CUSTOMS

Note: (a) "Basic Customs Duty" means the customs duty levied under the Customs Act, 1962.

(b) Clause nos. in square brackets [ ] indicate the relevant clause of the Finance Bill, 2020.

(c) Amendments carried out through the Finance Bill, 2020 will come into effect on the date of its enactment, unless otherwise specified.

I. AMENDMENTS IN THE CUSTOMS ACT, 1962

S. No.	Amendment	Clause of the Finance Bill, 2020
1.	Clause (f) of the section 11(2) empowers the Central Government, for prevention of injury to the economy of the country by the uncontrolled import or export of gold or silver, to prohibit their import or export. This clause is being amended to include "any other goods (in addition to gold and silver) in its ambit.	[105]
2.	An explanation is being inserted in section 28 to explicitly clarify that any notice issued under the said section, prior to the enactment of the Finance Act, 2018, shall continue to be governed by the section 28 as it existed before the said enactment, notwithstanding order of the Appellate Tribunal, any Court or any other law to the contrary.	[106]
3.	A new Chapter VAA (a new section 28DA) is being incorporated in the Customs Act to provide enabling provision for administering the preferential tariff treatment regime under Trade Agreements. The proposed new section seeks to specifically provide for certain obligation on importer and prescribe for time bound verification from exporting country in case of doubt. Pending verification preferential tariff treatment shall be suspended and goods shall be cleared only on furnishing security equal to differential duty. In certain cases, the preferential tariff treatment may be denied without further verification	[108]
4.	A new section 51B is being inserted so as to provide for creation of an Electronic Duty Credit Ledger in the customs system. This will enable duty credit in lieu of duty remission to be given in respect of exports or other such benefit in electronic form for its usage, transfer etc. The provision for recovery of duties provided under Section 28AAA of Customs Act, 1962 are also being expanded to include such electronic credit of duties.	[107 and 110]
5.	Section 111 is being amended to insert a new clause (q), to prescribe that goods imported on claim of preferential tariff treatment, and in relation to which any provision of Chapter VAA or of any rule made under this Act have been contravened shall be liable to confiscation.	[111]
6.	Section 156 is being amended to insert a new clause (i) in sub-section (2) to empower the Central Government to make rules for the purpose of prescribing the manner, procedures, conditions, restriction and other issue to carry out the purposes of newly inserted Chapter VAA.	[112]
7.	Section 157 (2) is being amended to empower the Central Government to make regulations for the purpose of prescribing the manner, procedures, conditions, restriction and other issues to carry out the purposes of newly inserted section 51B	[113]

II. AMENDMENTS IN THE CUSTOMS TARIFF ACT, 1975

S. No.	Amendment	Clause of the Finance Bill, 2020
1.	Section 8B is being substituted with a new section to empower the Central Government to apply safeguard measures, in case any article is imported into India in such increased quantities and under such conditions so as to cause or threatening to cause serious injury to domestic industry. Safeguard measure shall include imposition of a Safeguard Duty or application of a Tariff Rate Quota or any other measure that the Central Government may consider appropriate as safeguard measure.	[114]

III. AMENDMENTS IN THE FIRST SCHEDULE TO THE CUSTOMS TARIFF ACT, 1975

	AMENDMENTS			
A.	**Tariff rate changes for Basic Customs Duty [to be effective from 02.02.2020] * [Clause 115 (a) of the Finance Bill, 2020]**		**Rate of Duty**	
S. No	**Heading, sub-heading, tariff item**	**Commodity**	**From**	**To**
		Food processing		
1.	0802 32 00	Walnuts, shelled	30%	100%
		Chemicals		
2.	3824 99 00	Other Chemical products and preparations of the chemical or allied industries, not elsewhere specified	10%	17.5%
		Footwear		
3.	6401, 6402, 6403, 6404, 6405	Footwear	25%	35%
4.	6406	Parts of footwear	15%	20%
		Household Items		
5.	6911 10, 6911 90 20, 6911 90 90	Tableware, kitchenware, water filters (of a capacity not exceeding 40 litres) and other household articles, of porcelain of china.	10%	20%
6.	6912 00 10, 6912 00 20, 6912 00 40, 6912 00 90	Ceramic tableware, kitchen-ware, clay articles and other household articles	10%	20%
7.	7013	Glassware of a kind used for table, kitchen, toilet, office, indoor decoration or similar purposes (other than that of heading 7010 or 7018)	10%	20%
8.	7323	Table kitchen or other household articles and parts thereof, of iron or steel, iron or steel wool; pot scourers and scouring or polishing pads, gloves and the like, of iron or steel, including pressure cookers pans utensils, misc articles such as iron & steel wool, polishing pads, gloves etc.	10%	20%
9.	7418 10	Table, kitchen or other household articles and parts thereof, of copper; pot scourers and scouring or polishing pads, gloves and the like, of copper.	10%	20%
10.	7615 10	Table, kitchen or other household articles and parts thereof, of aluminum; pot scourer and scouring or polishing pads, gloves and the like, of aluminum.	10%	20%
11.	8301	Padlocks and locks (key, combination or electrically operated) of base metal; clasps and frames with clasps, incorporating locks of base metals; keys for any of the foregoing articles, of base metals (other than lock of a kind used for automobiles.)	10%	20%
12.	9603	Brooms, brushes, hand operated mechanical floor sweepers, not motorized, mops and feather dusters; prepared knots and tufts for broom or brush making; paint pads and rollers; Squeegees (other than roller squeegees).	10%	20%
13.	9604 00 00	Hand sieves and hand riddles.	10%	20%
14.	9615	Combs, hair-slides and the like, hairpins curling pins, curling grips, hair curlers and the like, other than those of heading	10%	20%

		8516 and parts thereof.		
15.	9617	Vacuum flasks and other vacuum vessels, complete with cases; parts thereof other than glass inners	10%	20%
		Household appliances		
16.	8414 51 10	Table Fans	10%	20%
17.	8414 51 20	Ceiling Fans	10%	20%
18.	8414 51 30	Pedestal Fans	10%	20%
19.	8414 59 20	Blowers, Portable	10%	20%
20.	8509 40 10	Food Grinders	10%	20%
21.	8509 40 90	Other grinders and Mixer	10%	20%
22.	8509 80 00	Other Appliances	10%	20%
23.	8510 10 00	Shavers	10%	20%
24.	8510 20 00	Hair Clippers	10%	20%
25.	8510 30 00	Hair-removing appliances	10%	20%
26.	8516 10 00	Water heaters and immersion heaters	10%	20%
27.	8516 21 00	Storage heating radiators	10%	20%
28.	8516 29 00	Other electrical space heating apparatus	10%	20%
29.	8516 31 00	Hair Dryers	10%	20%
30.	8516 32 00	Other hair dressing apparatus	10%	20%
31.	8516 33 00	Hand Drying apparatus	10%	20%
32.	8516 40 00	Electric smoothing irons	10%	20%
33.	8516 60 00	Other ovens, cookers, cooking plates, boiling rings, grillers and roasters	10%	20%
34.	8516 71 00	Coffee and Tea Makers	10%	20%
35.	8516 72 00	Toasters	10%	20%
36.	8516 79 10	Electro-thermic fluid heaters	10%	20%
37.	8516 79 20	Electrical or electronic devices for repelling insects	10%	20%
38.	8516 79 90	Other electro-thermic appliances used for domestic purposes	10%	20%
39.	8516 80 00	Electric heating resistors	10%	20%
		Precious Metals		
40.	7118	Coin	10%	12.5%
		Machinery		
41.	8414 51 40	Railway Carriage fans	7.5%	10%
42.	8414 51 90	Other fans with a self-contained electric motor not exceeding 125W	7.5%	20%
43.	8414 59 10	Air Circulator	7.5%	10%
44.	8414 59 30	Industrial fans blowers and similar blowers	7.5%	10%
45.	8414 59 90	Other industrial fans	7.5%	10%
46.	8414 30 00, 8414 80 11	Compressor of Refrigerator and Air conditioner	10%	12.5%

47.	8419 89 10	Pressure vessels	7.5%	10%
48.	8418 10 10	Commercial type combined refrigerator freezers, fitted with separate external doors	7.5%	15%
49.	8418 30 10	Commercial freezer of chest type, not exceeding 800 litre capacity	7.5%	15%
50.	8418 30 90	Other chest type freezers	10%	15%
51.	8418 40 10	Electrical freezers of upright type, not exceeding 800 litre capacity	7.5%	15%
52.	8418 40 90	Other freezers of upright type, not exceeding 800 litre capacity	7.5%	15%
53.	8418 50 00	Refrigerating or freezing display counters, cabinets, show-cases and the like	7.5%	15%
54.	8418 61 00	Heat pumps other than air conditioning machines	7.5%	15%
55.	8418 69 10	Ice making machinery	7.5%	15%
56.	8418 69 20	Water cooler	10%	15%
57.	8418 69 30	Vending machine, other than automatic	10%	15%
58.	8418 69 40	Refrigerating equipment/devices used in leather industry	7.5%	15%
59.	8418 69 50	Refrigerated farm tanks, industrial ice cream freezer	7.5%	15%
60.	8418 69 90	Others [like freezers of capacity 800 litres and more etc.]	7.5%	15%
61.	8515 (except 8515 90 00)	Welding and Plasma cutting machines	7.5%	10%
		Other Electronic goods		
62.	8504 40 (except 8504 40 21)	Static Converters	15%	20%
63.	8504 40 21	Dip bridge rectifier	10%	20%
64.	8517 70 10	Populated, loaded or stuffed printed circuit boards	10%	20%
		Automobile and automobile parts		
65.	8421 39 20, 8421 39 90	Catalytic Convertor	10%	15%
		Furniture Goods		
66.	9401	Seats and parts of seats (other than aircraft seats and their parts)	20%	25%
67.	9403	Other Furniture and parts thereof	20%	25%
68.	9404	Mattress supports; Articles of bedding and similar furnishing	20%	25%
69.	9405	Lamps and lighting fittings including searchlights and spotlights and parts thereof; Illuminated signs, illuminated name plates and the like, having a permanently fixed light source, and parts thereof (except solar lantern and solar lamps).	20%	25%
		Toys		
70.	9503	Tricycles, scooters, pedal-cars and similar wheeled-toys; dolls' carriages; dolls; other toys; reduced-size ("scale") models and similar recreational models, working or not; puzzles of all kinds	20%	60%
		Stationary items		
71.	8304 00 00	Filing, cabinets, card-index cabinets, paper-trays, paper rests, pen trays, office-stamp stands and similar office or desk equipment, of base metal, other than office furniture of	10%	20%

		heading 9403		
72.	8305	Fittings for loose-leaf binders or files, letter clips, letter corners, paper clips, indexing tags and similar office articles, of base metal; staples in strips (for example, for offices, upholstery, packaging), of base metal	10%	20%
73.	8310	Sign-plates, name-plates, address-plates and similar plates, numbers, letters and other symbols, of base metal, excluding those of heading 9405	10%	20%
		Miscellaneous		
74.	6702	Artificial Flowers	10%	20%
75.	7018 10 20	Glass Beads	10%	20%
76.	8306	Bells, gongs, statuettes, trophies and like, non-electric of base metal; statuettes and other ornaments of base metal; photograph, picture or similar frames, of base metal; mirrors of base metal.	10%	20%
B.	**New entries added to the First Schedule [to be effective from 02.02.2020]* [Clause 115(b) of the Finance Bill, 2020]**			
S. No.	**Tariff Item**	**Description**	**Tariff Rate**	**Effective rate**
1.	8414 51 50	Wall fans	20%	20%
2.	8529 90 30	Open cell for television set	15%	0%
3.	8541 40 11	Solar cells, not assembled	20%	0%
4.	8541 40 12	Solar cells, assembled in modules or made up in panels	20%	0%

*Will come into effect immediately owing to a declaration under the Provisional Collection of Taxes Act, 1931.

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

S. No	Heading, sub-heading, tariff item	Commodity	From	To
		Animals		
1.	0101 21 00	Pure-bred breeding horses	30%	Nil
		Fuels, Chemicals and Plastics		
2.	27	Very low Sulphur fuel oil meeting ISO 8217:2017 RMG380 Viscosity in 220-400 CST standards/Marine Fuel 0.5% (FO), under the same conditions as available to IFO 180 CST and IFO 380 CST under entry at S. No. 139 of notification No. 50/2017–Customs dated 30.6.2017.	10%	Nil
3.	2713 12 10, 2713 12 90	Calcined Petroleum Coke	10%	7.5%
4.	2843	Colloidal precious metals; compounds of precious metals; amalgams of precious metals	7.5%	10%
5.	2916 12 10	Butyl Acrylate	5%	7.5%
6.	3907 99 90	Polyester Liquid Crystal Polymers (LCP) for use in manufacture of connectors	7.5%	Nil

7.	3920 10 99	Calendared plastic sheets for use in manufacturing of smart cards	10%	5%
		Paper Industry		
8.	48	a) Newsprint, if the importer, at the time of import is an establishment registered with the Registrar of Newspapers, India (RNI) b) Uncoated paper used for printing newspaper , if the importer, at the time of import is an establishment registered with the Registrar of Newspapers, India (RNI) c) Lightweight coated paper used for printing magazines, subject to end-use conditions	10%	5%
		Sports Goods		
9.	44	List of items allowed duty free import up to 3% of FOB value of sports goods exported in the preceding financial year is being amended to include Willow	Applicable rate	Nil
		Precious Stones and Metals		
10.	7108	Gold used in the manufacture of semiconductor devices or light emitting diodes	Nil	12.5%
11.	7103	Rubies, emeralds, sapphires – unset and imported uncut	Nil	0.5%
12.	7103	Rough coloured gemstones	Nil	0.5%
13.	7103	Rough semi-precious stones	Nil	0.5%
14.	7103	Pre-forms of precious and semi-precious stones	Nil	0.5%
15.	7104	Rough synthetic gemstones	Nil	0.5%
16.	7104	Rough cubic zirconia	Nil	0.5%
17.	7104	Polished Cubic Zirconia	5%	7.5%
18.	7110	Platinum or Palladium used in manufacture of-, a) All goods, including Noble Metal Compounds and Noble Metal Solutions [2843] b) Catalyst with precious metal or precious metal compounds as the active substance [3815 12]	12.5%	7.5%
19.	7112	Spent Catalyst/Ash containing precious metal like gold from which such precious metal is retrieved subject to specified conditions.	12.5%	11.85%
		Machinery		
20.	84	Goods specified in List 10 of Notification No. 50/2017 – Customs dated 30.6.2017, required for use in high voltage power transmission project	5%	7.5%
21.	8432 80 20	Rotary tillers/weeder	2.5%	7.5%
22.	84 or any other Chapter	Goods specified in List 14 of Notification No. 50/2017 – Customs dated 30.6.2017, required for construction of road like paver finisher, machines for filling up cracks in roads, mobile bridge inspection units etc.	Nil	Applicable BCD
23.	8501	Motors like Single Phase AC motors, Stepper motors, Wiper Motors etc.	7.5%	10%
		Electronic goods, parts thereof		
24.	74	Copper and articles thereof used in manufacturing of specified electronic items	Nil	Applicable BCD
25.	8504 40	Specified Chargers and power adapters	Applicable BCD	20%

26.	8517 70 10	PCBA of Cellular mobile phones (with effect from 01.04.2020)	10%	20%
27.	8517 70 90	Fingerprint readers/scanner, for use in Cellular mobile phones	Nil	15%
28.	8517 70 90	Vibrator/Ringer of Cellular mobile phones (with effect from 01.04.2020)	Nil	10%
29.	8517 70 90	Display Panel and Touch Assembly of Cellular mobile phones (with effect from 01.10.2020)	Nil	10%
30.	8518 30 00	Headphones and Earphones	Applicable BCD	15%
31.	8518 90 00	Following parts of Microphone for use in manufacture of Microphone namely, a) microphone cartridge b) microphone holder c) microphone grill d) microphone body	10%	Nil
32.	8538	Micro-fuse base, sub-miniature fuse base, Micro-fuse Cover and sub-miniature fuse cover for use in manufacture of micro fuse and sub-miniature fuse.	7.5%	Nil
		Automobile and automobile parts		
33.	2843	Noble metal solutions and noble metal compounds used in manufacture of catalytic converter and their parts	5%	10%
34.	7110	Platinum or Palladium used in manufacturing of catalytic converter and their parts	5%	Applicable BCD
35.	84 or any other Chapter	(A) Parts of catalytic converter for manufacture of catalytic converters. (B) The following goods for use in the manufacture of catalytic converters and its parts, namely: - (i) Raw substrates (ceramics) (ii) Wash coated substrates (ceramics) (iii) Raw substrates (metal) (iv) Wash coated substrates (metal) (v) Stainless steel wire cloth stripe (vi) Wash coat	5%	7.5%
36.	8702, 8704	Completely Built Units (CBUs) of commercial vehicles (other than electric vehicles) (with effect from 01.04.2020)	30%	40%
37.	8702, 8704	Completely Built Units (CBUs) of commercial electric vehicles (with effect from 01.04.2020)	25%	40%
38.	8703	Semi Knocked Down (SKD) forms of electric passenger vehicles (with effect from 01.04.2020)	15%	30%
39.	8702, 8704, 8711	Semi Knocked Down (SKD) forms of electric vehicles- Bus, Trucks and Two wheelers (with effect from 01.04.2020)	15%	25%
40.	8702, 8703, 8704, 8711	Completely Knocked Down (CKD) forms of electric vehicles - Passenger vehicles, Three wheelers, Two wheelers, Bus and Trucks (with effect from 01.04.2020)	10%	15%
		Defence sector		
41.	73,84,85,87,	Exemption from import duty for specified military equipment,	As	Nil

	88,89,90,93	when imported by Defense PSUs and other PSUs for defence forces.	applicable	

V. **Pruning and review of customs duty concessions/ exemptions:**

A. **Review of concessional rates of BCD prescribed in notification no. 50/2017 – Customs dated 30.6.2017:** The BCD exemption hitherto available on certain goods are being withdrawn by omitting following entries of notification No. 50/2017-Customs dated 30.6.2017.

S. No.	S. No. of Notification No 50/2017-Customs	Description
1.	5	Tuna bait [0303]
2.	7	Goods upto an aggregate of ten thousand metric tonnes of total imports of Milk and cream, in powder, granules or other solid form in a financial year. [0402 10, 0402 21 00]
3.	7A	Whey, concentrated, evaporated or condensed, liquid or semi-solid [0404 10 10]
4.	7B	Other Whey [0404 90 00]
5.	8	Butter Ghee, Butter Oil [0405]
6.	9.	Other cheese [0406 90 00]
7.	10	Pancreas (Products of animal origin, not elsewhere specified) [Chapter 5]
8.	11	Conch shell [0508 00]
9.	18	Bulbs or tubers, other live plants [0601 or 0602]
10.	36	All goods other than meslin or wheat [1001]
11.	38	Meslin [1001]
12.	40	Maize upto an aggregate of five lakh metric tonnes of total imports of such goods in a financial year [1005 90]
13.	47	Sugar beet seeds [1209 10 00]
14.	56	Edible oils [1508, 1512, 1513, 1514,1515 or 1511 10]
15.	58	Refined vegetable oils of edible grade, in loose or bulk form (other than palm oil) [chapter 15]
16.	59	Vegetable oils of edible grade, in loose or bulk form (other than those specified against S. No. 58 and palm oil), imported for the manufacture of oil commonly known as "Vanaspati" or for refining. *Explanation*. -The expression "Vegetable oil" means- (a) in the case of cottonseed oil, oil having a free fatty acid content of at least 0.2%; and (b) in the case of any other vegetable oil, oil with free fatty acid content of at least 0.5%. [15]
17.	68	Crude sunflower seed or safflower oil upto an aggregate of one lakh and fifty thousand metric tonnes of total imports of such goods in a financial year [1512 11]
18.	69	Crude sunflower seed or safflower oil other than those specified against S. No. 68 [1512 11]
19.	72	Refined rape, colza or mustard oil upto an aggregate of one lakh and fifty thousand metric tonnes of total imports of such goods in a financial year [1514 19 or 1514 99]
20.	78	Margarine, animal or vegetable oils of edible grade [1517 or 1518]
21.	83	Glycerol, crude; glycerol waters and glycerol lyes, (other than crude glycerin) [1520 00 00]

22.	88A	Raw Sugar upto an aggregate of three lakh metric tonnes of total imports of such goods. Provided that the import of raw sugar in physical form is completed within sixty (60) days from the date of issue of the Tariff Rate Quota Allocation Certificate or license by Directorate General of Foreign Trade (DGFT) to the importer. Provided further that the importer shall convert the raw sugar into white/ refined sugar within a period, not exceeding thirty (30) days, from the date of filing of bill of entry or the date of entry inwards, whichever is later [1701]
23.	89	Dextrose Monohydrate [1702]
24.	92	Molasses resulting from extraction or refining of sugar [1703]
25.	93	Chewing gum whether or not sugar coated [1704 10 00]
26.	94	Food preparations, for infant use and put up for retail sale, of- (i) goods of headings 0401 to 0404, containing cocoa calculated on a totally defatted basis, in a proportion by weight of 5% or more but less than 10%; or (ii) flour, meal, starch or malt extract containing cocoa calculated on a totally defatted basis, in a proportion by weight of 40% or more but less than 50%. [1806 90]
27.	95	Preparations for infant use put up for retail sale [1901 10]
28.	98	preserved potatoes [2004 10 00]
29.	99	Peanut Butter [2008 11 00]
30.	105	Wine, for use as sacramental wine [22]
31.	108	Angostura bitters [2208]
32.	113	Fin fish feed [2301 20, 2309 90 32, 2309 90 39]
33.	115	Dietary soya fibre [2304]
34.	148	Naphtha, when imported by Ratnagiri Gas and Power Private Limited (RGPPL), for use in generation of electricity in the power plants of Ratnagiri Gas and Power Private Limited (RGPPL) at Dabhol, District Ratnagiri, Maharashtra [2710]
35.	149	Naphtha, when imported for generation of electrical energy by a generating company as defined in section 2(28) of the Electricity Act, 2003 (36 of 2003) to supply electrical energy or to engage in the business of supplying electrical energy [2701]
36.	152	Propane, Butane [2711 12 00, 2711 13 00]
37.	160	Electrical energy [2716 00 00]
38.	170	Phosphoric acid, for the manufacture of fertilizers[28]
39.	212	Japanese Encephalitis (JE) vaccine, imported by the Andhra Pradesh Government through UNICEF [30]
40.	220	Kyanite salts, in a form indicative of their use for manurial purpose [31]
41.	243	Isolated soya protein [3504]
42.	244	Colour positive unexposed cinematographic film in jumbo rolls and colour negative unexposed cinematographic film in rolls of 400 feet and 1000 feet [37]
43.	245	Instant print film [3701 20 00 or 3702]
44.	246	Cinematographic films, exposed but not developed [3704]
45.	247	Promotional material (like Trailers, making of film etc.) imported in the form of electronic promotion kits (EPK)/ beta cams (Any Chapter)
46.	263	The following polymers of ethylene, namely: - (i) Low density polyethylene (LDPE), (ii) Linear low-density polyethylene (LLDPE), (iii) High density polyethylene (HDPE), (iv) Linear medium density polyethylene (LMDPE), (v) Linear high-density polyethylene (LHDPE) [3901]

47.	264	All goods other than poly iso-butylene [3902]
48.	266	All goods [3903]
49.	274	Compostable polymer or bio-plastic used in the manufacture of bio degradable agro mulching films, nursery plantation pots and flower pots [3913 90 90]
50.	275	Water blocking tape for use in the manufacture of insulated wires and cables falling under heading 8544 (except sub-heading 8544 11) [3919 90 90]
51.	278	Subbed polyester base, imported by M/s Hindustan Photo Films Manufacturing Company Limited, Udhagamandalam for the manufacture of medical or industrial X-ray films and graphic art films [3920]
52.	286	Patent leather [4114 20 10]
53.	287	Raw furskins [4301], tanned and dried furskins [4302]
54.	386	Lead bars, rods, profiles and wire [7806]
55.	388	Zinc tubes, pipes and tube or pipe fittings [7907]
56.	389	Tin plates, sheets and strip, of a thickness exceeding 0.2 mm; tin foil (whether or not printed or backed with paper, paperboard, plastics or similar backing materials), of a thickness (excluding any backing) not exceeding 0.2 mm; tin powders and flakes [8007]
57.	398	Parts and components of the goods specified in List 10 required for use in high voltage power transmission project [Any chapter]
58.	401	All items of equipment including machinery and rolling stock, procured by or on behalf of Delhi Metro Rail Corporation Ltd. for use in- (i) Delhi MRTS Project Phase-I; and (ii) Specified corridors of Delhi MRTS Project Phase-II, comprising of the following, namely: - a) Vishwavidyalaya- Jahangirpuri; b) Central Secretariat-QutabMinar (via All India Institute of Medical Sciences); c) Shahdara- Dilshad Garden; d) Indraprastha-New Ashok Nagar; e) Yamuna Bank-AnandVihar-Inter State Bus Terminus; and f) Kirti Nagar-Mundka (along with operational Link to Shahdara- Rithala corridor) (Any Chapter)
59.	412	Goods specified in List 15 required for construction of roads [84 or any other chapter]
60.	447	The following goods required for manufacture of Optical disk drives (ODD), namely: - (i) Pick up assembly (ii) Digital signature procession integrated circuit (iii) DC motor (iv) LDO voltage regulator [84 or Any other Chapter]
61.	456	The following goods, namely: - (a) Sprinklers and drip irrigation systems for agricultural and horticultural purposes; (b) Micro Irrigation equipment [8424]
62.	457	Poultry incubators and brooders [8436 21 00]
63.	459	Parts for manufacture of printers falling under sub heading 8443 32 (except 8443 99 51, 8443 99 52, 8443 99 53) [8443]
64.	465	CD –Writers [8471]
65.	474	MP3 or MP4 or MPEG 4 player with or without radio or video reception facility [85]
66.	483	One set of pre-recorded cassettes accompanying books for learning languages and essential complement to such books. [85]
67.	484	Audio cassettes, if recorded with material from books, newspaper or magazines, for the blind [85]
68.	515	Colour television picture tubes for use in the manufacture of cathode ray televisions [8540 11]

B. Customs duty exemptions which have been granted through certain other stand-alone notifications have also been reviewed. The following notifications, which have ceased to be relevant, are being withdrawn:

S. No.	Notification No.	Notification Subject
1.	13/2010-Customs dated 19.2.2010	Exemption to import of goods in relation to Commonwealth Games, 2010
2.	73/1999-Customs dated 8.6.1999	Exemption to import by Power Grid Corporation of India for the setting up of Rihand-Sasaram-Biharshariff HV DC Link Back to Back Station Project.
3.	205/1992-Customs dated 19.5.1992	Exemption to imports under Advance Customs Clearance Permit
4.	105/1999-Customs dated 10.8.1999	Exemption under SAARC Preferential Trade Agreement
5.	56/2006-Customs dated 7.6.2006	Exemption from Special additional duty to specified goods produced in Nepal
6.	22/2003-Customs dated 4.2.2003	This notification provides exemption to wool or woolen fabrics by Red Cross and Paper Money. [The entry related to Red Cross has been merged in notification No. 148/1994 – Customs dated 13.7.1994 and exemption to paper money will now be granted through notification No. 50/2017-Customs dated 30.6.2017. Accordingly, the notification No. 22/2003-Customs is being rescinded.]
7.	22/2007-Customs dated 1.3.2007	Preferential rates on certain tariff items
8.	14/2004-Customs dated 8.1.2004	Water supply projects for industrial use exempted under Project Imports. This exemption will now be available through notification No. 50/2017 – Customs dated 30.6.2017

VII. IMPOSITION OF HEALTH CESS ON IMPORT OF CERTAIN ITEMS

	Clause [139] of the Finance Bill, 2020 read with Fourth Schedule to the said Bill provides for levy of 'Health Cess'. Health Cess is proposed to be imposed on the import of Medical devices falling under headings 9018 to 9022, at the rate of 5% ad valorem on the import value of such goods as determined under Section 14 of the Customs Act, 1962. This Health Cess shall be a duty of Customs. Any Export Promotion scrips shall not be used for payment of said Cess. Health Cess shall not be imposed on medical devices which are exempt from BCD. Further, inputs/parts used in the manufacture of medical devices will also be exempt from Health Cess. The proceeds of Health Cess shall be used by the Union for funding of health infrastructure in the Country.

VIII. OTHER CHANGES (INCLUDING CERTAIN CLARIFICATIONS/ TECHNICAL CHANGES)

1.	BCD on dyed woven fabric of yarn containing 85% or more by weight of textured polyester filaments, under tariff sub-heading "5407 52" has been prescribed by S. Nos. 47 and 48 of notification No. 14/2006-Customs dated 01.03.2006. S. No. 31A of notification No. 82/2017-Customs dated 27.10.2017 also prescribes rate on this item. This entry is being omitted.
2.	a) Technical changes of clarificatory nature are being made in Condition No. 78 so as to make it consistent with entry at S. No. 539 of notification No. 50/2017-Customs dated 30.06.2017. The said S. No. 539 deals with export of ground equipment imported for testing the satellite or payload, within a period of six months. b) A separate new condition (No. 107) is being incorporated for S. No. 539A, which deals with Scientific and Technical instruments, apparatus, equipments for launch of vehicle and satellite and payloads.
3.	Entry at S.No. 28 of notification No. 50/2017-Customs dated 30.6.2017 is being amended to retain only tariff item 0802 90 00 in it. The other goods hitherto covered in this entry have the tariff rate same as the duty rate prescribed in this entry. Hence, these items do not require inclusion in this entry.
4.	Import of Bamboo for use in the manufacture of Agarbatti attracts concessional rate of 10% under Entry at S.No. 55 of notification No. 50/2017-Customs dated 30.6.2017. This concession shall henceforth be subject to actual user condition.

5.	S.No. 57 of notification No. 50/2017-Customs dated 30.6.2017 (prescribing effective rate on certain edible oils) is redundant as these goods are covered in certain other entries with lower or equal applicable rates. Hence this entry is being omitted.
6.	Goods falling under heading 2801, 2802, 2803, 2804, 2805 and 2814 attracts 5% BCD by Tariff. However, S.No. 169 of notification No. 50/2017-Customs dated 30.6.2017 prescribes a BCD rate of 7.5%. This entry is being amended to remove this inconsistency.
7.	Phosphoric acid attracts 5% BCD vide S. Nos. 170 (a conditional exemption) and 177 of notification No. 50/2017-Customs dated 30.6.2017. S. No. 170, is being omitted, being redundant.
8.	S. No. 266 of notification No. 50/2017-Customs dated 30.6.2017 provides 7.5% BCD for goods falling under heading 3903. S. No. 262 is being amended to include heading 3903 so as to provide 7.5% BCD on goods of heading 3903. Accordingly, the redundant entry at S.No. 266, is being omitted.
9.	S.No. 578 of the notification No. 50/2017-Customs, dated the 30.06.2017 provides BCD exemption on assistive devices, rehabilitation aids and other goods for disabled as mentioned in List 30 to the said notification. The item at S. No. E(9) in this list is being amended to remove ambiguity about its scope. The intention has been to cover only such items which are for use of the disabled.
10.	S.No. 408 (and Condition 51) of the notification No. 50/2017-Customs, dated the 30.06.2017 provides concessional BCD rate of 5% on item for renovation and modernization of Fertilizer plants. It requires a techno-economic clearance from Department of Fertilizer. The Condition No. 51 is being amended so as to remove this requirement.

IX. <u>Review of levy of Social Welfare Surcharge on various items.</u>

A. Social Welfare Surcharge is being exempted on following items.

S.No.	HS Code	Description
(1)	(2)	(3)
1	0404 10 10	Whey, concentrated, evaporated or condensed, liquid or semi solid
2	0406 90 00	Cheese, Other
3	0601,0602	Bulbs or tubers, other live plants
4	0802 12 00	Almonds, Shelled
5	0802 31 00	Walnuts, in shell
6	0802 32 00	Walnuts, shelled
7	1001 11 00, 1001 91 00, 1001 99 20	Wheat and Meslin
8	1005 90	Maize
9	1704 10 00	Chewing Gum, whether or not sugar coated
10	1901 10	Preparations suitable for infant or young children, put up for retail sale.
11	2009 11 00	Orange Juice, Frozen
12	2009 12 00	Orange Juice, not frozen, or a Brix value not exceeding 20
13	2009 19 00	Orange Juice, Other
14	2515 12 20	Marble and travertine slabs
15	6802 10 00	Tiles, cubes and similar articles, whether or not rectangular (including square), the largest surface area of which is capable of being enclosed in a square the side of which is less than 7 cm; artificially coloured granules, chippings and powder, other monumental or building stone and articles thereof, simply cut sawn with a flat even surface
16	6802 21 10	Marble blocks/tiles
17	6802 21 20	Marble monumental stone
18	6802 21 90	Other tiles, cubes and similar articles

19	6802 91 00	Marble, travertine and alabaster
20	6802 92 00	Other calcareous stone
21*	8702 or 8704	All commercial vehicles (including electric vehicles), if imported as completely built unit (CBU).

* S. No. 21 will be exempt from levy of Social Welfare Surcharge with effect from 01.04.2020.

B. Exemption from Social Welfare Surcharge hitherto available on certain items falling chapter 84, 85 and 90, is being withdrawn. Accordingly, notification No 11/2018-Customs dated 02.02.2018 is being amended to, -

(i) omit entries falling under chapter 84, 85 and 90 covered under S. No. 1 of the Table of the said notification; and
(ii) omit existing entries at S. Nos. 9 to 49 and 51 of the Table of the said notification.

X. Other Miscellaneous changes pertaining to Anti-Dumping Duty/Countervailing Duty

1.	Anti-Dumping Rules provides for manner and procedure for investigation into dumping of goods that cause injury to domestic industry. These rules also provide for investigation into cases of circumvention of antidumping duty by the exporters of subject goods to India. Changes are being made in the Rules to strengthen the anti-circumvention measures by making them more comprehensive and wider in scope to take care of all types of circumventions of antidumping duty in line with best international practice. Certain other changes are being made in these Rules for bringing clarity in the scope of these rules.
2.	The Countervailing Duty Rules provide for manner and procedure for causing investigation into the cases of imports of subsidized goods that cause injury to domestic industry. At present, there is no provision for investigation in case of circumvention of countervailing duties. A provision is being incorporated in the Countervailing Duty Rules to enable investigation into case of circumvention of countervailing duty for enabling imposition of such duty. Certain other changes are being made for bringing clarity in the Rules.
3.	Revocation of Anti-dumping duty on import of Purified Terephthalic Acid originating in or exported from: - i. South Korea and Thailand imposed vide notification No. 28/2019-Customs (ADD) dated 24.7.2019 ii. China, Iran, Indonesia, Malaysia and Taiwan imposed vide notification No. 28/2016-Customs (ADD) dated 5.7.2016

EXCISE

Note: (a) "Basic Excise Duty" means the excise duty set forth in the Fourth Schedule to the Central Excise Act, 1944.

(b) "NCCD" means National Calamity Contingent Duty levied under Finance Act, 2001, as a duty of excise on specified goods at rates specified in seventh schedule to Finance Act, 2001

(c) Clause Nos. in square brackets [ ] indicate the relevant clause of the Finance Bill, 2020.

(d) Amendments carried out through the Finance Bill, 2020 come into effect on the date of its enactment, unless otherwise specified.

I. AMENDMENT IN THE SEVENTH SCHEDULE TO THE FINANCE ACT, 2001* [Clause [145] of the Finance Bill, 2020]:

S. No.	Tariff Item	Description of goods	Unit	From	To
1.	2402 20 10	Other than filter cigarettes, of length not exceeding 65 millimetres	Tu	Rs. 90 per thousand	Rs. 200 per thousand
2.	2402 20 20	Other than filter cigarettes, of length exceeding 65 millimetres but not exceeding 70 millimetres	Tu	Rs. 145 per thousand	Rs. 250 per thousand
3.	2402 20 30	Filter cigarettes of length (including the length of the filter, the length of filter being 11 millimetres or its actual length, whichever is more) not exceeding 65 millimetres	Tu	Rs. 90 per thousand	Rs. 440 per thousand
4.	2402 20 40	Filter cigarettes of length (including the length of the filter, the length of filter being 11 millimetres or its actual length, whichever is more) exceeding 65 millimetres but not exceeding 70 millimetres	Tu	Rs. 90 per thousand	Rs. 440 per thousand
5.	2402 20 50	Filter cigarettes of length (including the length of the filter, the length of filter being 11 millimetres or its actual length, whichever is more) exceeding 70 millimetres but not exceeding 75 millimetres	Tu	Rs. 145 per thousand	Rs. 545 per thousand
6.	2402 20 90	Other (*Cigarettes containing tobacco*)	Tu	Rs. 235 per thousand	Rs. 735 per thousand
7.	2402 90 10	Cigarettes of tobacco substitutes	Tu	Rs. 150 per thousand	Rs. 600 per thousand
8.	2403 11 10	Hookah or gudaku tobacco	kg.	10%	25%
9.	2403 19 10	Smoking mixtures for pipes and cigarettes	kg.	45%	60%
10.	2403 19 90	Other *smoking tobacco*	kg.	10%	25%
11.	2403 91 00	"Homogenised" or "reconstituted" tobacco	kg.	10%	25%
12.	2403 99 10	Chewing tobacco	kg.	10%	25%
13.	2403 99 20	Preparations containing chewing tobacco	kg.	10%	25%
14.	2403 99 30	Jarda scented tobacco	kg.	10%	25%
15.	2403 99 40	Snuff	kg.	10%	25%
16.	2403 99 50	Preparations containing snuff	kg.	10%	25%
17.	2403 99 60	Tobacco extracts and essence	kg.	10%	25%
18.	2403 99 90	Other *(manufactured tobacco and substitutes)*	kg.	10%	25%

*Will come into effect immediately owing to a declaration under the Provisional Collection of Taxes Act, 1931.

GST

Note: (a) CGST Act means the Central Goods and Services Tax Act, 2017

(b) IGST Act means the Integrated Goods and Services Tax Act, 2017

(c) UTGST Act means the Union Territory Goods and Services Tax Act, 2017

Amendments carried out in the Finance Bill, 2020 will come into effect from the date when the same will be notified, as far as possible, concurrently with the corresponding amendments to the similar Acts passed by the States & Union territories with legislature.

I. AMENDMENTS IN THE CGST ACT, 2017:

S. No.	Amendment	Clause of the Finance Bill, 2020
1.	The definition of "Union territory" in clause (114) of section 2 of the CGST Act is being amended to update the definition of Union territory in view of the bringing into force of the Jammu and Kashmir Reorganization Act, 2019 and the Dadra and Nagar Haveli and Daman and Diu (Merger of Union Territories), Act, 2019. Consequential changes are also being made in UTGST Act, 2017.	[116]
2.	Section 10 of the CGST Act is being amended, so as to exclude from the ambit of the Composition scheme certain categories of taxable persons, engaged in making- (i) supply of services not leviable to tax under the CGST Act, or (ii) inter-State outward supply of services, or (iii) outward supply of services through an e-Commerce operator.	[117]
3.	Sub section (4) of the section 16 of the CGST Act is being amended to delink the date of issuance of debit note from the date of issuance of the underlying invoice for purposes of availing input tax credit.	[118]
4.	Clause (c) of sub-section (1) of section 29 of the CGST Act is being amended to provide for cancellation of registration which has been obtained voluntarily under sub-section (3) of section 25.	[119]
5.	A proviso to sub-section 1 of section 30 of the CGST Act is being inserted to empower the jurisdictional tax authorities to extend the date for application of revocation of cancellation of registration in deserving cases.	[120]
6.	Section 31 of the CGST Act is being amended to provide enabling provision to prescribe the manner of issuance of invoices in case of supply of taxable services.	[121]
7.	Section 51 of the CGST Act is being amended to remove the requirement of issuance of TDS certificate by the deductor; and to omit the corresponding provision of late fees for delay in issuance of TDS certificate.	[122]
8.	Section 109 of the CGST Act is being amended to bring the provision for Appellate Tribunal under the CGST Act in the Union territory of Jammu and Kashmir and Ladakh.	[123]
9.	Section 122 of the CGST Act is being amended by inserting a new sub-section to make the beneficiary of the transactions of passing on or availing fraudulent Input Tax Credit liable for penalty similar to the penalty leviable on the person who commits such specified offences.	[124]
10.	Section 132 of the CGST Act is being amended to make the offence of fraudulent availment of input tax credit without an invoice or bill a cognizable and non-bailable offence; and to make any person who commits, or causes the commission, or retains the benefit of transactions arising out of specified offences liable for punishment.	[125]
11.	Section 140 of the CGST Act is being amended with effect from 01.07.17, to prescribe the manner and time limit for taking transitional credit.	[126]
12.	Section 168 of the CGST Act is being amended to make provisions for enabling the jurisdictional commissioner to exercise powers under sub-section (5) of section 66 and second proviso to sub-section (1) of section 143.	[127]

13.	Section 172 of the CGST Act is being amended to make provision for enabling issuance of removal of difficulties order for another 2 years, i.e. till five years from the date of commencement of the said Act.	[128]
14.	Entries at 4(a) & 4(b) in Schedule II of the CGST Act is being amended with effect from 01.07.2017 to make provision for omission of supplies relating to transfer of business assets made without any consideration from Schedule II of the said Act.	[129]

II. AMENDMENTS IN THE IGST ACT, 2017:

S. No.	Amendment	Clause of the Finance Bill, 2020
1.	Section 25 of the IGST Act is being amended to make provision for enabling the issuance of removal of difficulties orders for another 2 years, i.e. till five years from the date of commencement of the said Act.	[132]

III. AMENDMENTS IN THE UTGST ACT, 2017:

S. No.	Amendment	Clause of the Finance Bill, 2020
1.	Section 26 of the UTGST Act is being amended to make provision for enabling the issuance of removal of difficulties orders for another 2 years, i.e. till five years from the date of commencement of the said Act.	[136]

IV. AMENDMENTS IN THE Goods and Services Tax (Compensation to States) ACT, 2017:

S. No.	Amendment	Clause of the Finance Bill, 2020
1.	Section 14 of the Goods and Service Tax (Compensation to States) Act is being amended to make provision for enabling the issuance of removal of difficulties orders for another 2 years, i.e. till five years from the date of commencement of the said Act.	[138]

V. Retrospective Amendments of GST rate notifications

S. No.	Amendment	Clause of the Finance Bill, 2020
1.	Exemption from Central Tax, Union Territory Tax and Integrated Tax for fishmeal [HS 2301], for the period 01.07.2017 to 30.09.2019, subject to the condition that if GST has been paid, the same would not be eligible for refund.	[130, 133 and 137]
2.	Levy of 12% rate of Integrated Tax and 6% Central Tax and 6% Union Territory Tax during the period 01.07.2017 to 31.12.2018, on pulley, wheels and other parts (falling under heading 8483) and used as parts of agricultural machinery of headings 8432, 8433, and 8436, subject to the condition that if GST has been paid, the same would not be eligible for refund.	[130, 133 and 137]
3.	The refund of accumulated credit of compensation cess on tobacco products arising out of inverted duty structure in compensation cess is disallowed with effect from 01.10.2019 vide notification No. 3/2019-Compensation Cess (Rate) dated 30.9.2019. This notification is being given retrospective effect from 1.7.2017 onwards. Accordingly, no refund on account of inverted duty structure would be admissible on any tobacco products.	[131]