

TARIFF ITEM (1)	ITEM DESCRIPTION (2)	UNIT (3)	BASIC (4)	EFFECT. (5)	PRE. (6)	CVD. (7)	CESS (8)	TOTAL (9)	POLICY (10)	REMARKS (11)
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Chapter 98

Project Imports; Laboratory Chemicals; Passengers' Baggage Personal Importations By Air or Post; Ship Stores

Notes.

- This Chapter is to be taken to apply to all goods which satisfy the conditions prescribed therein, even though they may be covered by a more specific heading elsewhere in this Schedule.
- Heading 98.01 is to be taken to apply to all goods which are imported in accordance with the regulations made under Section 157 of the Customs Act, 1962 (52 of 1962) and expressions used in this heading shall have the meaning assigned to them in the said regulations.
- Heading 98.02 covers all chemicals, organic or inorganic, whether or not chemically defined, imported in packings not exceeding 500 gms. or 500 millilitres and which can be identified with reference to the purity, markings or other features to show them to be meant for use solely as laboratory chemicals.
- Headings 98.03 and 98.04 are taken not to apply to:
 - Motor Vehicles;
 - Alcoholic drinks;
 - Goods imported through courier service.
- Heading 98.03 is to be taken not to apply to articles imported by a passenger or a member of a crew under an import licence or a Customs Clearance Permit either for his own use or on behalf of others.
- Heading 98.04 is to be taken not to apply to articles imported under an import licence or a Customs Clearance Permit.

↓ Note on Effective Duty

For exemption in this Chapter please see Appendix-A; Ntfn 21/2002-Cus. dated 01.03.2002; [Sl. No. 7, 93, 114, 140, 167, 174, 190, 192, 214-238, 242, 249, 257, 279-287, 320, 347-349, 351, 357-371, 387, 391, 392, 399-407, 409].

¹[Refund of additional duty of customs in certain cases.

- Notwithstanding anything contained in section 25 of the Customs Act, barge mounted power plants, falling under heading 98.01 of the First Schedule to the Customs Tariff Act, shall be deemed to have been exempted from the whole of the additional duty of customs leviable thereon under sub-section (1) of section 3 of the Customs Tariff Act, within the period commencing from the 8th December, 2000 and ending with the 28th February, 2002 (both the dates inclusive) and accordingly, notwithstanding anything contained in any judgment, decree or order of any court, tribunal or other authority, barge mounted power plants shall be deemed to be, and always to have been, exempted from the said additional duty of customs as if the exemption given by this sub-section had been in force at all material times.
- For the purposes of sub-section (1), the Central Government shall have and shall be deemed to have the power to exempt the goods referred to in the said sub-section with retrospective effect as if the Central Government had the power to exempt the said goods under sub-section (1) of section 25 of the Customs Act, retrospectively at all material times.
- Refund shall be made of all such additional duty of customs which have been collected but which would have not been so collected if the exemption referred to in sub-section (1) had been in force at all material times.
- Notwithstanding anything contained in section 27 of the Customs Act, an application for the claim of refund of the additional duty of customs under sub-section (3) shall be made within six months from the date on which the Finance Bill, 2002 receives the assent of the President.]

↓ Note on Effective Duty

Sl. No.	Description	Basic	Pref.	ACD	CVD.	CESS	TOTAL
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Effective duty on Projects below:						
(i)	Fertiliser Project;	5	---	4	10	0.47	20.941
(ii)	Coal Mining Project;	5	---	4	10	0.47	20.941
(iii)	Power Generation Projects including gas turbine power project (excluding captive power plants set up by projects engaged in activities other than in power generation);	5	---	4	10	0.47	20.941
(iv)	Barge Mounted Power Plants;	5	---	4			
(v)	Power Transmission, Sub-transmission or distribution projects	5	---	4	10	0.47	20.941
(vi)	Project for LNG Regassification Plant	5	---	4	10	0.47	20.941
(vii)	Aerial Passenger Ropeway Project	5	---	4	10	0.47	20.941
(viii)	Drinking Water Supply Projects for supply of water for human or animal consumption	0	---	0	0	0	0.000

¹ Inserted by The Finance Act 2002.

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	<p>Explanation – For the purposes of this exemption, Drinking Water Supply Project includes a plant for desalination, demineralization or purification of water or for carrying out any similar process or processes intended to make the water fit for human or animal consumption, but does not include a plant supplying water for industrial purposes.</p> <p><i>The Duties are fixed by Ntfn 21/2002-Cus. dated 01.03.2002 and 14/2004-Cus. dated 08.01.2004. See full text of notification in Appendix-A in Part-II.</i></p>						

²[LIST OF PROJECTS UNDER HEADING 98.01

1. Port Mechanical Ore Handling Plant.
2. Salaya-Koyali Mathura Crude Oil Pipe Line Project.
3. Bombay Water Supply and Sewerage Project.
4. Mathura-Delhi-Ambala-Jullundur Product Pipeline Project.
5. Operation Flood III Project of National Dairy Development Board.
6. Bombay-Pune Product Pipeline Project.
7. Gas Pipeline Projects of the Gas Authority of India Ltd.
8. Pipeline Expansion Phase IIIA-Jorhat to Bongaigaon.
9. Railway Electrification Project.
10. Research and Development Project of Research, Designs and Standards Organisation of the Indian Railways, Lucknow.
11. Calcutta Metro Railway Project.
12. Konkan Railway Project.
13. Kandla-Bhatinda Pipeline Project.
14. SEA-ME-WE2 Submarine Cable Project.
15. National Stock Exchange Project.
16. Port Development Projects.
17. Bombay-Manmad-Manglya (Indore) Pipeline Project.
18. Vishakh-Vijaywada-Sikandarabad Pipeline Project
19. Power Transmission Projects of 66KV and above.
20. Road Development Projects of the National Highways Authority of India.
21. Urban Distribution Development Projects of Andhra Pradesh State Electricity Board in Hyderabad and Tirupati Towns.
22. Cochin International Airport Project.
23. LNG Terminal of Petronet LNG Project at Dahej.
24. Koyali-Navagam-Viramgam-Sidhpur-Kot-Sanganer Product Pipeline Project.
25. Delhi MRTS Project.
26. Drinking Water Supply Projects for supply of water for human or animal consumption.

Explanation – Drinking Water Supply Project includes a plant for desalination, demineralization or purification of water or for carrying out any similar process or processes intended to make the water fit for human or animal consumption, but does not include a plant supplying water for industrial purposes.

26A Water Supply Projects.

Explanation – Water Supply Project includes a plant for desalination, demineralization or purification of water or for carrying out any similar process or processes intended to make the water fit for agricultural or industrial use.

27. LNG Terminal Project of M/s Hazira LNG Private Limited at Hazira (Gujarat).
28. Mundra-Kandla Crude Oil Pipeline Project.
29. Panipat-Rewari Product Pipeline Project.
30. Project for Conversion of Kandla-Panipat Section of Kandla-Bhatinda Pipeline Project into Crude Oil service.
31. Project for LNG Regassification Plant.
32. Aerial Passenger Ropeway Project.
33. Pipeline projects for transportation of crude oil, petroleum products or natural gas.
34. National Automotive Testing and Research and Development Infrastructure Project (NATRIP).
35. Airport development projects.
36. Metro rail projects.
37. Digital cinema development projects.]

² As per Ntfn 42 dated 23.07.1996 as last amended by 31/2007-Cus. dated 01.03.2007.

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9801	All items of machinery including prime movers, instruments, apparatus and appliances, control gear and transmission equipment, auxiliary equipment (including those required for research and development purposes, testing and quality control) as well as all Components (whether finished or not) or raw materials for the manufacture of the aforesaid items and their components required for the initial setting up of a unit, or the substantial expansion of the existing unit of a specified: (1) industrial plant, (2) irrigation project, (3) power project, (4) mining project, (5) project for the exploration for oil or other minerals and (6) such other projects as the Central Government may, having regard to the economic development of the country notify in the Official Gazette in this behalf; and spare parts, other raw materials (including semi-finished material) or consumable stores not exceeding 10% of the value of the goods specified above provided that such spare parts, raw materials or consumable stores are essential										Exemption: BCD on goods required for installation of mechanised food grain handling systems and pallet racking system in "Mandis" and "Warehouses" for food grains and sugar is - 5% and CVD is - Nil and ACD is also - Nil by Ntfn 20/06-Cus. dated 01.03.2006; Sl. No. 74. See Ntfn 21/02-Cus. dated 01.03.2002; Sl. No. 399-401A, 433, 441, 510, 602; Ntfn 81/2005-Cus. dated 08.09.2005
9801 00	- All items of machinery including prime movers, instruments, apparatus and appliances, control gear and transmission equipment, auxiliary equipment (including those required for research and development purposes, testing and quality control) as well as all Components (whether finished or not) or raw materials for the manufacture of the aforesaid items and their components required for the initial setting up of a unit, or the substantial expansion of the existing unit of a specified: (1) industrial plant, (2) irrigation project, (3) power project, (4) mining project, (5) project for the exploration for oil or other minerals and (6) such other projects as the Central Government may, having regard to the economic development of the country notify in the Official Gazette in this behalf; and spare parts, other raw materials (including semi-finished material) or consumable stores not exceeding 10% of the value of the goods specified above provided that such spare parts, raw materials or consumable stores are essential										
	--- Machinery:										
9801 00 11	--- For industrial plant project	kg.	10.00	5.00	---	4		Note Above		Free	
9801 00 12	--- For irrigation plant	kg.	10.00	5.00	---	4		Note Above		Free	
9801 00 13	--- For power project	kg.	10.00	5.00	---	4		Note Above		Free	
9801 00 14	--- For mining project	kg.	10.00	5.00	---	4		Note Above		Free	
9801 00 15	--- Project for exploration of oil or other materials	kg.	10.00	5.00	---	4		Note Above		Free	

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9801 00 19	---- For other projects	kg.	10.00	5.00	---	4			Note Above	Free	
9801 00 20	--- Components (whether finished or not) or raw materials for the manufacture of aforesaid items and their components required for the initial setting up of a unit or the substantial expansion of a unit	kg.	10.00	5.00	---	4			Note Above	Free	
9801 00 30	--- Spare parts and other raw materials (including semi-finished materials) or consumable stores for the maintenance of plant or project	kg.	10.00	5.00	---	4			Note Above	Free	
9802	Laboratory chemicals	kg.	10.00	10.00	---	4	0	0.30	14.712	Free	Anti-Dumping Duty: See Ntfn 01/2006-Cus. dated 10.01.2006
9803	All dutiable articles imported by a passenger or a member of a crew in his baggage	kg.	100.00	100.00	---	0	0	3.00	103.000	Restricted	Exemption: ACD is NIL by Ntfn 20/06-Cus. dated 01.03.2006; As provided under Customs and Baggage Rules by saving clause 3(1) (h) of Foreign Trade (Exemption from Application of Rules in certain cases) Order, 1993
9804	All dutiable articles, intended for personal use, imported by post or air										Exemption: All goods intended for personal use, imported by post or air and exempted from any prohibition in respect of the imports thereof under the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992) but excluding articles falling under heading 9803. See Ntfn 21/02-Cus. dated 01.03.2002; Sl. No. 388, 403, 403A.
9804 10 00	- Drugs and medicines	kg.	35.00	35.00	---	4	0	1.05	41.492	Restricted	Subject to value limit of Rs. 2,000 (CIF) and other conditions specified in clause 3(1), (i) of Foreign Trade (Exemption from Application of Rules in certain cases) Order, 1993
9804 90 00	- Other	kg.	35.00	35.00	---	4	0	1.05	41.492	Restricted	Subject to value limit of Rs. 2,000 (CIF) and other conditions specified in clause 3(1), (i) of Foreign Trade (Exemption from Application of Rules in certain cases) Order, 1993
9805	The following articles of stores on board of a vessel or aircraft on which duty is leviable under the Customs Act, 1962 (52 of 1962) namely:										Exemption: See Ntfn 21/02-Cus. dated 01.03.2002; Sl. No. 404
9805 10 00	- Prepared or preserved meat, fish and vegetables; dairy products; soup; lard; fresh fruits	kg.	10.00	10.00	---	4	10	0.64	26.849	Restricted	Subject to value limit of Rs. 2,000 (CIF) and other conditions specified in clause 3(1), (i) of Foreign Trade (Exemption from Application of Rules in certain cases) Order, 1993

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9805 90 00	- All other consumable stores excluding fuel, lubricating oil, alcoholic drinks and tobacco products	kg.	10.00	10.00	---	4	10	0.64	26.849	Restricted	<i>Subject to value limit of Rs. 2,000 (CIF) and other conditions specified in clause 3(1), (i) of Foreign Trade (Exemption from Application of Rules in certain cases) Order, 1993</i>

Exemption Notifications

Please see all Customs, Excise duty exemption notifications and General Exemption notifications relating to Country, Export Promotion, Exhibitions, Fairs, Seminars, Gifts, Donations, Art, Culture, Repairs, Miscellaneous, Sports and Defence etc. in Part-II.