

CUSTOMS

Chapter 1 to 7: No change

Chapter 8

- 1) Description of the product “sun dried dark seedless raisins” which attracts concessional Basic Customs Duty of 30% is being changed to “dark seedless raisins”. S.No.29 of notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2014-Customs, dated 11th July, 2014 refers.

Chapter 9 to 14: No change

Chapters 15, 29 and 38

- 1) Basic Customs Duty on fatty acids, crude palm stearin, RBD and other palm stearin and specified industrial grade crude oils is being reduced from 7.5% to Nil for manufacture of soaps and oelochemicals subject to actual user condition. Basic Customs Duty is also being reduced on crude glycerine from 12.5% to 7.5% in general and from 12.5% to Nil for manufacture of soaps subject to actual user condition. S.Nos.51 and 73 of notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2014-Customs, dated 11th July, 2014 and new S.Nos.73A, 187B and 230A of notification No.12/2014-Customs, dated 11th July, 2014 refer.

Chapter 16 to 21: No change

Chapter 22:

- 1) Basic Customs Duty on denatured ethyl alcohol is being reduced from 7.5% to 5%. S.No.96 of notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2014-Customs, dated the 11th July 2014 refers.

Chapter 23

- 1) Full exemption from basic customs duty is being granted to de-oiled soya extract, groundnut oil cake/oil cake meal, sunflower oil cake/oil cake meal, canola oil cake/oil cake meal, mustard oil cake/oil cake meal, rice bran/rice bran oil cake and palm kernel cake, up to 31.12.2014. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2014-Customs, dated the 11th July 2014 [new S.No.104D] refers.

Chapter 24 and 25:

- 1) Tariff item 2402 20 60 is being omitted as a consequential change to the amendment in the First Schedule to the Central Excise Tariff Act, 1985. Tariff items related to cigarettes of

length exceeding 75 mm but not exceeding 85 mm and cigarettes of length exceeding 85 mm are being merged into a single tariff item i.e. others [2402 20 90]. A suitable amendment has been proposed in the Customs Tariff Act, 1975. Clause 87 of the Finance (No.2) Bill, 2014 refers.

- 2) Basic Customs Duty on steel grade dolomite and steel grade limestone is being reduced from 5% to 2.5%. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2014-Customs, dated the 11th July 2014 [new S.Nos.110A and 111A respectively] refers.

Chapter 26

- 1) Export duty on bauxite is being increased from 10% to 20%. In this connection, S.No.24A and 24B of notification No.27/2011-Customs dated the 1st March, 2011 as amended by notification No.15/2014-Customs, dated 11th July 2014 refers.

Chapter 27

- 1) The duty structure on non-agglomerated coal of various types is being rationalized at 2.5% BCD and 2% CVD. Accordingly, the BCD on Coking coal is being increased from NIL to 2.5% and on steam coal and bituminous coal from 2% to 2.5%. The BCD on anthracite coal and other coal is being reduced from 5% to 2.5%. The CVD on Anthracite coal, Coking coal and other Coal is being reduced from 6% to 2%. S.Nos.122, 122A, 123 and 124 of notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2014-Customs, dated the 11th July 2014 refer. New S.No.124A covers other coal (2701 1990).
- 2) Basic Customs Duty on metallurgical coke is being increased from Nil to 2.5%. S.No.125 of notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2014-Customs, dated the 11th July 2014 refers.
- 3) Basic Customs Duty on crude naphthalene is being reduced from 10% to 5%. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2014-Customs, dated the 11th July 2014 [new S.No.126A] refers.
- 4) Basic Customs duty on reformate and other goods under sub-heading 2707 50 00 is being reduced from 10% to 2.5%. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2014-Customs, dated the 11th July 2014 [new S.No.126B] refers.
- 5) Basic Customs Duty on coal tar pitch is being reduced from 10% to 5%. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2014-Customs, dated the 11th July 2014 [new S.No.126C] refers.
- 6) Exemption from Basic Customs Duty and CVD is being granted on re-gasified LNG for supply to Pakistan. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2014-Customs, dated the 11th July 2014 [new S.No.138C] refers. Condition 8B may be referred for details.

- 7) Liquefied Propane and Butane mixture, Liquefied Propane, Liquefied Butane and Liquefied Petroleum Gases (LPG) imported by the Indian Oil Corporation Limited, Hindustan Petroleum Corporation Limited or Bharat Petroleum Corporation Limited, for supply to Non-Domestic Exempted Category (NDEC) customers is being fully exempted retrospectively w.e.f. 08.02.2013 and upto 10.07.2014. Clause 85 of the Finance (No.2) Bill, 2014 refers. The exemption shall continue w.e.f. 11.07.2014 vide S.No.141 of notification 12/2012-Customs dated 17th March, 2012 as amended by notification No.12/2014-Customs dated 11th July, 2014.
- 8) Basic Customs duty on propane is being reduced from 5% to 2.5%. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2014-Customs, dated the 11th July 2014 [new S.No.142B] refers.

Chapter 28-49:

- 1) Basic Customs duty on ethane and other goods under sub-heading 2901 10 00, ethylene, propylene and butadiene is being reduced from 5% to 2.5%. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2014-Customs, dated the 11th July 2014 [new S.Nos.173A to 173D] refers.
- 2) Basic Customs Duty on ortho-xylene is being reduced from 5% to 2.5%. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2014-Customs, dated the 11th July 2014 [new S.No.173E] refers.
- 3) Basic Customs Duty on methyl alcohol is being reduced from 7.5% to 5%. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2014-Customs, dated the 11th July 2014 [new S.No.178A] refers.
- 4) Basic Customs Duty on raw materials for manufacture of spandex yarn viz. Diphenylmethane 4,4 di-isocyanate (MDI) and Polytetramethylene ether glycol (PT MEG) is being reduced from 5% to Nil. S.No.185 and S.No.244 of notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2014-Customs, dated the 11th July 2014.
- 5) Full exemption from Basic Customs Duty is being provided on specified raw materials used in the manufacture of solar backsheet and EVA sheet for use in manufacture of solar PV cells or modules. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2014-Customs, dated 11th July, 2014 [new S.No.211A] refers.
- 6) Full exemption of customs duty is being provided on security fibre, security threads and M-feature imported by Bank Note Paper Mill India Private Limited (BNPMIPL), Mysore. S.No.233 of notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2014-Customs, dated the 11th July 2014 refers. Full exemption from BCD and CVD is also being provided for raw materials required for manufacture of security threads and security fibre subject to actual user condition. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2014-Customs, dated the 11th July 2014 [new S.No.233A] refers.

- 7) S.No.169 of notification No.10/2008-Customs, dated 15th January, 2008 [India-Singapore Comprehensive Economic Co-operation Agreement (CECA)] relating to tariff item 3903 19 90 is being omitted. As a result, Basic Customs Duty on Polystyrene (other than moulding powder) is being increased from 1.15% to 7.5%. Notification No.17/2014-Customs, dated the 11th July 2014 refers.

Chapter 50: No change

Chapter 51 and 52:

- 1) The list of specified goods required by handicraft exporters is being expanded so as to include wire rolls in the same for the purpose of granting the facility of duty free import. S.No.206 of notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2014-Customs, dated the 11th July 2014 refers.
- 2) Non-fusible embroidery motifs or prints are being included in the list of items eligible to be imported duty free for manufacture of garments for export. S.No.282 of notification No.12/2012-Customs, dated 17th March, 2012 as amended by Notification No.12/2014-Customs, dated the 11th July 2014 refers.
- 3) The duty free entitlement for import of trimmings & embellishments and other goods used by the readymade textile garment sector for manufacture of garments for export is being increased from 3% to 5%. S.No.282 (condition No.24) of notification No.12/2012-Customs, dated 17th March, 2012 as amended by Notification No.12/2014-Customs, dated the 11th July 2014 refers.
- 4) Specified goods imported for use in the manufacture of textile garments for export are fully exempt from BCD and CVD subject to the condition that the manufacturer produces an entitlement certificate from the Apparel Export Promotion Council. In addition, Indian Silk Export Promotion Council (ISEPC) is being authorised to issue entitlement certificate. S.No.282 (condition No.24) of notification No.12/2012-Customs, dated 17th March, 2012 as amended by Notification No.12/2014-Customs, dated the 11th July 2014 refers.
- 5) Fusible embroidery motifs or prints, anti-theft devices like labels, tags and sensors, pin bullets for packing, plastic tag bullets, metal tabs, bows, ring and slider and rings are being included in the list of items eligible to be imported duty free for manufacture of handloom made ups or cotton made ups or manmade made ups for export. S.No.284 of notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2014-Customs, dated the 11th July 2014 refers.

Chapter 53 to 70: No Change

Chapter 71

- 1) Full exemption from Basic Customs Duty is being granted to pre-forms of precious and semi-precious stones. S.No.312A of notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2014-Customs, dated 11th July, 2014 refer.

- 2) Basic Customs Duty on half-cut or broken diamonds is being increased from NIL to 2.5% and on cut & polished diamonds including lab-grown diamonds and colored gemstones from 2% to 2.5%. S.Nos.313, 314 and 315 of notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2014-Customs, dated 11th July, 2014 refers.
- 3) The variation level and the parameter of measurement in respect of re-import of cut and polished diamonds after certification/grading from a foreign laboratory/agency are being increased as a trade facilitation measure. Henceforth, in the case of re-import of cut and polished diamonds, a variance not exceeding $\pm 0.05\text{mm}$ in diameter for round shape diamonds and $\pm 0.07\text{mm}$ in length and breadth for diamonds of other shapes shall be allowed. The allowable variance in weight remains unchanged. Notification No.9/2012-Customs, dated 9th March, 2012 as amended by notification No.16/2014-Customs, dated 11th July, 2014 refers.

Chapter 72

- 1) Basic Customs Duty on stainless steel flat products (CTH 7219 and 7220) is being increased from 5% to 7.5%. S.No.334 of notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2014-Customs, dated 11th July, 2014 refers.

Chapter 73

- 1) Basic Customs Duty is being reduced from 10% to 5% on forged steel rings used in the manufacture of bearings of wind operated electricity generators. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2014-Customs, dated 11th July, 2014 [new S.No.335A] refers.

Chapter 74

- 1) Full exemption from Basic Customs Duty is being provided on flat copper wire for use in the manufacture of PV ribbons (tinned copper interconnect) for solar PV cells or modules. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2014-Customs, dated 11th July, 2014 [new S.No.335B] refers.

Chapter 75 to 83: No change.

Chapter 84

- 1) Basic customs duty at a concessional rate of 5% is being provided on machinery, equipments, etc. required for initial setting up of compressed biogas plant (Bio-CNG). Notification No.81/2005-Customs, dated 8th September, 2005 as amended by notification No.13/2014-Customs, dated 11th July, 2014 refers.
- 2) Basic customs duty and CVD on machinery, equipment, etc. required for initial setting up of solar energy production projects is being reduced to 5% and Nil respectively. Notification

No.1/2011-Customs, dated 6th January, 2011 as amended by notification No.14/2014-Customs, dated 11th July, 2014 refers.

- 3) Full exemption from Special Additional Duty is being provided on parts and raw materials required for use in the manufacture of wind operated electricity generators. Notification No.21/2012-Customs, dated 17th March, 2012 as amended by notification No.21/2014-Customs, dated 11th July, 2014 [new S.No.14C] refers.

Chapter 85

- 1) Basic Customs Duty is being reduced from 5% to 2.5% on electrolyzers and their parts/spares required by caustic soda or caustic potash units and membranes and their parts/spares required by industrial plants based on membrane cell technology. The BCD on other parts (other than membranes and parts thereof) is also being reduced from 7.5% to 2.5%. S.No.417 of notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2014-Customs, dated 11th July, 2014 refers.
- 2) Basic Customs Duty on LCD and LED TV panels of below 19 inches is being reduced from 10% to NIL. S.No.432 of notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2014-Customs, dated 11th July, 2014 refers.
- 3) Basic Customs Duty on colour picture tubes for manufacture of cathode ray TVs is being reduced from 10% to NIL. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2014-Customs, dated 11th July, 2014 [new S.No.432A] refers.
- 4) Basic Customs Duty is being exempted on specified parts of LCD and LED panels for TVs. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2014-Customs, dated 11th July, 2014 [new S.No.432B] refers.
- 5) Basic Customs Duty is being reduced from 7.5% to NIL on E-Book readers. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2014-Customs, dated 11th July, 2014 [new S.No.433A] refers.
- 6) Basic Customs Duty on battery waste and battery scrap is being reduced from 10% to 5%. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2014-Customs, dated 11th July, 2014 [new S.No.433B] refers.
- 7) Basic Customs Duty on specified telecommunication products not covered under the ITA (Information Technology Agreement) is being increased from NIL to 10%. Clause 87 of the Finance (No.2) Bill, 2014 refers. Notification No.24/2005-Customs, dated 1st March, 2005 is being amended vide notification No.11/2014-Customs, dated 11th July, 2014 so as to exclude these specified tariff items, which will henceforth attract the tariff rate of basic customs duty of 10%. However, all goods required for the manufacture of the aforesaid telecommunication products would continue to enjoy the exemption from basic customs duty. Notification No.11/2014-Customs, dated 11th July, 2014 may be referred to for details.
- 8) Special Additional Duty (SAD) on all inputs/components used in the manufacture of Personal Computers (laptops/desktops) and tablet computers is being exempted, subject to

actual user condition. Notification No.21/2012-Customs, dated 17th March, 2012 as amended by notification No.21/2014-Customs, dated 11th July, 2014 refers.

- 9) The exemption from education cess and secondary and higher education (SHE) cess leviable on CVD is being withdrawn on certain electronic goods. Notifications No.13/2012-Customs and No.14/2012-Customs, both dated the 17th March, 2012 as amended vide notifications No.18/2014-Customs and notification No.19/2014-Customs, both dated 11th July 2014, respectively refer.
- 10) Full exemption from Special Additional Duty (SAD) is being provided on specified inputs (PVC sheet & Ribbon) used in the manufacture of smart cards. Notification No.21/2012-Customs, dated 17th March, 2012 as amended by notification No.21/2014-Customs, dated 11th July, 2014 refers.

Chapter 86 to 88: No change

Chapter 89

- 1) The BCD on ships imported for breaking up is being reduced from 5% to 2.5%. Sl. No.468 of notification No.12/2012-Customs, as amended by notification No.12/2014-Customs, dated the 11th July 2014 refers.

Chapter 90-98:

- 1) Director (Electrical) is being authorized to issue the requisite certificate to enable Delhi Metro Rail Corporation to avail of Nil BCD and Nil CVD benefits in respect of their Phase-1 and Phase-2 projects instead of Director (Rolling Stock, Electrical & Signalling) at present. S.No.354 (condition no.40) of notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2014-Customs, dated 11th July, 2014 refers.
- 2) CVD exemption on portable X-ray machine / system is being withdrawn. S.No.20 of notification No.39/96-Customs, dated 23rd July, 1996 as amended by notification No.20/2014-Customs, dated 11th July, 2014 and notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2014-Customs, dated 11th July, 2014 [new S.No.490A] refer.
- 3) State Governments concerned are being notified as sponsoring authority for Metro Rail Projects covered under the Project Import Regulations, 1986. Notification No.23/86-Customs, dated 3rd April, 1986 as amended vide notification No.25/2014-Customs, dated 11th July, 2014 refers.

Miscellaneous:

- 1) Full exemption from customs duty is being provided on specified HIV/AIDS drugs and diagnostic kits imported under National AIDS Control Programme (NACP) funded by the Global Fund to Fight AIDS, TB and Malaria (GFATM). Notification No.23/2014-Customs, dated the 11th July 2014 refers.

- 2) Full exemption from Basic Customs Duty is being provided to goods imported by National Technical Research Organisation (NTRO). Notification No.39/96-Customs, dated 23rd July, 1996 as amended by notification No.20/2014-Customs, dated 11th July, 2014 refers.
- 3) Plants & Equipment imported prior to 2008 for use in projects financed by the UN or an international organization, which hitherto could not be transferred / sold / re-exported out of the project site, are now being allowed to be transferred / sold / re-exported from the project site subject to the conditions specified therein. Notification No.84/97-Customs, dated the 11th November, 1997 as amended vide notification No.22/2014-Customs, dated the 11th July 2014 refers.
- 4) The requirement of certification by Ministry of Road Transport (or NHAI) for availing of customs duty exemption on specified goods required for construction of roads is being done away with. Condition no.9 (c) corresponding to S.No.368 of notification No.12/2012-Customs, dated the 17th March, 2012 is being omitted. Notification No.12/2014-Customs, dated the 11th July 2014 refers.
- 5) A provision is being made for refund of Customs duty paid at the time of import of scientific and technical instruments, apparatus, etc. by public funded and other research institutions, subject to submission of a certificate of registration from the Department of Scientific & Industrial Research (DSIR). Notification No.51/96-Customs, dated 23rd July, 1996 as amended vide notification No.24/2014-Customs, dated the 11th July 2014 refers.

Baggage Rules

- 1) Baggage Rules are being amended to,-
 - (i) raise the free baggage allowance from Rs.35,000 to Rs.45,000.
 - (ii) reduce the duty free allowance of cigarettes from 200 to 100, of cigars from 50 to 25 and of tobacco from 250 gms to 125 gms.

Notification No.30/98-Customs (NT) dated 2nd June, 1998 as amended vide notification No.50/2014-Customs (NT), dated 11th July, 2014 may be referred to for details.
