

EXPLANATORY MEMORANDUM TO THE FINANCE BILL, 2026

CUSTOMS

Note:

- (a) “Basic Customs Duty (BCD)” means the customs duty levied under the Customs Act, 1962.
- (b) “Agriculture Infrastructure and Development Cess (AIDC)” means a duty of customs that is levied under Section 124 of the Finance Act, 2021.
- (c) “Social Welfare Surcharge (SWS)” means a duty of customs that is levied under Section 110 of the Finance Act, 2018.
- (d) Clause Nos. in square brackets [] indicate the relevant clause of the Finance Bill, 2026.
- (e) Amendments carried out through the Finance Bill, 2026, will come into effect on the date of its enactment, unless otherwise specified.

I. AMENDMENT TO THE CUSTOMS ACT, 1962

Sl No	Amendment	Clause of Finance Bill, 2026
These changes will come into effect from the date of assent of the Finance Bill, 2026		
1.	Sub-section (2) of section 1 of the Customs Act, 1962 is being amended to extend the jurisdiction of the said Act beyond the territorial waters of India, for the purpose of fishing and fishing related activities.	[129]
2.	In section 2, a new clause is being inserted to define the expression ‘Indian-flagged fishing vessel’.	[130]
3.	Sub-section (6) of section 28 is being amended so as to provide that the penalty paid under sub-section (5) of section 28, on determination under sub-section (6) thereof, shall be deemed to be a charge for non-payment of duty.	[131]
4.	Sub-section (2) of section 28J is being amended so as to provide that advance ruling under sub-section (1) of that section shall remain valid for a period of five years or till there is a change in law or facts on the basis of which the advance ruling has been pronounced, whichever is earlier. The proviso to the said sub-section is also being substituted so as to provide that in respect of any advance ruling in force on the date on which the Finance Bill, 2026 receives the assent of the President, the Authority shall, upon a request by the applicant, extend the validity of the ruling for five years from the date of the ruling.	[132]

5.	A new section 56A is being inserted to provide special provisions for fishing and fishing related activities by an Indian-flagged fishing vessel beyond territorial waters of India. It also provides that fish harvested beyond the territorial waters of India may be brought into India free of duty and to treat fish that has landed at foreign port as export of goods in such manner as may be provided by rules. It also provides to make regulations to provide for the form and manner of making an entry in respect of fish harvested by an Indian-flagged fishing vessel including its declaration, custody, examination, assessment of duty, clearance, transit or transshipment.	[133]
6.	In the Customs Act, for section 67, the following section shall be substituted, namely: - “67. The owner of any warehoused goods may remove them from one warehouse to another, subject to such conditions as may be prescribed.”. The proposed section seeks to do away with the requirement of prior permission of the proper officer under the said section for removal of warehoused goods from one custom bonded warehouse to another.	[134]
7.	In section 84 of the Customs Act, in clause (b), for the words “the examination”, the words “the custody, examination” shall be substituted. The amendment seeks to enable the Board to make provisions for the custody of goods imported or to be exported under the regulations framed under this section.	[135]

II. AMENDMENTS TO THE CUSTOMS TARIFF ACT, 1975

(a) The First Schedule to the Customs Tariff Act, 1975 is proposed to be amended to carry out changes as under-

A.	Modification in Tariff rate (to be effective from 02.02.2026) * [Clause 136(a) of the Finance Bill, 2026] <i>*Will come into effect immediately through a declaration under the Provisional Collection of Taxes Act, 2023</i>		Rate of Basic Customs Duty	
S. No.	Heading, sub-heading, tariff item	Commodity	From (per cent)	To (per cent)
MSME sector				
1.	6601 91 00, 6601 99 00	Umbrellas (other than garden umbrellas)	20%	20% or Rs. 60 per piece, whichever is higher

2.	6603 20 00, 6603 90 10, 6603 90 90	Parts, trimmings and accessories of articles of heading 6601 to 6602	10%	10% or Rs. 25 per kg., whichever is higher
B.	Decrease in Tariff rate (to be effective from 01.04.2026) [Clause 136(b) of the Finance Bill, 2026]		Rate of Basic Customs Duty	
1.	9804	All dutiable goods, imported for personal use	20%	10%
C.	Tariff rate changes (without any change in effective rate of duty) [to be effective from 01.05.2026, unless otherwise specified] * [Clause 136(c) of the Finance Bill, 2026] *Note: 1. The current applied rate of Basic Customs Duty on these commodities operate through their respective exemption/concessional duty notification(s). Such corresponding entries would be omitted from the concerned notification(s) with effect from 01.05.2026, as the same would operate through the Customs Tariff Act, 1975, in the manner as detailed below. It is an exercise for simplification of the Customs tariff structure and applicable Basic Customs Duty rate on these items would remain unchanged. 2. Heading and sub-heading referred in column (2) shall include all tariff items under such heading or sub- heading. 3. The said changes are to be read with consequent amendments related to Social Welfare Surcharge (SWS) and Agriculture Infrastructure and Development Cess (AIDC).		Rate of Duty	
S. No.	Heading, sub-heading tariff item	Commodity	From	To
(1)	(2)	(3)	(4)	(5)
1.	0207 25 00, 0207 27 00	Meat and edible offal of turkeys, frozen	30%	5%

2.	0306 36 60	Artemia	5%	Nil
3.	0511 91 40	Artemia cysts	5%	Nil
4.	0802 11 00	Almonds, in shell	Rs.42 per kg	Rs.35 per kg
5.	0802 12 00	Almonds, shelled	Rs.120 per kg	Rs. 100 per kg
6.	0802 31 00	Walnuts, in shell	120%	100%
7.	1209 (other than those falling under sub headings 1209 91 and 1209 99)	Seeds, fruit and spores, of a kind used for sowing	30%	15%
8.	1505	Wool grease and fatty substances derived therefrom (including lanolin)	30%	15%
9.	2008 19 21, 2008 19 22, 2008 19 29, 2008 19 91	Makhana, other roasted nuts and seeds	150%	30%
10.	2008 19 92	Other nuts, otherwise prepared or preserved	150%	30%
11.	2309 90 31	Prawn and shrimps feed	15%	5%
12.	2504	Natural graphite	5%	2.5%
13.	2505	Natural sands of all kinds, whether or not coloured, other than metal bearing sands of chapter 26 of the Customs Tariff Act, 1975	5%	Nil
14.	2506	Quartz (other than natural sands); quartzite, whether or not roughly trimmed or merely cut, by sawing or otherwise, into blocks or slabs of a rectangular (including square) shape	5%	2.5%
15.	2530 90 91	Strontium sulphate (natural ore)	5%	Nil

16.	2701, 2702, 2703	Coal; briquettes, ovoids and similar solid fuels manufactured from coal; Lignite, whether or not agglomerated, excluding jet; Peat (including peat litter), whether or not agglomerated	5%	2.5%
17.	2709 00 10	Petroleum crude	5%	Re 1 per tonne
18.	2804 50 20	Tellurium	5%	Nil
19.	2804 61 00	Silicon, containing by weight not less than 99.99% of silicon	5%	Nil
20.	2804 69 00	Silicon, other	5%	Nil
21.	2804 90 00	Selenium	5%	Nil
22.	2805 30 00	Rare-earth metals, scandium and yttrium, whether or not intermixed or inter alloyed	5%	Nil
23.	2809 20 10	Phosphoric Acid	7.5%	5%
24.	2811 22 00	Silicon dioxide	7.5%	2.5%
25.	2816 40 00	Oxides, hydroxides and peroxides, of strontium or barium	7.5%	Nil
26.	2822 00 10	Cobalt oxides	7.5%	Nil
27.	2822 00 20	Cobalt hydroxides	7.5%	Nil
28.	2822 00 30	Commercial cobalt oxides	7.5%	Nil
29.	2825 20 00	Lithium oxide and hydroxide	7.5%	Nil
30.	2825 30	Vanadium oxides and hydroxides	7.5%	Nil
31.	2825 60 10	Germanium oxides	7.5%	Nil
32.	2825 70	Molybdenum oxides and hydroxides	7.5%	Nil

33.	2825 80 00	Antimony Oxides	7.5%	Nil
34.	2825 90 20	Cadmium oxide	7.5%	Nil
35.	2827 35 00	Chlorides of Nickel	7.5%	Nil
36.	2827 39 30	Strontium chloride	7.5%	Nil
37.	2833 24 00	Sulphates of Nickel	7.5%	Nil
38.	2834 21 00	Nitrates of potassium	7.5%	Nil
39.	2836 91 00	Lithium carbonates	7.5%	Nil
40.	2836 92 00	Strontium carbonate	7.5%	Nil
41.	2910 20 00	Methyloxirane (propylene oxide)	5%	2.5%
42.	2918 15 30	Bismuth citrate	7.5%	Nil
43.	3102 30 00	Ammonium nitrate, whether or not in aqueous solution	10%	5%
44.	3801	Artificial Graphite; colloidal or semi-colloidal graphite; preparations based on graphite or other carbon in form of pastes, blocks, plates or other semi-manufactures	7.5%	2.5%
45.	3808 93 30	Gibberellic acid	10%	5%
46.	3904	Polymers of vinyl chloride or of other halogenated olefins, in primary forms	10%	7.5%
47.	4906	Plans and drawings for architectural, engineering, industrial, commercial, topographical or similar purposes, being originals drawn by hand; hand-written texts; photographic reproductions on sensitised paper and carbon copies of the foregoing	10%	Nil

48.	5201 00 25	Other cotton of staple length exceeding 32.0 mm	5%	Nil
49.	7202 60 00	Ferro-nickel	2.5%	Nil
50.	7402 00 10	Blister copper	5%	Nil
51.	7802	Lead waste and scrap	5%	Nil
52.	7902	Zinc waste and scrap	5%	Nil
53.	8105 20 30	Cobalt powders	5%	Nil
54.	8419 89 12, 8419 89 13, 8419 89 14, 8419 89 15, 8419 89 16, 8419 89 17, 8419 89 19	Reactors, columns or towers or chemical storage tanks	10%	7.5%
NEW TARIFF LINES HAVE BEEN CREATED				
S. No.	Chapter/ heading/sub- heading/tariff item mentioned in notification	Commodity	New tariff item being created w.e.f. 01.05.2026	Rate of duty
(1)	(2)	(3)	(4)	(5)
55.	0306 19 00	Krill, frozen	0306 19 10	15%
56.	0802 99 00	Pecan Nuts	0802 99 10	30%
57.	0810 40 00	Cranberries, fresh	0810 40 10	10%
58.	0810 40 00	Blueberries, fresh	0810 40 20	10%
59.	0811 90	Cranberries, frozen	0811 90 11 0811 90 91	10%
60.	0811 90	Blueberries, frozen	0811 90 12 0811 90 92	10%

61.	0813 40 90	Cranberries, dried	0813 40 30	10%
62.	0813 40 90	Blueberries, dried	0813 40 40	10%
63.	1207 99 90	Shea Nuts	1207 99 50	15%
64.	2008 93 00	Cranberries, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included	2008 93 10	5%
65.	2008 99	Blueberries, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included	2008 99 15	10%
66.	2106 90	Other than compound alcoholic preparations of a kind used for manufacture of beverages, of an alcoholic strength by volume exceeding 0.5% vol., determined at 20 degrees centigrade	2106 90 (other than 2106 90 51)	50%
67.	2202 99	Cranberry products	2202 99 21, 2202 99 31, 2202 99 91	10%
68.	2529 22 00	Acid grade fluorspar containing by weight more than 97% of calcium fluoride	2529 22 10	2.5%
69.	2615 90	Hafnium ores and concentrates	2615 10 10	Nil
70.	2841	Ammonium metavanadate	2841 90 10	2.5%
71.	29	Gibberellic acid	2932 20 40	5%
72.	29	Triethyl orthoformate	2915 90 96	5%
73.	29	Diethyl malonate	2917 19 22	5%
74.	29	DL-2 Aminobutanol	2922 19 30	5%

75.	29	Aceto butyrolactone	2932 20 50	5%
76.	29	Artemisinin	2932 99 30	5%
77.	29	Thymidine	2934 99 50	5%
78.	3302 10	Mixtures of odoriferous substances of a kind used in food or drink industries other than compound alcoholic preparations of a kind used for manufacture of beverages, of an alcoholic strength by volume exceeding 0.5% vol., determined at 20 degrees centigrade	3302 10 19, 3302 10 99	10%
79.	4104 11 00, 4104 19 00, 4105 10 00, 4106 21 00, 4106 31 00, 4106 91 00	Wet blue leather (hides and skin)	4104 11 10, 4104 19 10, 4105 10 10, 4106 21 10, 4106 31 10, 4106 91 10	Nil
80.	4702	Rayon grade wood pulp	4702 00 10	2.5%
81.	4823 90 90	All goods other than kites	4823 90 90 <i>(kites fall under new tariff item 4823 90 40)</i>	10%
82.	8101 99 90	Tungsten (wolfram) bars and rods, other than those obtained simply by sintering, profiles, plates, sheets, strip and foil	8101 99 20	5%
83.	8415 90 00	All goods other than indoor or outdoor units of split-system air conditioner	8415 90 90	10%
84.	8421 99 00	All goods other than Reverse Osmosis (RO) membrane element for household type filters	8421 99 90	7.5%
85.	8507 90	Battery separators	8507 90 20	5%
86.	8529 10 99, 8529 90 90	Parts suitable for use solely or principally with the apparatus of headings 8525, 8526 or 8527	8529 10 93, 8529 90 30	10%
87.	8609 00 00	Refrigerated containers	8609 00 10	5%

(b) In addition to the above, the First Schedule to the Customs Tariff Act, 1975 has also been amended to create new tariff items which will, inter-alia, help in better product identification; getting actual transaction data of precursor chemicals and help in their effective monitoring; facilitating, tracking exports and deciding policy measures for plant-based extract products. **These changes will be effective from 1.05.2026, unless otherwise specified.**

III. AMENDMENT TO RULES UNDER CUSTOMS ACT, 1962

(a) Baggage Rules, 2016 is being superseded by the Baggage Rules, 2026 to rationalize the baggage provisions and addressing passenger related concerns at airports and resolution of interpretational issues; provide clarity in temporarily carriage of goods brought in or taken out to avoid unnecessary detention of goods, and restructure Transfer of Residence benefits for Indian residents and foreign professionals based on duration of stay. These changes shall come into effect from midnight of 02.02.2026.

(b) Deferred duty payment is being made monthly from the existing 15 days and a new class of ‘eligible importers’ is being created. This is being done by amending the existing Deferred Payment of Import Duty Rules, 2016.

IV. OTHER PROPOSALS INVOLVING CHANGES IN BASIC CUSTOMS DUTY RATES IN NOTIFICATIONS

Changes in Basic Customs Duty (to be effective from 02.02.2026)			Rates of Duty	
Sl. No.	Chapter, Heading, sub-heading, tariff item	Commodity	From	To
1.	2612 20 00	Monazite <i>[vide insertion of S. No. 84A in TABLE I of notification No. 45/2025-Customs dated 24.10.2025]</i>	2.5%	Nil
2.	2841 90 00	Sodium antimonate for use in manufacture of solar glass <i>[vide insertion of S. No. 110A in TABLE I of notification No. 45/2025-Customs</i>	7.5%	Nil

		<i>dated 24.10.2025]</i>		
3.	2815 20 00	Potassium hydroxide <i>[vide omission of S.No. 21 in notification No. 36/2024-Customs dated 23.07.2024]</i>	Nil	7.5%
4.	8401 30 00	All goods for generation of nuclear power <i>[vide insertion of S.No. 227A in TABLE I of notification No. 45/2025-Customs dated 24.10.2025]</i>	7.5%	Nil
5.	8401 40 00	Control and Protector Absorber Rods, and Burnable Absorber Rods, for generation of nuclear power <i>[vide insertion of S.No. 227B in TABLE I of notification No. 45/2025-Customs dated 24.10.2025]</i>	7.5%	Nil
6.	8501 10 20, 8504 31 00, 8516 80 00, 8516 90 00	Specified goods for use in the manufacture of Microwave Ovens falling under tariff item 8516 50 00 <i>[vide insertion of S.No. 278A in TABLE I of notification No. 45/2025-Customs dated 24.10.2025]</i>	As applicable	Nil

Note: Description of entries is indicative. Notification may be referred to for complete description.

V. OTHER CHANGES PROPOSED IN THE CUSTOM NOTIFICATIONS:

1. S. No. 69A of notification No. 25/2002 dated 1st March, 2002 is being modified to extend the BCD exemption currently available on capital goods for use in the manufacturing of Lithium-Ion Cells for batteries of Electrically Operated Vehicles, to cover batteries for stationary energy storage applications i.e. Battery Energy Storage Systems (BESS) also. This change is being made effective from 02.02.2026.

2. S. No. 334A is being introduced in TABLE I of notification No. 45/2025-Customs dated 24.10.2025 to extend BCD exemption to raw materials for manufacture of parts of aircraft for maintenance, repair, or overhauling of aircraft or components or parts of aircraft, including engines, provided that the goods are imported by Public Sector Units under the Ministry of Defence. This exemption is subject to following the procedure set out in the Customs (Import of Goods at Concessional Rate of Duty or for Specified End Use) Rules, 2022 (IGCRS Rules 2022). Further, the importer has to produce an end-use certificate from an officer not below the rank of Joint Secretary in the Ministry of Defence. This change is being made effective from 02.02.2026.

3. S. No. 335A is being introduced in TABLE I of notification No. 45/2025-Customs dated 24.10.2025 to extend BCD exemption to components or parts, including engines, of aircraft, for the manufacture of aircraft and parts thereof, provided that the importer adheres to the procedure set out in the IGCRS Rules 2022. This change is being made effective from 02.02.2026.

4. The exemption under S.No. 66 of TABLE II in notification No. 45/2025-Customs has been modified to cover goods required for setting up of specified Nuclear Power Project, irrespective of their capacity, as certified by an officer not below the rank of a Joint Secretary to the Government of India in the Department of Atomic Energy. Further, the validity of this exemption is being extended from 30.09.2027 to 30.09.2035. The eligibility of contracts covered under the scope of this exemption is also being extended to all contracts registered with the Customs Houses concerned on or before 30.09.2035. This change is being made effective from 02.02.2026.

5. The List 3 appended to TABLE I of notification No. 45/2025-Customs dated 24.10.2025 has been modified to include 17 new drugs/medicines for extending BCD exemption. This change is being made effective from 02.02.2026.

6. The List 22 appended to TABLE I of notification No. 45/2025-Customs dated 24.10.2025 has been modified to include 7 rare diseases that are a part of National Policy for Rare Disease (NPRD), 2021 for extending custom duty exemption on drugs, medicines and food for special medical purposes, when imported for personal use. This change is being made effective from 02.02.2026

7. Notification No. 36/2024-Customs dated 23.07.2024 was issued to exempt 55 groups of critical minerals from Basic Customs Duty and Social Welfare Surcharge. As a simplification measure, 29 entries of this notification are being omitted with effect from 01.05.2026 by shifting the effective rates to the Tariff itself. Further, 22 redundant entries are being omitted from this notification with effect from 02.02.2026. In addition, the following three entries are being merged in notification No. 45/2025-Customs dated 24.10.2025, with effect from 02.02.2026. As a consequence, notification No. 36/2024-Customs is proposed to be rescinded with effect from 01.05.2026.

Sl. No.	S. No. of notification No. 36/2024-Customs	Description
1.	38	Salts of oxometallic or peroxometallic acids of Beryllium and Rhenium <i>[vide insertion of S.No. 110B in TABLE I of notification No. 45/2025-Customs dated 24.10.2025]</i>
2.	39	Compounds, inorganic or organic of rare earth metals <i>[vide insertion of S.No. 111A in TABLE I of notification No.</i>

Sl. No.	S. No. of notification No. 36/2024-Customs	Description
		<i>45/2025-Customs dated 24.10.2025]</i>
3.	55	Unwrought; waste and scrap; powders of: — (i) Gallium (ii) Germanium (iii) Indium (iv) Niobium (v) Vanadium <i>[vide insertion of S.No. 226A in TABLE I of notification No. 45/2025-Customs dated 24.10.2025]</i>

Note: Effective BCD rates will remain the same.

VI. REVIEW OF CUSTOMS DUTY EXEMPTIONS

A. Review of exemptions/concessional rates of BCD prescribed in notification No. 45/2025-Customs dated 24.10.2025:

A comprehensive review has been undertaken in respect of 124 conditional exemptions/concessional duty rate entries in notification No. 45/2025-Customs dated 24.10.2025 whose validity is expiring on 31.03.2026. After review, 102 entries are being continued, with or without modification, for two years, i.e. upto 31.03.2028. Further, 22 entries are being allowed to lapse on the end-date of 31.03.2026.

(a) The details of exemptions/concessional rates being extended, with or without modifications, are as under:

Sl. No.	S. No. of notification No. 45/2025-Customs	Brief Description	End date
In TABLE I of notification No. 45/2025-Customs			
1.	5	Meat and edible offal of ducks, frozen	31.03.2028
2.	14	Planting materials, namely, oil seeds, seeds of vegetables, flowers and ornamental plants, tubers and bulbs of flowers, cuttings or saplings of flower plants, seeds or plants of fruits and seeds of pulses	31.03.2028
3.	58	Algal oil for manufacturing of aquatic feed	31.03.2028

Sl. No.	S. No. of notification No. 45/2025-Customs	Brief Description	End date
4.	61	Lactose for use in the manufacture of homeopathic medicine	31.03.2028
5.	69	Specified goods used in the processing of sea-food	31.03.2028
6.	84	Gold ores and concentrates for use in the manufacture of gold	31.03.2028
7.	85	Specified bunker fuels for use in ships or vessels	31.03.2028
8.	98	Electrical energy supplied to DTA by power plants of 1000MW or above, and granted formal approval for setting up in SEZ prior to 19 th July, 2012	31.03.2028
9.	99	Electrical energy supplied to DTA from power plants of less than 1000MW, and granted formal approval for setting up in SEZ prior to 19 th July, 2012	31.03.2028
10.	111	Medical use fission Molybdenum-99 (Mo-99) for use in the manufacture of radio pharmaceuticals	31.03.2028
11.	112	Pharmaceutical Reference Standard	31.03.2028
12.	114	Specified goods used for the manufacture of ELISA Kits	31.03.2028
13.	119	Anthraquinone or 2-Ethyl Anthraquinone, for use in manufacture of Hydrogen Peroxide	31.03.2028
14.	134	Specified goods for use in the manufacture of sheets or backsheet, which are used in the manufacture of solar photovoltaic cells or modules [The entry has been modified]	31.03.2028
15.	138	Specified goods for use in the manufacture of Brushless Direct Current (BLDC) motors	31.03.2028
16.	140	Tags, labels, stickers, belts etc. imported by <i>bona fide</i> exporters	31.03.2028
17.	141	Specified goods imported by <i>bona fide</i> exporters for use in the manufacture of handicraft items, for export	31.03.2028
18.	142	Specified goods imported by <i>bona fide</i> exporters for use in the manufacture of textile or leather garments, for export	31.03.2028
19.	143	Specified goods imported by <i>bona fide</i> exporters for use in the manufacture of leather or synthetic footwear, or other leather products, for export [The entry has been modified]	31.03.2028
20.	144	Specified goods for the manufacture of orthopedic implants or other artificial parts of the body	31.03.2028

Sl. No.	S. No. of notification No. 45/2025-Customs	Brief Description	End date
21.	146	Capacitor grades polypropylene granules or resins for the manufacture of capacitor grade plastic film	31.03.2028
22.	148	Super absorbent polymer (SAP) imported for use in the manufacture of specified goods	31.03.2028
23.	150	Polytetramethylene ether glycol (PT MEG) for use in the manufacture of spandex yarn	31.03.2028
24.	155	New or retreaded Pneumatic tyres of rubber of a kind used in aircrafts	31.03.2028
25.	156	New or retreaded Pneumatic tyres of rubber of a kind used in aircrafts	31.03.2028
26.	160	Pulp of wood or of other fibrous cellulosic material for the manufacture of newsprint, paper and paperboard, adult diapers, and goods falling under heading 9619	31.03.2028
27.	162	All goods imported for use in manufacture of paper, paperboard, or newsprint	31.03.2028
28.	163	Specified goods used in the printing of newspapers	31.03.2028
29.	164	Lightweight coated paper weighing upto 70g/m ² , imported by actual users for printing of magazines	31.03.2028
30.	173	Pile fabrics for the manufacture of toys	31.03.2028
31.	174	Moulds, tools and dies, for the manufacture of parts of electronic components or electronic equipment	31.03.2028
32.	175	Graphite Felt for growing silicon ingots, and thin steel wire used in wire saw for slicing of silicon wafers	31.03.2028
33.	184	Simply Sawn Diamonds	31.03.2028
34.	185	Seeds for use in manufacturing of rough lab-grown diamonds	31.03.2028
35.	205	Ferrous Scrap	31.03.2028
36.	208	Magnesium Oxide (MgO) coated cold rolled steel coils for use in manufacture of cold rolled grain oriented steel (CRGO).	31.03.2028
37.	209	Specified goods for the manufacture of cold rolled grain-oriented steel	31.03.2028
38.	220	Forged steel rings for manufacture of special bearings for use in wind operated electricity generators <i>[The entry is being merged with S.No. 230 in TABLE I of notification No. 45/2025-Customs dated</i>	31.03.2028

Sl. No.	S. No. of notification No. 45/2025-Customs	Brief Description	End date
		<i>24.10.2025.]</i>	
39.	222	Copper wire of refined copper or copper rod for manufacture of photovoltaic ribbon for solar photovoltaic cell or modules <i>[The entry has been modified]</i>	31.03.2028
40.	227	Dies for drawing metal, when imported after repairs from abroad, in exchange of similar worn-out dies exported out of India for repairs	31.03.2028
41.	228	Parts and raw materials for manufacture of goods to be supplied in connection with the purposes of off-shore oil exploration or exploitation	31.03.2028
42.	229	Specified goods when imported by a specified person, in relation with various petroleum operations or coal bed methane operations	31.03.2028
43.	230	Goods for manufacture or the maintenance of wind operated electricity generator components. <i>[The entry has been modified after merger of entry S. No. 220 in TABLE I of notification No. 45/2025-Customs]</i>	31.03.2028
44.	232	Parts of catalytic converters and goods for use in the manufacture of catalytic convertors or its parts	31.03.2028
45.	233	Platinum or Palladium for use in the manufacture of Noble Metal Compounds and Noble Metal Solutions	31.03.2028
46.	234	Ceria zirconia compounds for use in the manufacture of wash coat for catalytic converters	31.03.2028
47.	235	Cerium compounds for use in the manufacture of wash coat for catalytic converters	31.03.2028
48.	237	Machinery, electrical equipment, other instruments and their parts except populated PCBs for use in fabrication of semiconductor wafer and Liquid Crystal Display	31.03.2028
49.	238	Machinery, electrical equipment, other instruments and their parts except populated PCBs for use in assembly, testing, marking and packaging of semiconductor chips	31.03.2028
50.	239	Specified goods for the manufacture of certain goods and their parts	31.03.2028
51.	246	Bushings made of Platinum and Rhodium alloy when	31.03.2028

Sl. No.	S. No. of notification No. 45/2025-Customs	Brief Description	End date
		imported in exchange of worn out or damaged bushings exported out of India	
52.	247	Parts and components for manufacture of tunnel boring machines	31.03.2028
53.	256	Evacuated tubes with three layers of solar selective coating for use in the manufacture of solar water heater and system	31.03.2028
54.	267	Ball screws for use in the manufacture of CNC Lathes	31.03.2028
55.	268	Linear Motion Guides for use in the manufacture of CNC Lathes	31.03.2028
56.	269	CNC Systems for use in manufacture of CNCL lathes	31.03.2028
57.	270	Certain goods for use in manufacture of plastic processing machineries	31.03.2028
58.	272	Parts and components for use in the manufacture of goods like Micro ATMs, Fingerprint reader/scanner, Iris scanner, miniaturized POS card reader	31.03.2028
59.	273	All parts for use in the manufacture of LED lights or fixtures including LED Lamps	31.03.2028
60.	274	All inputs for use in the manufacture of LED (Light Emitting Diode) driver or Metal Core Printed Circuit Board for LED lights and fixtures or LED lamps	31.03.2028
61.	277	Goods imported for being tested in specified test centers	31.03.2028
62.	280	Specified goods for use in the manufacturing of Microphones	31.03.2028
63.	292	(i) Parts, components and accessories for manufacture of Digital Video Recorder (DVR)/ Network Video Recorder (NVR) falling under 8521 90 90, other than the following items, namely (a) populated printed circuit boards; (b) charger or power adapter; (ii) Sub-parts for use in manufacture of items mentioned at (i) above <i>[Only clause (ii) is being continued while clause (i) is being allowed to lapse on the end-date of 31st March, 2026]</i>	31.03.2028
64.	293	Parts, components and accessories for use in manufacture of reception apparatus for television	31.03.2028

Sl. No.	S. No. of notification No. 45/2025-Customs	Brief Description	End date
65.	294	Parts, components and accessories for manufacture of CCTV Camera	31.03.2028
66.	295	Parts, components and accessories except Lithium-ion cell and PCBA for use in manufacture of Lithium-ion battery and battery pack	31.03.2028
67.	296	Inputs, parts or sub-parts for use in the manufacturing of PCBA of Lithium-ion battery and battery pack	31.03.2028
68.	297	Open cell for use in the manufacture of LCD and LED TV panels	31.03.2028
69.	302	Specified goods for use in the manufacture of LCD and LED TV panels	31.03.2028
70.	306	Magnetron of up to 1.5 KW used for the manufacture of domestic microwave ovens	31.03.2028
71.	314	Parts, sub-parts, inputs or raw material for use in manufacture of Lithium-ion cells	31.03.2028
72.	319	Lithium-ion cell for use in manufacture of battery or battery pack other than for cellular phone or EV	31.03.2028
73.	320	Lithium-ion cell for use in the manufacture of battery or battery pack of cellular mobile phone	31.03.2028
74.	321	Lithium-ion cell for use in the manufacture of battery or battery pack of EV or hybrid motor vehicle	31.03.2028
75.	333	Parts of gliders or simulators of aircrafts (excluding rubber tyres and tubes of gliders)	31.03.2028
76.	334	Raw materials for manufacture of aircrafts and parts of aircrafts	31.03.2028
77.	335	Components or parts including engines, of aircraft for manufacture of air craft	31.03.2028
78.	336	Parts, testing equipment, tools and tool-kits for MRO of aircraft, components or parts of aircraft	31.03.2028
79.	337	Other Aircrafts	31.03.2028
80.	338	Components or parts, including engines, of aircraft	31.03.2028
81.	339	Satellites and payloads, ground equipment brought for testing and ground installations for satellite including its spares and consumables	31.03.2028
82.	340	Scientific and technical instruments, apparatus, equipment etc., required for launch vehicles and satellites and payloads	31.03.2028
83.	341	All goods under heading 8802 (except CTH 8802 60	31.03.2028

Sl. No.	S. No. of notification No. 45/2025-Customs	Brief Description	End date
		00)	
84.	342	All goods under heading 8802 (except CTH 8802 60 00)	31.03.2028
85.	343	All goods under heading 8802 (except CTH 8802 60 00)	31.03.2028
86.	345	Parts (other than rubber tubes), of aircraft of heading 8802	31.03.2028
87.	348	Parts (other than rubber tubes), of aircraft of heading 8802	31.03.2028
88.	350	Barges or pontoons imported along with ships for the more speedy unloading of imported goods and loading of export goods	31.03.2028
89.	355	Fishing vessels, tugs and pusher crafts, light vessels, excluding vessels and other floating structures as are imported for breaking up	31.03.2028
90.	375	Stainless steel tube and wire, cobalt chromium tube, etc. required for manufacture of Coronary stents/coronary stent system and artificial heart valve	31.03.2028
91.	376	Ostomy products for managing Colostomy, Ileostomy, Ureterostomy, Ileal Conduit Urostomy Stoma cases	31.03.2028
92.	377	Medical and surgical instruments, apparatus and appliances including spare parts and accessories thereof	31.03.2028
93.	382	Hospital Equipment for use in specified hospitals	31.03.2028
94.	386	Raw materials, parts or accessories for the manufacture of Cochlear Implants	31.03.2028
95.	387	X-Ray Baggage Inspection Systems and parts thereof	31.03.2028
96.	388	Portable X-ray machine / system	31.03.2028
97.	392	Parts and cases of braille watches, for the manufacture of Braille watches	31.03.2028
98.	396	Parts of electronic toys for manufacture of electronic toys	31.03.2028
99.	415	All items of machinery, and auxiliary equipment required for initial setting up of a project for generation of power or generation of compressed bio-gas (Bio-CNG) using non-conventional materials	31.03.2028
100.	440	All items of machinery, and auxiliary equipment for	31.03.2028

Sl. No.	S. No. of notification No. 45/2025-Customs	Brief Description	End date
		setting up of fuel cell-based system for generation of power or for demonstration purposes or balance of systems operating on biogas or bio-methane or by-product hydrogen	
In TABLE II of notification No. 45/2025-Customs			
101.	1	Security fibre, security threads, Paper Based Taggant, including M-feature, for use in the manufacture of security paper by Security Paper Mill, Hoshangabad and Bank Note Paper Mill India Private Limited, Mysore	31.03.2028
102.	2	Raw materials for use in manufacture of security fibre and security threads for supply to Security Paper Mill, Hoshangabad and Bank Note Paper Mill India Private Limited, Mysore for use in manufacture of security paper	31.03.2028

Note: Description of entries is indicative. Notification may be referred to for complete description.

(b) The following 22 conditional exemption entries of notification no. 45/2025-Customs dated 24.10.2025 are being allowed to **lapse on the 31.03.2026**:

Sl. No.	S. No. of notification No. 45/2025-Customs	Brief Description	End date
In TABLE I of notification No. 45/2025-Customs			
1.	93	Naphtha, for use in the manufacture of fertilisers	31.03.2026
2.	95	Liquified petroleum gases (LPG), in excess of the quantity of petroleum gases and other gaseous hydrocarbons consumed in the manufacture of polyisobutylene by the unit located in the Domestic Tariff Area (DTA), received from the unit located in Special Economic Zone (SEZ) and returned by the DTA unit to the SEZ unit from where such LPG were received.	31.03.2026

Sl. No.	S. No. of notification No. 45/2025-Customs	Brief Description	End date
3.	107	Silicon in all forms for the manufacture of un-diffused silicon wafers; and un-diffused silicon wafers for the manufacture of solar cells or solar cell modules	31.03.2026
4.	117	Maltol, for use in the manufacture of deferiprone	31.03.2026
5.	145	Specified goods imported for the manufacture of Copper-T contraceptives	31.03.2026
6.	154	Ethylene – Propylene – Non-Conjugated Diene Rubber (EPDM) for use in the manufacture of insulated wires and cables	31.03.2026
7.	172	Hydrophilic non-woven, hydrophobic non- woven, imported for use in the manufacture of adult diapers	31.03.2026
8.	201	Spent catalyst or ash containing precious metals	31.03.2026
9.	218	Metal parts for use in the manufacture of electrical insulators	31.03.2026
10.	219	Pipes and tubes for use in manufacture of boilers	31.03.2026
11.	231	Permanent magnets for manufacture of synchronous generators above 500KW for use in wind operated electricity generators	31.03.2026
12.	236	Zeolite for use in the manufacture of wash coat for catalytic converters	31.03.2026
13.	243	High speed cold-set or high-speed heat set web offset rotary printing machines along with mail room equipment	31.03.2026
14.	271	Cash dispenser or automatic banknote dispenser and its parts and components	31.03.2026
15.	275	Television equipment, cameras and other equipment for taking films, imported by a foreign film unit or television team	31.03.2026
16.	276	Photographic, filming, sound recording of foreign origin, if imported into India after having been exported there from	31.03.2026
17.	291	Parts and Components of digital still image video cameras	31.03.2026

Sl. No.	S. No. of notification No. 45/2025-Customs	Brief Description	End date
18.	309	Raw materials or parts for use in manufacture of e-Readers	31.03.2026
19.	370	X-Ray tubes used in manufacture of X ray machines for medical, surgical or veterinary use	31.03.2026
20.	372	Flat panel detector for use in manufacture of X-Ray machine for medical, surgical or veterinary use	31.03.2026
21.	397	Parts of video games for the manufacture of video games	31.03.2026
In TABLE IV of notification No. 45/2025-Customs			
22.	1	Motion pictures, music, gaming software for use on gaming consoles printed or recorded on media	31.03.2026

Note: Description of entries is indicative. Notification may be referred to for complete description.

(c) Further, upon review, the following unconditional exemption/ concessional duty rate entries of notification no. 45/2025-Customs dated 24.10.2025 are also being lapsed by omitting the respective entries **with effect from 02.02.2026**:

Sl. No.	S. No. of TABLE I in notification No. 45/2025-Customs	Brief Description
1.	1	Animals and birds imported by Zoo
2.	113	Alpha pinene
3.	123	Artificial plasma
4.	128	Ammonium phosphate or ammonium nitro-phosphate, for use as manure or for the production of complex fertilisers
5.	132	Potassium sulphate, containing not more than 52% by weight of potassium oxide*
6.	137	Other diagnostic or laboratory reagents falling under tariff item 3822 90 90*
7.	213	INVAR
8.	258	Coffee roasting, brewing or vending machines for use in the manufacture or processing of coffee
9.	285	Parts of radio trunking terminals

Sl. No.	S. No. of TABLE I in notification No. 45/2025- Customs	Brief Description
10.	287	CD-ROMs containing books of an educational nature, journals, periodicals (magazines) or newspapers
11.	310	Loco simulators

**Effective BCD rate will remain the same for Sl.No. 5 and 6.*

Note: Description of entries is indicative. Notification may be referred to for complete description.

(d) Other changes in the exemption entries of notification No. 45/2025-Customs:

(i) Sunset-clause for the following entries is being removed **with effect from 02.02.2026**:

Sl. No.	S. No. of TABLE I in notification No. 45/2025- Customs	Brief Description
1.	303	Parts suitable for use solely or principally with the apparatus of headings 8525, 8526 or 8527. <i>*The said entry is being omitted w.e.f 1st May, 2026 as the applicable rates will be incorporated in Tariff itself.</i>
2.	353	All goods (excluding vessels and other floating structures as are imported for breaking up) (CTH 8901)
3.	356	All goods (excluding vessels and other floating structures as are imported for breaking up) (CTH 8906)

Note: Description of entries is indicative. Notification may be referred to for complete description.

(ii) Sunset-date of **31.03.2027** for the following entries is being prescribed:

Sl. No.	S. No. of TABLE I in notification No. 45/2025- Customs	Brief Description	End date prescribed
1.	192	Gold dore bar, having gold content not exceeding 95%	31.03.2027
2.	193	Silver dore bar having silver content not exceeding 95%	31.03.2027

3.	194	(i) Gold bars, other than tola bars, bearing manufacturer's or refiner's engraved serial number and weight expressed in metric units, and gold coins having gold content not below 99.5%, imported by the eligible passenger (ii) Gold in any form other than (i), including tola bars and ornaments, but excluding ornaments studded with stones or pearls	31.03.2027
4.	195	Silver, in any form including ornaments, but excluding ornaments studded with stones or pearls, imported by the eligible passenger	31.03.2027

Note: Description of entries is indicative. Notification may be referred to for complete description.

(iii) The following entries of notification No. 45/2025-Customs are being modified as under, **with effect from 02.02.2026:**

Sl. No.	S. No. of TABLE I in notification No. 45/2025- Customs	Particulars
1.	69	The value limit of duty-free imports of specified goods imported for use in processing of sea-food has been increased from 1% to 3% of the FOB value of seafood products exported during the preceding financial year
2.	134	The modified description covers specified goods for use in the manufacture of sheets/encapsulants of EVA (Ethylene Vinyl Acetate), PoE (Polyolefin Elastomer) or combinations thereof or backsheet, which are used in the manufacture of solar photovoltaic cells or modules
3.	12, 140, 142	The time period of export of value-added products manufactured from specified inputs imported at concessional rate of duty is being extended from six months to twelve months.
4.	143	The benefit of duty exemption on specified inputs for manufacture of leather/synthetic footwear for export is being extended to exporters of shoe-uppers also. The time period of export of value-added products manufactured from specified inputs imported at concessional rate of duty is being extended from six months to twelve months.
5.	222	The modified description covers copper wire of refined copper of which the maximum cross-sectional dimension exceeds 6 mm or copper rods of refined copper, for the manufacture of photovoltaic ribbon, or tinned copper interconnect or cell interconnect or string

		interconnect or the photovoltaic connect or photovoltaic ribbon or solar ribbon or manufacture of solar photovoltaic cell or modules.
6.	220 & 230	S.No. 220 pertaining to “ <i>Forged steel rings for manufacture of special bearings for use in wind operated electricity generators</i> ” is being merged with S.No. 230. Subsequently, the description of S.No. 230 covering goods for manufacture or the maintenance of wind operated electricity generator components, has been modified.

Note: Description of entries is indicative. Notification may be referred to for complete description.

- (iv) The following exemption entries of notification No. 45/2025-Customs are being omitted **with effect from 02.02.2026** as these are redundant. The effective BCD rate would remain the same and will apply from First Schedule of the Customs Tariff Act, 1975. The details are as under:

Sl. No.	S. No. of TABLE I in notification No. 45/2025- Customs	Brief Description
1.	139	Ethylene vinyl acetate (EVA)
2.	157	New Pneumatic tyres, of rubber, of a kind used on aircrafts (other than goods covered under S.Nos. 155 and 156 of the notification No. 45/2025-Customs)
3.	217	Other screws and bolts, nuts and other non-threaded articles falling under tariff items 7318 15 00, 7318 16 00, 7318 29 90

Note: Description of entries is indicative. Notification may be referred to for complete description.

B. Review of exemptions prescribed by other notifications:

- (a) The validity of the BCD exemption for the goods covered under the following notifications is being **extended for two years, i.e. upto 31.03.2028**:

Sl. No.	Notification No.	Brief Description	End date
1.	248-Customs dated 2 nd August 1976	Exemption to precious stones imported by posts on approval or return' basis	31.03.2028

2.	32/1997- Customs dated 1 st April 1997	Exemption to goods imported for execution of an export order for jobbing	31.03.2028
3.	24/2001- Customs dated 1 st March 2001	Exemption to copper cathodes, wire bars and wire rods produced out of copper reverts	31.03.2028
4.	25/2001- Customs dated 1 st March 2001	Exemption on gold and silver produced out of copper anode slime which were exported out of India for toll smelting and processing	31.03.2028

Note: Description of entries is indicative. Notification may be referred to for complete description.

(b) The following standalone notification is being allowed **to lapse on the 31.03.2026**:

Sl. No.	Notification No.	Brief Description	End date
1.	113/2003- Customs dated 22 nd July 2003	Exemption to castor oil cake and castor de-oiled cake manufactured from indigenous castor oil seeds on indigenous plant and machinery by unit in SEZ and brought to DTA	31.03.2026

Note: Description is indicative. Notification may be referred to for complete description.

(c) For the following standalone notification, a **sunset date of 31.03.2028** is being prescribed:

Sl. No.	Notification No.	Brief Description	End date prescribed
1.	29/2025- Customs dated 9 th May, 2025	Exemption to works of art and antiques intended for public exhibition	31.03.2028

Note: Description of entries is indicative. Notification may be referred to for complete description.

(d) The following exemption entries of notification No. 36/2024-Customs are being **omitted with effect from 02.02.2026** as these are redundant. The effective BCD rate would remain the same and will operate through the First Schedule of the Customs Tariff Act, 1975. The details are as under:

Sl. No.	S. No. of notification No. 36/2024-Customs	Description
1.	5	Copper ores and concentrates
2.	6	Cobalt ores and concentrates
3.	7	Tin ores and concentrates
4.	8	Tungsten ores and concentrates
5.	9	Molybdenum ores and concentrates
6.	10	Zirconium ores and concentrates
7.	12	Vanadium ores and concentrates
8.	13	Niobium or tantalum ores and concentrates
9.	14	Antimony ores and concentrates
10.	42	Unwrought Tin
11.	43	Unwrought tungsten, including bars and Rods obtained simply by sintering
12.	44	Unwrought molybdenum, including bars and rods obtained simply by sintering
13.	45	Unwrought tantalum, including bars and rods obtained by sintering, powders
14.	46	Cobalt, unwrought
15.	47	Bismuth, unwrought
16.	48	Unwrought zirconium, powders, containing less than 1 part hafnium to 500 parts zirconium by weight
17.	49	Unwrought antimony, powders
18.	50	Beryllium unwrought, powders
19.	51	Hafnium unwrought, waste and scrap, powders
20.	52	Rhenium unwrought
21.	53	Cadmium unwrought, Powders
22.	54	Cadmium, wrought

Note: Description of entries is indicative. Notification may be referred to for complete description.

VII. SOCIAL WELFARE SURCHARGE (SWS)

(a) Specified goods are exempted from SWS *vide* notification No. 11/2018-Customs. The following changes have been made in notification No. 11/2018-Customs, consequent to omission of certain entries from exemption notifications. The effective duty incidence is unchanged and the following goods continue to remain exempted from levy of Social Welfare Surcharge (SWS). **The changes are technical in nature.**

- (i) Sl. No. 1 of notification No. 11/2018-Customs is being amended to include natural graphite (heading 2504), quartz and quartzite (heading 2506), silicon dioxide (tariff item 2811 22 00), and artificial graphite (heading 3801). Presently, the said goods are exempted from SWS *vide* Sl. No. 1, 3, 20 and 41 of notification No. 36/2024-Customs

dated 23.07.2024. Subsequent to the omission of these exemption entries from the notification No. 36/2024-Customs, the said goods will continue to remain exempt from SWS *vide* modified Sl. No. 1 of notification No. 11/2018-Customs. This change will come into **effect from 01.05.2026**.

- (ii) Presently, all goods under sub-heading 2106 90, excluding compound alcoholic preparations of a kind used for the manufacture of beverages, of an alcoholic strength by volume exceeding 0.5% vol., determined at a temperature of 20 degrees centigrade, attract concessional BCD rate of 50% *vide* S. No. 67 of TABLE I in notification No. 45/2025-Customs (along with SWS). The exemption entry is being omitted from notification No. 45/2025-Customs and the concessional BCD rate will be shifted to the First Schedule, with effect from 01.05.2026. As a part of consequential changes, Sl. No. 7 of notification No. 11/2018-Customs is being omitted and Sl. No. 1 of notification No. 11/2018-Customs is being amended to include tariff item 2106 90 51 covering compound alcoholic preparations. Incidence of SWS for goods under sub-heading 2106 90 will remain unchanged. This change will come into **effect from 01.05.2026**.

- (iii) Spent catalyst and ash containing precious metals falling under heading 7112 is exempt from SWS *vide* Sl. No. 54A of notification No. 11/2018-Customs. The description of the entry at Sl. No. 54A is being modified **with effect from 01.04.2026** to omit the reference to S.No. 201 of TABLE I of notification No. 45/2025-Customs which is being lapsed on **31.03.2026**. The exemption from SWS, *vide* modified Sl. No. 54A of notification No. 11/2018-Customs, will continue unchanged for spent catalyst or ash containing precious metals.

(b) Social Welfare Surcharge (SWS) will be levied on all goods falling under heading 9804 (all dutiable goods imported for personal use) **with effect from 01.04.2026**.

(c) Parts of electronic toys for manufacture of electronic toys under S.No. 396 of TABLE I in notification No. 45/2025-Customs are being exempted from SWS **with effect from 02.02.2026**. Henceforth, all goods under heading 9503 will be exempt from the levy of SWS.

VIII. AGRICULTURE INFRASTRUCTURE AND DEVELOPMENT CESS (AIDC)

New pneumatic tyres, of rubber, of a kind used on aircraft falling under tariff item 4011 30 00 (other than goods covered under S.Nos. 155 and 156 of TABLE I of notification No. 45/2025-Customs), attract 0.5% AIDC *vide* Sl. No. 13A of notification No. 11/2021-Customs. The description of the entry at Sl. No. 13A is **being modified with effect from 02.02.2026** to omit the reference to S. No. 157 of TABLE I of notification No. 45/2025-Customs, following the omission of the said exemption entry **with effect from 02.02.2026**. The AIDC rate will continue unchanged at 0.5% for New pneumatic tyres, of rubber of a kind used on aircraft (other than those attracting NIL BCD).