Circular No.71 /2003-Cus
7th August , 2003

F.No. 528/65/2003-Cus (TU)
Government of India
Ministry of Finance
Department of Revenue
Tariff Unit

Sub : Mis-declaration in import of CD-Deck Mechanisms.

I am directed to say that it has been brought to the notice of the Board that some importers are importing complete CD mechanism "as parts" by mis-declaring the same as 'pick up unit' or 'lens unit' so as to take undue benefit of concessional duty under notification no. 25/99-Cus. dated 28.2.99. Under notification no. 25/99, list A, serial no. 115, parts of CD deck mechanism imported for manufacturing CD deck mechanism' are eligible for concessional rate of customs duty @ 5%. The notification is subject to the condition that the importer follows the procedure set out in the Customs (Import of Goods at concessional rate of Duty for Manufacture of Excisable Goods) Rules, 1996.

2. It is observed from manufacturers catalogues and product literature that CD mechanism consists of a rigid frame housing a motorized turntable that rotates the disc, and a radial mechanism which positions and tracks a single or 3 beam optical pick up across the disc. The objective lens of the pick up is moved by a focus coil which focuses a laser light spot onto the information layer of the disc. The laser spots are diffracted by the pits in the information layer to produce returning beams which strike a photodiode assembly. These Mechanisms are used mainly in two configurations. (1) Top Loading and (2) Front Tray Loading. Hand held type Discman sets, Cassette/Radio/CD Combination Sets use above mentioned CB Mechanisms are fitted with other mechanical parts, tray and a motor. These parts are responsible for loading CD's on to the CD Mechanism.

3. There have also been reports of under-invoicing of these deck mechanism. For branded products the price could be verified from the Indian agent/representative of the company.

4. Therefore it is requested that due caution may exercised in examination and valuation of goods declared to be "parts" of CD mechanism.

5. This may be brought to notice of all concerned.

6. Please acknowledge receipt of this circular.

7. Hindi version will follow.

H.K.Sharma
STO (TU)