

No change

Chapter 26

26.1. Basic customs duty is being increased on gold ores and concentrates for use in the manufacture of gold from 1% to 2%. [S. No 116 of notification No.12/2012-Customs dated 17.03.2012 refers]

26.2 The description of goods classified in tariff item 2601 11 10 to 2601 11 90 is being revised [*Clause 127 read with Third Schedule to the Finance Bill 2012 refers*].

26.3 Export duty on “chromium ores and concentrates, all sorts” is being enhanced from Rs. 3000 per tonne to 30% *ad valorem* [*Clause 128 read with Fourth Schedule to the Finance Bill 2012 refers*].

26.4 Basic Customs duty on nickel ore & concentrate classified under tariff item 2604 00 00 is being fully exempted. [*S. No 118 of notification No. 12/2012-Customs dated 17.03.2012 refers*]

Chapter 27

27.1 Steam Coal classified under CTH 2701 19 20 is being fully exempted from basic customs duty alongwith 1% CVD. This dispensation would be valid upto 31st March, 2014. [*S. No 123 of notification No. 12x/2012-Customs dated 17.03.2012 refers*]

27.2 Basic customs duty Liquefied Natural Gas (LNG) and Natural Gas (NG) (2711), is being fully exempted when imported for generation of electrical energy by a power generating company [*S. No 139 of notification No. 12/2012-Customs dated 17.03.2012 refers*]

Chapter 28

28.1 Basic customs duty on nickel oxide & hydroxide classified under 2825 40 00 is being reduced from 7.5% to ‘Nil’. [*S. No 161 of notification No. 12/2012-Customs dated 17.03.2012 refers*]

28.2 Basic customs duty on Ammonium Metavanadate, classified under heading 2841, is being reduced from 7.5% to 2.5%. [*S. No 162 of notification No. 12/2012-Customs dated 17.03.2012 refers*]

28.3 Basic customs duty on Iodine classified under 2801 20 00 is being reduced to 2.5 %. [*S. No 156 of notification No. 12/2012-Customs dated 17.03.2012 refers*]

28.4 Basic customs duty on Titanium dioxide classified under CTH 2823 00 10 is being reduced from 10% to 7.5%. [*S. No 150 of notification No. 12/2012-Customs dated 17.03.2012 refers*]

28.5 Basic customs duty on Boric Acid classified under CTH 2810 00 20 is being enhanced from 5% to 7.5%. [*S. No 150 of notification No. 12/2012-Customs dated 17.03.2012 refers*]

28.6 Basic customs duty on Sintered natural uranium dioxide/ Sintered uranium dioxide pellets (U-235) classified under CTH 2844 20 00 for use in the production of nuclear power is being reduced from 7.5% to Nil. [*S. No163 of notification No. 12/2012-Customs dated 17.03.2012 refers*]

Chapter 29

No change

Chapter 30

30.1 The Concessional rate of 5% of basic customs duty is being extended to six life saving drugs/vaccines and their bulk drugs used in the manufacture of said drugs. [*S. No176 to 181 of list appended to notification No. 12/2012-Customs dated 17.03.2012 refers*]

30.2 Basic Customs duty on probiotics classified under 3002 90 30 is being reduced from 10% to 5% [*S. No195 of notification No. 12/2012-Customs dated 17.03.2012 refers*]

Chapter 31

31.1 Basic customs duty on specified water soluble and liquid fertilizers is being reduced from 7.5% to 5% and from 5% to 2.5%. [*S. No 202 of notification No. 12/2012-Customs dated 17.03.2012 refers*]

Chapter 32

32.1 Triband Phosphor classified under CTH 3206 50 00 is being fully exempted from basic customs duty [S. No209 of notification No. 12/2012-Customs dated 17.03.2012 refers]

32.2 Basic customs duty on Organic / Inorganic Coating material for manufacture of electrical steel (CTH 3209) is being reduced from 10% to 5% on actual user basis [S. No212 of notification No. 12/2012-Customs dated 17.03.2012 refers]

Chapter 33 to 34

No Change

Chapter 35

35.1 Basic customs duty on Isolated soya protein classified under 3504 00 91 is being reduced from 15% to 10%. [S. No216 of notification No. 12/2012-Customs dated 17.03.2012 refers]

Chapter 36 to 38

No Change

Chapter 39

39.1 Basic customs duty on Super Absorbent Polymer (SAP) classified under 3906 90 90 imported for use in the manufacture of Adult Diapers is being reduced from 7.5% to 5% alongwith Nil SAD on actual user basis [S.No242 of notification No. 12/2012-Customs dated 17.03.2012 refers]

Chapter 40

40.1 Basic customs duty and additional customs on pneumatic tyres (new or retreaded) for aircraft is being fully exempted subject to conditions [S.Nos.249 &250 of notification No. 12/2012 customs dated 17.03.2012 refers]

Chapter 41 to 43

No Change

Chapter 44

44.1 Wood in rough falling under heading 4403 has been exempted from Special CVD. [S. No 56 of notification No. 21/2012-Customs dated 17.03.2012 refers]

Chapter 45 to 46

No Change

Chapter 47

47.1. Basic Customs duty on waste paper, falling in heading 4707, is being fully exempted from basic customs duty. [S. No.262 of notification No. 12/2012-Customs dated 17.03.2012 refers]

Chapter 48

48.1. A chapter note in chapter 48 is being inserted to provide that if paper and paper products of headings 4811, 4816 or 4820 are printed with any character, name, logo, motif or format, they shall remain classified under chapter 48 as long as such products intended to be used for further printing.” [Clause 127 read with Third Schedule to the Finance Bill 2012 refers].

Chapter 49 to 50

No Change

Chapter 51

51.1 Basic customs duty on Wool Waste (CTH 5103) is being reduced from 10% to 5%. [S. No279 of notification No. 12/2012-Customs dated 17.03.2012 refers]

51.2 Basic customs duty on Wool Tops (CTH 5105) is being reduced from 15% to 5%. [S. No 281 of notification No. 12/2012-Customs dated 17.03.2012 refers]

Chapter 52 to 53

No Change

Chapter 54

54.1 Basic Customs duty on Aramid thread/ Yarn/ fabric for manufacture of Bullet proof helmets for Defence and Police personnel is being reduced from 10% to Nil with Nil CVD and Nil SAD (S. No. 16 of Notification No.39/96-Customs dated 23rd July, 1996 as inserted vide Notification No.11 /2012-Customs dated 17th March, 2012 refers).

Chapter 55

No Change

Chapter 56

56.1 Basic customs duty on Hydrophilic Non –Woven, Hydrophobic Non –Woven (CTH 56031100) imported for use in the manufacture of Adult Diapers is being reduced from 10% to 5%, With 5% CVD and Nil SAD on actual user basis [S. No295 of notification No. 12/2012-Customs dated 17.03.2012 refers]

Chapter 57 to 70

No Change

Chapter 71

71.1 Basic customs duty is being increased on gold dore bars having gold content not exceeding 95%, imported for refining and manufacturing serially numbered gold bars in India from 1% to 2% [S. No 318 of notification No. 12/2012-Customs dated 17.03.2012 refers]

71.2 Basic customs duty is being increased on Gold bars, other than tola bars, bearing manufacturer's or refiner's engraved serial number and weight expressed in

metric units, and gold coins having gold content not below 99.5% from 2% to 4%. [S. No321 & 323 of notification No. 12/2012-Customs dated 17.03.2012 refers]

71.3 Basic customs duty is being increased on Gold in any form other than above, including tola bars and ornaments, but excluding ornaments studded with stones or pearls from 5% to 10%.

71.4 Basic customs duty is being increased on Platinum from 2% to 4%. [S. No328 of notification No. 12/2012-Customs dated 17.03.2012 refers]

71.5 Basic customs duty of 2% is being prescribed for Cut and polished coloured gemstones. [S. No 313 of notification No. 12/2012-Customs dated 17.03.2012 refers]

Chapter 72

72.1 Basic Customs duty on flat-rolled products of non-alloy steel whether or not clad, plated or coated falling in headings 7208, 7209, 7210, 7211, and 7212 is being increased from 5% to 7.5%. [S. No 334 of notification No. 12/2012-Customs dated 17.03.2012 refers]

72.2 Prime quality cold rolled sheets of grain oriented (CRGO) Silicon electrical steel falling under tariff item 7225 11 00 or 7226 11 00 has been exempted from Special CVD. [S. No 79 of notification No. 21/2012-Customs dated 17.03.2012 refers]

Chapter 73

73.1 Basic Customs duty on pipes and tubes for use in manufacture of boilers falling in chapter 73 of the customs tariff, has been reduced from 10% to 7.5%. [S. No335 of notification No. 12/2012-Customs dated 17.03.2012 refers]

Chapter 74

74.1 The description of goods falling in tariff item nos. 7404 00 12 and 7404 00 22 of the customs tariff has been aligned with revised ISRI code [Clause 128 read with Third Schedule to the Finance Bill 2012 refers].

74.2 Brass Scrap falling under tariff item 7404 00 29 has been exempted from Special CVD. [S. No 80 of notification No. 21/2012-Customs dated 17.03.2012 refers]

Chapter 75

75.1 The description of goods falling in tariff item no. 7503 00 10 of the customs tariff has been aligned with revised ISRI code [Clause 128 read with Third Schedule to the Finance Bill 2012 refers].

Chapter 76

76.1 The description of goods falling in tariff item no. 7602 00 10 of the customs tariff has been aligned with revised ISRI code [Clause 128 read with Third Schedule to the Finance Bill 2012 refers].

Chapter 78

78.1 The description of goods falling in tariff item no. 7802 00 10 of the customs tariff has been aligned with revised ISRI code [Clause 128 read with Third Schedule to the Finance Bill 2012 refers].

Chapter 79

79.1 The description of goods falling in tariff item no. 7902 00 10 of the customs tariff has been aligned with revised ISRI code [Clause 128 read with Third Schedule to the Finance Bill 2012 refers].

Chapter 84

84.1 Basic customs duty on Marine seawater pumps with fibre impellers and Automatic fish/prawn feeder is being reduced from 10% to 5%. [S. No348 of notification No. 12/2012-Customs dated 17.03.2012 refers]

84.2 Basic customs duty is being reduced from 7.5% to 2.5% on specified Agriculture Machinery viz. Sugarcane planter, Root or tuber crop harvesting machines and Rotary tiller/ weeder. Parts and components required for manufacture of these items would also attract BCD@ 2.5%. [S. No399 of notification No. 12/2012-Customs dated 17.03.2012 refers]

84.3 The Concessional import duty regime of 5% basic Customs Duty + Nil CVD +SAD presently applicable to food grains and sugar under project imports scheme is being

extended to goods required for installation of mechanized handling systems and pallet racking systems in mandis and warehouses for horticulture produce [S. No515 of notification No. 12/2012-Customs dated 17.03.2012 and notification No. 17/2012-Customs dated 17.03.2012 refers]

84.4 Full exemption from basic customs duty exemption is being provided to shuttle less looms, parts/components of shuttle less looms by actual users for manufacture, specified silk machinery viz. Automatic reeling silk reeling and processing machinery and their accessories including cocoon assorting machines, cocoon peeling machines, vacuum permeation machine, cocoon cooking machine, reeled silk humidifier, bale press and raw silk testing equipments.[S. No.406 of notification No. 12/2012-Customs dated 17.03.2012 refers]. The existing concessional duty rate extended to specified textile machinery is being restricted only to new textile machinery.

84.5 A concessional rate of 5% BCD is being extended to raw materials, intermediates required for the manufacture of parts of blades for rotors of wind operated generators. [S. No 362 of notification No. 12/2012-Customs dated 17.03.2012 refers]

84.6 An unconditional full exemption from Basic Customs Duty and additional duty of customs (CVD) is being provided to tunnel boring machines and parts and components thereof for use in the assembly of Tunnel boring machines. [S. No 397 of notification No. 12/2012-Customs dated 17.03.2012 refers] In addition the full exemption from basic customs duty and CVD is being extended to Tunnel Excavation & Lining Equipments consisting of Drilling Jumbos, Loaders, Tunnel excavators, Shotcrete Machines and 3 Stage Crushers for use in highway development projects [S. No 368 of notification No. 12/2012-Customs dated 17.03.2012 refers]

84.7 The benefit of existing exemption from Customs duty on Road Construction equipment is being extended to projects awarded by Metropolitan Development Authority also. [S. No 368 of notification No. 12/2012-Customs dated 17.03.2012 refers]

84.8 Basic customs duty on Power weeding machine for coffee plantations, Coffee grinder, Coffee processing machine, sprayers, Coffee packaging machine, Coffee

bagging machine and mechanical harvester for coffee plantation is being reduced from 7.5% to 5% [*S. No 384 of notification No. 12/2012-Customs dated 17.03.2012 refers*]

84.9 Basic customs duty on Coffee vending machine and brewing machines other than of a kind used for domestic purpose is being reduced from 10% to 5%. A concessional rate of BCD of 2.5% is also being provided to parts required for the manufacture of such machines. [*S. No 385 of notification No. 12/2012-Customs dated 17.03.2012 refers*]

Chapter 85:

85.1 Full exemption from basic customs duty, additional duty of customs presently available on parts, components and accessories of mobile handsets including cellular phones is being extended to parts, components and sub-parts of parts and components required for manufacture of Memory Cards for mobile phones [*S. No 431 of notification No. 12/2012-Customs dated 17.03.2012 refers*]

85.2 Full exemption from Special Additional Duty of customs on parts, components and accessories of mobile handsets including cell phones valid up to 31.3.13 is being extended to parts, sub-parts and components of Memory Cards for mobile handsets including cellular phones. The validity of this exemption is being extended upto 31.3.2013. [*S. No 5 of notification No. 21/2012-Customs dated 17.03.2012 refers*]

85.3 The exemption from basic customs duty on poly laminated aluminium tape and poly laminated steel tape is being withdrawn. [*Notification No. 25/2005-Customs dated 1.03.2005 as amended by notification No. 15/2012-Customs dated 17.03.2012 refers*]

85.4 The customs duty exemption provided for specified raw materials for use in electronics/IT industry is being withdrawn [*Notification No. 25/1999-Customs dated 28.02.1999 as amended by notification No. 16/2012-Customs dated 17.03.2012 refers*]

85.5 Excise duty is being reduced to 6% on LED lamps & LEDs required for manufacture of such lamps and SAD is being fully exempted on LEDs used for manufacture of LED Lamps [*S. No 90 of notification No. 21/2012-Customs dated 17.03.2012 refers*]

85.6 Full exemption from Basic Customs Duty is being extended to LCD and LED TV panels for 20 inches and above. [S. No 432 of notification No. 12/2012-Customs dated 17.03.2012 refers]

85.7 Basic customs duty of 10% is being imposed on Digital Cameras which are capable of recording video with minimum resolution of 800 x 600 pixels, at minimum 23 frames per second, for at least 30 minutes in a single sequence using the maximum storage (including expanded) capacity. [*Notification No. 25/2005-Customs dated 1.03.2005 as amended by notification No. 15/2012-Customs dated 17.03.2012 refers*]. Basic Customs Duty on parts and components of such cameras is being reduced to 5% subject to actual user condition [S. No 429 of notification No. 12/2012-Customs dated 17.03.2012 refers]

85.8 Basic customs, additional customs duty and special additional duty of customs (SAD) on Lithium ion automotive battery for manufacture of Li ion battery packs for supply to hybrid/electric vehicle manufacture is being reduced from 10% to Nil, 10% to 6% and 4% to Nil respectively [S. No 438 of notification No. 12/2012-Customs dated 17.03.2012 and S. No 6 of notification No. 21/2012-Customs dated 17.03.2012 refers]

Chapter 86

86.1 Basic customs duty on Track Machines and parts classified under CTH 86 is being reduced from 10% to 7.5% [S. No 436 of notification No. 12/2012-Customs dated 17.03.2012 refers]

86.2 Basic customs duty on Train Protection and Warning System is being reduced from 10% to 7.5%. [S. No 435 of notification No. 12/2012-Customs dated 17.03.2012 refers]

Chapter 87

87.1 Basic customs duty on CBUs of motor vehicles (cars) falling under CTH 8703 with FOB value more than US \$ 40000 and with engine capacity more than 3000cc for petrol-run vehicles and more than 2500 cc for diesel-run vehicles is being increased

from 60% to 75%. [S. No 437 of notification No. 12/2012-Customs dated 17.03.2012 refers]

87.2 Basic customs, additional customs duty and special additional duty of customs (SAD) on specific parts of hybrid vehicles is being reduced from 10% to Nil, 10% to 6% and 4% to Nil respectively [S. No 440 of notification No. 12/2012-Customs dated 17.03.2012 and S. No 8 of notification No. 21/2012-Customs dated 17.03.2012 refers]

87.3 Basic customs duty on Bicycles in fully built condition as well as in form of CKD/SKD kits is being increased from 10% to 30%. [Bill entry]

87.4 Basic customs duty on Bicycles parts and components is being increased from 10% to 20%. [S. No 444 of notification No. 12x/2012-Customs dated 17.03.2012 refers]

Chapter 88

88.1 Basic customs and additional customs duty on imports of Parts and testing equipment, by a third party Maintenance Repair, and Overhauling facility for aircraft falling under heading 8802 is being fully exempted [S. No 448 of notification No.12/2012-Customs dated 17.03.2012 refers]

88.2 The period of stay for duty free import of aircraft not registered or intended to be registered in India for a flight to or across India, is being reduced from six months to 15 days or as extended by the competent Authority not exceeding 60 days[S. No 450 of notification No. 12/2012-Customs dated 17.03.2012 refers]

Chapter 89

89.1 Unconditional exemption form CVD is being extended on import of foreign going vessels for a period from 01.03.2011 to 17.03.2012. [Bill entry]

89.2 Additional Customs duty (CVD) on Foreign going vessels imported into India are being fully exempted subject to payment of duty at the time of its conversion for coastal run. [S. No 462 of notification No. 12/2012-Customs dated 17.03.2012 refers]

89.3 Dredgers are being fully exempted from Special Additional customs duty [S. No 97 of notification No.21/2012-Customs dated 17.03.2012 refers]

89.4 Additional Customs duty (CVD) on dredgers imported into India is being rationalised for import of dredgers on lease and contractual basis and on short term basis. [Notification Nos. 19/2012-Customs and 20/2012-Customs both dated 17.03.2012 refer]

Chapter 90

90.1 Basic Customs Duty is being reduced to 2.5% along with 6%CVD and Nil SAD on specified raw materials viz. Polypropylene, Stainless Steel Strip and Stainless Steel capillary tube for manufacture of syringe, needle, catheters, and cannulae on actual user basis. [S. No 475 of notification No. 12/2012-Customs dated 17.03.2012 refers]

90.2 Full exemption from basic customs duty, CVD and SAD is being provided to specified raw materials viz. stainless steel tube and wire, cobalt chromium tube, Hayness Alloy-25 and polypropylene mesh required for manufacture of Coronary stents/ coronary stent system and artificial heart valve on actual user basis. [S. No 476 of notification No. 12/2012-Customs dated 17.03.2012 refers]

90.3 Basic Customs Duty is being reduced to 2.5% with 6% CVD and Nil SAD on parts of Blood Pressure Monitors and Blood glucose monitoring systems (Glucometers) on actual user basis [S. No 477 of notification No. 12/2012-Customs dated 17.03.2012 refers]

90.4 BCD is being reduced to 2.5% ad valorem on survey(DGPS) instruments, 3D modeling software for ore body simulation cum mine planning and exploration (geophysics and geochemistry) equipment. [S. No 489 of notification No. 12/2012-Customs dated 17.03.2012 refers]

CHAPTER 91-97

91-97 No change

CHAPTER 98 (Project Imports)

98.1 Project import status is being granted for Green Houses set up for protected cultivation of Horticulture and Floriculture produce [*S. No 515 of notification No. 12/2012-Customs dated 17.03.2012 and notification No. 42/96-Customs dated 23.07.1996 as amended by notification No. 17/2012-Customs dated 17.03.2012 refers*]

98.2 Basic Customs Duty (BCD) is being reduced to Nil for initial setting up as well as substantial expansion of all fertilizer projects for a period of 3 years i.e. up to of 31.3.2015. [*S. No506 of notification No. 12/2012-Customs dated 17.03.2012 refers*]

98.3 Basic Customs Duty (BCD) is being reduced to 2.5% for the capital goods/ equipments required for setting up or substantial expansion of iron ore pellet plants & iron ore beneficiation plants. [*S. No506 of notification No. 12/2012-Customs dated 17.03.2012 refers*]

98.4 Full Basic Customs Duty (BCD) exemption is being extended to Coal Mining Projects. [*S. No506 of notification No. 12/2012-Customs dated 17.03.2012 refers*]

98.5 Project Import status is being granted to mechanized handling systems and pallet racking systems for horticulture produce. [*Notification No. 17/2012-Customs dated 17.03.2012 refers*]
