

EXPLANATORY NOTES

CUSTOMS

General:

Peak rate of Customs duty has been reduced from 30% to 25%. However, on agricultural and dairy products, i.e. goods falling under Chapter 1-24 and cotton, silk, etc., the peak rate of 30%, wherever they are applicable, has not been reduced.

Chapter 1 to 4

No change

Chapter 5

5.1 Effective rate of customs duty on artemia cyst including wet artemia cyst has been reduced from 15% to 5% (refer to Sl. No.6 of notification No. 21/2002-Customs dated 1st March, 2003 as amended by the notification 26/2003-Customs dated 1st March, 2003)

5.2 Effective rate of customs duty on conch shells has been reduced from 30% to 5% (refer to Sl. No. 416 of notification No. 21/2002-Customs dated 1st March, 2003 as amended by the notification 26/2003-Customs dated 1st March, 2003)

Chapters 6 and 7

No change

Chapter 8

Effective rate of customs duty on dried grapes has been reduced from 105% to the WTO bound rate of 100%. (refer Sl. No.1 notification No. 27-Customs, dated 1st March, 2003)

Chapter 9

An additional duty of customs on tea and tea waste @ Rs. 1 per Kg. has been levied (refer clause 121 of the Finance Bill, 2003). Green tea has been exempted from this additional duty of customs (refer notification No.35/2003-Customs, dated 01.03.2002). This levy takes effect from 1.3.2003.

Chapters 10 to 12

No change

Chapter 13

13.1 Effective rate of duty on seed lac has been reduced from 30% to 5% (refer to Sl. No. 417 of notification no. 21/2002-Customs dated 1st March, 2003, as amended by the notification 26/2003-Customs dated 1st March, 2003)

13.2 Effective rate of duty on oleo pine resin has been reduced from 15% to 10%. (refer to Sl. No.27 of notification 21/2002-Customs dated 1st March, 2003 as amended by the notification 26/2003-Customs, dated 1st March, 2003)

Chapters 14 to 20

No change

Chapter 21

21.1 Effective rate of duty on compound alcoholic preparations of a kind used for the manufacture of beverages, of a specified alcoholic strength has been reduced to WTO bound rate of 155 %. (refer S.No. 2 of the notification 27/2003-Customs, dated the 1st March, 2003).

Chapter 22

22.1 Effective rate of duty on undenatured ethyl alcohol, liquor and spirits has been reduced from 182% to WTO bound rate of 166%. (refer S.Nos. 3 and 4 of the notification 27/2003-Customs, dated the 1st March, 2003).

22.2 Rate of CVD on liquor, wine and beer has been modified as below.

| Liquor | | | Wine and Beer | | |
|--------|----------------------------------|---|---------------|-----------------------------------|--|
| | CIF price per case (9litres) | Rate of CVD | | CIF price per case (9 literes) | Rate of CVD |
| 1 | Up to \$10 | 150% | 1 | Up to \$25 | 75% |
| 2 | Between \$ 10 And \$20 | 100% or \$ 40 per case which ever is higher | 2 | Between \$25 and \$40 | 50% or \$37 per case which ever is higher |
| 3 | Between \$20 And \$40 | 50% or \$53.2 per case which ever is higher | 3 | Above \$40 | 20% or \$40 per case which ever is higher |
| 4 | Above \$40 | 25% or \$53.2per case which ever is higher | | | |

The Commissioners of Customs are requested to furnish monthly reports regarding imports of the alcoholic beverages subjected to CVD in the format given below:

| S.No. | Description of goods | Month | Import volume (in cases) | | Value of imports (Rs. in crore) | | Duty collected (Rs. in crore) | |
|-------|-------------------------|-------|-----------------------------|-------------|---------------------------------------|-------------|----------------------------------|-------------|
| | | | 2002- 03 | 2003- 04 | 2002- 03 | 2003- 04 | 2002- 03 | 2003- 04 |

Chapter 23

Effective rate of duty on shrimp larvae feed and fish feed in pellet form has been reduced from 30% to 5%. (refer to Sl. No.56 of notification 21/2002-Customs dated 1st March, 2003 as amended by the notification 26/2003-Customs dated 1st March,2003).

Chapter 24

No change

Chapter 25

25.1 Peak rate of customs duty has been reduced from 30% to 25% (refer notification No. 27/2003 –Customs, dated 01.03.2003).

25.2 Rock phosphate and crude or unrefined sulphur have been exempted from SAD (refer S.Nos 7A and 7B of the notification No.23/2002–Customs, dated 01.03.2002, as amended by notification No. 29/2003-Customs, dated 01.03.2003).

Chapter 26

Peak rate of customs duty has been reduced from 30% to 25% (refer notification No. 27/2003 – Customs, dated 01.03.2003).

Chapter 27

27.1 Peak rate of customs duty has been reduced from 30% to 25% (refer notification No.27/2003–Customs, dated 01.03.2003).

27.2 Basic Customs duty on metcoke has been rationalized at 10% (without any end use condition), as against 5% for use in making steel/ferro-alloys and 15% for others (refer S. No.71 of the notification No.21/2002, dated 01.03.2002, as amended by notification No. 26/2003-Customs, dated 01.03.2003).

27.3 Basic Customs duty on carbon black feed stock has been reduced from 25% to 20%.(refer S.No. 72 of notification No.21/2002–Customs, dated 01.03.2002, as amended by notification No. 26/2003-Customs, dated 01.03.2003).

27.4 Additional duty of customs on motor spirit and high speed diesel oil has been increased from Rs.1 per litre to Rs.1.50 per litre (refer clauses 159 and 160 of the Finance Bill, 2003). This increase takes effect from 1.3.2003.

27.5 National Calamity Contingent duty of Customs has been levied on imported crude oil @ Rs. 50 per tonne. (This levy will be effective from 1.3.2003 to 29.02.2004) (refer clause 126 of the Finance Bill, 2003).

Chapters 28-39

1. Peak rate of customs duty on goods falling under these Chapters has been reduced from 30% to 25%, through notification No.27/2003-Customs dated 1-3-2003.

2. Duty on goods falling under heading 3302 10 (odoriferous substances used in food and drinks industry) has been reduced to WTO bound rate of 155% (S.No. 19 of 27/2003-Customs). However, the effective rate for goods falling in heading 3302 10, except alcoholic preparations used in alcoholic beverages of specified strength, will be 25%. (S.No. 119 of 21/2002-Customs dated 1-3-2002 as amended by 26/2003-Customs dated 1-3-2003)

3. Specified medicines/drugs numbering 13 have been added to List 3 of notification No.21/2002-Customs dated 1-3-2002. All the drugs covered in the said List 3 including the new additions, and the bulk drugs used in manufacture thereof, will attract concessional rate of 5% BCD and be exempted from SAD. In addition they will also be exempted from CVD, as full exemption from central excise duty has been extended to these medicines/drugs. (S.No. 80 of 21/2002-Customs dated 1-3-2002 as amended by 26/2003-Customs dated 1-3-2003)

4. The condition for personal imports of life saving drugs with full exemption has been liberalized so that the certificate required therefor, can now be issued by the Directors of Health of the State Governments as well as District Medical Officers/Civil Surgeons of the District also. (S.No.83 of notification 21/2002-Customs dated 1-3-2002, condition No. 8, amended by notification No. 26/2003-Customs dated 1-3-2003)

5. The concessional rate of 5% on imports of Pharmaceutical Reference Standards, which is presently available only to Central Drug Laboratory, Kolkata, is being extended for all importers. (S.No. 138 of notification 21/2002-Customs dated 1-3-2002, amended by notification No. 26/2003-Customs dated 1-3-2003)

6. The BCD on specified 37 veterinary drugs covered in List 1 of notification No.21/2002-Customs dated 1-3-2002 has been reduced from 15% to 10%. (S.No. 52 of notification 21/2002-Customs dated 1-3-2002, amended by notification No.26/2003-Customs dated 1-3-2003)

7. The BCD on bio-pesticides based on *Saccharopolyspora spinosa* has been reduced to 5%. (S.No. 136 of notification 21/2002-Customs dated 1-3-2002, amended by notification No.26/2003-Customs dated 1-3-2003)

8. Clinical trials for new drugs can be conducted only in accordance with a permission granted by the Licensing Authority in prescribed form under the provisions of rule 122DA of the Drugs and Cosmetics Rules, 1945. Drugs and materials have been exempted from BCD, CVD and SAD, if the importer produces a certificate from Licensing Authority that the specified quantity of such drugs/materials are required for conducting the clinical trials for which permission has been granted by him under the provisions of said rules. (S.No. 420 of notification 21/2002-Customs dated 1-3-2002, amended by notification No.26/2003-Customs dated 1-3-2003)

9. Duty on paraxylene has been reduced from 10% to 5%. (S. No. 419 of notification 21/2002-Customs dated 1-3-2002, amended by notification No.26/2003-Customs dated 1-3-2003).

10. The assessable value of the imported cinematographic films exposed and developed of heading 37.06, for determination of customs duty, will include only the cost of the print and the freight and insurance charges incurred in respect of the print (refer notification No.33/2003-Customs dated 1-3-2003)

Chapters 40 to 49

The basic customs duty on items attracting the peak rate of 30% has been reduced to 25%. The customs duty exemption for printed books and printed manuals will now be available irrespective of whether such books or manuals are executed on paper or on other materials including transparencies, and irrespective of whether the books and manuals are in bound form or in loose-

leaf form with binder (S.No. 160 of notification No. 21/2002-Customs refers). No other changes have been made in respect of the goods falling under these chapters.

Chapters 50 to 63

1. The rate of basic customs duty on all goods has been reduced from “30% to 25%” except on items like carded cotton & silk etc. and from “30% or specific rate whichever is higher” to “25% or specific rate whichever is higher”. There is no change in the specific rates of duties (For effective rate refer to S.Nos. 37 to 323 of notification No. 27/2003-Cus, dated 1.3.2003 and 36/2003-Cus, dated 1.3.2003)

2. On all textile articles, CVD will be equal to the excise duties. Hitherto, in case of specified fabric, the CVD rate was 16% adv. In this regard, entries at S. Nos. 410 to 414 of notification No. 21/2002-Cus dated 1.3.2003, vide which CVD of 16% was prescribed on fabrics, have been omitted (refer amending notification No.26/2003-Cus, dated 1.3.2003).

3. On shorn (apparel grade) wool, basic customs duty has been reduced from 15% to 5% (refer to amendments made in S. No. 166 of Table to notification No. 21/2002-Cus, dated 1.3.2002 vide amending notification No. 26/2003 dated 1.3.2003)

Chapter 70

The BCD on rough ophthalmic blanks, for manufacture of optical lenses, has been reduced from 25% to 5%. (S.No.178 of notification 21/2002-Customs dated 1-3-2002, as amended by notification No.26/2003-Customs dated 1-3-2003)

Chapter 71

71.1 The basic customs duty on gold bars (other than tola bars) bearing the manufacturer’s or refiner’s engraved serial numbers and weight expressed in metric units, and on gold coins, imported by eligible passengers (upto a maximum of 10 kgs. per passenger) and by MMTC, the Handicraft and Handloom Export Corporation, STC, PEC and other RBI authorized agencies or under a Special Import Licence, has been reduced from Rs. 250 to Rs. 100 per 10 gms (entries in notification No. 28/2003-Customs and 31/2003-Customs, both dated 1.3.2003 refer). The reduced rate of Rs.100 per 10 gms will not apply to tola bars and the tola bars, imported under these notifications, will continue to attract a basic customs duty of Rs.250 per 10 gms. **The serial numbers of the gold bars imported availing this concession may be incorporated in the duty payment receipts and import documents.** The Commissioners of Customs may also kindly forward a monthly report showing quantity of imports, notificationwise, during the month separately in respect of (i) tola bars, (ii) serially numbered gold bars (with weight expressed in metric units) and (iii) other forms of gold, for the months March 2003 to October 2003.

71.2 The rough coloured gemstones and semi-processed, half cut, broken diamonds have been fully exempted from basic customs duty (refer S.Nos. 183 & 422 of notification No. 21/2002-Customs, as amended by notification No. 26/2003-Customs, dated 1.3.2003). The basic customs duty on cut and polished diamonds/gemstones has been reduced from 15% to 5% (refer S.Nos. 184 and 187 of notification No. 21/2002-Customs, dated 1.3.2002, as amended by notification No. 26/2003-Customs, dated 1.3.2003).

Chapters 72 to 83

1. The basic customs duty on items attracting the peak rate of 30% has been reduced to 25%. The seconds and defectives of iron or steel (chapter 72) will continue to attract a basic customs duty of 40%.

2. The basic customs duty on nickel and articles thereof has been rationalized from 5% or 15% to a uniform rate of 10% (S.No. 333 of notification No.27/2003-Customs refers). Accordingly entries at S.Nos. 209 and 210 of notification No. 21/2002-Customs and S.Nos. 121, 128 and 138 of notification No. 25/99-Customs have been suitably amended (notification Nos. 26/2003-Customs, dated 1.3.2003 & 28/2003-Customs, dated 1.3.2003 refer).

3. The basic customs duty on lead and lead articles has been reduced from 25% to 20% (refer S.No. 335 of notification No. 27/2003-Customs, dated 1.3.2003).

Chapters 84 and 85 (Capital goods excluding IT/Electronics)

1. The basic customs duty on items presently attracting the peak rate of 30% has been reduced to 25% (refer S.Nos. 339, 340 and 342 of notification No. 27/2003-Customs, dated 1.3.2003).

2. The customs duty exemption on four specified parts of wind operated electricity generators, namely, sensors, brake hydraulics, flexible coupling and brake calipers, is being withdrawn. However, the present concessions to the remaining four items, including their parts will continue (refer S.No. 224 of notification No. 21/2002-Customs, dated 1.3.2002, as amended by notification No. 26/2003-Customs, dated 1.3.2003).

3. The basic customs duty on toughened glass plates with transmissivity of 91% and above for use in solar collectors / heaters has been reduced to 5% (refer S.No. 421 of notification No. 21/2002-Customs, dated 1.3.2002, as amended by notification No. 26/2003-Customs, dated 1.3.2003) and on thin steel wire for slicing of silicon wafers using a wire saw and high purity Graphite Felt/ Graphite Pack for growing silicon ingots has been reduced to 5% with Nil CVD (refer S.No.423 of notification No. 21/2002-Customs, dated 1.3.2002, as amended by notification No. 26/2003-Customs, dated 1.3.2003).

4. The basic customs duty on specified high voltage transmission equipments is being reduced from 25% to 5%. Such equipment will continue to attract a CVD of 16% (refer S.No.424 and List 44 of notification No. 21/2002-Customs, dated 1.3.2002, as amended by notification No. 26/2003-Customs, dated 1.3.2003).

5. The present exemption for specified pharmaceutical and biotechnology equipment (List 28 of notification No. 21/2002-Customs) imported for research & development purposes, is being extended to all importers registered with the Department of Scientific & Industrial Research (DSIR), without any minimum turnover limit (presently a minimum export turnover of Rs. 20 crores during the previous financial year is required for availing the said exemption) and without any value limit for imports (presently imports of such equipment are allowed upto 1% of the FOB value of exports in the previous year). The said equipment are also being exempted from customs duties when imported by a manufacturer having a R&D laboratory registered with the Department of Scientific and Industrial Research (DSIR) subject to a value limit of 25% of the FOB value of exports in the previous year. (refer S.No.248 of notification No. 21/2002-Customs, dated 1.3.2002, as amended by notification No. 26/2003-Customs, dated 1.3.2003)

6. The basic customs duty on (a) industrial sewing machines (Heading 8452 29 00); (b) 7 specified machinery items of garment sector, (c) specified capital goods of man-made/ synthetic fibres / yarn industry and (d) 10 specified machinery for technical textiles has been reduced to 5%. These equipment, will attract CVD as applicable. The parts, imported for manufacture of these equipment will also attract a basic customs duty of 5% (refer S.Nos. 45 and 46 of notification No. 21/2002-Customs, dated 1.3.2002, as amended by notification No. 26/2003-Customs, dated 1.3.2003). The description of the entry at S.No. 29 of List 31 of notification 21/2002-Customs has been amended from 'Laser Engraver' to 'Laser Engraver / Inkjet engraver' vide notification No. 26/2003-Customs, dated 1.3.2003

7. The basic customs duty on Mono or Bipolar Membrane electrolyses and parts thereof, and machinery required for modernization, by using membrane cell technology, of an existing caustic soda unit, and membranes for replacement has been reduced from 15% to 5% (refer S.No. 285 of notification No. 21/2002-Customs, dated 1.3.2002, as amended by notification No. 26/2003-Customs, dated 1.3.2003).

8. The description of items at S. Nos. 110 and 171 of List 34 of notification no. 21/2002-Customs are being amended vide notification No. 26/2003-Customs, dated 1.3.2003, to include EVA direct injection soling machines/ EVA soles within their scope.

Chapters 84 , 85 and 90 (IT/ Electronics sectors)

1. Concessional rate of basic customs duty of 15%, has been extended to cash dispenser falling under sub-heading 8472 90. (refer to amendments made in S. No. 272 in Table to notification No. 21/2002-Cus dated 1.3.2002 vide notification No. 26/2003 dated 1.3.2003).

2. Effective rate of basic customs duty on populated PCBs for transmission apparatus other than apparatus for radio broadcasting or television apparatus incorporating reception and populated PCBs for digital still image video camera (sub heading 8529 90) has been reduced from 15% to 10%. (refer to amendments made in S. Nos. 321 and 322 in Table to notification No. 21/2002-Cus dated 1.3.2002 vide amending notification No. 26/2003 dated 1.3.2003).

3. Indicator panels incorporating Liquid Crystal devices (LCD) and parts of LCD (8531 20 and 8531 90 respectively), have been exempted from basic customs duty. (refer to amendments made in S. Nos. 323 and 326 in Table to notification No. 21/2002-Cus dated 1.3.2002 vide amending notification No. 26/2003 dated 1.3.2003).
4. Effective rate of basic customs duty on fixed capacitor- Ceramic dielectric single layer (sub heading 8532 23) has been reduced from 15% to 10%. (refer S.No.341 of Table to notification No. 27/2003-Customs, dated 1.3.2003).
5. Cellular phones, mobile phones, pagers (portable receivers for calling, alerting or paging), radio trunking terminals and parts, components and accessories of mobile handset including cellular phones attract nil CVD. These goods have now been exempted from excise duty. Hence, CVD will become nil by virtue of nil rate of excise duty. (New entries have been inserted at S. No. 264 and 265 of the Table to notification No. 6/2002-CE, dated 1.3.2003 vide S. No. (xxiv) of amending notification No. 6/2003-CE, dated 1.3.2003).
6. Concessional rate of 5% of basic customs duty on specified telecom equipment for basic telephony, cellular mobile telephony, radio-paging, PMRTS (Public Mobile Radio Trunked Service), Internet & 64KBPS domestic data network via INSAT system services has been extended till 31st March, 2004. This exemption was to lapse on 31.3.2003. (Refer amendment made in notification No. 21/2002-Customs, dated 1.3.2002 vide S.No.1 of notification No. 26/2003 dated 1.3.2003).
7. Basic customs duty on all routers, modems and fixed wireless terminals falling under heading 8517, has been reduced from 15% to 10%. (A new entry has been inserted at S. No.427 of Table to notification No. 21/2002-Customs, dated 1.3.2002 vide amending notification No. 26/2003-CE, dated 1.3.2003).
8. Basic customs duty on optical fibre cable has been reduced from 25% to 20%. (refer amendment made in S. No.375 of Table to notification No. 21/2002-Customs, dated 1.3.2002 vide amending notification No. 26/2003-CE, dated 1.3.2003).
9. Effective rate of basic customs duty on following goods have been reduced from 10% to 5%,-
 - (i) instrument and apparatus for measuring or checking pressure (9026 20);
 - (ii) other instrument and apparatus (9026 80);
 - (iii) chromatographs and electrophoresis instruments (9027 20);
 - (iv) spectrometers, spectrophotometers and spectrographs using optical radiations (UV, visible, IR)(9027 30)
 - (v) other instruments and apparatus using optical radiations (UV, visible, IR) (9027 50);
 - (vi) other instruments and apparatus (9027 80)(refer S. Nos. 348 and 350 of notification No. 27 /2003-Cus, dated 1.3.2003).
10. Following goods have been exempted from basic customs duty,-
 - (i) all goods falling under sub-heading 9026 90 (refer S. Nos. 349 of notification No. 27 /2003-Cus, dated 1.3.2003)
 - (ii) parts and accessories of products of heading 9027, other than for gas or smoke analysis apparatus and microtomes falling under sub-heading 9027 90. (refer to amendments made in S. No. 385 in Table to notification No. 21/2002-Cus dated 1.3.2002 vide amending notification No. 26/2003 dated 1.3.2003).
11. Basic customs duty has been reduced from 25% to 15% on specified categories of capital equipment (for the electronics sector) required for manufacture of CRT/CDT, electrolytic capacitor, digital video disk, de-ioners for relays, PCBs and electronic components. (Refer to amendments made in Notification No. 25/2002-Cus dated 1.3.2002, vide notification No. 28 /2003-Cus dated 1.3.2003).
12. Effective rate of basic customs duty on specified raw materials used for manufacture of E- glass roving has been prescribed at 15%. (A new entry has been inserted at S. No. 418 of Table to notification No. 21/2002-Customs, dated 1.3.2002 vide amending notification No. 26/2003-CE, dated 1.3.2003).
13. Notification No. 25/99-Cus dated 28.2.99 has been amended to make certain changes in the description of specified goods. (refer amending notification No. 28/2003, dated 1.3.2003).

14. **Equipment for handicapped**

14.1 On following goods basic customs duty of 5% and full exemption from CVD (by way of nil excise duty) and SAD have been prescribed.

- (i) Hearing aids and parts thereof (falling under Chapter 90)
- (ii) Crutches (9021)
- (iii) Wheel chair (8713)
- (iv) Walking frame (9021)
- (v) Tricycles for disabled (8713)

(In regard to (i) refer to amendment made in S. Nos. 371 and 373 of Table to notification No. 21/2002-Cus, dated 1.3.2002 vide notification No. 26/2003-Cus, dated 1.3.2003 and in regard to (ii), (iii), (iv) and (v), refer to new entry inserted at S. No.432 of Table to 21/2002-Cus, dated 1.3.2002 vide notification No. 26/2003-Customs, dated 1.3.2003)

14.2 Notification No. 152/94-Cus dated 13.7.94 exempts certain specified appliances and articles for disabled persons provided they are bonafide gifts or are purchased out of donation received abroad in foreign exchange. This notification has been amended vide notification No. 28/2003- Cus dated 1.3.2003 to do away with the requirement of receipt of donation in foreign exchange. Henceforth, the exemption would be available on goods purchased out of any donation.

14.3 Notification No. 21/2002-Cus, dated 1.3.2003 exempts specified goods imported by disabled or handicapped person for personal use (S. No. 370) subject to production of certificate that these goods are essential to overcome the handicap or disability (condition No. 79). This condition has been amended vide notification No. 26/2003-Cus, dated 1.3.2003 so as to provide that it would suffice if the certificate is to the effect that the goods are essential to reduce the handicap or disability. (Refer amending notification No. 26/2003, dated 1.3.2003).

Chapter 86-97 (other than IT/ Electronics/ medical equipment sectors)

1. The rate of basic customs duty on goods, hitherto attracting 30%, has been reduced to 25%. (For effective rates refer to notifications No. 27/2003-Cus dated 1.3.2003).

2. Effective rate of basic customs duty on parts and spares (falling under Chapter 86) of diesel locomotives and parts and electrics for conversion of DC to AC for EMU locomotive falling under Chapter 86 or any other chapter, has been reduced from 25% to 15%. (Refer to new entries inserted at S. Nos.428 and 430 of Table to notification No. 21/2002-Cus dated 1.3.2002 vide amending 26/2003-Customs, dated 1.3.2003).

3. Effective rate of basic customs duty on loco simulators, falling under Chapter 86, has been reduced from 25% to 5%. (Refer to new entries has been inserted at S. No. 429 of Table to notification No. 21/2002-Cus dated 1.3.2002 vide amending 26/2003-Customs, dated 1.3.2003).

4. The duty structure on new motor cars and two wheeled motor vehicles (falling under headings 8703 and 8711) has been modified. When these goods are imported in CKD, effective rate of basic customs duty will be 25%. When imported in any other form, say completely built up unit (CBU) or SKD, the effective rate will be 60%. Hitherto, rate of basic customs duty on CBU was 60% and when imported in any other form, it was 30%. There is no change in duty rates of old vehicles. (Refer to amendments made in entries 344 and 345 in Table to notification No. 21/2002-Cus dated 1.3.2003 vide notification No. 26/2003-Cus dated 1.3.2003 refers).

5. Effective rate of basic customs duty on refrigerated trucks (8704) has been reduced from 25% to 20%. (Refer to new entries inserted at S. No. 431 of Table to notification No. 21/2002-Cus dated 1.3.2002 vide amending 26/2003-Customs, dated 1.3.2003).

6. A National Calamity Contingent Duty (NCCD) of customs of 1% has been imposed on motor cars , multi utility vehicles, other motor vehicles of sub-heading No. 8704.90, two wheeled motor vehicles and chassis of multi utility vehicle and motor cars (falling under sub-heading No. 8702.10, 8703.90, 8706.21, 8706.39 8706.49, 8711.10 and 8711.20.). (Refer clause 126 and schedule XIII in Finance Bill, 2003).

Chapter 90 (Medical Equipment)

1. (a) Specified life saving medical equipment numbering 16 have been added to List 37 of notification No.21/2002-Customs dated 1-3-2002. All the equipment covered in the said List 37 including the new additions and CAPD fluid system will attract concessional rate of 5% BCD and

exemption from SAD. The exemption from CVD will now be by way of central excise exemption.

(b) Parts of Continuous Ambulatory Peritoneal Dialysis (CAPD) system will also now attract 5% BCD, exemption from SAD and exemption from CVD by way of central excise exemption.

(refer S. No. 363 of notification No. 21/2002-Customs dated 1-3-2002, as amended by 26/2003-Customs dated 1-3-2003)

2. The BCD has been reduced from 10% to 5% on Glucometer and test strips and the existing CVD exemption will now be available by way of central excise exemption. (S.No. 364 of notification 21/2002-Customs dated 1-3-2002, as amended by notification No. 26/2003-Customs, dated 1-3-2003)

Project Imports (heading 98.01)

98.1 The project import benefits available to 19 specified mega power projects that is to say, an inter-State thermal power plant of a capacity of 1000 MW or more or an inter-State hydel power plant of a capacity of 500 MW or more, has now been extended to all mega power projects (refer S.No.400 of notification No. 21/2002-Customs, dated 1.3.2002, as amended by notification No. 26/2003-Customs, dated 1.3.2003).

98.2 The projects for LNG regassification plants and aerial passenger ropeway systems have been notified under heading 98.01 for availing the project import benefits. The basic customs duty on the projects for LNG regassification plants has been reduced to 5% with 16% CVD. The aerial passenger ropeway projects will attract a basic customs duty of 5% with Nil CVD. (refer S.No.433 of notification No.21/2002-Customs, dated 1.3.2002, as amended by notification No. 26/2003-Customs, dated 1.3.2003). The aerial passenger ropeway projects have also been exempted from the special additional duty of customs (refer S.No.54A of notification No. 23/2002-Customs, dated 1.3.2002, as amended by notification No. 29/2003-Customs, dated 1.3.2003).

Bona fide samples and gifts

The value limit for the customs duty exemption for both *bona fide* commercial samples and prototypes and *bona fide* gifts imported by post or air or by courier service is being raised from Rs. 5000/- to Rs. 10000/- (refer S.No. 2 & 5 of notification No.28/2003-Customs, dated 1.3.2003).

Baggage

Customs duty on baggage is being reduced from 60% to 50% (refer S.No. 1 of notification No.28/2003-Customs, dated 1.3.2003).

Miscellaneous

1. Notification No. 51/96-Customs, dated 23.7.96 prescribes concessional rate of basic customs duty of 5% on specified imports by public funded research institutes registered with Department of Scientific and Industrial Research. Benefit of this exemption has now been extended to cover Regional Cancer Centres (Cancer Institutes) under its ambit. (refer S.No. 10 of amending notification No. 28/2003-Customs, dated the 1st March, 2003)

2. Notification No. 39/96-Customs, dated 23.7. 1996, exempts customs duty on imports of specified goods by Defence related organizations. This exemption has been amended vide notification No. 28/2003-Cus, dated 1.3.2003 to extend the scope of existing exemptions to include a few items required for various defence requirements. (refer notification No. 28/2003-Customs, dated the 1st March, 2003).

3. National Calamity Contingent Duty of customs has been imposed on certain specified goods in the Seventh Schedule of the Finance Act, 2001, as amended by Thirteenth Schedule (refer clause 161 of the Finance Bill, 2003) at the rates specified therein. This levy will be effective from 1.3.2003. However, these goods have been exempted from that part of CVD, which is equal to the National Calamity Contingent duty of excise leviable on them under section 136 of the Finance Act, 2001 (refer notification No. 30/2003-Customs, dated 1.3.2003).