CUSTOMS TARIFF ACT 1975

Chapter 98 - PROJECT IMPORTS; LABORATORY CHEMICALS; PASSENGERS' BAGGAGE; PERSONAL IMPORTATIONS BY AIR OR POST; SHIP STORES

CHAPTER 98

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

NOTES

1. 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.

2. Heading 9801 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.

3. Heading 9802 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.

4. Headings 9803 and 9804 are taken not to apply to:

(a) Motor vehicles;

(b) Alcoholic drinks.

(c) Goods imported through courier service.

5. Heading 9803 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.

6. Heading 9804 is to be taken not to apply to articles imported under an import licence or a Customs Clearance Permit.

Tariff Item		**Description of goods**
(1)		**(2)**
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 an 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 for the maintenance of the plant or project mentioned in (1) to (6) above
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 an 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 materials of 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 for the maintenance of the plant or project mentioned in (1) to (6) above:
	---	Machinery:
9801 00 11	----	For industrial plant project
9801 00 12	----	For irrigation plant
9801 00 13	----	For power project
9801 00 14	----	For mining project
9801 00 15	----	Project for exploration of oil or other minerals
9801 00 19	----	For other projects
9801 00 20	---	Components (whether or not finished or not) or raw materials for the manufacture of aforesaid items required for the initial setting up of a unit or the substantial expansion of a unit
9801 00 30	---	Spare parts and other raw materials (including semi-finished materials or consumable stores for the maintenance of plant or project
9802 00 00		Laboratory chemicals
9803 00 00		All dutiable articles, imported by a passenger or a member of a crew in his baggage
9804		All dutiable articles, 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
9804 10 00	-	Drugs and medicines

9804 90 00	-	Other
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:
9805 10 00	-	Prepared or preserved meat, fish and vegetables; dairy products; soup; lard; fresh fruits
9805 90 00	-	All other consumable stores excluding fuel, lubricating oil, alcoholic drinks and tobacco products

ANNEXURE TO CHAPTER 98

q Project Imports Regulations, 1986.

230/86-Cus. dt. 3.4.1986, as amended by 17/92-Cus. dt. 7.1.199, 142/92-Cus. dt. 10.3.1992, 140/94-Cus. dt. 1.7.1994, 153/95-Cus. dt. 27.10.1995, 54/97-Cus. dt. 5.6.1997, 92/02-Cus. dt. 6.9.2002, 37/2003-Cus. dt. 1.3.2003, 16/04-Cus., dt. 8.1.2004, 17/2006-Cus., dt. 1.3.2006: In exercise of the powers conferred by section 157 of the Customs Act, 1962 (52 of 1962) and in supersession of the Project Imports (Registration of Contract) Regulations, 1965, except as respect things done or omitted to be done before such supersession, the Central Board of Excise and Customs hereby makes the following regulations, namely:-

1. Short title and commencement.

(1) These regulations may be called the Project Imports Regulations, 1986.

(2) They shall come into force on the 3rd day of April, 1986.

2. Application.

These regulations shall apply for assessment and clearance of the goods falling under heading No. 98.01 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).

3. Definitions.

For the purposes of these regulations,-

(a) "industrial plant" means an industrial system designed to be employed directly in the performance of any process or series of processes necessary for manufacture, production or extraction of a commodity, but does not include-

(i) establishments designed to offer services of any description such as hotels, hospitals, photographic studios, photographic film processing laboratories, photocopying studios, laundries, garages and workshops; or

(ii) a single machine or a composite machine, within the meaning assigned to it, in Notes 3 and 4 to Section XVI of the said First Schedule.

Explanation:-For the purposes of sub-clause (i), the expression "establishments designed to offer services of any description" shall not include video recording or editing units, cinematographic studios, cinematographic film processing laboratories, and sound recording, processing, mixing or editing studios;

(b) "Sponsoring authority" means an authority specified in the Table annexed to these regulation;

(c) "substantial expansion" means an expansion which will increase the existing installed capacity by not less than 25 per cent;

(d) "unit" means any self-contained portion of an industrial plant or any self-contained portion of a project specified under the said heading No. 98.01 and having an independent function in the execution of the said project.

4. Eligibility.

The assessment under the said heading No. 98.01 shall be available only to those goods which are imported (whether in one or more than one consignment) against one or more specific contracts, which have been registered with the appropriate Custom House in the manner specified in regulation 5 and such contract or contracts has or have been so registered,-

(i) before any order is made by the proper officer of customs permitting the clearance of the goods for home consumption;

(ii) in the case of goods cleared for home consumption without payment of duty subject to re-export in respect of fairs, exhibitions, demonstrations, seminars, congresses and conferences, duly sponsored or approved by the Government of India or Trade Fair Authority of India, as the case may be, before the date of payment of duty.

5. Registration of contracts.

(1) Every importer claiming assessment of the goods falling under the said heading No. 98.01, on or before their importation shall apply in writing to the proper officer at the port where the goods are to be imported or where the duty is to be paid for registration of the contract or contracts, as the case may be:

Provided that in the case of consignments sought to be cleared through a Custom House other than the Custom House at which the contract is registered, the importer shall produce from the Custom House of registration such information as the proper officer may require.

(2) The importer shall apply, as soon as may be, after he has obtained the Import trade control licence wherever required for the import of articles covered by the contract and in case of imports covered by the Open General Licence or imports made by Central Government, any State Government, statutory corporation, public body or Government undertaking run as a joint stock company (hereinafter referred to as "Government Agency") as soon as clearance from the concerned sponsoring authority, as the case may be, has been obtained.

(3) The application shall specify-

(a) the location of plant or project;

(b) the description of the articles to be manufactured, produced, mined or explored;

(c) the installed or designed capacity of the plant or project and in the case of substantial expansion of an existing plant or project the installed capacity and the proposed addition thereto;

(d) such other particulars as may be considered necessary by the proper officer for purposes of assessment under the said heading.

(4) The application shall be accompanied by the original deed of contract together with a true copy thereof, the import trade control licence, wherever required, and an approved list of items from the concerned sponsoring authority.

(5) The importer shall also furnish such other documents or other particulars as may be required by the proper officer in connection with the registration of contract.

(6) The proper officer shall, on being satisfied that the application in the order register the contract by entering the particulars thereof in a book kept for the purpose, assign a number in token of the registration and communicate that number of the importer and shall also return to the importer all the original documents which are no longer required by him.

6. Amendment of contract.

(1) If any contract referred to in regulation 5 is amended, whether before or after registration, the importer shall make an application for registration of the amendments to the said contract to the proper officer.

(2) The application shall be accompanied by the original deed of contract relating to the amendments together with a true copy thereof and the documents, if any, permitting consequential amendments to the import trade control licence, wherever required, for the import of articles covered by the contract and in the case of imports covered by Open General Licence, as soon as clearance from the concerned sponsoring authority, as the case may be, has been obtained along with a list of articles referred to in clause (4) of regulation 5, duly attested.

(3) On being satisfied that the application is in order, the proper officer shall make a note of the amendments in the register.

7. Finalisation of contract.

The importer shall within three months from the date of clearance for home consumption of the last consignment of the goods or within such extended period as the proper officer may allow, submit a statement indicating the details of the goods imported together with necessary documents as proof regarding the value and quantity of the goods so imported in terms of this Regulation and any other document that may be required by the proper officer for finalisation of the contract.

TABLE

Sr. No.	**Name of the Plant or Project**	**Sponsoring Authority**
1.	All plants and projects under SSI Units	Director of Industries of the co
2.	All Power Plants, and Transmission Projects under,	
	(a) National Thermal Power Corporation Ltd.	National Thermal Power Co Institutional Area, New Delhi-
	(b) Tehri Hydro Development Corporation Ltd.	Tehri Hydro Developm Terrace)Bhagirathipuram, Teh
	(c) Nathpa Jhakri Power Corporation Ltd.	Nathpa Jhakri Power Corporat
	(d) North Eastern Electric Power Corporation Ltd.	North Eastern Electric Pow ColonyShillong - 793 001
	(e) National Hydroelectric Power Corporation Ltd.	National Hydroelectric Power
		NHPC Office ComplexSector
	(f) Bhakra Beas Management Board	Bhakra Beas Management Boa
	(g) Central Power Research Institute	Central Power Reserch Institut
		Raj Mahal Vilas Extn. II,Stage
	(h) National Power Training Institute	National Power Training Instit
	(i) Power Grid Corporation of India Ltd.	Power Grid Corporation of In Delhi- 110019
3.	Power Plants & Transmission Projects other than those mentioned at Sl. No. 2 above	Secretary to the State Governn power or electricity.
3A.	Drinking Water Supply Projects for supply of water for human or animal consumption.	Collector/District Magistrate/I located.
3B.	Aerial Passenger Ropeway Project	Joint Secratory to the Governn state government dealing with
3C.	Water Supply Projects	Collector/District Magistrate/I located.
2 [3D.	Pipeline projects for the transportation of crude oil, petroleum products or natural gas	MinistryofPetroleumand Natur
4.	Any other Plant and Project	Concerned Administrative Mi

q 98.01-Notified Projects for Assessment under H. 98.01.

42/96-Cus. dt. 23.7.1996, as amended by 14/97-Cus. dt. 1.3.1997, 45/97-Cus. dt. 14.5.1997, 29/99-Cus. dt. 28.2.1999, 21/2000-Cus. dt. 1.3.2000, 103/01-Cus. dt. 8.10.2001, 24/02-Cus. dt. 1.3.2002, 91/02-Cus. dt. 6.9.2002, 28/03-Cus, dt. 1.3.2003, 15/04-Cus., dt. 8.1.2004 (w.e.f. 9.1.2004), 16/04-Cus. dt. 8.1.2004, 18/06-Cus., dt. 1.3.2006: In exercise of the powers conferred by sub-item (6) of heading No. 98.01 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), the Central Government, having regard to the economic development of the country, hereby notifies each of the projects specified below as a project for the purpose of assessment under the said heading.

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 Diary 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 Pipeline Project.

18. Vishakh-Vijaywada-Secunderabad Pipeline Project.

19. Power Transmission Projects of 66 KV 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.

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. (w.e.f. 9.1.2004).

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.

3 [33 Pipeline projects for transportation of crude oil, petroleum products or natural gas.]

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1. Substituted By The Third Schedule of Finance Act, 2006 w.e.f. 18.04.2006.

2. Inserted by the notification no. 17/2006-Cus., dt. 1.3.2006 w.e.f. 1.3.2006

3. Inserted by the notification no. 18/06-Cus., dt. 1.3.2006

4. Substituted by the Finance Act, 2007 for 1[12.5%].