

CIRCULAR

Consequent upon implementation of Goods & Services Tax with effect from 01st of July, 2017 & as per Notification issued by Ministry of Finance, Department of Revenue, Government of India, Customs Duty Structure has changed. Though there is no impact on Basic Customs Duty, Education & Higher Education Cess, Integrated Goods & Services Tax (IGST) has come into the picture replacing Countervailing Duty (CVD)/Additional Duty & Special Additional Duty (SAD) barring few cases.

Hence, a statement showing Model Customs Duty Calculation for both industrial units (merit duty) and R&D Units (concessional duty) is enclosed. The merit duty indicated in the Ready Reckoner for commonly procured items is applicable for industrial units of DAE as well as for comparative statement for all units. The percentage of customs duty (merit) is to be loaded on the CIF cost for arriving at the landed cost for equitable comparison. CSTs may be prepared after loading the amount of customs duty, wherever necessary based on percentage indicated. For further information, the website www.cbec.gov.in may be visited. To know Customs Duty (Merit) the following weblink can be accessed www.icegate.gov.in/Webappl (Enter captcha, Click Trade guide on imports, fill up either HSN code (first 2 digits out of total 8 digits) or item name in the relevant field, click search and then click correct HSN Code, take print out of merit duty structure with break up, if required). To find out IGST of any item, visit web link <https://cbec-gst.gov.in/gst-goods-services-rates.html> (Enter only first four digits of HSN Code).

With effect from 01.07.2017.

CUSTOMS DUTY CALCULATION

SL. NO	CUSTOMS DUTY STRUCTURE W.E.F. 01.07.2017				TOTAL PERCENTAGE
	BASIC CUSTOMS DUTY (BCD)	EDN CESS (ON BCD)	ADDL. CESS ñ HR EDN CESS (ON BCD)	IGST	MERIT DUTY
WITH EFFECT FROM 01.07.2017	10%	2%	1%	18%	30.154%
WITH EFFECT FROM 01.07.2017	7.5%	2%	1%	18%	27.115%
WITH EFFECT FROM 01.07.2017	5%	2%	1%	18%	24.077%
WITH EFFECT FROM 01.07.2017	2.5%	2%	1%	18%	21.0385%
WITH EFFECT FROM 01.07.2017	2%	2%	1%	18%	20.4308%
WITH EFFECT FROM 01.07.2017	0%	2%	1%	18%	18%
FOR R&D INSTN. OF DAE AS PER NOTIFI-CATION NO.51/1996.	5%	2%	1%	--	5.15% (EXEMPTION AS PER 51/96)

IGST @ 28% is taken for model calculation though there are other slabs too.

CALCULATION FOR ARRIVING AT FINAL CUSTOMS DUTY (MERIT)

MERIT DUTY

MODEL CALCULATION - I

LANDED VALUE (CIF/ASS. VALUE)	RS.100/-
C.D @ 10%	RS.10/-
LANDED COST	RS.110/-
TOTAL C.D. WITHOUT CUSTOMS EDUCATION CESS	RS.10/- (A)
ED. CESS 3% (CUSTOMS) 3% ON RS.10/- ON (A)	RS.0.30 (B)
IGCST @ 18% ON (LANDED COST +B)	RS.19.854 (C)
TOTAL C.D. WITH EDUCATION CESS (A+B+C)	RS.30.154
NET RATE OF DUTY IN PERCENTAGE	30.154%

**CONCESSIONAL DUTY AS PER NOTIFICATION NO.51/96
FOR R&D INSTITUTION**

MODEL CALCULATION - II

LANDED VALUE (CIF/ASS. VALUE)	RS.100/-
CONCESSIONAL CUSTOMS DUTY @ 5%	RS.5/- A
EDU. CESS @ 3% ON RS.5/-	RS.0.15 B
NET CUSTOMS DUTY IN PERCENTAGE (A+B)	5.15%

**NOTE FOR CALCULATION : EDUCATION CESS ON DUTY ONLY & DUTY
ON (MATERIAL VALUE+ CESS)**

**READY RECKONER SHOWING MERIT DUTY AGAINST COMMONLY
PROCURED ITEM W.E.F. 01.07.2017**
(APPLICABLE FOR INDUSTRIAL UNITS OF DAE & FOR COMPARATIVE
STATEMENT PURPOSE FOR ALL UNITS)

SL.NO.	ITEM	CHAPTER/ HSN CODE	NET DUTY APPLICABLE (BASIC +CESS + IGST) W.E.F. 01.07.2017
CHEM			
1	INORGANIC CHEMICALS	28.01	24.077%
2	RARE GASES INCLUDING ARGON, HELIUM	28.04	24.077%
3.	PHOSPHORIC ACID BORIC ACID, NITRIC ACID ETC.	28.06	30.154%
4.	OXYGEN MEDICINAL GRADE	28.044010	24.077%
5.	OTHER GRADE	28.044090	24.077%
6.	ANHYDROUS AMMONIA/ IN AQUEOUS SOLUTION	28.14	24.077
7.	SODIUM HYDROXIDE (CAUSTIC SODA) IN SOLID/FLAKE FORM	28.15	30.154%
8.	ORGANIC CHEMICALS SUCH AS ETHYLENE, ACETYLENE, BUTYLENE ETC.	29.01	30.154%
9.	ALCOHOL AND OTHER DERIVATIVES	29.05	30.154%
MTL			
1.	RODS, BARS, WIRES ETC. MADE UP OF PIG IRON, IRON & ALLOY & STEEL	72.01	36.231%
2.	STAINLESS STEEL INGOTS, BARS, RODS, ETC.	72.18	36.231%
3.	ARTICLES OF IRON AND STEEL SUCH AS PIPES, TUBES, PIPE FITTINGS, GALVANISED & NON- GALVANISED PIPES, CONTAINERS/CYLINDERS OF GAS, WIRE ROPES, SPRINGS ETC.	73.26	30.154%
4.	COPPER, COPPER ALLOYS, COPPER RODS, BARS, PHOSPHOR, BRONZE, COPPER NICKEL ALLOYS	74.07	24.077%
5.	COPPER TUBES AND PIPES	74.11	27.115%
6.	NICKEL AND ARTICLES THEREOF	75.05	18%

Contd. (2)

7.	ALUMINIUM BILLETS, RODS, WIRE RODS, WIRE PLATES, SHEETS	76.04	27.115%
8.	ALUMINIUM TUBES, PIPES, WINDOWS, CASKS, DRUMS, CANS, BOXES, NON-STICK UTENSILS	76.08	30.154%
9.	LEAD-SCRAP, PIGLEAD, BARS, RODS, WIRES, PLATES, SHEETS	78.02	24.077%
10.	ARTICLES MADE OF LEAD LIKE LEAD TUBES, PIPES, PIPE FITTINGS	78.04	24.077%
11.	ZINC SCRAPS, BARS, RODS, WIRES, PLATES, SHEETS ETC.	79.04	24.077%
12.	ARTICLES MADE OF ZINC SUCH AS TUBES, PIPE & PIPE FITTINGS	79.05	24.077%
13.	TIN BASE METAL & ARTICLES OF TIN	80.01	24.077%
CAP/ENG			
1.	MACHINE TOOLS SUCH AS LATHES, MILLING MACHINE, ETC. / BOILERS/STEAM TURBINES, GAS GENERATORS	84.65	27.115%
2.	BALL BEARINGS	84.82	27.115%
3.	AIR COMPRESSORS/AIR PUMPS	84.14	37.888%
4.	PUMPS FOR LIQUIDS, CENTRIFUGES/ RECIPROCATING	84.13	37.888%
5.	AIR CONDITIONERS, WATER COOLER/REFRIGERATORS, CENTRIFUGES FIRE EXTINGUISHER, WEIGHING MACHINES, FORKLIFT TRUCKS	84.15 8421 8424 8423 8427	41.184% 27.115% 37.888% 41.184% 37.888%
EEQ			
1.	ELECTRICAL EQUIPMENTS, ELECTRICAL MOTORS/STEPPER MOTORS, TRANSFORMERS, GENERATORS, INDUSTRIAL FURNACE/OVENS, ROTARY CONVERTERS, RECTIFIER, PRIMARY BATTERIES, CABLES, NAVIGATIONAL APPRATUS	85.01	27.115%
2.	SOFTWARE (INDL. SOFTWARE) – HARD COPY	49119910	23.536%
3.	CDs/CD ROM FOR COMPUTERS	85.2340	30.154%

4.	CIRCUIT BREAKERS/SWITCH GEARS, AUTOMATIC CIRCUIT REAKER,MCB	85.35	30.154% ** (72.5 KV, VARY AS PER VOLTAGE)
ECON			
1.	ELECTRICAL CAPACITORS/ RHEOSTATS	85.32	18%
2.	DIODES, TRANSISTORS, SEMI CONDUCTOR DEVICES, ELECTRICAL CAPACITORS, DIODES, TRANSISTORS, THYRISTORS, LED, SOLARCELL	85.41	18%
3.	ELECTRONIC INTEGRATED CIRCUITS, PROCESSOR AND CONTROL	85.42	18%
MIC			
1.	MEASURING INSTRUMENTS SUCH AS MICROSCOPES, CAMERAS, OSCILLOSCOPES, SPECTRUM ANALYSERS	90.11	37.888%
2.	PHOTOCOPIER	90.09	OMITTED
3.	SPECTROMETER, CHROMOTOGRAPHS, SPECTROGRAPHS. REFRACTOMETER, CALORIMETER	90.27	18%
4.	MEDICAL/SURGICAL LNSTRUMENTS	90.18	20.652%
	ITEMS REQUIRED FOR R&D UNITS OF DAE	-	5.15%

Please check with www.cbec.gov.in – Customs Duty Calculator for confirmation
