

BUDGET 2023-24

INDIRECT TAX Budget Updates 2023

Analysis of Indirect tax updates in Finance Bill 2023

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CHANGES IN CGST ACT, 2017

1. Composition taxpayers are permitted to make intra-state supplies of goods through E-commerce operators

[Clause No.128 of Finance Bill, 2023]

Section 10(2) and section 10(2A) of the CGST Act, 2017 has been proposed to be amended to allow composition taxpayers to make intra-state supplies of “goods” through E-commerce operators.

H&A Comments:

Small taxpayers (upto 1.5Cr of aggregate supplies in a year) have an option to pay GST at the composition rate of 1%/2% instead of the normal rate. However, this option is subject to certain conditions, one such condition is that the taxpayer should not be supplying goods through E-Commerce Operators (ECOs). This amendment relaxes this condition and the person opting to make the payment of tax at composition rate may also supply goods through e-commerce operator and charging the composition rate. The restriction for supply of service through ECOs continues.

Impact: This would help the composition dealer also to explore sales through ECOs without additional tax burden.

2. Alignment of ITC reversal to the return filing system

[Clause No.129 of Finance Bill, 2023]

Second proviso to Section 16(2) of the CGST Act, 2017 has been amended to re-worded from ‘added to his output tax liability, along with interest thereon’ to pay by him along with interest payable under section 50. Further, the third proviso to Section 16(2) is proposed to be amended to clarify that the recipient is entitled to re-avail the ITC on making of payment towards value of supply along with tax payable to the supplier.

H&A Comments:

The above proviso provides for the recipient to reverse the ITC availed by way of addition to the

output tax liability along with interest where he fails to make payment to the supplier an amount towards the value of supply along with tax payable within 180 days from the date of issue of invoice. The proposed amendment aligns the provisions of law with the mechanism available on the GST portal which provides for reversal of ITC in case such failure to make payment to the supplier within 180 days from the date of invoice under Table 4(B)(2) of GSTR-3B. The ITC so reversed can be subsequently re-availed in Table 4(A)(5) of GSTR-3B with corresponding disclosure in Table 4(D)(1) of GSTR-3B upon payment of value with taxes to the supplier.

Impact: More of alignment of theory with practice. Clarity on rate of interest since the same is referring to the interest section (section 50).

3. Value of exempt supply for the apportionment of the common input tax credit to include supply of warehoused goods before clearance for home consumption

[Clause No.130(a) of Finance Bill, 2023]

Explanation to Section 17(3) is proposed to be amended to further include supply of warehoused goods before clearance for home consumption (Paragraph 8(a) of Schedule III) within the ambit of exempt supply for the purpose of reversal of ITC under Section 17(2) r/w Rule 42 and Rule 43 of the CGST Rules, 2017.

H&A Comments:

Section 17(2) of the CGST Act restricts the availability of ITC to the extent attributable to taxable supplies. Explanation to Section 17(3) provides that exempt supply for this purpose would exclude the value of activities or transactions specified in Schedule III (activities or transactions which are treated neither as supply of goods nor as supply of services). The activity of supply of the imported warehoused goods before clearance for home consumption (this is because the person filing the bill of entry i.e. the buyer would be paying IGST under The Customs Act, and would result in double payment if not excluded from supply) would be is also part of the schedule. Now *the ITC of inputs, input services and capital goods attributable to such supply needs to be reversed.*

Impact: The importer would be incurring various expenditure such as clearing and forwarding, CHA Charges, port charges, handling charges, freight etc. and GST would have been paid on the same. Hitherto to this amendment such supplier would have claimed exemption from tax on sale and would have also enjoyed the input tax credit. Now the input tax credit of the entire direct expenses pertaining to such sale and purchase along with proportionate common credit would be restricted.

4. ITC restricted on goods and services in relation to CSR activities

[Clause No.130(b) of Finance Bill, 2023]

Clause (fa) is proposed to be inserted under Section 17(5) of the CGST Act to restrict availability of ITC in respect of goods or services or both received by a taxable person, which are used or intended to be used for activities of corporate social responsibility (CSR) as provided for under Section 135 of the Companies Act, 2013.

H&A Comments:

Section 17(5) provides the list of the blocked credit. Goods and service received for the CSR activities is added to this, thereby restricting the input tax credit. The expenditure related to business is eligible for the credit, CSR being a mandated activity as per the Companies Act could have been considered as business related expenses for the purpose of input tax credit. This was also ruled in some Advance Rulings. This proposed amendment nullifies such ruling.

Impact: The ITC cannot be availed for such goods and services used for fulfilling the CSR obligation henceforth. The credit for the past would be eligible, since the intention of law to restrict such credit has been expressed only with this amendment. Further any voluntary CSR other than mandated by Companies Act, 2013 shall be eligible for ITC.

5. Clarity provided for exemption from registration

[Clause No.131 of Finance Bill, 2023]

Amendment to Section 23 of the CGST Act, 2017 to override Section 22(1) and Section 24. This has been proposed retrospectively w.e.f., 01.07.2017

H&A Comments:

Section 22 provides for registration requirement; section 23 provides for exemption from registration and section 24 provides the cases where mandatory registration is required. Under section 23, agriculturist, person engaged in exclusive exempted supplies and notified person were exempted from registration which overrides section 22 and 24.

Impact: Section 24 provides mandatory registration for person liable to pay tax under reverse charge mechanism. There are certain goods and services where tax need be paid by registered person (say cashew nuts, bidi leaves, GST, renting of residential dwelling). In such case it is clear that if the person is exclusive providing exempted supply and received GTA service there is no need for registration and payment of tax.

6. Time limit for filing GSTR-1

[Clause No.132 of Finance Bill, 2023]

Sub-section (5) to Section 37 of the CGST Act is proposed to be inserted to restrict a registered person from filing return in Form GSTR-1 under Section 37 after the expiry of a period of 3 years from the due date. However, the power is conferred upon the Government, by way of a notification subject to such conditions and restrictions, to allow a registered person or a class of registered persons to furnish the return in Form GSTR-1 even after the expiry of the said period of three years.

H&A Comments:

GSTR-1 is a return for communicating the details of the outward supplies monthly, which needs to be filed before 11 of the next month. This could have been filed along with late filing fee beyond the due date. With this amendment one cannot file the GSTR-1 after the expiry of a period of 3 years.

Impact: Where GSTR-1 for a tax period is not furnished by the supplier, then the supplier is restricted from filing GSTR-3B for the said period as well as GSTR-1 for the subsequent tax periods. Further Section 29 of the CGST Act, confers powers on the proper officer to cancel the registration where the returns are not furnished for a continuous period of 6 months. Therefore, the practical implications of the said restriction would be required to be tested. Further, in case where cancellation of registration is subsequently revoked upon appeal by the assessee, subject to furnishing of pending returns, where the said time limit of 3 years has expired, then the

operationality of this provision may come into question.

7. Time Limit for GSTR-3B

[Clause No.133 of Finance Bill, 2023]

Sub-section (11) to Section 39 of the CGST Act is proposed to be inserted to restrict a registered person from filing return in Form GSTR-3B under Section 39 after the expiry of a period of 3 years from the due date of furnishing the return for the said tax period. However, the power is conferred upon the Government, by way of a notification subject to such conditions and restrictions, to allow a registered person or a class of registered persons to furnish the return in Form GSTR-3B even after the expiry of the said period of three years.

H&A Comments:

GSTR-3B is a return, which needs to be filed before 20th of the next month. This could have been filed along with late filing fee beyond the due date. With this amendment one cannot file the GSTR-3B after the expiry of a period of 3 years.

Impact: Where GSTR-3B for a tax period is not furnished by the supplier, then the supplier is restricted from filing GSTR-3B for the subsequent tax periods. Further Section 29 of the CGST Act, confers powers on the proper officer to cancel the registration where the returns are not furnished for a continuous period of 6 months. Therefore, the practical implications of the said restriction would be required to be tested. Further, in case where cancellation of registration is subsequently revoked upon appeal by the assessee, subject to furnishing of pending returns, where the said time limit of 3 years has expired, then the operationality of this provision may come into question.

8. Time Limit for GSTR 9

[Clause 134 of Finance Bill 2023]

Section 44 (2) of the CGST Act is proposed to be inserted to restrict a registered person from filing return in Form GSTR-9 after the expiry of a period of 3 years from the due date of furnishing the return for the said tax period. However, the power is conferred upon the Government, by way of a notification subject to such conditions and restrictions, to allow a registered person or a class of registered persons to furnish the return in Form GSTR-9 even after the expiry of the said period of three years.

H&A Comments:

GSTR-9 is an annual return, which needs to be filed before 31st December of the next financial year. This could have been filed along with late filing fee beyond the due date. With this amendment one cannot file the GSTR-9 after the expiry of a period of 3 years.

9. Time Limit for GSTR-8

[Clause 135 of Finance Bill 2023]

Section 52 (15) of the CGST Act is proposed to be inserted to restrict a registered person from filing return in Form GSTR-8 after the expiry of a period of 3 years from the due date of furnishing the return for the said tax period. However, the power is conferred upon the Government, by way of a notification subject to such conditions and restrictions, to allow a registered person or a class of registered persons to furnish the return in Form GSTR-8 even after the expiry of the said period of three years.

H&A Comments:

GSTR-8 is monthly return, which needs to be filed before 10th of the next month. This could have been filed along with late filing fee beyond the due date. With this amendment one cannot file the GSTR-8 after the expiry of a period of 3 years.

10. Correction in provisional refund for exporters

[Clause 136 of Finance Bill 2023]

It is proposed to amend Sub-section (6) of Section 54 so as to provide that the refund on provisional basis, shall be calculated at 90% of the amount of refund claimed. The words “excluding the amount of input tax credit claimed on provisional basis” has been proposed to be omitted.

H&A Comments:

Section 54(6) provides for the payment of 90% of the refund to exporter. However, the 90% has excluded the provisional credit. The provisional credit scheme was provided under section 42 of the Act, at the beginning of GST, later the same was omitted and concept of provisional credit

us done away with and hence such exclusion here would be irrelevant, there by this rectification amendment.

11. Powers provided for computing the interest in delay in refund.

[Clause 137 of Finance Bill 2023]

It is proposed to substitute the wordings of section 56 of the Act, for the words “from the date immediately after the expiry of sixty days from the date of receipt of application under the said subsection till the date of refund of such tax”, the words “for the period of delay beyond sixty days from the date of receipt of such application till the date of refund of such tax, to be computed in such manner and subject to such conditions and restrictions as may be prescribed” shall be substituted.

H&A Comments:

Section 56 provides for interest in case of delay in refund beyond 60 days. The proposed amendment intends to provide a basis of calculation of interest on delayed refunds in such manner and subject to such conditions and restrictions. That shall be provided in the Rules to be made post enactment of this section. While there seems to be no change in the period for which interest shall be granted.

12. Penalty proposed for e-commerce operators

[Clause 138 of Finance Bill 2023]

It is proposed to insert a new sub-section, sub-section (1B) after sub-section (1A) in Section 122 of the Act so as to provide penal provisions applicable to E-commerce operators in case there is non-compliance of any of the provisions made in relation to supply of goods made through the said ECO by unregistered persons or composition tax payers.

A penalty amounting to rupees ten thousand or an amount equivalent to the amount of tax involved had such supply been made by a registered person other than a person paying tax under section 10, whichever is higher, has ben proposed on the following offences –

- a) allows a supply of goods or services or both through it by an unregistered person other than a person exempted from registration by a notification issued under this Act to make such supply;

- b) allows an inter-State supply of goods or services or both through it by a person who is not eligible to make such inter-State supply; or
- c) fails to furnish the correct details in the statement to be furnished under sub-section (4) of section 52 of any outward supply of goods effected through it by a person exempted from obtaining registration under this Act,

H&A Comments:

The above amendment has been proposed with a view to provide for a specific penalty in case the E-commerce operators are not ensuring compliance in terms of the provisions laid down under Section 52 of the Act. Further, due care has to be given by the ECO wherever any unregistered person has been allowed to make supplies through it in terms of specific exemptions from taking registration even if a person is making supplies through an e-commerce operator.

13. Changes in prosecution provisions

[Clause No. 140 of Finance Bill, 2023]

Section 132 has been proposed to amend by deleting the following offences

- (g) obstructs or prevents any officer in the discharge of his duties under this Act;
- (j) tampers with or destroys any material evidence or documents;
- (k) fails to supply any information which he is required to supply under this Act or the rules made thereunder or (unless with a reasonable belief, the burden of proving which shall be upon him, that the information supplied by him is true) supplies false information;

H&A Comments:

This is part of the de-criminalization activity which is not of very serious offence.

14. Changes in Compounding of offences

[Clause No. 140 of Finance Bill, 2023]

1. The restriction for compounding of the offence in case where the assessee had been allowed to compound an offence committed under clause (h) of Sec 132 (i.e., concerns himself in any way with any goods which he knows or has reasons to believe are liable to confiscation under this Act or the rules), or under clause (i) (i.e., receives or in any

way concerned with supply of services which he knows or has reasons to believe are in contravention of any provisions of this Act or the Rules) for the value more than Rs. 1 crore is now proposed to restrict the compounding of the offence irrespective of the value involved in the offence.

2. If a person is accused of committing an offence under this act or any other act for the time being in force is prohibited from compounding of the offence is now proposed to impose such restriction only on the person who issues fake invoicing without supply.
3. The corresponding effect of decriminalization of offences has been made under the provisions of compounding of the offences.
4. The amount for compounding of the offences is minimum of not less than Rs.10,000 or 50% of tax whichever is higher and the maximum amount not less than Rs.30,000 or 150% of the tax involved whichever is higher. It is proposed to reduce the amount for compounding of the offences to minimum of 25% of the taxes and maximum of not less than 100% of the taxes.

H&A Comments:

The government has proposed to reduce the compounding fee in order to reduce the litigation and provide an opportunity for the taxpayer correct himself.

15. Power of government to share the information of the taxpayer.

[Clause No. 141 of Finance Bill, 2023]

Sec 158A is proposed to be inserted to enable the government to share the following information with prior consent of the supplier:

1. particulars details given for registration under section 25 or in the return filed under section 39 or under section 44;
2. the particulars uploaded on the common portal for preparation of invoice, the details of outward supplies furnished under section 37 and the particulars uploaded on the common portal for generation of documents under section 68;
3. such other details as may be prescribed;

Further the details as mentioned in point 2 and any other details which discloses the identity of the recipient would be shared on prior consent of the recipient.

It is also provided that the government or the common portal cannot be sued for any additional liability to the registered person due to sharing of the information and the liability of the taxpayer would not have any impact.

H&A Comments:

With effect of this proposed change the government would have the power to share the information available like details provided at the time of registration, GSTR 3B, GSTR 9 and 9C, E-invoice, GSTR 1, E-way bill and any other details. Even the taxpayer would not have any power to sue the government for any liability arising out of such disclosure.

16. Retrospective applicability of changes made in Schedule III of CGST Act on 1.2.2019

[Clause No. 142 of Finance Bill, 2023]

Through CGST (Amendment) Act, 2018 w.e.f 1.2.2019, the following provisions are inserted under schedule III:

- Supply of goods from a place in the non-taxable territory to another place in the non-taxable territory without such goods entering into India.
- Supply of warehoused goods to any person before clearance for home consumption.
- Supply of goods by the consignee to any other person, by endorsement of documents of title to the goods, after the goods have been dispatched from the port of origin located outside India but before clearance for home consumption.

The explanation 2, for the expression "warehoused goods" shall have the same meaning as assigned to it in the Customs Act, 1962 (50 of 1962).

Now, it is proposed that these provisions would have retrospective effect from 1.7.2017. However, it is clarified that the refund would not be granted in cases where the taxes are already paid to the government.

H&A Comments:

The proposed amendment clarifies that supply of goods without such goods entering India, high

seas sales and sale of warehoused goods before clearance for home consumption would not be taxable under GST from 1.07.2017 which would reduce the dispute from the department for demanding taxes for the period from 1.07.2017 to 31.1.2019 where there was uncertainty on taxability of these transaction. However, the government has clarified that refund would not be granted where the taxes were actually paid.

CHANGES IN IGST ACT, 2017

17.Change in the definition of “non-taxable online recipient” and “online information and database access or retrieval services.”

[Clause No. 143 of Finance Bill, 2023]

The term “non-taxable online recipient” included the government, local authority, governmental authority, an individual or any other person not registered and receiving the OIDAR service for the purposes other than commerce, industry or any other business or profession, located in taxable territory.

Now, it is proposed to substitute the definition as extracted below:

“non-taxable online recipient” means any unregistered person receiving online information and database access or retrieval services located in taxable territory”

Explanation.–For the purposes of this clause, the expression “unregistered person” includes a person registered solely in terms of clause (vi) of section 24 of the Central Goods and Services Tax Act, 2017.

The term as defined under Sec 2 of IGST Act, online information and database access or retrieval service which is extract as below:

*(17)"online information and database access or retrieval services" means services whose delivery is mediated by information technology over the internet or an electronic network and the nature of which renders their supply **essentially automated and involving minimal human intervention** and impossible to ensure in the absence of information technology and includes electronic services such as,-*

(i) advertising on the internet;

(ii) providing cloud services;

(iii) provision of e-books, movie, music, software and other intangibles through

telecommunication networks or internet;

(iv) providing data or information, retrievable or otherwise, to any person in electronic form through a computer network;

(v) online supplies of digital content (movies, television shows, music and the like);

(vi) digital data storage; and

(vii) online gaming;

It is proposed to remove the words “*essentially automated and involving minimal human intervention and*”.

H&A Comments:

Due to the proposed change in the term non-taxable online recipient now it excludes the government and includes the departments or establishments of central government and state government. Further it does not excludes the persons if they are receiving the OIDAR services for the purposes of commerce, industry or any other business or profession if he is unregistered. Hence, on procurement of any OIDAR services by these would not be considered as import of service.

18. Amendment in place of supply for transportation of goods outside India

[Clause No. 144 of Finance Bill, 2023]

In proviso to sub-section (8) of section 12 of the IGST Act provides the place of supply on transportation of goods outside India be the destination of the goods. Now, it is proposed to omit the proviso to sub-section (8) of section 12 of the IGST Act so to specify the place of supply, irrespective of destination of the goods, in cases where the supplier of services and recipient of services are located in India.

H&A Comments:

Due to the effect of proposed change the place of supply even in case where the destination of goods is outside India would be similar to the case where the destination of goods was in India which is in case of supply to a registered person would be the location of such person and to an unregistered person would be the location where the goods were handed over to the transporter.

CHANGES IN CUSTOMS ACT, 1962

1. Time limit for Customs Exemption not applicable for certain cases

[Clause No. 123 of Finance Bill, 2023]

Section 25(4A) of the Customs Act, 1962, provides for time limit for expiry of conditional exemptions. The time limit specified is 31st March falling immediately after 2 years from the date of grant. It is proposed to amend the sub-section by insertion of a proviso, as follows:

*“Provided further that **nothing contained in this subsection shall apply** to any such exemption granted to, or in relation to,–*

- (a) any multilateral or bilateral trade agreement*
- (b) obligations under international agreements, treaties, conventions or such other obligations including with respect to United Nations agencies, diplomats and international organisations*
- (c) privileges of constitutional authorities*
- (d) schemes under the Foreign Trade Policy*
- (e) the Central Government schemes having validity of more than two years*
- (f) re-imports, temporary imports, goods imported as gifts or personal baggage*
- (g) any duty of customs under any law for the time being in force, including integrated tax leviable under sub-section (7) of section 3 of the Customs Tariff Act, 1975, other than duty of customs leviable under section 12.”*

H&A Comments:

Sub-section (4A) was added to Section 25 vide Finance Act, 2021 wherein a time limit was specified for “conditional” exemptions notified under Customs Act. The time limit is 31st March falling immediately after 2 years from the date of grant. In case of conditional exemptions existing on the date of assent of Finance Act, 2021 (i.e., 28th March 2021), such exemptions would get expires by 31st March 2023. This led to uncertainty regarding the continuity/availability of prevalent conditionalexemptions after 31st Marhc 2023, such as EOU, Advance Authorization, jobbing, re-export etc.,. Accordingly, the subject sub-section is proposed to be amended to exclude the above-mentioned exemptions from the time limit restriction. Therefore, these exemptions would not expire as on 31st March 2023 and the time limit would be inapplicable. It is suggested to obtain expert advice before taking any decision for import under the above exemption.

2. Time limit specified for issuance of Order by Settlement Commission

[Clause No. 124 of Finance Bill, 2023]

Section 127C of Customs Act, 1962 provides for the procedure of receipt of application for settlement and issuance of order by the Settlement Commission. Sub-section (5) provides for passing of Order by the Settlement Commission. However, no time limit was specified for passing of such order. Now, sub-section (8A) is proposed to be added to Section 127C which provides as follows:

*“(8A) The order under sub-section (5) **shall be passed within a period of nine months from the last day of the month in which the application under section 127B is made**, and if, no order is passed within the said period, the settlement proceedings shall abate, and the adjudicating authority before whom the proceeding at the time of making the application was pending shall dispose of the application in accordance with the provisions of this Act as if no application under the said section had been made:*

Provided that the period specified under this sub-section may, for reasons to be recorded in writing, be extended by the Settlement Commission for a further period not exceeding three months:

Provided further that in respect of any application pending under sub-section (5) as on the date on which the Finance Bill, 2023 receives the assent of the President, the said period of nine months shall be reckoned from the date on which the said Finance Bill receives the assent of the President.”

H&A Comments:

This is a welcome amendment since cases already pending with the Settlement Commission could be reduced given that a time limit of 9 months from the date President's assent of the Finance Bill, 2023. Further, for any new applications filed with the Settlement Commission, the order would be required to be issued within 9 months from the date of application.

CHANGES IN CUSTOMS TARIFF ACT, 1975

3. Retrospective amendment to clarify the wordings “determination” and “review”

[Clause No. 125 of Finance Bill, 2023]

Amendment is proposed for the following sections:

Sub Section (6) and (7) of Section 9 i.e., countervailing duty and Sub section (5) and (6) of Section 9A i.e., anti-dumping duty to remove the ambiguity and to clarify that the “**determination and review**” refers to ***determination and review in a manner prescribed by rules under the Act.***

Also, the amendment proposed to Section 9C to remove the ambiguity and to clarify that appeals under this section lie against the ***determination or review thereof made by an authority in a manner as specified by rules notified under Sections 8 B, 9, 9A and 9B*** of the Act and also seeks to insert an explanation to provide the meaning of determination or review thereof.

The above proposed amendment made effective from 01.01.1995.

4. Prospective amendment to the First schedule to the Customs Tariff Act, 1975

[Clause No. 126 of Finance Bill, 2023]

a. Increase in rate effective from 02nd February 2023

Rate of Basic Customs duty has been increased for certain goods such as chemicals, compounded rubbers, articles of Gems and Jewellery, electric Kitchen chimney, bicycles and toys. (Annexure – IA)

b. Change in rates effective from the date of assent by President of India

(i) The amendment proposed for the modification of Basic Customs Duty rates with the objective of rationalization of rate structure to reduce the number of rates. These rate changes are to be read with the changes made for AIDC/SWS rates for certain items. These rate changes are made to maintain the existing incidence of duty for the certain items. (Annexure – IB & IC)

(ii) Also, amendment proposed to exclude the solar power plant/solar power project from the purview of Project Imports which covers under the chapter heading 9801.

(Notification No. 07/2023-Customs dated 1st February 2023)

c. Proposed amendment for the modification of tariff entries – w.e.f. 1st May 2023

(i). Amendments to General explanatory notes to the General Rules of Interpretation of Import Tariff

The following additional para inserted

'Where the description of an article or group of articles is preceded by "----", 'in addition to being a sub-classification of "-" or "--", the said article or group of articles may also be taken to be a sub-classification of the immediately preceding description of the article or group of articles which has "---'.;

H&A Comments:

The proposed inserted para is to provide an explanation that the description which is classified under "----" which preceded by "-" or "--", then such article or group of articles may also be considered as sub classification under the immediately preceding description of the article or group of articles which has "- --". This explanation will have wider increase in the scope for the classification of goods at the '6' and '8' digit level.

(ii). Proposed modification of certain entries in First Schedule effective from 1st May 2023 (Annexure – IX)

5. Changes in Customs Duty rates:

[Notifications No. 2/2023-Customs dated 1st February 2023]

(i) Changes in Basic Customs Duty (BCD) rates for the following sectors is proposed w.e.f 2nd February 2023) [(Annexure-II(A)) :

- a) Agricultural products and by products
- b) Minerals
- c) Petrochemicals
- d) Gems and Jewellery Sector
- e) IT, Electronics
- f) Electronic appliances
- g) Automobiles
- h) Capital goods

(ii) Changes in BCD without any change in effective rate of customs duties (i.e.,

BCD+AIDC+SWS):

In order to simplify the tax structure, the number of BCD rates are being reduced. This rationalization of BCD rate structure is being carried out in a manner so as to maintain the existing incidence of duty on certain items. These changes need to be read with appropriate changes in AIDC/SWS rates. (Annexure-IIB)

6. Changes in time limit for certain exemptions

[Notification No. 02/2023-Customs dated 1st February 2023]

Following are proposed amendments:

- (i) Time limit for exemption provided to certain goods mentioned in Notification no. 50/2017-Customs extended (Annexure – IIC)
- (ii) Exemption of goods in Notification No. 50/2017-Customs extended for 1 year (upto 31st March, 2024) – Annexure – IIIA(a)
- (iii) Exemption of goods in Notification No. 50/2017-Customs extended for 5 years (upto 31st March, 2028) – Annexure – IIIA(b)
- (iv) Exemption of goods in various other notifications (Annexure – IIIB) would be extended for a period of 1 year (31st March 2024)

7. Miscellaneous proposed rate changes:

Sl. No	Particulars	Annexure	Notification No.
1	certain goods in the India-UAE CEPA Tariff notification has been increased for the headings 71081100, 71081200, 7018300 (all goods other than gold dore bar)	Annexure IV (Sl. No 1)	8/2023-Customs dated 1 st February 2023.
2	Gold and silver imported as replenishment under the scheme of Export through exhibitions/export promotion tours/export of branded jewellery as referred in para 4.46 of FTP is rationalized to 9.35% consequent to changes in import duty structure on Gold and increase in duty rate of Silver	Annexure IV (Sl. No 2)	9/2023-Customs dated 1 st February 2023.
3	Exemption for Import of warm blood horse by equestrians is now available and is	Annexure IV (Sl. No 3)	10/2023-Customs dated 1 st February

	extended upto 31 st March 2028. Further, the explanation providing that validity of exemption upto 31 st March 2023 has been omitted.		2023
4	Certain goods are exempted from levy of Social Welfare Surcharge (SWS) in order to maintain the total effective duty owing to rationalization of basic customs duty rate structure. Further, certain notifications have been rescinded considering rationalisation in the BCD Rates	Annexure VIA & VIB	4/2023-Customs & 5/2023 dated 1 st February 2023.
5	Rate of Agriculture Infrastructure And Development Cess (AIDC) revised for certain goods	Annexure – VII	3/2023 dated 1 st February 2023

8. Changes related to Central Excise:

[Clause No. 127 of Finance Bill, 2023]

- (i) The Seventh Schedule to the Finance Act, 2001 is being amended w.e.f. 02.02.2023 to revise the NCCD rates on specified cigarettes under HS 2402
- (ii) Excise duty proposed to be exempted on blended Compressed Natural Gas (CNG) from so much of the amount as is equal to GST paid on biogas /compressed bio gas contained in such blended CNG (Notification No. 05/2023-Central Excise dated 1st February 2023).

Disclaimer:

This material and the information contained herein is intended for clients and other Chartered Accountants to provide updates and is not an exhaustive treatment of such subject. We are not, by means of this material, rendering any professional advice or services. It should not be relied upon as the sole basis for any decision which may affect you or your business.

Annexures to Customs and Excise Budget Document

Annexure - I

Tariff Rate Changes				
A.	Increase in Tariff rate (to be effective from 02.02.2023) * [Clause 126(a)] of the Finance Bill, 2023] <i>*Will come into effect immediately through a declaration under Provisional Collection of Taxes Act, 1931</i>		Rate of Duty	
S. No.	Heading, sub-heading tariff item	Commodity	From	To
		Chemicals		
1.	2902 50 00	Styrene	2%	2.5%
2.	2903 21 00	Vinyl Chloride Monomer	2%	2.5%
		Rubber		
3.	4005	Compounded Rubber	10%	25% or Rs. 30 per kg., whichever is lower
		Gems and Jewellery Sector		
4.	7113, 7114	Articles of precious metals	20%	25%
5.	7117	Imitation Jewellery	20% or Rs. 400 per kg., whichever is higher	25% or Rs. 600 per kg., whichever is higher
		Electrical Goods		
6.	8414 60 00	Electric Kitchen Chimney	7.5%	15%
		Automobiles and Toys		
7.	8712 00 10	Bicycles	30%	35%
8.	9503	Toys and parts of toys (other than parts of electronic toys)	60%	70%
B.	Tariff rate changes (without any changes to the effective rate of Customs Duty) [Clause 126(b)] of the Finance Bill, 2023] Note: In order to simplify the tax structure, number of BCD rates are being reduced. This rationalization of BCD rate structure is being carried out in a manner so as to maintain the existing incidence of duty in certain items. These changes need to be read with appropriate changes in AIDC/SWS rates		Rate of Duty	

S. No.	Heading, sub-heading tariff item	Commodity	From	To
1.	4011 30 00	New or retreaded pneumatic tyres, of rubber , of a kind used on aircraft of heading 8802	3%	2.5%
2.	7107 00 00	Base metals clad with silver, not further worked than semi-manufactured	12.5%	10%
3.	7108	Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form	12.5%	10%
4.	7109 00 00	Base metals or silver, clad with gold, not further worked than semi-manufactured	12.5%	10%
5.	7110 11 10 7110 11 20 7110 19 00 7110 21 00 7110 29 00 7110 41 00 7110 49 00	Platinum, unwrought or in semi-manufactured form, or in powder form	12.5%	10%
6.	7111 00 00	Base metals, silver or gold, clad with platinum, not further worked than semi- manufactured	12.5%	10%
7.	7112	Waste and scrap of precious metal or of metal clad with precious metal; other waste and scrap containing precious metal or precious metal compounds, of a kind used principally for the recovery of precious metal other than goods of heading 8549	12.5%	10%
8.	7118	Coin	12.5%	10%
9.	8802 20 00 8802 30 00 8802 40 00	Aero planes and other aircrafts	3%	2.5%
C.	Tariff rate changes (with changes to the effective rate of Customs Duty) [Clause 126(b)] of the Finance Bill, 2023]		Rate of duty	
1.	7106	Silver (including silver plated with gold or platinum), unwrought or in semi-manufactured forms, or in powder form	12.5%	10%

Annexure - II

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

A.		Changes in Basic Customs Duty (to be effective from 02.02.2023)	Rates of Duty	
S. No	Chapter, Heading, sub-heading, tariff item	Commodity	From	To
		Agricultural Products and By Products		
1.	0802 99 00	Pecan nuts	100%	30%
2.	1504 20	Fish lipid oil for use in manufacture of aquatic feed	30%	15%
3.	1520 00 00	Crude glycerin for use in manufacture of Epichlorohydrin	7.5%	2.5%
4.	2102 20 00	Algal Prime (flour) for use in manufacture of aquatic feed	30%	15%
5.	2207 20 00	Denatured ethyl alcohol for use in manufacture of industrial chemicals	5%	Nil
6.	2301 20	Fish meal for use in manufacture of aquatic feed	15%	5%
7.	2301 20	Krill meal for use in manufacture of aquatic feed	15%	5%
8.	2309 90 90	Mineral and Vitamin Premixes for use in manufacture of aquatic feed	15%	5%
		Minerals		
9.	2529 22 00	Acid grade fluorspar (containing by weight more than 97% of calcium fluoride)	5%	2.5%
		Petrochemicals		
10.	2710 12 21, 2710 12 22, 2710 12 29	Naphtha	1%	2.5%
		Gems and Jewellery Sector		
11.	7102, 7104	Seeds for use in manufacturing of rough lab-grown diamonds	5%	Nil
12.	7106	Silver (including silver plated with gold or platinum), unwrought or in semi-manufactured forms, or in powder form	7.5%	10%
13.	7106	Silver Dore	6.1%	10%

		IT, Electronics		
14.	25, 28, 32, 39, 40, 69, 73, 85	Specified chemicals/items for manufacture of Pre-calcined Ferrite Powder	7.5%	Nil
15.	3824 99 00	Palladium Tetra Amine Sulphate for manufacture of parts of connectors	7.5%	Nil
16.	Any Chapter	Camera lens and its inputs/parts for use in manufacture of camera module of cellular mobile phone	2.5%	Nil
17.	8529	Specified parts for manufacture of open cell of TV panel	5%	2.5%
		Electronic appliances		
18.	8516 80 00	Heat Coil for use in the manufacture of Electric Kitchen Chimneys	20%	15%
		Automobiles		
19.	8703	Vehicle (including electric vehicles) in Semi-Knocked Down (SKD) form .	30%	35%
20.	8703	Vehicle in Completely Built Unit (CBU) form , other than with CIF more than USD 40,000 or with engine capacity more than 3000 cc for petrol-run vehicle and more than 2500 cc for diesel-run vehicles, or with both	60%	70%
21.	8703	Electrically operated Vehicle in Completely Built Unit (CBU) form, other than with CIF value more than USD 40,000	60%	70%
22.	39,40,58,70, 72 73,83,84,85, 87,90	Vehicles, specified automobile parts/components, sub-systems and tyres when imported by notified testing agencies for the purpose of testing and/or certification , subject to conditions	As applicable	Nil
		Capital goods		
23.	84, 85	Specific capital goods/machinery for manufacture of Lithium ion cell for use in battery of electrically operated vehicle (EVs)	As applicable	Nil
B.	Changes in Basic Customs Duty (without any change in the effective rate of Customs Duties i.e., BCD+AIDC+SWS) Note: In order to simplify the tax structure, number of BCD rates are being reduced. This rationalization of BCD rate structure is being carried out in a manner so as to		Rate of Duty	

	maintain the existing incidence of duty on certain items. These changes need to be read with appropriate changes in AIDC/SWS rates			
S. No	Chapter, Heading, sub-heading, tariff item	Commodity	From	To
1.	2701, 2702, 2703	Coal, peat, lignite	1%	2.5%
2.	7108	Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form	12.5%	10%
3.	7108	Gold Dore	11.85%	10%
4.	7110 11 10 7110 11 20 7110 19 00 7110 21 00 7110 29 00 7110 41 00 7110 49 00	Platinum, unwrought or in semi-manufactured form, or in powder form other than those used in manufacture of noble metal compounds, noble metal solutions and catalytic converters	12.5%	10%
C.		Change in end date of exemption (No change in effective rate of duty).	Rate of duty	
S. No	S. No in Notification no 50/2017-Customs	Commodity	From	To
1	368	Ferrous waste and scrap	Nil	Nil (up to 31.03.2024)
2	374, 375	Raw materials for use in manufacture of CRGO steel	Nil	Nil (up to 31.03.2024)
3	527A	Lithium-ion cell for use in the manufacture of battery or battery pack of cellular mobile phone	5%	5% (up to 31.03.2024)
4	527B	Lithium-ion cell for use in the manufacture of battery or battery pack of electrically operated vehicle (EVs) or hybrid motor vehicle	5%	5% (up to 31.03.2024)
5	168	Specified inputs and sub-parts for use	Nil	Nil

		in manufacture of telecommunication grade optical fibre or optical fibre cables		(up to 31.03.2025)
6	341	Preform of silica for use in the manufacture of telecommunication grade optical fibres or optical fibre cables	5%	5% (up to 31.03.2025)
7	341A	Inputs for manufacture of Preform of silica	Nil	Nil (up to 31.03.2025)
8	237	Specified inputs for use in the manufacture of EVA sheet or back sheets which are used in the manufacture of solar cell or modules	Nil	Nil (up to 31.03.2024)
9	340	Solar tempered glass for use in the manufacture of solar cell or solar module	Nil	Nil (up to 31.03.2024)
10	405, 406	Raw materials and parts for manufacture of wind operated electricity generators, including permanent magnets for manufacture of PM synchronous generators above 500KW for use in wind operated electricity operators	5%	5% (up to 31.03.2025)
11.	559	Raw material and parts (including Dredger) for use in the manufacture of ships/vessels	Nil	Nil (up to 31.03.2025)
12	166	Specified Drugs, medicines, diagnostics kits or equipment, bulk drugs used in manufacture of drugs or medicines	5%	5% (up to 31.03.2025)
13	167	Lifesaving drugs/ medicines and diagnostic test kits, bulk drugs used in manufacture of life-saving drugs or medicines	Nil	Nil (up to 31.03.2025)

Annexure - III

V. Review of customs duty concessions/ exemptions:

A. **Review of conditional exemption rates of BCD prescribed in notification No. 50/2017 – customs dated 30.6.2017:**

(a). The BCD exemption for the goods covered under following serial numbers of the notification are being extended for a period of one year i.e. upto 31st March 2024, unless specified otherwise.

S. No.	S. No. of Notfn	Description
Extension up to 31. 03. 2024		

S. No.	S. No. of Notfn	Description
1.	90	Lactose for use in the manufacture of homeopathic medicine
2.	133	Gold ores and concentrates for use in manufacture of Gold
3.	139	Specified bunker Fuel for use in ships or vessels
4.	150	Goods of Heading 2710 or 271490 for manufacture of Fertilisers
5.	155	Excess Liquefied petroleum gases (LPG) returned by DTA unit to SEZ unit
6.	164	Electrical energy supplied to DTA by power plants of 1000MW or above
7.	165	Electrical energy supplied to DTA by power plant less than 1000MW
8.	183	Medical use fission Molybdenum-99 (Mo-99) for use in manufacture of radio pharmaceutical
9.	184	Pharmaceutical Reference Standard
10.	188	Specified goods for manufacture of ELISA Kits
11.	204	Anthraquinone or 2-Ethyl Anthraquinone, for use in manufacture of Hydrogen Peroxide
12.	212A	Medicines/drugs/vaccines supplied free by United Nations International Children's Emergency Fund (UNICEF), Red Cross or an International Organization
13.	213	Drugs and materials
14.	238	Organic or inorganic coating material for manufacture of electrical steel
15.	253	Goods for manufacture of Brushless Direct Current (BLDC) motors
16.	254	Catalyst for manufacture of cast components of Wind Operated Electricity Generator
17.	255	Resin for manufacture of cast components of Wind Operated Electricity Generator
18.	258	Security fibre, security threads, Paper based taggant including M-feature for manufacture of security paper by Security Paper Mill, Hoshangabad and Bank Note Paper Mill India Pvt Ltd, Mysore.

19.	259	Raw materials for manufacture of security fibre and security thread for supply to Security Paper Mill, Hoshangabad and Bank Note Paper Mill India Pvt. Ltd, Mysore for use in manufacture of security paper
20.	260	Goods for the manufacture of orthopaedic implants falling under 902110
21.	261	Alatheon and copper wire
22.	269	Super absorbent polymer for manufacture adult diapers, tampons, sanitary pads etc (9619)
23.	271	Polytetramethylene ether glycol, (PT MEG) for use in manufacture of spandex yarn
24.	276	Ethylene – propylene – non-conjugated diene rubber (EPDM) for manufacture of insulated wires and cables
25.	277A	Calendared plastic sheet for manufacturing of Smart Card (8523)
26.	279	Pneumatic tyres of rubber for MRO of aircraft used in scheduled air service
27.	280	Pneumatic tyres of rubber for MRO of aircraft used by training, aeroclub etc.
28.	333	Moulds, tools and dies for manufacture of parts of electronic components/equipment
29.	334	Graphite Felt or graphite pack for growing silicon ingots; Thin steel wire used in wire saw for slicing of silicon wafers
30.	339	Toughened glass for solar thermal collectors or heaters
31.	353	Foreign currency coins when imported into India by a Scheduled Bank
32.	364A	Spent catalyst or ash containing precious metals
33.	378	Metal parts for manufacture of electrical insulators falling under heading 8546
34.	379	Pipes and tubes for use in manufacture of boilers
35.	380	Forged steel rings for manufacture of special bearings for use in wind operated electricity generator
36.	381	Flat copper wire for use in the manufacture of photo voltaic ribbon for solar cell/modules
37.	387	Zinc metal recovered by toll smelting or toll processing from zinc concentrates exported from India for such processes
38.	392	Dies for drawing metal, when imported after repairs in exchange of similar worn out dies exported out for repairs
39.	415	Parts/inputs for manufacture of catalytic convertors or its parts
40.	415A	Platinum or Palladium for manufacture of all goods including Noble Metal Compounds & Noble Metal Solutions falling under 2843 and goods of heading 381512
41.	416	Ceria zirconia compounds for use in the manufacture of washcoat for catalytic converters
42.	417	Cerium compounds for use in the manufacture of washcoat for catalytic converters
43.	418	Zeolite for use in the manufacture of washcoat for catalytic converters
44.	419	Aluminium Oxide for use in the manufacture of washcoat for catalytic converters

45.	420	Clay 2 Powder (Alumax) for use in ceramic substrate for catalytic convertors
46.	421	Goods required for basic telephone /internet service and their parts
47.	426	Specified goods for the manufacture of goods falling under 8523 5200, 8541, 8542, 8543 9000 or 8548 00 00
48.	428	Specified goods imported by accredited press cameraman
49.	429	Specified goods, imported by accredited journalist
50.	435	Capital goods/ Machinery for printing industry
51.	441	Spinnerettes made <i>inter alia</i> of Gold, Platinum and Rhodium or any one or more of these metals, when imported in exchange of worn out or damaged spinnerettes exported out of India
52.	462	Ball screws for use in the manufacture of CNC Lathes, Machining Centres or all type of CNC machine tools falling under 8456 to 8463
53.	463	Linear Motion Guides for use in the manufacture of CNC Lathes, Machining Centres or all type of CNC machine tools falling under 8456 to 8463
54.	464	CNC Systems for use in the manufacture of CNC Lathes, Machining Centres or all type of CNC machine tools falling under 8456 to 8463
55.	467	Cash dispenser and parts thereof
56.	468	Micro ATM; fingerprint reader/scanner other than for use in manufacturing cellular mobile phones; miniaturized POS card reader for mPOS (other than Mobile phone or Tablet Computer); parts and components for manufacture of the above items
57.	471	All parts for use in the manufacture of LED lights or fixtures including LED lamps
58.	472	All inputs for use in the manufacture of LED driver or MCPCB for LED lights and fixtures or LED lamps
59.	475	Specified goods including scramblers, descramblers, encoders, jammers, network firewall, SMS monitoring system etc
60.	476	Television equipment, cameras and other equipment for taking films, imported by a foreign film unit or television team
61.	477	Photographic, filming, sound recording and radio equipment, raw films, video tapes and sound recording tapes of foreign origin if imported into India after having been exported therefrom.
62.	478	The wireless apparatus, parts imported by a licensed amateur radio operator
63.	480	Goods imported for being tested in specified test centers
64.	482	Newspaper page, transmission and reception facsimile system or equipment; telephoto transmission and reception system or equipment
65.	489B	Specified goods for manufacturing of microphones
66.	495	Batteries for electrically operated vehicles, including two and three wheeled electric motor vehicles
67.	497	Active Energy Controller (AEC) for use in manufacture of Renewable Power System (RPS) inverters
68.	504	Parts and Components of Digital Still Image Video Cameras
69.	509	Parts, components and accessories for manufacture of Digital Video Recorder /Network Video Recorder (NVR) falling under 85219090 and

		sub-parts for manufacture of these items
70.	510	Parts, components and accessories for use in manufacture of reception apparatus for television and sub-parts for manufacture of these items
71.	511	Parts, components and accessories for manufacture of CCTV Camera /IP camera and sub-parts for manufacture of these items
72.	512	Specified Parts, components and subparts for use in manufacture of Lithium-ion battery and battery pack
73.	512A	Inputs ,parts or subparts for manufacture of PCBA of Lithium ion battery and battery pack
74.	515A	Open cell for use in manufacture of LCD and LED TV panels of heading 8524
75.	516	Specified goods for use in the manufacture of Liquid Crystal Display (LCD) and LED TV panel
76.	519	Raw materials or parts for use in manufacture of e-Readers
77.	523A	Parts, sub-parts, inputs or raw material for use in manufacture of Lithium ion cells
78.	527	Lithium ion cell used in manufacture of battery or battery pack of items other than cellular mobile phone, electrically operated vehicle or hybrid motor vehicle
79.	534	Parts of gliders or simulators of aircrafts (excluding rubber tyres and tubes of gliders)
80.	535	Raw materials for manufacture of aircraft (except unmanned aircraft used as television camera, digital camera or video camera recorder) or its parts
81.	535A	Components or parts of aircraft for manufacture of aircraft (except unmanned aircraft used as television camera, digital camera or video camera recorder) or for manufacture of parts of aircraft imported by PSUs under Ministry of Defence
82.	536	Parts, testing equipment, tools and tool-kits for maintenance, repair, and overhauling of aircraft (except unmanned aircraft used as television camera, digital camera or video camera recorder) or its parts
83.	537	All goods of Heading 8802 (except 88026000-spacecraft)
84.	538	Components or parts, including engines, of aircraft of heading 8802
85.	539	(a) Satellites and payloads; (b) Ground equipments brought for testing of (a)
86.	539A	Scientific and technical instruments, apparatus etc required for launch vehicles and satellites and payloads
87.	540	Specified goods under heading 8802 imported by scheduled air transporter
88.	542	Specified goods imported by Aero Club, Flying Training Institutes
89.	543	Specified goods imported by non-scheduled air transporter
90.	544	Parts (other than rubber tubes) of aircraft of heading 8802 for operating scheduled air transport/air cargo services
91.	546	Parts (other than rubber tubes) of aircraft of heading 8802 for non-scheduled passenger/charter services, aero club, training purpose etc
92.	548	Barges or pontoons imported along with ships
93.	549	Capital goods and spares, raw materials, parts, material handling equipment and consumables for repairs of ocean-going vessels by a ship repair unit

94.	550	Spare parts and consumables for repairs of ocean-going vessels registered in India.
95.	551	Cruise ships, excursion ships (excluding vessels and floating structures imported for breaking up)
96.	553	Fishing vessels, Tugs and Pusher crafts, light vessels (excluding vessels and floating structures imported for breaking up)
97.	555	Vessels such as warships, lifeboats (excluding vessels and floating structures imported for breaking up)
98.	565	Specified goods for use in the manufacture of Flexible Medical Video Endoscope
99.	566	Polypropylene, Stainless-steel Strip and stainless steel capillary tube for manufacture of syringes, needles, catheters and cannulae
100.	567	Stainless steel tube and wire, cobalt chromium tube, Hayness alloy-25 and polypropylene mesh required for manufacture of coronary stents / coronary stent system and artificial heart valve
101.	568	Parts and components required for manufacture of Blood Pressure Monitors and blood glucose monitoring system (Glucometers)
102.	569	Ostomy products, its accessories and parts required for manufacture of such medical equipment
103.	570	Medical and surgical instruments, apparatus and appliances including spare parts and accessories thereof
104.	575	Hospital Equipment (excluding consumables) for use in specified hospitals
105.	577	Lifesaving medical equipment including accessories or spare parts or both of such equipment for personal use
106.	578A	Raw materials, parts or accessories for manufacture of Cochlear Implants
107.	579	Survey (DGPS) instruments, 3D modeling software cum equipment for surveying and prospecting of minerals
108.	580	X-Ray Baggage Inspection Systems and parts thereof
109.	581	Portable X-ray machine / system
110.	583	Parts and cases of braille watches, for the manufacture of Braille watches
111.	593	Parts of video games for the manufacture of video games
112.	607	Specified Life Saving drugs/medicines including medicines for Spinal Muscular Atrophy or Duchenne Muscular Dystrophy, for personal use
113.	607A	Lifesaving drugs/medicines for personal use supplied free of cost by overseas supplier
114.	611	Archaeological specimens, photographs, plaster casts or antiquities for exhibition for public benefit in a museum managed by ASI or by State Govt.
115.	612	Specified raw material for sports goods

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

- (a). The BCD exemption for the goods covered under following serial number of the notification no 50/2017-Customs is being extended for a period of five years i.e. **upto 31st March 2028**.

S. No.	S. No. of Notfn.	Subject
1.	609	Used bonafide personal and household effects of a deceased person

B. Review of exemptions prescribed by other notifications:

(a). The BCD exemptions for the goods covered under following notifications are being extended for a period of one year i.e. upto 31st March 2024.

S. No.	Notification No.	Subject
1	16-Customs dated 23.1.65	Exemption to goods exported to foreign countries for display in show-rooms of Govt of India
2.	80/1970-Customs	Exemption to articles supplied free under warranty as replacement for defective ones
3.	46-Customs (1974)	Pedagogic material for educational or vocational training courses
4.	248/76-Customs	Exemption to precious stones imported by posts on 'approval or return' basis
5.	207/89-Customs	Exemption to foodstuff and provisions, imported by foreigners
6.	134/94-Customs	Exemption to goods for carrying out repairs, reconditions , testing calibration or maintenance
7.	147/94-Customs	Exemptions to firearms & ammunition by renowned shot
8.	148/94-Customs	Exemptions to specified free gifts, donations, relief and rehabilitation material imported by charitable trusts, Red Cross, CARE and Govt of India
9.	151/94-Customs	Exemption to aircraft equipment, tanks, fuel and lubricating oils by Indian Airlines, United Arab Airlines, Indian Air Force
10.	152/94-Customs	Exemption to imports for handicapped person, charitable or social welfare purposes and research and education programme
11.	153/94-Customs	Exemption to goods for foreign origin imported for repair and return
12.	39/96-Customs	Imports relating to defence, internal security forces& air forces
13.	50/96-Customs	Exemption to specified equipment, instruments, raw material etc imported for R&D projects
14.	51/96-Customs	Exemption to research equipment by publicly funded and research institutions, Govt. Dept., laboratory, IIT etc
15.	25/98- Customs	Effective rate of duty for goods of Chapter 70,84,85 or 90
16.	97/99- Customs	Exemption to Gold bars under Gold Deposit Scheme of RBI
17.	113/2003-Customs	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
18.	30/2004-Customs	Exemptions to second-hand computers/accessories received as donation by schools, charitable institutions
19.	45/2005-Customs	Exemption from Special Additional duty of Customs to goods cleared from SEZ and brought to any other place in India

20.	81/2005- Customs	Exemption to machinery/components for initial setting up of non-conventional power generation plants
21.	102/2007- Customs	Exemption from Special CVD to all goods imported for subsequent sale when IGST, CGST, SGST or UTGST paid by importers.
22.	26/2011- Customs	Exemption to work of art, antiques in museum or art gallery imported for public exhibition
23.	23/2016- Customs	Effective rates for parts of aircraft imported under the Standard Exchange Scheme
24.	05/2017- Customs	Exemption to machinery, components for setting up fuel cell based power generation plant.
25.	16/2017- Customs	Exemption to specified drugs & medicines supplied free of cost to patients under Patient Assistance program of Pharma Companies
26.	29/2017- Customs	Exemption to specimen, models, wall pictures and diagrams for instructional purposes
27.	30/2017- Customs	Exemption to motion picture, music, gaming software for use in gaming console printed or recorded on media
28.	32/2017- Customs	Exemption to art work created abroad by Indian artist, sculptor, antiques books more than 100 years
29.	37/2017- Customs	Imports relating to defence & internal security forces
30.	49/2017- Customs	Exemption to special Additional Duty on specified goods of fourth schedule to Central Excise Act
31.	52/2017- Customs	Effective rate of Additional duty for goods under Chapter 27

(b). The BCD exemptions for the goods covered under following notifications are being extended for a period of five years i.e. upto 31st March 2028.

1	41/2017- Customs	Exemption to import of cups, trophies to be awarded to winning teams in international tournament /world cup to be held in India.
2	33/2017- Customs	Exemption to import of challenge cups and trophies won by a unit of Defence Force or its members.
3	146/94- Customs	Exemption to imports by specified sports goods imported by National Sports Federation or by a Sports person of outstanding eminence for training.
4	90/2009- Customs	Exemption to imports from Antarctica of goods used for or related to Indian Antarctic Expedition or Indian Polar Science Programme.

Annexure IV

VI. Other Notification changes

S. No.	Notification No.	Subject
1.	Notification No. 22/2022-Customs, dated 30.04.2022	The India-UAE CEPA Tariff notification is being amended as a consequential change to rationalization of basic customs duty rate structure.
2.	Notification No. 57/2000-Customs, dated 08.05.2000	This notification relating to jewellery export promotion is being amended consequent to changes in import duty structure on Gold and increase in duty rate of Silver.
3.	Notification No. 146/94-Customs, dated 13.07.1994	Benefit of the existing exemption notification No. 146/94-Customs, dated 13.07.1994, is being extended w.e.f. 02.02.2023 to imports of 'Warm Blood horse' when imported by Sports person of eminence for training.

Annexure V

VII. Customs duty exemptions /concessions being discontinued

Certain BCD exemptions under notification No. 50/2017-Customs dated 30.6.2017 and other notification are being discontinued with effect from 31.03.2023.

The following are being discontinued as they are redundant :

S. No.	S. No. of Notfn	Description
1.	S. No. 16 of 50/2017-Customs	This exemption entry pertaining to 'Human Embryo' is being withdrawn as it is redundant on account of prohibition of import of Human Embryo under the Assisted Reproductive Technology (Regulation) Act, 2021 and The Surrogacy (Regulation) Act, 2021. [notification No. 22/2015-20 dated 20 th July, 2022 of DGFT refers]
2.	S. No. 325 of 50/2017-Customs	This exemption entry pertaining to 'Monofilament Yarn' is being withdrawn as tariff rate is also at 5% and hence redundant
3.	48/2017-Customs	Exemption to catering cabin equipment, food and drinks on re-importation by aircrafts of the <i>Indian Airlines Corporation</i> from foreign flights is being withdrawn.

Annexure VI

VIII. SOCIAL WELFARE SURCHARGE (SWS)

A.	AMENDMENT TO NOTIFICATION NO. 11/2018 – CUSTOMS, DATED 02.02.2018 (w.e.f. 02.02.2023)
S. No.	Description
	Following goods are being exempted from levy of Social Welfare Surcharge in order to maintain the total effective duty owing to rationalization of basic customs duty rate structure:
1.	Silver (HSN 7106), Gold (HSN 7108) & Imitation Jewellery (HSN 7117).
2.	Platinum (HSN 7110) other than rhodium and goods covered under S. Nos. 415(a) and 415A of the Table in notification No. 50/2017-Customs, dated the 30th June, 2017, published in the Gazette of India vide number G.S.R. 785(E), dated the 30th June, 2017.
3.	All goods falling under HSN 7113, other than the goods covered under S. Nos. 356, 357 and 364C of the Table in notification No. 50/2017-Customs, dated the 30 th June, 2017, published in the Gazette of India vide number G.S.R. 785(E), dated the 30 th June, 2017.
4.	All goods falling under HSN 7114, other than the goods covered under S. Nos. 356 and 357 of the Table in notification No. 50/2017-Customs, dated the 30th June, 2017, published in the Gazette of India vide number G.S.R. 785(E), dated the 30 th June, 2017.
5.	Bicycles (HSN 8712 00 10)
6.	Motor vehicle including electrically operated vehicles falling under HSN 8703 covered under S. No. 526 (1)(b), 526 (2)(b), 526A(1)(b) and 526A(2)(b) of the Table in Notification No. 50/2017-Customs dated the 30th June, 2017, published in the Gazette of India vide no G.S.R. 785(E) dated the 30th June, 2017
7.	Aeroplane and other aircrafts falling under tariff items 8802 2000, 8802 3000 and 8802 4000 covered under S. No. 543 A of the Table in Notification No. 50/2017-Customs dated the 30th June, 2017, published in the Gazette of India vide no G.S.R. 785(E) dated the 30th June, 2017.
8.	Toys and parts of toys (HSN 9503) other than goods covered under S. No. 591 of the Table in Notification No. 50/2017-Customs dated the 30th June, 2017
B.	RESCINDING OF NOTIFICATION RELATING TO SWS These notifications are being rescinded on account of being redundant due to basic customs duty rate structure rationalization:
1	No. 13/2021-Customs, dated the 1 st February, 2021, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 71(E), dated the 1 st February, 2021
2	No. 34/2022-Customs, dated the 30 th June, 2022, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 487(E), dated the 30 th June, 2022

Annexure VII

IX. AGRICULTURE INFRASTRUCTURE AND DEVELOPMENT CESS (AIDC)

Notification No. 11/2021 – Customs, dated 01.02.2021 is being amended to revise the AIDC rates on the following goods (w.e.f. 02.02.2023):

A. AIDC rate changes (with changes to the effective rate of Customs Duty)			Rate of Duty	
S. No	Chapter, Heading, sub-heading, tariff item	Commodity	From	To
1.	7106,98	Silver (including silver plated with gold or platinum), unwrought or in semi-manufactured forms, or in powder form	2.5%	5%
2.	71	Silver Dore	2.5%	4.35%
B. Changes to AIDC (without any change to the effective rate of Customs Duty)			Rate of Duty	
S. No	Chapter, Heading, sub-heading, tariff item	Commodity	From	To
1.	2701, 2702, 2703	Coal, peat, lignite	1.5%	Nil
2.	40113000	New pneumatic tyres, of rubber , of a kind used on aircraft as mentioned in Entry 280 A of Notification No. 50/2017-Cus	Nil	0.5%
3.	7108 or 98	Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form	2.5%	5%
4.	71	Gold Dore	2.5%	4.35%
5.	7110	Platinum other than rhodium and goods covered under S. Nos. 415(a) and 415A of the Table in notification No. 50/2017-Customs, dated the 30th June, 2017.	1.5%	5.4%
6.	8802 20 00 8802 30 00 8802 40 00	Aero planes and other aircraft covered under S.No. 543A of Notification No. 50/2017-Cus	Nil	0.5%

Annexure VIII

Excise

I. AMENDMENT TO SEVENTH SCHEDULE TO THE FINANCE ACT, 2001

The Seventh Schedule to the Finance Act, 2001 is being amended w.e.f. 02.02.2023* to revise the NCCD rates on specified cigarettes under HS 2402 as detailed below:[Clause153 read with Sixth Schedule of the Finance Bill, 2023]

Tariff item	Description	Unit	NCCD Rates (in Rs. per thousand)	
			From	To
(1)	(2)	(3)	(4)	(5)
2402 20 10	Other than filter cigarettes, of length not exceeding 65 millimetres	Tu	200	230
2402 20 20	Other than filter cigarettes, of length exceeding 65 millimetres but not exceeding 70 millimetres	Tu	250	290
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	440	510
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	440	510
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	545	630

2402 20 90	Other	Tu	735	85 0
2402 90 10	Cigarettes of tobacco substitutes	Tu	600	69 0

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

II. NOTIFICATION NO. 05/2023-Central Excise, DATED 01.02.2023 w.e.f 2nd February, 2023

Amendment
Notification No. 05/2023-Central Excise dated 01.02.2023 is being issued to exempt excise duty on blended Compressed Natural Gas (CNG) from so much of the amount as is equal to GST paid on biogas /compressed bio gas contained in such blended CNG subject to the specified conditions.

Annexure IX

Tariff entry changes w.e.f 1st May 2023

Tariff Item	Description of goods	Unit	Rate of duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)

(1) in Chapter 3,--

(i) in heading 0302,--

(a) for sub-heading 0302 91, tariff item 0302 91 10 and the entries relating thereto, the following shall be substituted, namely:—

“0302 91 00 -- Livers, roes and milt kg. 30% -”;

(b) for sub-heading 0302 92, tariff item 0302 92 10 and the entries relating thereto, the following shall be substituted, namely:—

“0302 92 00 -- Shark fins kg. 30% -”;

(ii) in heading 0303, for sub-heading 0303 92, tariff item 0303 92 10 and the entries relating thereto, the following shall be substituted, namely:—

“0303 92 00 -- Shark fins kg. 30% -”;

(iii) in heading 0307, after tariff item 0307 43 30 and the entries relating thereto, the following shall be inserted, namely:—

“0307 43 90 --- Other kg. 30% -”;

(iv) in heading 0308, after tariff item 0308 30 20 and the entries relating thereto, the following shall be inserted, namely:—

“0308 30 90 --- Other kg. 30% -”;

- (2) in Chapter 4, in heading 0406, for tariff item 0406 10 00 and the entries relating thereto, the following shall be substituted, namely:—

“0406 10	-	Fresh (unripened or uncured) cheese, including whey cheese, and curd			
0406 10 10	---	Mozzarella cheese	kg.	30%	-
0406 10 90	---	Other	kg.	30%	-”;

- (3) in Chapter 9, in heading 0910, for tariff items 0910 99 29 to 0910 99 39 and the entries relating thereto, the following shall be substituted, namely:—

“0910 99 29	----	Other	kg.	30%	-
0910 99 30	---	Husk	kg.	30%	-”;

- (4) in Chapter 10, in heading 1008,—

- (i) after tariff item 1008 21 30 and the entries relating thereto, the following shall be inserted, namely:—

“1008 21 40	---	Barnyard (<i>Echinochloa esculenta</i> (L.))	kg.	50%	-
1008 21 50	---	Proso (<i>Panicum miliaceum</i> (L.))	kg.	50%	-
1008 21 60	---	Foxtail (<i>Setaria italica</i> (L.))	kg.	50%	-
1008 21 70	---	Kodo (<i>Paspalum scrobiculatum</i> (L.))	kg.	50%	-
1008 21 80	---	Little (<i>Panicum sumatrense</i> (L.))	kg.	50%	-
	---	Other :			
1008 21 91	----	Amaranth (<i>Amaranthus</i> (L.))	kg.	50%	-
1008 21 99	----	Other	kg.	50%	-”;

- (ii) after tariff item 1008 29 30 and the entries relating thereto, the following shall be inserted, namely:—

“1008 29 40	---	Barnyard (<i>Echinochloa esculenta</i> (L.))	kg.	50%	-
1008 29 50	---	Proso (<i>Panicum miliaceum</i> (L.))	kg.	50%	-
1008 29 60	---	Foxtail (<i>Setaria italica</i> (L.))	kg.	50%	-
1008 29 70	---	Kodo (<i>Paspalum scrobiculatum</i> (L.))	kg.	50%	-
1008 29 80	---	Little (<i>Panicum sumatrense</i> (L.))	kg.	50%	-
	---	Other :			
1008 29 91	----	Amaranth (<i>Amaranthus</i> (L.))	kg.	50%	-
1008 29 99	----	Other	kg.	50%	-”;

- (5) in Chapter 12, in heading 1211, for sub-heading 1211 90, tariff items 1211 90 11 to 1211 90 99 and the entries relating thereto, the following shall be substituted, namely:—

“1211 90	-	Other :			
	---	Seeds, Kernel, Aril, Fruit, Pericarp, Fruit rind, Endosperm, Mesocarp, Endocarp :			
1211 90 11	----	Ambrette seeds	kg.	30%	-
1211 90 12	----	Nuxvomica, Dried ripe seeds	kg.	30%	-

1211 90 13	----	Psyllium seeds (<i>isobgul</i>)	kg.	30%	-
1211 90 14	----	Neem seeds	kg.	30%	-
1211 90 15	----	Jojoba seeds	kg.	30%	-
1211 90 16	----	Garcinia	kg.	30%	-
1211 90 19	----	Other	kg.	30%	-
	---	<i>Leaves, Leaf bud, Galls, flowers, Inflorescence, Spadix, Flower bud, Style and Stigma, Stamen and pods :</i>			
1211 90 21	----	Belladonna leaves	kg.	30%	-
1211 90 22	----	Senna leaves and pods	kg.	30%	-
1211 90 23	----	Neem leaves	kg.	30%	-
1211 90 24	----	Gymnema	kg.	30%	-
1211 90 25	----	Cubeb	kg.	30%	-
1211 90 26	----	Pyrethrum	kg.	30%	-
1211 90 29	----	Other	kg.	30%	-
	---	<i>Bark, Husk and Rind :</i>			
1211 90 31	----	Cascara sagrada bark	kg.	30%	-
1211 90 32	----	Psyllium husk (<i>isobgol husk</i>)	kg.	30%	-
1211 90 33	----	Gamboge fruit rind	kg.	30%	-
1211 90 34	----	Ashoka (<i>Saraca asoca.</i>)	kg.	30%	-
1211 90 35	----	Arjuna (<i>Terminalia arjuna</i>)	kg.	30%	-
1211 90 39	----	Other	kg.	30%	-
	---	<i>Roots, Root stalk, Bulb, Corn, Tuber, Stolon and rhizome :</i>			
1211 90 41	----	Belladonna roots	kg.	30%	-
1211 90 42	----	Galangal rhizomes and roots	kg.	30%	-
1211 90 43	----	Ipecac dried rhizome and roots	kg.	30%	-
1211 90 44	----	Serpentina roots (<i>rowwalfia serpentina</i> and other species of <i>rowwalfias</i>)	kg.	30%	-
1211 90 45	----	Zedovary roots	kg.	30%	-
1211 90 46	----	Kuth root	kg.	30%	-
1211 90 47	----	Sarasaparilla roots	kg.	30%	-
1211 90 48	----	Sweet flag rhizomes	kg.	30%	-
1211 90 49	----	Other	kg.	30%	-
	---	<i>Whole Plant, Aerial Part, Stem, Shoot and Wood :</i>			
1211 90 51	----	Sandalwood chips and dust	kg.	30%	-
1211 90 52	----	Vinca rosea herbs	kg.	30%	-
1211 90 53	----	Mint	kg.	30%	-
1211 90 54	----	Agarwood	kg.	30%	-
1211 90 55	----	Chirata	kg.	30%	-
1211 90 56	----	Basil, hyssop, rosemary, sage and savory	kg.	30%	-
1211 90 57	----	Ashwagandha (<i>Withania somnifera</i>)	kg.	30%	-

1211 90 58	----	Giloy (<i>Tinospora cordifolia</i>)	kg.	30%	-
1211 90 59	----	Other	kg.	30%	-
1211 90 90	---	Other	kg.	30%	-";

(6) In Chapter 13,--

- (i) in the Note, in clause (g), for the brackets, word and figures "(heading 3006)", the brackets, word and figures "(heading 3822)" shall be substituted;

- (ii) in heading 1302,--

- (a) for tariff item 1302 32 30 and the entries relating thereto, the following shall be substituted, namely:—

"--- *Guargum*:

1302 32 31	----	Chemically treated	kg.	30%	-
1302 32 39	----	Other	kg.	30%	-";

- (b) tariff item 1302 32 40 and the entries relating thereto shall be omitted;

- (c) for tariff item 1302 39 00 and the entries relating thereto, the following shall be substituted, namely:—

"1302 39 -- *Other* :

1302 39 10	---	Tamarind Kernel Powder	kg.	30%	-
1302 39 20	---	Kappa carrageenan	kg.	30%	-
1302 39 90	---	Other	kg.	30%	-";

(7) in Chapter 19, in heading 1904, for tariff item 1904 20 00 and the entries relating thereto, the following shall be substituted, namely:—

"1904 20 - *Prepared foods obtained from unroasted cereal flakes or from mixtures of*

1904 20 10	---	With millet content 15% or more by weight	kg.	30%	-
1904 20 90	---	Other	kg.	30%	-";

(8) in Chapter 27, in heading 2701, for tariff item 2701 12 00 and the entries relating thereto, the following shall be substituted, namely:—

"2701 12 -- *Bituminous coal* :

2701 12 10	---	Coking coal	kg.	5%	-
2701 12 90	---	Other	kg.	5%	-";

(9) in Chapter 29, --

- (i) in heading 2916, after tariff item 2916 20 10 and the entries relating thereto, the following shall be inserted, namely:—

"2916 20 20 --- Bifenthrin (ISO) kg. 7.5% -";

- (ii) in heading 2924, after tariff item 2924 29 60 and the entries relating thereto, the following shall be inserted, namely:—

"2924 29 70 --- Pretilachlor (ISO) kg. 7.5% -";

- (iii) in heading 2930,--

- (a) for tariff item 2930 20 00 and the entries relating thereto, the following shall be substituted namely:—

“2930 20 - Thiocarbamates and dithiocarbamates :

2930 20 10	--- Cartap Hydrochloride (ISO)	kg.	7.5%	-
2930 20 90	--- Other	kg.	7.5%	-”;

(b) after tariff item 2930 90 91 and the entries relating thereto, the following shall be inserted, namely:—“2930 90 92 ---- Acephate (ISO) kg.
7.5% -”;

(iv) in heading 2931, after tariff item 2931 49 20 and the entries relating thereto, the following shall be inserted, namely:—

“2931 49 30 --- Glyphosate (ISO) kg. 7.5% -”;

(v) in heading 2932, after tariff item 2932 99 10 and the entries relating thereto, the following shall be inserted, namely:—

“2932 99 20 --- Emamectin Benzoate (ISO) kg. 7.5% -”;

(vi) in heading 2933,—

(a) after tariff item 2933 29 50 and the entries relating thereto, the following shall be inserted, namely:—“2933 29 60 --- Imidacloprid (ISO) kg.
7.5% -”;

(b) after tariff item 2933 39 16 and the entries relating thereto, the following shall be inserted, namely:—“2933 39 17 ---- Chlorantraniliprole (ISO)
kg. 7.5% -”;

(c) for tariff item 2933 39 19 and the entries relating thereto, the following shall be substituted, namely:—

“2933 39 21	---- Acetamiprid (ISO)	kg.	7.5%	-
2933 39 22	---- Imazethapyr (ISO)	kg.	7.5%	-
2933 39 29	---- Other	kg.	7.5%	-”;

(d) after tariff item 2933 59 40 and the entries relating thereto, the following shall be inserted, namely:—“2933 59 50 --- Bispyribac-sodium (ISO)
kg. 7.5% -”;

(e) after tariff item 2933 99 10 and the entries relating thereto, the following shall be inserted, namely:—“2933 99 20 --- Carbendazim (ISO) kg.
7.5% -”;

(vii) in heading 2934, after tariff item 2934 99 20 and the entries relating thereto, the following shall be inserted, namely:—

“2934 99 30 --- Buprofezin (ISO) kg. 7.5% -”;

(viii) in heading 2935, for tariff item 2935 50 00 and the entries relating thereto, the following shall be substituted, namely:—

“2935 50 - Other perfluorooctane sulphonamides :

2935 50 10	--- Flubendiamide (ISO)	kg.	7.5%	-
2935 50 90	--- Other	kg.	7.5%	-”;

(10) in Chapter 31,—

(i) after Note 6, the following Supplementary Note shall be inserted, namely:—

“Supplementary Note :

(1) In this Chapter, reference to any standard of the Bureau of Indian Standards refers to the last published version of that standard.

Illustration : IS 1459 refers to IS 1459: 2018 and not to IS 1459: 1974.”;

(ii) in heading 3102, for tariff item 3102 10 00 and the entries relating thereto, the following shall be substituted, namely:—

“3102 10	-	<i>Urea, whether or not in aqueous solution :</i>				
3102 10 10	---	Fertilizer grade, conforming to Standard IS 5406	kg.	10%	-	
3102 10 90	---	Other	kg.	10%	-”;	

(11) in Chapter 38,--

(i) after Sub-heading Note 4, the following Supplementary Notes shall be inserted,

namely:—“Supplementary Notes:

1. Tariff item 3808 91 41 covers one of the following goods of sub-heading 3808 91 : Acephate (ISO) conforming to IS-12915; Cartap Hydrochloride (ISO) conforming to IS-14159; Imidachloprid (ISO) conforming to IS-15443; Acetamiprid (ISO) conforming to IS-15981.
2. Tariff item 3808 91 42 covers one of the following goods of sub-heading 3808 91 with content by mass greater than 90% : Chlorentaniliprole (ISO); Buprofezin (ISO); Flubendiamide (ISO); Imamectin Benzoate (ISO).
3. Tariff item 3808 91 51 covers only mixtures and preparations of goods of sub-heading 3808 91, containing one or more of the following : Acephate (ISO) conforming to IS-12916; Cartap Hydrochloride (ISO) conforming to IS-14183; Imidachloprid (ISO) conforming to IS-15335; Acetamiprid (ISO) conforming to IS-16328.
4. Tariff item 3808 91 52 covers only mixtures and preparations of goods of sub-heading 3808 91 with content by mass greater than 90%, containing one or more of the following : Chlorentaniliprole (ISO); Buprofezin (ISO); Flubendiamide (ISO); Imamectin Benzoate (ISO).
5. Tariff item 3808 92 60 covers one of the following goods of sub-heading 3808 92 : Carbendazim (ISO) conforming to IS-8445.
6. Tariff item 3808 92 70 covers only mixtures and preparations of goods of sub-heading 3808 92, containing one or more of the following : Carbendazim (ISO) conforming to IS-8446.
7. Tariff item 3808 93 61 covers one of the following goods of sub-heading 3808 93 : Pretilachlor (ISO) conforming to IS-15158; Glyphosate (ISO) conforming to IS-12502.
8. Tariff item 3808 93 62 covers one of the following goods of sub-heading 3808 93 with content by mass greater than 90% : Bispyribac sodium (ISO); Imazethapyr (ISO).
9. Tariff item 3808 93 71 covers only mixtures and preparations of goods of sub-heading 3808 93, containing one or more of the following : Pretilachlor (ISO) conforming to IS-15160.
10. Tariff item 3808 93 72 covers only mixtures and preparations of goods of sub-heading 3808 93 with content by mass greater than 90%, containing one or more of the following : Bispyribac sodium (ISO); Imazethapyr (ISO).”;

(ii) in heading 3808,--

(a) after tariff item 3808 91 37 and the entries relating thereto, the following shall be inserted,

namely:—“--- *Goods specified in Supplementary Note 1 and 2*
to this Chapter :

3808 91 41 ----- Goods specified in Supplementary Note 1
to

this Chapter kg. 10% -

3808 91 42	----	Goods specified in Supplementary Note 2 to this Chapter	kg.	10%	-
	---	<i>Goods specified in Supplementary Note 3 and 4 to this Chapter :</i>			
3808 91 51	----	Goods specified in Supplementary Note 3 to this Chapter	kg.	10%	-
3808 91 52	----	Goods specified in Supplementary Note 4 to this Chapter	kg.	10%	-"

(b) after tariff item 3808 92 50 and the entries relating thereto, the following shall be inserted, namely:—

"3808 92 60	---	Goods specified in Supplementary Note 5 to this Chapter	kg.	10%	-
3808 92 70	---	Goods specified in Supplementary Note 6 to this Chapter	kg.	10%	-"

(c) after tariff item 3808 93 50 and the entries relating thereto, the following shall be inserted, namely:—

	----	<i>Goods specified in Supplementary Note 7 and 8 to this Chapter :</i>			
3808 93 61	----	Goods specified in Supplementary Note 7 to this Chapter	kg.	10%	-
3808 93 62	----	Goods specified in Supplementary Note 8 to this Chapter	kg.	10%	-
	---	<i>Goods specified in Supplementary Note 9 and 10 to this Chapter :</i>			
3808 93 71	----	Goods specified in Supplementary Note 9 to this Chapter	kg.	10%	-
3808 93 72	----	Goods specified in Supplementary Note 10 to this Chapter	kg.	10%	-"

(12) in Chapter 39, in heading 3915, after tariff item 3915 90 75 and the entries relating thereto, the following shall be inserted, namely:—

"3915 90 79	----	Others	kg.	7.5%	-"
-------------	------	--------	-----	------	----

(13) in Chapter 48, in heading 4811, for tariff item 4811 90 94 and the entries relating thereto, the following shall be substituted, namely:—

"4811 90 94	----	Thermal paper in jumbo rolls (of size 1 m and above in width and 5,000 m and above in length)	kg.	10%	-
4811 90 95	----	Thermal paper in jumbo rolls (of size 1 m and above in width and less than 5,000 m in length)	kg.	10%	-
4811 90 96	----	Thermal paper in rolls of size less than 1 m in width	kg.	10%	-"

(14) in Chapter 52, in heading 5201, for tariff item 5201 00 20 and the entries relating thereto, the following shall be substituted, namely:—

5201 00 21	----	Of staple length not exceeding 20.0 mm	kg.	5%	-
5201 00 22	----	Of staple length exceeding 20.0 mm but not exceeding 24.5 mm	kg.	5%	-
5201 00 23	----	Of staple length exceeding 24.5 mm but not exceeding 27.0 mm	kg.	5%	-
5201 00 24	----	Of staple length exceeding 27.0 mm but not exceeding 32.0 mm	kg.	5%	-
5201 00 25	----	Of staple length exceeding 32.0 mm	kg.	5%	—”;

namely:—“5402 11 00	--	Of aramids	kg.
5% -”:			

"5402 59 00	--	Other	kg.	5%	-";
-------------	----	-------	-----	----	-----

"5702 39 90	---	Other	m ²	20%	-";
-------------	-----	-------	----------------	-----	-----

“- *Other panty hose and tights :*”;

“--- Other”;

(b) for the entry in column (2) occurring against tariff item 6217 10 20, the following shall be substituted, namely:—

“--- For articles of apparel, of synthetic fibres”;

(c) for the entry in column (2) occurring against tariff item 6217 10 30, the following shall be substituted, namely:—

“--- For articles of apparel, of wool”;

(d) for the entry in column (2) occurring against tariff item 6217 10 40, the following shall be substituted, namely:—

“--- For articles of apparel, of silk”;

(e) for the entry in column (2) occurring against tariff item 6217 10 50, the following shall be substituted, namely:—

“--- For articles of apparel, of regenerated fibres”;

(f) for the entry in column (2) occurring against tariff item 6217 10 60, the following shall be substituted, namely:—

“--- For articles of apparel, of other fibres”;

(g) for the entry in column (2) occurring against tariff item 6217 10 70, the following shall be substituted, namely:—

“--- Stockings, socks, sockettes and the like, of cotton”;

(19) in Chapter 63,—

(i) in heading 6301, for the entry in column (2) occurring against tariff item 6301 20 00, the following shall be substituted, namely:—

“- Blankets (other than electric blankets) and travelling rugs, of wool or of fine animal hair”;

(ii) in heading 6304, for the entry in column (2) occurring against tariff item 6304 20 00, the following shall be substituted, namely:—

“- Bed nets specified in Sub-heading Note 1 to this Chapter”;

(iii) in heading 6310, for tariff items 6310 10 90 to 6310 90 10 and the entries relating thereto, the following shall be substituted, namely:—

“6310 10 90	--- Other	kg.	20%	-
6310 90	- Other :			
6310 90 10	--- Woollen rags	kg.	20%	-”;

(20) in Chapter 69,—

(i) in Note 1, in introductory sentence, for the word “shaping:”, the word “shaping :” shall be substituted;

(ii) in heading 6907, for sub-heading 6907 30, tariff item 6907 30 10, sub-heading 6907 40, tariff item 6907 40 10 and the entries relating thereto, the following shall be substituted, namely:—

“6907 30 00	- Mosaic cubes and the like, other than those of	15%	-
	m		
	² sub-heading 6907 40	15%	-”;
6907 40 00	- Furnishing ceramics	m ²	

(21) in Chapter 71,--

(i) after Sub-heading Note 3, the following Supplementary Note shall be inserted,

namely:—"Supplementary Note:

For the purposes of heading 7104, "Diamonds" means-

(a) chemically produced stones which have essentially the same chemical composition and crystal structure as a particular natural diamond and are produced using various methods including High Pressure High Temperature method (HPHT) and Chemical Vapour Depositionmethod (CVD); or

(b) stones obtained artificially by various means, e.g., agglomerating, pressing or fusing together (usually with the aid of a blow pipe) fragments of natural diamonds which have generally been reduced to a powder.;"

(ii) in heading 7104,--

(a) for tariff item 7104 21 00 and the entries relating thereto, the following shall be substituted, namely:—

"7104 21	--	<i>Diamonds :</i>			
7104 21 10	---	Industrial	c/k	10%	-
7104 21 20	---	Non-industrial	c/k	10%	-";

(b) for tariff item 7104 91 00 and the entries relating thereto, the following shall be substituted, namely:—

"7104 91	--	<i>Diamonds :</i>			
7104 91 10	---	Industrial	c/k	10%	-
7104 91 20	---	Non-industrial	c/k	10%	-";

(iii) in heading 7105, for tariff item 7105 10 00 and the entries relating thereto, the following shall be substituted,namely:—

"7105 10	-	<i>Of diamonds :</i>			
7105 10 10	---	Of heading 7102	c/k	10%	-
7105 10 20	---	Of heading 7104	c/k	10%	-";

(iv) in heading 7113,--

(a) for tariff items 7113 11 20 and 7113 11 30 and the entries relating thereto, the following shall be substituted, namely:—

"---	<i>Other jewellery :</i>				
7113 11 41	----	Unstudded	kg.	25%	-
7113 11 42	----	Studded with pearls	kg.	25%	-
7113 11 43	----	Studded with diamonds of heading 7102	kg.	25%	-
7113 11 44	----	Studded with diamonds of heading 7104	kg.	25%	-

7113 11 45	----	Studded with other precious and semi-precious stones	kg.	25%	-
7113 11 49	----	Other	kg.	25%	”;

(b) for tariff items 7113 19 10 to 7113 19 50 and the entries relating thereto, the following shall besubstituted, namely:—

“--- <i>Of gold :</i>					
7113 19 11	----	Unstudded	kg.	25%	-
7113 19 12	----	Studded with pearls	kg.	25%	-
7113 19 13	----	Studded with diamonds of heading 7102	kg.	25%	-
7113 19 14	----	Studded with diamonds of heading 7104	kg.	25%	-
7113 19 15	----	Studded with other precious and semi-precious stones	kg.	25%	-
7113 19 19	----	Other	kg.	25%	-
--- <i>Of platinum :</i>					
7113 19 21	----	Unstudded	kg.	25%	-
7113 19 22	----	Studded with pearls	kg.	25%	-
7113 19 23	----	Studded with diamonds of heading 7102	kg.	25%	-
7113 19 24	----	Studded with diamonds of heading 7104	kg.	25%	-
7113 19 25	----	Studded with other precious and semi-precious stones	kg.	25%	-
7113 19 29	----	Other	kg.	25%	”;

(22) in Chapter 84,--

(i) in heading 8414, for tariff item 8414 10 00 and the entries relating thereto, the following shall be substituted,namely:—

“8414 10 - <i>Vacuum pumps :</i>					
8414 10 10	---	with maximum flow-rate greater than 5 m ³ /h (under standard temperature (273 K (0 °C)) and pressure (101.3 kPa) conditions)	u	7.5%	-
8414 10 90	---	Other	u	7.5%	”;

(ii) in heading 8419,--

(a) for tariff items 8419 50 10 to 8419 50 90 and the entries relating thereto, the following shall besubstituted, namely:—

“--- <i>with a heat transfer surface area of greater than 0.15 m², and less than 20 m² :</i>					
8419 50 11	----	Shell and tube type	u	7.5%	-
8419 50 12	----	Plate type	u	7.5%	-
8419 50 13	----	Spiral type	u	7.5%	-
8419 50 19	----	Other	u	7.5%	-
--- <i>Other :</i>					

8419 50 91	----	Shell and tube type	u	7.5%	-
8419 50 92	----	Plate type	u	7.5%	-
8419 50 93	----	Spiral type	u	7.5%	-
8419 50 99	----	Other	u	7.5%	-”;

(b) for tariff item 8419 89 10 and the entries relating thereto, the following shall be substituted,namely:—

“--- *Pressure vessels, reactors, columns or towers or chemical storage tanks :*

8419 89 11	----	Pressure vessels	u	10%	-
8419 89 12	----	Reactors with total internal (geometric) volume greater than 0.1 m ³ (100 l) and less than 20 m ³ (20000 l)	u	10%	-
8419 89 13	----	Other reactors	u	10%	-
8419 89 14	----	Distillation or absorption columns of internal diameter greater than 0.1 m	u	10%	-
8419 89 15	----	Other distillation or absorption columns	u	10%	-
8419 89 16	----	Chemical storage tanks with a total internal (geometric) volume greater than 0.1 m ³ (100 l)	u	10%	-
8419 89 17	----	Other chemical storage tanks	u	10%	-
8419 89 19	----	Other	u	10%	-”;

(23) in Chapter 85,--

(i) in heading 8517,--

(a) for the entry in column (2) occurring against tariff item 8517 62 30, the following shall be substituted,namely:—

“--- Modems (modulators-demodulators) for xDSL based Wireline Telephony”;

(b) tariff item 8517 62 40 and the entries relating thereto shall be omitted;

(c) for the entry in column (2) occurring against tariff item 8517 62 70, the following shall be substituted,namely:—

“--- Multiplexers, statistical multiplexers for PDH based Wireline Telephony”;

(d) in sub-heading 8517 69,--

(A) tariff item 8517 69 50 and the entries relating thereto shall be omitted;

(B) for the entry in column (2) occurring against tariff item 8517 69 60, the following shall be substituted, namely:—

“--- Set top boxes for gaining access to internet for Wireline Telephony”;

(ii) for heading 8524, tariff items 8524 11 00 to 8524 99 00 and the entries relating thereto, the following shall be substituted, namely:—

“8524	FLAT PANEL DISPLAY MODULES, WHETHER OR NOT INCORPORATING TOUCH-SENSITIVE SCREENS				
	- Without drivers or control circuits :				
8524 11	-- Of liquid crystals :				
8524 11 10	---	For the goods of sub-heading 8471 30 or 8471 41	u	15%	-
8524 11 20	---	For the goods of sub-heading 8517 13 or 8517 14	u	15%	-
8524 11 30	---	For the goods of sub-heading 8528 72 or 8528 73	u	15%	-
8524 11 90	---	Other	u	15%	-
8524 12	-- Of organic light-emitting diodes (OLED) :				
8524 12 10	---	For the goods of sub-heading 8471 30 or 8471 41	u	15%	-
8524 12 20	---	For the goods of sub-heading 8517 13 or 8517 14	u	15%	-
8524 12 30	---	For the goods of sub-heading 8528 72 or 8528 73	u	15%	-
8524 12 90	---	Other	u	15%	-
8524 19	-- Other :				
8524 19 10	---	For the goods of sub-heading 8471 30 or 8471 41	u	15%	-
8524 19 20	---	For the goods of sub-heading 8517 13 or 8517 14	u	15%	-
8524 19 30	---	For the goods of sub-heading 8528 72 or 8528 73	u	15%	-
8524 19 90	---	Other	u	15%	-
	- Other :				
8524 91	-- Of liquid crystals :				
8524 91 10	---	For the goods of sub-heading 8471 30 or 8471 41	u	15%	-
8524 91 20	---	For the goods of sub-heading 8517 13 or 8517 14	u	15%	-
8524 91 30	---	For the goods of sub-heading 8528 72 or 8528 73	u	15%	-
8524 91 90	---	Other	u	15%	-
8524 92	-- Of organic light-emitting diodes (OLED) :				
8524 92 10	---	For the goods of sub-heading 8471 30 or 8471 41	u	15%	-
8524 92 20	---	For the goods of sub-heading 8517 13 or 8517 14	u	15%	-
8524 92 30	---	For the goods of sub-heading 8528 72 or 8528 73	u	15%	-
8524 92 90	---	Other	u	15%	-
8524 99	-- Other :				
8524 99 10	---	For the goods of sub-heading 8471 30 or 8471 41	u	15%	-
8524 99 20	---	For the goods of sub-heading 8517 13 or 8517 14	u	15%	-
8524 99 30	---	For the goods of sub-heading 8528 72 or 8528 73	u	15%	-
8524 99 90	---	Other	u	15%	-”;

- (24) in Chapter 87, in heading 8704, after tariff item 8704 10 10 and the entries relating thereto, the following shall be inserted, namely:—

“8704 10 90	---	Other	u	40%	-
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