

The Customs Tariff Act, 1975
ACT No. 51 OF 1975

1256

[18th August, 1975.]

An Act to consolidate and amend the law relating to customs duties.

Be, it enacted by Parliament in the Twenty-sixth Year of the Republic of India as follows:-

LEGISLATIVE HISTORY ▼

- Amended by Act 66 of 1976
- Amended by Act 29 of 1977
- Amended by Act 19 of 1978
- Amended by Act 26 of 1978
- Amended by Act 21 of 1979
- Amended by Act 44 of 1980
- Amended by Act 16 of 1981
- Amended by Act 24 of 1981
- Amended by Act 14 of 1982
- Amended by Act 15 of 1982
- Amended by Act 52 of 1982
- Amended by Act 11 of 1983
- Amended by Act 21 of 1984
- Amended by Act 32 of 1985
- Amended by Act 08 of 1986
- Amended by Act 23 of 1986
- Amended by Act 64 of 1986
- Amended by Act 11 of 1987
- Amended by Act 26 of 1988
- Amended by Act 13 of 1989
- Amended by Act 49 of 1991
- Amended by Act 18 of 1992
- Amended by Act 38 of 1993
- Amended by G.S.Rs. 870(C) and 877(E) of 1976 and 11(F) of 1981
- Amended by G.S.R. 403(E) of 1985 and 1235 of 1986
- Amended by Finance Act, 2018 (Act No. 13 of 2018), dated 29.3.2018

1. Short title, extent and commencement. (1) This Act may be called the Customs Tariff Act, 1975.

(2) It extends to the whole of India.

(3) It shall come into force on such [date] as the Central Government may, by notification in the Official Gazette, appoint.

2. Duties specified in the Schedule to be levied. The rates at which duties of customs shall be levied under the Customs Act, 1962, (52 of 1962) are specified in the First and Second Schedules.

3. Levy of additional duty equal to excise duty. (1) Any article which is imported into India shall, in addition, be liable to a duty (hereafter in this section referred to as the additional duty) equal to the excise duty for the time being leviable on a like article if produced or manufactured in India and if such excise duty on a like article is leviable at any percentage of its value, the additional duty to which the imported article shall be so liable shall be calculated at that percentage, of the value of the imported article.

Explanation.-In this section, the expression "the excise duty for the time being leviable on a like article if produced or manufactured in India" means the excise duty for the time being in force which would be leviable on a like article if produced or manufactured in India or, if a like article is not so produced or manufactured, which would be leviable on the class or description of articles to which the imported article belongs, and where such duty is leviable at different rates, the highest duty.

(2) For the purpose of calculating-under this section the additional duty on any imported article, where such duty is leviable at any percentage of its value, the value of the imported article shall, notwithstanding anything contained in section 14 of the Customs Act, 1962, (52 of 1962) be the aggregate of-

- (i) the value of the imported article determined under sub-section (1) of the said section 14 or the tariff value of such article fixed under sub-section (2) of that section, as the case may be; and
- (ii) any duty of customs chargeable on that article under section 12 of the Customs Act, 1962, (52 of 1962) and any sum chargeable on that article under any law for the time being in force as an addition to, and in the same manner as, a duty of customs, but not including the duty referred to in sub-section (1).

(3) If the Central Government is satisfied that it is necessary in the public interest to levy on any imported article [whether on such article duty is leviable under sub-section (1) or not] such additional duty as would counter-balance the excise duty leviable on any raw materials, components and ingredients of the same nature as, or similar to those, used in the production or manufacture of such article, it may, by notification in the Official Gazette, direct that such imported article shall, in addition, be liable to an additional duty representing such portion of the excise duty leviable on such raw materials, components and ingredients as, in either case, may be determined by rules made by the Central Government in this behalf.

(4) In making any rules for the purposes of sub-section (3), the Central Government shall have regard to the average quantum of the excise duty payable on the raw materials, components or ingredients used in the production or manufacture of such like article.

(5) The duty chargeable under this section shall be in addition to any other duty imposed under this Act or under any other law for the time being in force.

(6) The provisions of the Customs Act, 1962, (52 of 1962) and the rules and regulations thereunder, including those relating to drawbacks, refunds and exemption duties, shall , 'so far as 'may' be, apply to the duty chargeable under this section as they apply in relation to the duties leviable under that Act.

[(7) Any article which is imported into India shall, in addition, be liable to integrated tax at such rate, not exceeding forty per cent. as is leviable under section 5 of the Integrated Goods and Services Tax Act, 2017 on a like article on its supply in India, on the value of the imported article as determined under sub-section (8) [or sub-section (8A), as the case may be].

(8) For the purposes of calculating the integrated tax under sub-section (7) on any imported article where such tax is leviable at any percentage of its value, the value of the imported article shall, notwithstanding anything contained in section 14 of the Customs Act, 1962, be the aggregate of -

(a) the value of the imported article determined under sub-section (1) of section 14 of the Customs Act, 1962 or the tariff value of such article fixed under sub-section (2) of that section, as the case may be; and

(b) any duty of customs chargeable on that article under section 12 of the Customs Act, 1962, and any sum chargeable on that article under any law for the time being in force as an addition to, and in the same manner as, a duty of customs, but does not include the tax referred to in sub-section (7) or the cess referred to in sub-section (9).

[(8-A) Where the goods deposited in a warehouse under the provisions of the Customs Act, 1962 are sold to any person before clearance for home consumption or export under the said Act, the value of such goods for the purpose of calculating the integrated tax under sub-section (7) shall be, -

(a) where the whole of the goods are sold, the value determined under sub-section (8) or the transaction value of such goods, whichever is higher; or

(b) where any part of the goods is sold, the proportionate value of such goods as determined under sub-section (8) or the transaction value of such goods, whichever is higher:

Provided that where the whole of the warehoused goods or any part thereof are sold more than once before such clearance for home consumption or

export, the transaction value of the last such transaction shall be the transaction value for the purposes of clause (a) or clause (b):

Provided further that in respect of warehoused goods which remain unsold, the value or the proportionate value, as the case may be, of such goods shall be determined in accordance with the provisions of sub-section (8).

Explanation. - For the purposes of this sub-section, the expression "transaction value", in relation to warehoused goods, means the amount paid or payable as consideration for the sale of such goods.]

(9) Any article which is imported into India shall, in addition, be liable to the goods and services tax compensation cess at such rate, as is leviable under section 8 of the Goods and Services Tax (Compensation to States) Cess Act, 2017 on a like article on its supply in India, on the value of the imported article as determined under sub-section (10) [or sub-section (10A), as the case may be].

(10) For the purposes of calculating the goods and services tax compensation cess under sub-section (9) on any imported article where such cess is leviable at any percentage of its value, the value of the imported article shall, notwithstanding anything contained in section 14 of the Customs Act, 1962, be the aggregate of-

- (a) the value of the imported article determined under sub-section (1) of section 14 of the Customs Act, 1962 or the tariff value of such article fixed under sub-section (2) of that section, as the case may be; and
- (b) any duty of customs chargeable on that article under section 12 of the Customs Act, 1962, and any sum chargeable on that article under any law for the time being in force as an addition to, and in the same manner as, a duty of customs, but does not include the tax referred to in sub-section (7) or the cess referred to in sub-section (9).

[(10-A) Where the goods deposited in a warehouse under the provisions of the Customs Act, 1962 are sold to any person before clearance for home consumption or export under the said Act, the value of such goods for the purpose of calculating the goods and services tax compensation cess under sub-section (9) shall be, -

- (a) where the whole of the goods are sold, the value determined under sub-section (10) or the transaction value of such goods, whichever is higher; or
- (b) where any part of the goods is sold, the proportionate value of such goods as determined under sub-section (10) or the transaction value of such goods, whichever is higher:

Provided that where the whole of the warehoused goods or any part thereof are sold more than once before such clearance for home consumption or export, the transaction value of the last of such transaction shall be the transaction value for the purposes of clause (a) or clause (b):

Provided further that in respect of warehoused goods which remain unsold, the value or the proportionate value, as the case may be, of such goods shall be determined in accordance with the provisions of sub-section (10).

Explanation. - For the purposes of this sub-section, the expression "transaction value", in relation to warehoused goods, means the amount paid or payable as consideration for the sale of such goods.]

(11) The duty or tax or cess, as the case may be, chargeable under this section shall be in addition to any other duty or tax or cess, as the case may be, imposed under this Act or under any other law for the time being in force.

(12) The provisions of the Customs Act, 1962 and the rules and regulations made thereunder, including those relating to drawbacks, refunds and exemption from duties shall, so far as may be, apply to the duty or tax or cess, as the case may be, chargeable under this section as they apply in relation to the duties leviable under that Act.]

4. Levy of duty where standard rate and preferential rate are specified.

(1) Where in respect of any Article a preferential rate of revenue 'duty is specified in the First Schedule, or is admissible by virtue of a notification under section 25 of the Customs Act, 1962, (52 of 1962) the duty to be levied and collected shall be at the standard rate, unless the owner of the article claims at the time of importation that it is chargeable with a preferential rate of duty, being [the produce or manufacture of such preferential area] as is notified under subsection' (3) and the article is determined, in accordance with the rules made under sub-section (2), to be such produce or manufacture.

(2) The Central Government may, by notification in the Official Gazette, make [rules] for determining if any article is [the produce or manufacture of any preferential area].

(3) For the purposes of this section and the First Schedule, [preferential area] means any country or territory which the Central Government may, by Notification from in the Official Gazette, declare to be such [area].

(4) Notwithstanding anything contained ins sub-section (1), where the Central Government is satisfied that, that in the interests of trade including promotion of exports, it is necessary to take immediate action for discontinuing the preferential rate, or increasing the preferential rate to a rate not exceeding the standard rate, or decreasing the preferential rate, in respect of an article specified in the First Schedule, the Central Government may, by notification in the Official Gazette, direct an amendment of the said Schedule to be made so as to provide for, such discontinuance of, or increase or decrease, as the case may be, in, the preferential rate.

(5) Every notification issued under sub-section (3) or sub-section (4) shall, 'as soon as may be after it is issued, be 'laid before each House of Parliament.

5. Levy of a lower rate of duty under a trade agreement.(1) Where under a trade agreement between the Government of India and the Government of a foreign country or territory, duty at a rate lower than that specified in the First Schedule is to be charged on articles which are the produce or manufacture of such foreign country or territory, the Central Government may, by notification in the Official Gazette, make [rules] for determining if any article is the produce or manufacture of such foreign country or territory and for requiring the owner to make a claim at the time of importation, supported by such evidence as may be prescribed in the said rules, for assessment at the appropriate lower rate under such Agreement.

(2) If any question arises whether any trade agreement applies to any country or territory, or whether it has ceased to apply to India or any foreign country or territory, it shall be referred to the Central Government for decision and the decision of the Central Government shall be final and shall not be liable to be questioned in any court of law.

6. Power of Central Government to levy protective duties in certain cases. (1) Where the Central Government, upon a recommendation 'made to it in this behalf by the Tariff Commission established under the Tariff Commission Act, 1951, (50 of 1951) is satisfied that circumstances exist which render it necessary to take immediate action to provide for the protection of the interests of any industry established in India, the Central Government may, by notification in the Official Gazette, impose on any goods imported into India in respect of which the said recommendation is made, a duty of customs of such amount, not exceeding the amount proposed in the said recommendation, as it thinks fit.

(2) Every duty imposed on any goods under sub-section (1) shall, for the purposes of this Act, be deemed to have been specified in the First Schedule as the duty leviable in respect of such goods.

(3) Where a notification has been issued under sub-section (1), the Central Government shall, unless the notification is in the meantime rescinded, have a Bill introduced in Parliament, as soon as may be, but in any case during the next session of Parliament following the date of the issue of the notification to give effect to the proposals in regard to the continuance of a protective duty of customs on the goods to which the notification relates, and the notification shall cease to have effect when such Bill becomes law, whether with or without modifications, but without prejudice to the validity of anything previously done thereunder:

Provided that if the notification under sub-section (1) is issued when Parliament is in session, such a Bill shall be introduced in Parliament during that session:

Provided further that where for any reason a Bill as aforesaid does not become law within six months from the date of its introduction in Parliament, the notification shall cease to have effect on the expiration of the

said period of six months, but without prejudice to the validity of anything previously done thereunder.

7. Duration of protective duties and power of Central Government to alter them. (1) When the duty specified in respect of any article in the First Schedule is characterised as protective in [column (5)] of that Schedule, that duty shall have effect only up to and inclusive of the date, if any, specified in that Schedule.

(2) Where in respect of any such article the Central Government is satisfied after such inquiry as it thinks necessary that such duty has become ineffective or excessive for the purpose of securing the protection intended to be afforded by it' to be a similar article manufactured in India and that circumstances exist which render it necessary to take immediate action, it may, by notification in the Official Gazette, increase or reduce such duty to such extent as it thinks necessary.

(3) Every notification under sub-section (2), in so far as it relates to increase of such duty, shall be laid before each House of Parliament if it is sitting as soon as may be after the issue of the notification, and if it is not sitting within seven days of its re-assembly, and the Central Government shall seek the approval of Parliament to the notification by a resolution moved within a period of fifteen days beginning with the day on which the notification is so laid before the House of the People and if Parliament make's any modification in the notification or directs that the notification should cease to have effect, the notification shall thereafter have effect only in such modified form or be of no effect, as the case may be, but without prejudice to the validity of anything previously done thereunder.

(4) For the removal of doubts, it is hereby declared that any notification issued under sub-section (2), including any such notification approved or modified under sub-section (3), may be rescinded by the Central Government at any time by notification in the Official Gazette.

8. Emergency power of Central Government to increase or levy export duties. (1) Where, in respect of any article, whether included in the Second Schedule or not, the Central Government is satisfied that the export duty leviable thereon should be increased or that an export duty should be levied, and that circumstances exist which render it necessary to take immediate action, the Central Government may, by notification in the Official Gazette, direct and amendment of the Second Schedule to be made so as to provide for an increase the export duty leviable or, as the case may be, for the levy of an export duty, on that article.

(2) The provisions of sub-section (3) and (4) of section 7 shall apply to any notification issued under sub-section (1) as they apply in relation to any notification increasing duty issued under sub-section (2) of section 7.

[8A. Emergency power of Central Government to increase import duties (1) Where in respect of any article included in the First Schedule, the Central Government is satisfied that the import duty leviable thereon under

section 12 of the Customs Act, 1962 should be increased and that circumstances exist which render it necessary to take immediate action, it may, by notification in the Official Gazette direct an amendment of that Schedule to be made so as to provide for an increase in the import duty leviable on such article to such extent as it thinks necessary: Provided that the Central Government shall not issue any notification under this sub-section for substituting the rate of, import duty in respect of any article as specified by an earlier notification issued under this sub-section be that Government before such earlier notification has been approved with or without modifications under sub-section (2).

(2) The provisions of sub-sections (3) and (4) of section 7 shall apply to any notification issued under sub-section (1) as they apply in relation to any notification increasing duty issued under sub-section (2) of section 7.]

9. Additional import duty on bountyfed articles. [(1) Where any country or territory pays, or bestows, directly or indirectly, any bounty or Subsidy upon the manufacture or production therein or the exportation therefrom of any article, then, upon the importation of any such article into India, whether the same is imported directly from the country of manufacture, production or otherwise, and whether it is imported in the same condition as when exported from the country of manufacture or production or has been changed in condition by manufacture, production or otherwise, the Central Government may, by notification in the Official Gazette, impose,-

(i) if the article is not otherwise chargeable with' duty under the provisions of this Act, a duty or

(ii) if the article is otherwise so chargeable, an additional duty, not exceeding the amount of such bounty or subsidy:

Provided that the Central Government may, pending the determination in accordance with the provisions of this section and the rules made thereunder of the amount of such bounty or grant, impose a duty or additional duty under this sub-section not exceeding the amount of such bounty or subsidy as provisionally estimated by it and if such duty or additional duty exceeds such bounty or subsidy as so determined,-

(a) the Central Government shall, having regard to such determination and as soon as may be after such determination, reduce such duty or additional duty; and

(b) refund shall be made of so much of such duty or additional duty which has been collected as is in excess of the duty or additional duty as so reduced.];

(2) The [amount of any such bounty or subsidy] as aforesaid shall, from time to time, be ascertained, determined, and declared by the Central Government , after such inquiry as it may consider necessary and the Central Government may, by notification in the Official Gazette, make rules

for the identification of such articles and for the assessment and collection of any [duty or additional duty, as the case may be,] imposed upon the importation thereof under sub-section (1).

(3) Every notification issued under sub-section (1) shall, as soon as may be after it is issued, be laid before each House of Parliament.

[9A. Anti-dumping duty.](1) Where any article is exported from any country or territory (hereafter in this section referred to as the exporting country or territory) to India at less than its normal value, then, upon the importation of such article into India, the Central Government may, by notification in the Official Gazette, impose,--

- (a) if the article is not otherwise chargeable with duty under the provisions of this Act, a duty; or
- (b) if the article is otherwise so chargeable, an additional duty, not exceeding the margin of dumping in relation to such article:

Provided that the, Central Government may, pending the determination in accordance with the provisions of this section and the rules made thereunder of the normal value and the margin of dumping in relation to any article, impose on the importation of such article into India a duty or additional duty under this sub-section on the basis of a provisional estimate of such value and margin and if such duty or additional duty exceeds the margin as so determined,-

- (a) the Central Government shall, having regard to such determination and as soon as may be after such determination, reduce such duty or additional duty; and
- (b) refund shall be made of so much of such duty or additional duty which has been collected as is in excess of such duty or additional duty as so reduced.

Explanation.-For the purposes of this section,-

- (a) "margin of dumping", in relation to an article, means the difference between the price at which such article is exported and its normal value;
- (b) "normal value", in relation to an article, means-
 - (i) the comparable price in the ordinary course of trade for the said article or like article when meant for consumption in the exporting country or territory as determined under sub-section (2); or
 - (ii) where such comparable price cannot be ascertained because of the particular market situation or for any other reason, such value shall be either-
 - (A) the highest comparable price for the said article or like article from the exporting country or territory to any third country in the ordinary course of trade as determined under subsection (2); or

(B) the cost of production of the said article or like article in the country of origin along with reasonable addition for selling and any other cost, and for profits, as determined under subsection (2).

(2) Subject to any rules made under sub-section (3), the Central Government shall, after making due allowance in each case for differences in conditions and terms of sale, for differences in taxation and for other differences affecting price comparability, and, after such inquiry as it may consider necessary, determine, for the purposes of sub-section (1), the export price and the normal value of, and the margin of dumping in relation to, any article.

(3) The Central Government may, by notification in the Official Gazette, make rules for the purposes of this section, and without prejudice to the generality of the foregoing, such rules may provide for the manner in which articles liable for any duty or additional duty under sub-section (1) may be identified, and for the manner in which the export price and the normal value of, and the margin of dumping in relation to, such articles may be determined and for the assessment and collection of such duty or additional duty.

(4) Every notification issued under sub-section (1) shall, as soon as may be after it is issued, be laid before each House of Parliament.]

[9B. No levy under section 9 or section 9A in certain cases in the absence of injury to industry in India. (1) Notwithstanding anything contained in section 9 or section 9A, the Central Government shall not levy any duty or additional duty under either of those sections on the import into India of any article from any country or territory to which this section applies unless that Government, after making investigation in accordance with the rules made under sub-section (3), declares, by notification in the Official Gazette, that the import of such article into India causes or threatens material injury to any industry established in India or materially retards the establishment of any industry in India.

(2) This section applies to every country or territory which is specified by the Central Government by [notification] in the Official Gazette to be a country, or territory which, by reason of its being a party to the General Agreement on Tariff and Trade or by reason of any agreement between it and India for giving the most-favoured nation treatment or for any other reason, levies duty or additional duty of the nature referred to in section 9 or section 9A on articles imported from India only when such import causes or threatens any material injury to any industry established in such country or territory or material retards the establishment of such industry in such country or territory.

(3) The Central Government may, by notification in the Official Gazette, make rules for the purposes of this section, and without Prejudice, to the generality of the foregoing, such rules may provide for the manner in which any investigation may be made for the purposes of sub-section (1), the

factors to which regard shall be had in any such investigation and for all matters connected with such investigation.

(4) Every notification issued under, sub-section, (1) or sub-section (2) shall, as soon as may be after it is issued, be laid before each House of Parliament.

Explanation.-For the purposes of this section, "industry", in relation to any article, includes the manufacture or production of like articles, any activity connected therewith and the persons engaged in such production, manufacture or activity.]

10. Rules to be laid before Parliament. Every rule made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule, or both House agree that the rule should not be made, the rule shall, thereafter, have effect only in such modified form or be of no effect, as the case may be ; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

11. Power of Central Government to alter duties under certain circumstances. (1) Where the Central Government is satisfied that it is necessary so to do for the purpose of giving effect to any agreement entered into before the commencement of this Act with a foreign Government, it may, by notification in the Official Gazette, increase or reduce the duties referred to in section 2 to such extent as each case may require:

Provided that not notification under this sub-section increasing or reducing the duties as aforesaid shall be issued by the Central Government after the expiration of a period of one year from the commencement of this Act.

(2) Every notification issued under sub-section (1) shall, as soon as may be after it is issued, be laid before each House of Parliament.

12. Repeal and saving. (2) The Indian Tariff Act, 1934, (32 of 1934) and the Indian Tariff (Amendment Act, 1949, (1 of 1949) are hereby repealed.

(2) Notwithstanding the repeal of any of the Acts mentioned in sub-section (1), anything done or any action taken (including any notification published and any rules and orders made or deemed to have been made under the provisions of those Acts and in force immediately before the commencement of this Act) shall, in so far as such thing or action is not inconsistent with the provisions of this Act, be deemed to have been done or taken under the provisions of this Act and shall continue in force accordingly until superseded by anything done or any action taken under this Act.

13. Consequential amendment of Act 52 of 1962. In the Customs Act, 1962, in sub-section (1) of section 12 and in sub-section (1) of section 14,

for the words and figures "Indian Tariff Act, 1934", (32 of 1934) the words and figures "Customs Tariff Act, 1975" shall be substituted.