

ANALYSIS OF INDIAN UNION BUDGET 2013-14

CUSTOM - TARIFF (Custom Tariff Act, 1975)

GENERAL - PROPOSALS INVOLVING CHANGES IN RATES OF DUTY

1. Baggage Rules are being amended to,-
 - (i) raise the duty free allowance in respect of jewellery for an Indian passenger who has been residing abroad for over one year or a person who is transferring his residence to India from Rs.10,000 to Rs.50,000 in case of a gentleman passenger and from Rs.20,000 to Rs.1,00,000 in case of a lady passenger.
 - (ii) raise the duty free allowance for crew member of vessel/aircraft from Rs.600 to Rs.1500.

SECTOR SPECIFIC PROPOSALS

I. AGRICULTURE/AGRO PROCESSING/PLANTATION SECTOR:

1. Basic customs duty on dehulled oat grain is being reduced from 30% to 15%.
2. Basic customs duty on hazel nuts is being reduced from 30% to 10%.
3. Export duty of 10% on de-oiled rice bran oil cake is being withdrawn.

II. AUTOMOBILES:

1. Basic customs duty on new passenger cars and other motor vehicles (high end cars) with CIF value more than US\$ 40,000 and/or engine capacity exceeding 3000cc for petrol run vehicles and exceeding 2500 cc for diesel run vehicles is being increased from 75% to 100%.
2. Basic customs duty on motor cycle with engine capacity of 800cc or more is being increased from 60% to 75%.

III. METALS:

1. Export duty is being levied on ilmenite unprocessed at 10% and on ilmenite, upgraded at 5%.
2. Export duty is being levied on bauxite at 10%.
3. Basic customs duty is being reduced from 10% to 5% on stainless steel wire cloth stripe and from 7.5% to 5% on wash coat for use in the manufacture of catalytic convertors and their parts.
4. Full exemption from export duty is being provided to galvanized steel sheets falling under certain sub-headings, retrospectively w.e.f. 01.03.2011.

IV. PRECIOUS METALS:

Basic customs duty is being reduced from 10% to 2% on pre-forms of precious and semi-precious stones.

V. CAPITAL GOODS/INFRASTRUCTURE:

1. Basic customs duty on steam coal is being increased from Nil to 2% and CVD from 1% to 2%.
2. Basic customs duty on bituminous coal is being reduced from 5% to 2% and CVD from 6% to 2%.
3. Basic customs duty is being reduced from 7.5% to 5% on 20 specified machinery for use in leather and footwear industry.

VI. AIRCRAFTS & SHIPS:

1. Basic Customs Duty on yachts and motor boats is being increased from 10% to 25%.
2. Time limit for consumption of imported goods by ship repair units is being extended from 3 months to 1 year.
3. Time period for consumption/installation of parts and testing equipments imported for maintenance, repair and overhaul (MRO) of aircrafts by units engaged in such activities is being extended from 3 months to 1 year.

4. Presently, the basic customs duty exemption is available to parts and testing equipments for maintenance, repair and overhaul of aircrafts. This exemption is now being extended to parts and testing equipments for maintenance, repair and overhaul of aircrafts and parts thereof.

VII. ENVIRONMENT PROTECTION:

1. Full exemption from basic customs duty is being provided to lithium ion automotive battery for manufacture of lithium ion battery packs for supply to the manufacturers of hybrid and electric vehicles.
2. Time period of exemption (Nil BCD, CVD of 6% and Nil SAD) for the specified parts of electric and hybrid vehicles is being extended by 2 more years up to 31st March, 2015.

VIII. TEXTILES:

1. Basic customs duty on raw silk (not thrown), of all grades is being increased from 5% to 15%.
2. Basic customs duty is being reduced from 7.5% to 5% on textile machinery & parts.

IX. ELECTRONICS/HARDWARE:

Basic customs duty on Set Top Boxes for TV is being increased from 5% to 10%.\

X. MISCELLANEOUS:

1. Full exemption from basic customs duty and additional customs duty is being provided to trophy imported by National Sports Federation recognized by the Department of Sports and Youth Affairs or any Sports Body registered under Societies Registration Act, in connection with any international tournament held in India.
2. Withdrawal of exemption from education cess and secondary & higher education cess on aircraft and aircraft parts, soyabean oil, olive oil etc.

Note: - All the above amendments shall be effective from immediate effect as provide otherwise

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