

**FOLLOWING IMPORTANT CHANGES BEING MADE THROUGH FINANCE BILL (2 OF 1998), 1998 AND NOTIFICATIONS ISSUED ON 2ND JUNE, 1998 (.) CHANGES ARE EFFECTIVE FROM MIDNIGHT BETWEEN 1ST AND 2ND JUNE, 1998 (.)**

### **CUSTOMS**

A NEW SPECIAL ADDITIONAL DUTY OF CUSTOMS IMPOSED AT 8% ON ALL IMPORTS(.) THIS WILL BE COMPUTED ON THE AGGREGATE OF ASSESSABLE VALUE, BASIC DUTY OF CUSTOMS, SPECIAL DUTY OF CUSTOMS AND ADDITIONAL DUTY OF CUSTOMS UNDER SECTION 3 OF THE CUSTOMS TARIFF ACT, 1975(.) IT WILL APPLY TO MOST IMPORTS AND WILL COME INTO FORCE WITH IMMEDIATE EFFECT(.)

ADDITIONAL DUTY OF CUSTOMS (MOTOR SPIRIT) IMPOSED ON IMPORTED MOTOR SPIRIT GENERALLY KNOWN AS PETROL AT THE RATE OF ONE RUPEE PER LITRE(.) THIS WILL COME INTO FORCE FROM MIDNIGHT OF 1ST AND 2ND JUNE, 1998.

BAGGAGE RULES MODIFIED(.) FREE ALLOWANCE FOR PASSENGERS RETURNING FROM COUNTRIES OTHER THAN NEPAL, BHUTAN, MYANMAR & CHINA AFTER A STAY OF MORE THAN THREE DAYS INCREASED FROM RS.6000 TO RS.12000(.) PASSENGERS RETURNING FROM THESE COUNTRIES AFTER A STAY OF UPTO THREE DAYS WOULD CONTINUE TO ENJOY FREE ALLOWANCE OF RS.6000(.) FREE ALLOWANCE OF RS.3000 ALSO EXTENDED TO PASSENGERS RETURNING FROM NEPAL, BHUTAN, MYANMAR OR CHINA AFTER A STAY EXCEEDING THREE DAYS(.) THIS WILL NOT BE AVAILABLE TO PASSENGERS COMING ACROSS LAND BORDERS FROM THESE COUNTRIES(.) VALUE OF ITEMS ALLOWED TO BE IMPORTED DUTY FREE BY A FOREIGN TOURIST FOR MAKING GIFTS INCREASED FROM RS. 750 TO RS. 4000(.). NO CHANGES HAVE BEEN MADE IN THE CONCESSIONS AVAILABLE TO PROFESSIONALS RETURNING TO INDIA OR IN THE

CONCESSIONS UNDER TRANSFER OF RESIDENCE(.) DUTY ON BAGGAGE IN EXCESS OF FREE ALLOWANCES WILL BE AT 50% PLUS 5% SCD PLUS 8% SPECIAL ADDITIONAL DUTY(.) THE CUMULATIVE DUTY WILL THEREFORE BE 67.40% (.)

DUTY ON GOLD IMPORTS RAISED TO RS.250 PER 10 GMS. AND SILVER CONTINUES AT RS.500 PER KG(.) SPECIAL ADDL. DUTY DOES NOT APPLY TO GOLD AND SILVER IMPORTS(.)

BASIC DUTY ON DRIED GRAPES FALLING UNDER SUB-HEADING NO. 0806.20 REDUCED TO 120% AND PREFERENTIAL RATE TO 110% (.) SPECIAL DUTY OF 2% ON DRIED GRAPES CONTINUES(.) BASIC CUSTOMS DUTY ON VEGETABLE SAPS AND EXTRACTS OF SUB-HEADING NO.1302.19 AND PECTIC SUBSTANCES OF SUB-HEADING NO.1302.20 REDUCED TO 10%(.)

SPECIAL DUTY ON RAW WOOL, WASTE OF WOOL, FINE OR COARSE ANIMAL HAIR (NOT CARDED OR COMBED) FULLY EXEMPTED(.)

TARIFF RATE OF SUB-HEADING NO.2106.90 REDUCED TO 185% (.) SPECIAL DUTY EXEMPTED ON COMPOUND ALCOHOLIC PREPARATIONS USED FOR THE MANUFACTURE OF BEVERAGES(.)

TARIFF RATES FOR SUB-HEADING NO. 2207.10 AND HEADING NO. 22.08 REDUCED TO 245%(.) THESE GOODS EXEMPTED FROM SPECIAL DUTY(.)

BASIC DUTY ON SPODUMENE ORE, STRONTIUM ORE AND NATURAL BORON ORE REDUCED TO 10%(.)

BASIC DUTY ON CRUDE PETROLEUM REDUCED TO 20% (.) NO CHANGE IN SPECIAL DUTY ON CRUDE(.)

FULL EXEMPTION TO KEROSENE SHALL NOW BE APPLICABLE ONLY FOR IMPORTS FOR PUBLIC DISTRIBUTION SYSTEM BY INDIAN OIL CORPORATION LTD(.) KEROSENE IMPORTED BY PRIVATE PARTIES SHALL ATTRACT BASIC DUTY OF 30%

AND SPECIAL DUTY OF 2%(.)

DUTY ON CAPROLACTUM REDUCED TO 25%(.) PREFERENTIAL RATE ALSO REDUCED TO 15%(.) DUTY ON METHANOL RAISED TO 30% AND DUTY ON CITRIC ACID TO 40%(.) DUTY ON PARAXYLENE REDUCED TO 5% WITH FULL EXEMPTION FROM SPECIAL CUSTOMS DUTY(.)

MALTOL, AN INPUT FOR ANTI-THALASSAMIA DRUG EXEMPTED SUBJECT TO OBSERVANCE OF PROCEDURE OF NOTIFICATION NO.36/96-CUSTOMS DATED 23.7.1996(.) LAMIVUDINE, A DRUG USED FOR COMBATING AIDS, EXEMPTED FROM CUSTOMS DUTY(.)

BASIC DUTY ON MIXTURES OF ODORIFEROUS SUBSTANCES (INCLUDING ALCOHOLIC SOLUTIONS) OF A KIND USED IN THE FOOD AND DRINK INDUSTRY REDUCED TO 185%(.) THESE HAVE ALSO BEEN FULLY EXEMPTED FROM SPECIAL DUTY(.)

BASIC CUSTOMS DUTY ON SPIN FINISH OIL REDUCED TO 30%(.)

HYDROXY-ETHYL STARCH AND DEXTRAN USED IN THE MANUFACTURE OF PLASMA VOLUME EXPANDERS WILL BE SUBJECT TO DUTY OF 5% IF THE IMPORTER COMPLIES WITH THE PROVISIONS OF NOTIFICATION 36/96(.)

BASIC DUTY ON PHOTOGRAPHIC CHEMICALS INCREASED TO 30%(.) BASIC DUTY ON COLOUR POSITIVE AND COLOUR NEGATIVE UNEXPOSED CINEMATOGRAPHIC FILMS REDUCED TO 10%(.) ADDITIONAL DUTY OF CUSTOMS ON INSTANT PRINT FILMS IN FLATS OR ROLLS REDUCED TO 8%(.)

THE BASIC DUTY ON ALL GOODS FALLING UNDER HEADING NO. 38.18 REDUCED TO 20%(.) CERTAIN VARIETIES OF BIO-PESTICIDES WILL BE CHARGEABLE TO A CONCESSIONAL DUTY OF 5%(.)

A CONCESSIONAL BASIC DUTY OF 5% PRESCRIBED FOR "SADDLE TREE"

USED IN THE LEATHER INDUSTRY(.)

FULL EXEMPTION IN RESPECT OF GOODS FALLING UNDER 44.01 TO 44.03 CONTINUES(.). BASIC DUTY ON GOODS FALLING UNDER HEADINGS 44.04 TO 44.07 LOWERED TO 25% AD VALOREM(.). BASIC DUTY ON GOODS FALLING UNDER 44.10 AND 44.11 RAISED TO 40%(.)

BASIC DUTY ON RAYON GRADE WOOD PULP LOWERED TO 5%(.)

BASIC DUTY ON STANDARD NEWSPRINT REDUCED TO 5%(.) GLAZED NEWSPRINT THAT IS NEWSPRINT HAVING ASH CONTENT EXCEEDING 8% WILL ALSO ATTRACT 5% DUTY(.). LIGHT WEIGHT COATED PAPER WEIGHING UPTO 51 G/M<sup>2</sup> FALLING UNDER HEADING NO.48.10, IMPORTED BY ACTUAL USERS FOR PRINTING OF MAGAZINES WILL ALSO ATTRACT A CONCESSIONAL RATE OF 5% BASIC DUTY(.). THESE WOULD BE EXEMPT FROM ADDITIONAL DUTY, SPECIAL DUTY AND THE NEW SPECIAL ADDITIONAL DUTY (.)

THE TARIFF AND EFFECTIVE RATES IN RESPECT OF PAPER AND PAPERBOARD FALLING UNDER HEADINGS 48.02 TO 48.11 RAISED TO 30% (.). FILTER PAPER AND PAPER BOARD FALLING UNDER SUB-HEADING 4823.20 WILL ALSO ATTRACT DUTY AT 30%(.)

FULL EXEMPTION FROM SPECIAL CUSTOMS DUTY EXTENDED TO SPECIFIED TEXTILE FIBRES, YARNS AND FABRICS AND TEXTILE ARTICLES OF CHAPTERS 51 TO 63 (.)

TARIFF AND EFFECTIVE RATE OF BASIC DUTY ON GOODS OF HEADING 51.05 REDUCED TO 30%(.) THEY WILL ATTRACT SPECIAL DUTY AT 5% (.)

BASIC DUTY REDUCED TO 20% ON ACETATE AND CUPRAMMONIUM FILAMENT YARN FALLING UNDER HEADING 54.03 (.)

BASIC DUTY ON GOODS OF SUB-HEADING NOS. 6903.10, 6903.20 AND

6903.90 REDUCED TO 30% (.) ALL GOODS OF HEADING NO. 69.02 AND 69.03  
FULLY EXEMPT FROM SPECIAL DUTY(.)

FULL EXEMPTION FROM SPECIAL CUSTOMS DUTY EXTENDED TO CERTAIN  
GOODS OF CHAPTER 70(.)

BASIC DUTY ON GOLD IN ANY FORM INCLUDING LIQUID GOLD  
IMPORTED UNDER VARIOUS SCHEMES HAS BEEN INCREASED FROM RS. 220 PER 10  
GRAMS TO RS. 250 PER 10 GRAMS(.) BASIC CUSTOMS DUTY ON INDUSTRIAL  
DIAMONDS REDUCED TO 20% (.)

BASIC DUTY ON MELTING SCRAP OF STAINLESS STEEL LOWERED TO 5%(.)  
BASIC DUTY ON COLD ROLLED COILS FALLING UNDER CHAPTER 72 RAISED TO  
30%(.)

THE TARIFF AND EFFECTIVE RATES IN RESPECT OF GOODS FALLING  
UNDER HEADING NOS. 74.05 TO 74.19 RAISED TO 35% (.) GOODS FALLING UNDER  
HEADINGS 74.01 TO 74.04 WILL CONTINUE TO ATTRACT DUTY AT 30%(.)

SPECIAL DUTY ON UNWROUGHT MAGNESIUM HAS BEEN REDUCED FROM  
5% TO 2% AD VALOREM(.) THERE IS NO CHANGE IN THE BASIC DUTY ON  
UNWROUGHT MAGNESIUM(.)

BASIC DUTY ON COBALT ALLOY/METAL POWDER AND GRAPHITE  
SYNTHETIC LOWERED TO 20%, WHEN IMPORTED FOR THE MANUFACTURE OF  
DIAMOND TOOLS SUBJECT TO END-USE PROCEDURE UNDER NOTIFICATION NO.  
36/96- (N.T.) (.)

CUSTOMS DUTY ON BEARING HOUSINGS INCORPORATING BALL OR  
ROLLER BEARINGS (HEADING 8483.20) RATIONALISED AT PAR WITH THAT ON  
BEARINGS WITHOUT HOUSING(.) BEARINGS OF BORE DIAMETER MORE THAN 60  
MM AND PARTS THEREOF WILL ATTRACT DUTY OF 10% PLUS EIGHTY RUPEES PER

KILOGRAM AND BEARINGS OF DIAMETER UPTO 60MM WILL ATTRACT DUTY AT 10% PLUS ONE HUNDRED AND FIFTY RUPEES PER KILOGRAM.(.) THE LIST OF SPECIFIED TEXTILE MACHINES THAT ATTRACT BASIC DUTY OF 10% MODIFIED WITH ADDITION OF 25 NEW MACHINES AND DELETION OF FOUR.(.) BASIC DUTY ON SPECIFIED MACHINERY AND EQUIPMENT DESIGNED FOR USE IN LEATHER INDUSTRY) REDUCED TO 5%.(.) THE LIST MODIFIED TO INCLUDE A FEW MORE MACHINES, INCLUDING SPLITTING MACHINES (FITTED WITH ELECTRONIC AND COMPUTER DEVICES ETC.) AND MOULDS USED BY LEATHER FOOTWEAR INDUSTRY.(.)

BASIC DUTY ON SPECIFIED GOODS REQUIRED FOR CAUSTIC SODA UNIT BASED ON MEMBRANE CELL TECHNOLOGY REDUCED TO 10%.(.)

BASIC DUTY ON BUTTON CELLS AND RAW MATERIALS AND PARTS REQUIRED TO MANUFACTURE BUTTON CELLS REDUCED TO 10%.(.)

BASIC CUSTOMS DUTY ON PARTS OF CNC SYSTEMS IF IMPORTED FOR MANUFACTURE OF CNC SYSTEMS REDUCED TO 20%.(.)

BASIC DUTY ON MOTORS OF OUTPUT NOT EXCEEDING 37.5 W REDUCED TO 20%.(.) BASIC DUTY ON SPARK IGNITION AND COMPRESSION IGNITION ENGINES OF A KIND USED FOR PROPULSION OF VEHICLES OF CHAPTER 87 AND THEIR PARTS INCREASED TO 30%.(.)

PRESENT CONCESSIONS OF NIL CUSTOMS DUTY AVAILABLE TO SPECIFIED EQUIPMENT IMPORTED FOR CONSTRUCTION OF NATIONAL HIGHWAYS EXTENDED TO INCLUDE THESE EQUIPMENT FOR CONSTRUCTION OF OTHER ROAD PROJECTS (.) BASIC DUTY ON ELECTRO-MECHANICAL HAND TOOLS FOR WORKING IN THE HAND, WITH SELF CONTAINED ELECTRIC MOTOR REDUCED TO 20%.(.)

TARIFF RATE OF CUSTOMS DUTY ON STORAGE DEVICES (8471.70) AND PARTS OF RESISTORS/ SEMICONDUCTOR DEVICES (8533.90 AND 8541.90) REDUCED

TO 10% (.) THESE GOODS WILL ATTRACT SPECIAL DUTY AT 2%(.) BASIC DUTY ON PARTS OF CAPACITORS REDUCED TO 30%(.)

BASIC DUTY ON FLOPPY DISK DRIVES, HARD DISK DRIVES, CD-ROM DRIVES, COLOUR DATA/GRAPHIC DISPLAY TUBES, INTEGRATED CIRCUITS OF CIF VALUE EXCEEDING RS. 1000 PER PIECE AND DEFLECTION COMPONENTS FOR COLOUR MONITORS FOR COMPUTERS REDUCED TO 5% (.) SPECIAL CUSTOMS DUTY ON THESE FULLY EXEMPTED(.) SPECIAL DUTY ON PARTS AND ACCESSORIES OF COMPUTERS AND OTHER INTEGRATED CIRCUITS AND MICRO-ASSEMBLIES REDUCED TO 2%(.)

EXEMPTION FROM BASIC DUTY ON COMPUTER SOFTWARE ALSO EXTENDED TO DOCUMENTS OF TITLE CONVEYING THE RIGHT TO USE ANY COMPUTER SOFTWARE (.) BASIC DUTY ON TELECOM SOFTWARE REDUCED TO 30%(.)

CONCESSION TO 10 SPECIFIED EQUIPMENT FOR MANUFACTURE OR TESTING OF SEMICONDUCTOR DEVICES EXTENDED TO 65 MORE SPECIFIED EQUIPMENT AND THE DUTY REDUCED TO 10%(.)

BASIC DUTY ON DIGITAL STILL IMAGE VIDEO CAMERAS REDUCED TO 30%(.) SPECIAL DUTY FULLY EXEMPTED ON CERTAIN TYPES OF ELECTRICAL APPARATUS FOR LINE TELEPHONY OR LINE TELEGRAPHY AND ON DRAFTING AND DRAWING MACHINES(.) SPECIAL DUTY REDUCED TO 2% ON SOME SPECIFIED GOODS OF CHAPTER 84 AND 85(.) SPECIAL DUTY INCREASED TO 5% ON 8533.90 AND 8541.90 (.)

CD-ROMS CONTAINING EDUCATIONAL BOOKS FULLY EXEMPTED FROM BASIC AND ADDITIONAL DUTIES(.) BASIC DUTY ON CD MECHANISM REDUCED TO 30%(.)

CONCESSIONAL BASIC DUTY ON SILICON IN ALL FORMS FOR MANUFACTURE OF SILICON WAFERS REDUCED TO 5% AND ON SOLAR CELLS AND MODULES FOR MANUFACTURE OF PHOTO-VOLTAIC SYSTEMS TO 20%(.) HOWEVER, THE CONCESSIONAL BASIC DUTY RATES OF 10% ON SILICON WAFERS FOR MANUFACTURE OF SOLAR CELLS AND MODULES AND 30% ON PHOTO-VOLTAIC SYSTEMS FOR MANUFACTURE OF PHOTO-VOLTAIC APPLICATION CONTINUE(.)

EXEMPTION FROM ADDITIONAL DUTY TO CRASH TENDER AND SIMILAR OTHER APPLIANCES FOR FIRE FIGHTING OPERATION WITHDRAWN(.)

RAW MATERIALS AND PARTS REQUIRED FOR AIRCRAFT FOR TRAINING PURPOSES SUBJECTED TO DUTY AND PROCEDURE AS APPLICABLE TO RAW MATERIALS AND PARTS OF OTHER AIRCRAFT(.)

BASIC DUTY OF 3% AND NIL ADDITIONAL DUTY OF CUSTOMS, ON RAW MATERIALS IMPORTED FOR THE MANUFACTURE OF AIRCRAFT EXTENDED TO RAW MATERIALS IMPORTED FOR SERVICING OF AIRCRAFT(.)

SATELLITES AND PAY-LOADS BROUGHT INTO INDIA FOR LAUNCH BY INDIAN LAUNCH VEHICLES FROM INDIA FULLY EXEMPTED FROM BASIC, ADDITIONAL AND SPECIAL DUTY(.) GROUND EQUIPMENT BROUGHT FOR TESTING SATELLITES AND PAY-LOADS ALSO GRANTED FULL EXEMPTION(.) CONDITION OF RE-EXPORT WITHIN SIX MONTHS FROM THE DATE OF THEIR IMPORTATION WOULD APPLY TO THE GROUND EQUIPMENT(.)

THE LIST OF INPUTS ATTRACTING 10% CONCESSIONAL DUTY FOR MEDICAL SYRINGES AND NEEDLES EXPANDED TO INCLUDE STAINLESS STEEL CAPILLARY TUBES(.) CONCESSIONAL DUTY WOULD BE SUBJECT TO END USE



CONDITION(.).

BASIC DUTY ON ALL TYPES OF WATCH AND CLOCK MOVEMENTS  
REDUCED TO 20%(.)

CONCESSIONAL RATE OF BASIC CUSTOMS DUTY OF 10% FOR SPECIFIED  
HOROLOGICAL RAW MATERIALS CONTINUES WITH SOME MODIFICATIONS(.)

SPECIAL DUTY EXEMPTED ON PILLOWS, CUSHIONS, AND SIMILAR  
FURNISHINGS, OF COTTON, EIDERDOWN, COMFORTERS, AND SIMILAR ARTICLES  
OF COTTON OR MAN-MADE FIBRE OUTER SHELLS(.)

BASIC DUTY ON PARTS OF SPECIFIED TELECOM EQUIPMENT REDUCED  
TO 20% IF SUCH PARTS ARE IMPORTED BY MANUFACTURER OF SUCH EQUIPMENT  
AND PROCEDURE OF NOTIFICATION 36/96-(N.T.) IS FOLLOWED(.) SPECIAL DUTY  
ON SUCH EQUIPMENT AND THEIR PARTS REDUCED TO 2% (.)

ADDITIONAL DUTY OF CUSTOMS ON SHIP STORES FALLING UNDER  
HEADING 98.05 HAS BEEN UNIFORMLY FIXED AT 18%(.)

EXISTING EXEMPTION TO SPECIFIED GOODS IMPORTED BY PUBLIC  
FUNDED RESEARCH INSTITUTIONS UNDER NOTIFICATION 51/96-CUSTOMS  
EXTENDED TO PARTS AND COMPONENTS OF THE SPECIFIED GOODS(.) BONAFIDE  
GIFTS UPTO A VALUE OF RS. 2000, AND EXEMPTED FROM ANY RESTRICTION  
UNDER THE FTDR ACT, 1992, CAN NOW BE IMPORTED THROUGH COURIER (.)

PROCEDURE PRESCRIBED UNDER CUSTOMS (IMPORT OF GOODS AT  
CONCESSIONAL RATE OF DUTY FOR MANUFACTURE OF EXCISABLE GOODS)  
RULES, 1996, AMENDED (.)

