

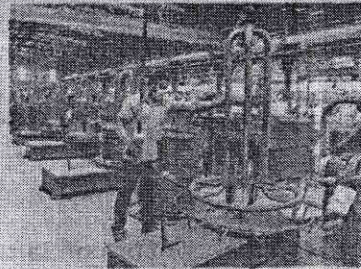
Govt to review items with concessional basic customs duty rates, conditional exemptions

Abhishek Law
New Delhi

India has initiated a review of items that have conditional exemptions or have concessional basic customs duty. At least, two Ministries — the Ministry of Steel and the Ministry of Mines — have reportedly been asked by the Ministry of Finance to submit a list of items that needs to be reviewed.

The two Ministries have been asked to provide a list of items, not manufactured domestically, where conditional exemptions or basic customs duty are applicable; and such exemptions lapse on or before March 31, 2024.

Ministries have also been asked to explain whether such concession or exemptions need not continue or not. In case such exemptions are expected to continue, the Ministries will have to



provide a “detailed justification” for their recommendations.

An office memorandum from the Ministry of Mines to the Steel Ministry, accessed by *businessline* reads: “....regarding review of conditional exemptions or concessional basic customs duty rates for import of and to, provide a list of such items pertaining to this Ministry (of Steel) — whose validity is expiring on March 31, 2024 — which are not domestically manufactured and for which conditional exemptions or concessional basic customs duty for imports needs to continue

and a detailed justification for the same.” As per officials, there are 12 items on the indicative list prepared by the Ministry of Mines. Of these items, there is no applicable basic customs duty on gold ores and concentrates for use in the manufacturing of gold.

LIST OF ITEMS

The other items in the 9 – 10 per cent range include spent catalyst or ash containing precious metals and zinc metal covered by toll smelting or processing from zinc concentrates exported from India for such purposes.

The basic customs duty in the 5 per cent range include ceria zirconia and cerium compounds, aluminium oxide, zeolite and alumax, all of which are used in manufacture of wash-coat for catalytic converters.

In the 7.50 per cent basic customs duty range, items mentioned are, metal parts

for manufacture of electrical insulators, pipes and tubes for manufacture of boilers, and platinum or palladium for manufacture of noble metal compounds & solutions.

The only item that falls under the 2.50 per cent customs duty list was survey instruments that are used for prospecting minerals.

In case of the Steel Ministry, exemption of basic customs duty on cold rolled grain oriented raw materials, steel scrap and nickel cathode continues up to March 31, 2024. Import duty or cess on other raw materials like non-coking coal, limestone, iron-ore, ferro-nickel and natural gas is at 2.5 per cent. Clean environment cess on coking coal is ₹400 per tonne (whereas import duty on coking coal is nil).

The import duty rate is 7.5 per cent on semis, flat and long products of non-alloy and alloys.