

**Government of India
Ministry of Finance
Department of Revenue
Tax Research Unit

D.O.F.No.334/3/2014-TRU

P. K. Mohanty
Joint Secretary (TRU-I)

Room No.146I, North Block,
New Delhi, the 17th February, 2014.

Dear Chief Commissioner/ Commissioner,

The Finance Minister has presented the Interim Budget 2014-15 in Lok Sabha today, i.e., 17.02.2014. Certain changes have been made in the effective rates of Customs and Central Excise. To give effect to these changes, the following notifications have been issued:

CUSTOMS	NOTIFICATION NOS.	DATE
Tariff	No.5/2014-Customs and No.6/2014-Customs	17 th February, 2014
CENTRAL EXCISE		
Tariff	No.4/2014-Central Excise	17 th February, 2014

All changes in rates of duty take effect from the date of publication of the notifications in the Official Gazette i.e. 17.02.2014.

2. The changes made are contained in the Annex appended to this letter, which provides a summary of the changes made. However, the details are contained in the notifications which alone have legal force.

3. Every possible effort has been made to avoid the errors or mistakes in the notifications. I shall be grateful, if the provisions of the notifications are studied carefully and feedback on issues that may need clarification including inadvertent errors, if any, that may have crept in, is provided urgently.

4. In case of any doubt or difficulty, I would request you to kindly bring it to my notice immediately or to the notice of Shri Amitabh Kumar, Director (TRU) (Tel No.011-2309 2236; e-mail: amitabh.kumar@nic.in, Shri G.G. Pai, Director (TRU) (Tel No.011-2309 2753; e-mail: giridhar.pai@nic.in or Shri Akshay Joshi, Budget Officer (TRU) (Tel No.011-2309 5547; e-mail: joshi.akshay@nic.in).

5. Copies of relevant notifications can be downloaded directly from www.cbec.gov.in.

With warm regards,

Yours sincerely,

(P. K. Mohanty)
Tel: (011) 2309 2687
Fax: (011) 2309 2031
Email: p.mohanty@nic.in

To:

Chief Commissioners/ Directors General (All)
Commissioners of Customs (All)
Commissioners of Central Excise (All)
Commissioners of Customs and Central Excise (All)
Commissioners of Service Tax (All)
Director General, DPPR/ Logistics/Legal Affairs/ Data Management

CUSTOMS

- 1) Full exemption from customs duty on pulses valid till 31.03.2014 has been extended by another 6 months i.e. up to 30.09.2014 [Clause (a) of the proviso to the notification No.12/2012-Customs, dated 17.03.2012 as amended by notification No.5/2014-Customs, dated 17.02.2014 refers].
- 2) CVD exemption hitherto available on specified road construction machinery has been withdrawn. These specified machinery will henceforth attract CVD and SAD. Exemption from the basic customs duty will however continue [Sl.No.368A of the Table read with List 16A of notification No.12/2012-Customs, dated 17.03.2012 as amended by notification No.5/2014-Customs, dated 17.02.2014 refers].
- 3) The basic customs duty structure on non-edible grade industrial oils and its fractions, palm stearin, fatty acids and fatty alcohols has been rationalised at 7.5% [Sl.No.51, 187A and 230 of the Table of notification No.12/2012-Customs, dated 17.03.2012 as amended by notification No.5/2014-Customs, dated 17.02.2014 refers].
- 4) LNG consumed in the authorized operations in the ONGC SEZ unit at Dahej and the remnant LNG cleared into the domestic tariff area (DTA) has been exempted from basic customs duty and CVD [Sl.Nos.138A and 138B of the Table of notification No.12/2012-Customs, dated 17.03.2012 as amended by notification No.5/2014-Customs, dated 17.02.2014 refers].
- 5) A concessional basic customs duty of 5% [CVD (Nil) + SAD (Nil)] has been provided to capital goods imported by Bank Note Paper Mill India Private Limited. The exemption is valid up to 31.12.2014 [Sl.No.394A of the Table read with clause (j) of the proviso to the notification No.12/2012-Customs, dated 17.03.2012 as amended by notification No.5/2014-Customs, dated 17.02.2014 and Sl.No.83A of the Table of notification No.21/2012-Customs, dated 17.03.2012 as amended by notification No.6/2014-Customs, dated 17.02.2014 refers].
- 6) Human embryo has been fully exempted from customs duty [Sl.No.16A of the Table of notification No.12/2012-Customs, dated 17.03.2012 as amended by notification No.5/2014-Customs, dated 17.02.2014 refers].

CENTRAL EXCISE

- 1) The excise duty structure on mobile handsets has been restructured so as to provide that all mobile handsets will attract 1% excise duty if CENVAT benefit is not availed of. The duty will be 6% if CENVAT benefit is availed of. Consequently, all imported mobile handsets shall attract 6% CVD [Sl.No.263A of the Table of notification No.12/2012-Central Excise, dated 17.03.2012 as amended by notification No.4/2014-Central Excise, dated 17.02.2014 refers].
- 2) The general excise duty on all machinery & equipment, appliances etc and parts thereof falling under Chapters 84 and 85 of the Central Excise Tariff has been reduced from 12% to 10%. The existing duty concessions, whether by way of tariff entry or notifications, will continue to be available as before [Sl.No.345 and 346 of the Table of notification No.12/2012-Central Excise, dated 17.03.2012 as amended by notification No.4/2014-Central Excise, dated 17.02.2014 refers].

It may be noted that the duty rates notified against Sl.Nos.345 and 346 for the above goods are valid up to 30-06-2014 only. After this date, the rates applicable would be the rates as mentioned elsewhere in the Table of the notification or in the Tariff against the respective items.

- 3) The excise duty on small cars, motor cycles, scooters, commercial vehicles and trailers has been reduced from 12% to 8% and on SUVs from 30% to 24%. The excise duties on large and mid segment cars have been reduced from 27% and 24% to 24% and 20% respectively. In line with the duty reduction on commercial vehicles, the excise duty on chassis has been reduced appropriately. Duty has also been reduced on hybrid motor vehicles, hydrogen vehicles, etc. The existing duty concessions (e.g. on tractors) by way of notification will continue to be available as before [Sl.No.347 to 369 of the Table of notification No.12/2012-Central Excise, dated 17.03.2012 as amended by notification No.4/2014-Central Excise, dated 17.02.2014 refers].

It may be noted that the duty rates notified against Sl.Nos.347 to 369 for the automobile items are valid up to 30-06-2014 only. After this date, the rates applicable would be the rates as mentioned elsewhere in the Table of the notification or in the Tariff against the respective items.
