



BUDGET SNAPSHOT

2023-24

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INTRODUCTION

The Indian economy has been steadily recovering from the unprecedented economic downturn, exacerbated by the COVID-19 pandemic. With the Indian economy estimated to grow at a staggering 7% in the current year, pursuant to a vision of 'Amrit Kaal' the FY 2023-24 Annual Union Budget presented by the Finance Minister Nirmala Sitharaman, reflects not only the Government's outlook on the economy, but also aims to encompass the aspirations of the common man. This Budget also hopes to build on the foundation laid in the previous Budget, and the blueprint drawn for India@100.

In consonance with this vision of 'Amrit Kaal', this year's budget aims to propel a technology-driven and knowledge-based growth with a robust public-finance sector, through strong 'Jan Bhaagidari'. The economic agenda for achieving this vision focuses on three things:

- Facilitating ample opportunities for citizens, especially the youth, to fulfil their aspirations;
- Providing strong impetus to growth and job creation; and
- Strengthening macro-economic stability.

The Budget has adopted seven priorities, which complement each other and act as a 'Saptarishi', guiding the country through this *Amrit Kaal*. These seven priorities are:

- Inclusive Development;
- Reaching the Last Mile;
- Infrastructure and Investment;
- Unleashing the Potential;
- Green Growth;
- Youth Power; and
- Financial Sector.

These proposals are expected to significantly boost India's growth. While the estimated growth in the current financial year is indicated to be 7%, the economic survey has speculated that the country's growth rate will be around 6.5% in the next financial year (i.e., FY 2024-25). Increased digitisation and streamlining of tax compliances have been introduced with the intention to incentivise sustainable growth and investment, and enhance India's position in the ease-of-doing-business index.

The government has promised various measures to promote inclusive development. The 'Atmanirbhar Clean Plant Programme' has been launched at an outlay of ₹ 2,200 crore to increase the availability of high quality horticulture crops. An Agriculture Accelerator Fund has also been proposed, with the intent to encourage agricultural entrepreneurship and tackle the pressing issues faced of farmers, through innovative and affordable solutions.

The Finance Minister has also sought to balance the incentives between the capex towards its various projects, and the expected revenue generation through direct and indirect taxes. As regards direct taxes, certain incentives have been announced for start-ups and MSMEs, and the applicability of rebate has been increased to ₹ 7 lakhs in the old tax bracket. A new default tax bracket with more simplified tax slabs has also been introduced. However,

assessees will continue to have the option to avail the benefits of the old tax bracket. Capital investment outlay is being increased steeply for the third year in a row by 33 per cent to ₹ 10 lakh crore, which would be 3.3 per cent of GDP.

The revamped credit guarantee scheme for MSMEs proposed in the previous Budget, will take effect on 01.04.2023 through an infusion of ₹ 9,000 crores in the corpus. This will enable additional collateral-free guaranteed credit of ₹ 2 lakh crore. Further, the cost of the credit will be reduced by about 1 per cent.

As regards indirect taxes, certain amendments have been proposed, with a view to further propel exports, amplify domestic manufacturing, enhance domestic value addition, and encourage green energy and mobility. To this end, various provisions of Indirect Taxes have been sought to be streamlined, and basic custom duties have been rationalised. The Finance Minister further announced that the gross GST collection for the month of January 2023 had surged to over ₹ 1.55 Lakh Crore, the second highest-ever mop-up. The revenues in the current financial year up to January 2023 were 24% higher than the GST revenues collected during the same period last year.

With a commitment to boost Indian infrastructure, it has been proposed that the states will be provided with interest-free loans, courtesy of an enhanced outlay of ₹ 1.3 Lakh Crores, to incentivise the states to spend more on infrastructure development. States will also be encouraged to undertake urban-planning reforms, to build and develop more sustainable and technologically driven cities.

With the agenda to promote green growth and sustainable development, the government has announced several measures to reduce India's carbon footprint. These measures include the introduction of a green credit programme, promotion of alternative fertilisers, and enhanced investment in bio-research centres and green energy alternatives. These measures are touted to create additional employment in green energy and sustainability spheres, and enable India in achieving its carbon emission goals.

The government, with the agenda of increasing the efficiency of the financial sector, has proposed the creation of an integrated IT portal for reclaiming shares and dividends, and has also announced capacity building measures for SEBI.

Following the announcement of the Budget, the capital markets saw a sharp surge, indicating the confidence of the market. In this document, we have discussed the various amendments proposed with respect to the various indirect taxes.

GOODS AND SERVICES TAX ('GST')

CENTRAL GOODS AND SERVICES TAX ACT, 2017

Amendments in the Central Goods & Services Tax Act, 2017 ("CGST Act") as per the Finance Bill, 2023

- ⇒ It is proposed that, registered persons engaged in supplying goods through e-commerce operators can pay tax under the Composition Levy, by amending Section 10(2)(c) and Section 10(2)(d) of the CGST Act. **(Clause 128)**
- ⇒ The second proviso of Section 16(2) has a post ITC availment condition i.e., where a recipient fails to pay the supplier within a period of 180 days, the ITC availed is to be added to his output tax liability, along with interest thereon. Now second and third provisos to Section 16(2) are being amended to align the said sub-section with the return filing system provided in the CGST Act. **(Clause 129)**
- ⇒ The explanation to Section 17(3) of CGST Act is proposed to be amended to restrict the availment of ITC in respect of certain transactions specified in para 8(a) of Schedule III of the CGST Act i.e., "Supply of warehoused goods to any person before clearance for home consumption". Concurrently, the value of such transactions are proposed to be included in the value of exempt supply.

Further, it is proposed to insert clause (fa), after sub-section (5)(f) to Section 17 of the CGST Act, providing that input tax credit shall not be available in respect of goods or services or both received by a taxable person, which are used or intended to be used for activities relating to his obligations under corporate social responsibility referred to in Section 135 of the Companies Act, 2013. This means no ITC will be available on expenditure towards CSR. **(Clause 130)**

- ⇒ It is proposed to amend Section 23 of the CGST Act retrospectively i.e., 01.07.2017 in order to remove ambiguity in relation to registration provisions of the CGST Act. With this mandatory registration provisions have been watered down. No compulsory registration is now mandated under Sections 24 and 25 for exempt goods and services. **(Clause 131)**
- ⇒ It is proposed to introduce a period of limitation of 3 years with respect to the following:
 - (i) furnishing details pertaining to outward supplies i.e., Form GSTR-1;
 - (ii) filing a return in Form GSTR-3B;
 - (iii) filing annual return in Form GSTR-9; and
 - (iv) furnishing statement under GSTR-8 by e-commerce operator.

There is also an enabling proviso to provide for extension of the said time limit, if government so desires on the recommendations of GST Council. **(Clauses 132, 133, 134 and 135)**

- ⇒ Section 54(6) (i.e., relating to refund) of the CGST Act is proposed to be amended in order to remove the reference of availment of self-assessed ITC in tune with Section 41(1) of the CGST Act. **(Clause 136)**
- ⇒ With respect to interest on delayed refunds, Section 56 of the CGST Act has been proposed to be amended to prescribe a manner of computation of period of delay for the calculation of interest on delayed refunds. **(Clause 137)**
- ⇒ It is proposed to insert clause (1B) after Section 122(1A) of the CGST Act, for introducing penal provisions on the e-commerce operators, in case of contravention of provisions relating to supplies of goods made through them by unregistered persons or inter-state transactions done by composition taxpayers or in cases where such e-commerce operators failed to furnish correct details in the statement required to be filed by them in accordance with Section 52(4) of the CGST Act (GSTR-8). **(Clause 138)**
- ⇒ Section 132(1) of the CGST Act is proposed to be amended with a view to decriminalize the offences specified in clause (g), (j) and (k) therein as provided below:
 - (i) obstructs or prevents any officer in the discharge of his/ her duties;
 - (ii) tampering or destroying any material evidence/ documents; and
 - (iii) fails to supply any information required to be supplied under the CGST Act or supplies false information in respect thereof, respectively.

Further, it has been proposed to increase the monetary threshold for launching prosecution for the offences under the CGST Act from present limit of rupees one crore to rupees two crores, except for the one relating to issuance of invoices without supply of goods/ services/ both leading to wrongful availment/ utilization of ITC or refund thereof as specified in Section 132 (1) (b). Thus, for fake invoices, the prosecution will continue as per the existing threshold amount of Rs. 1 Crore. **(Clause 139)**

- ⇒ Finance Bill seeks to amend and rationalize the provisions of Section 138 of the CGST Act, which pertain to compounding of offences. The clause, *inter alia*, revises the minimum amount for compounding to twenty five percent of the tax and the maximum amount to hundred percent of the tax, from the earlier fifty and hundred fifty percent. **(Clause 140)**
- ⇒ Section 158A in the CGST Act is proposed to be inserted which provides for prescribing the manner and conditions for sharing of the information furnished by the registered person in his return or in his application for registration or in his statement of outward supplies, or the details uploaded by him for generation of electronic invoice or E-way bill or any other details, as may be prescribed, on the common portal. **(Clause 141)**
- ⇒ Schedule III (transactions which are neither considered as supply of goods nor services) of the CGST Act has been amended so as to give retrospective applicability to Para 7, 8(a) and 8(b) of the said Schedule :-
 - Supply of goods between two overseas destinations without entering India [Entry 7]
 - Supply of warehoused imported goods to any person before clearance for home consumption [entry 8(a)]

- Supply of good by an Indian importer by endorsement of title documents while the goods are on sail [entry 8(c)]

This amendment is made retrospectively with effect from 01.07.2017, so as to treat the activities/ transactions mentioned in the said paragraphs as neither supply of goods nor supply of services. Further, it has been clarified that where the tax has already been paid in respect of such transactions/ activities during the period from 01st July, 2017 to 31st January, 2019, no refund of such tax paid shall be available. **(Clause 142)**

INTEGRATED GOODS AND SERVICES TAX ACT, 2017

Amendments in the Integrated Goods & Services Tax Act, 2017 (“IGST Act”) as per the Finance Bill, 2023

- ⇒ Section 2(16) of the IGST Act, is proposed to be amended in order to revise the definition of “non-taxable online recipient” by removing the condition of receipt of online information and database access or retrieval services (OIDAR) for purposes other than commerce, industry or any other business or profession so as to provide for taxability of OIDAR service provided by any person located in non-taxable territory to an unregistered person receiving the said services and located in the taxable territory. Further, it also seeks to clarify that the persons registered solely in terms of clause (vi) of Section 24 of CGST Act shall be treated as unregistered person for the purpose of the said clause.

Also, in respect of statutorily prescribed definition of “online information and database access or retrieval services”, as specified under Section 2 (17) of the IGST Act, an amendment has been made to the effect that the condition of rendering of the said supply being essentially automated and involving minimal human intervention be deleted/ omitted. **(Clause 143)**

- ⇒ The Finance Bill seeks to omit proviso to sub- section (8) of Section 12 of the IGST Act. In order to remove the confusion, it has been proposed to specify the place of supply in respect of transportation services, irrespective of destination of the goods, in cases where the both the supplier of services and recipient thereof are located in India. In simple words the place of supply for transportation of goods service to a place outside India will be : **(Clause 144)**
 - In case of registered recipient – location of recipient
 - In case of unregistered recipient – location at which goods are handed over for transportation.

CUSTOMS

AMENDMENTS IN THE CUSTOMS ACT, 1962 (“CUSTOMS ACT”)

⇒ **Exemption Notification:**

Section 25 of the Customs Act has been amended to insert a proviso to the sub-section (4A) to provide that the validity of two years shall not apply to exemption notifications issued in relation to:

- (a) multilateral or bilateral trade agreements;
- (b) obligations under international agreements, treaties, conventions including with respect to UN agencies, diplomats, international organizations;
- (c) privileges of constitutional authorities;
- (d) schemes under Foreign Trade Policy;
- (e) the Central Government schemes having a 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 IGST leviable under Section 3 (7) of the Customs Tariff Act, 1975, other than duty of customs leviable under section 12 of the Customs Act. **[Clause 123]**

⇒ **Settlement Commission:**

A new sub-section (8A) to Section 127 C is being inserted so as to specify a time limit of 9 months from the date of application, for disposal of the application filed before the Settlement Commission. **[Clause 124]**

AMENDMENTS IN CUSTOMS TARIFF ACT, 1975 (“CUSTOMS TARIFF ACT”)

⇒ **Retrospective amendments in Section 9, 9A and 9C of the Customs Tariff Act (with effect from 01.01.1995) [Clause 125]**

○ **Countervailing duty**

Sub-section (6) and sub-section (7) of Section 9 of the Customs Tariff Act is being amended to remove ambiguity and clarify that determination and review for countervailing duty refers to determination and review of countervailing duty in a manner prescribed by rules made under the Customs Tariff Act.

○ **Anti-dumping duty**

Sub-section (5) and sub-section (6) of Section 9A of the Customs Tariff Act is being amended to remove ambiguity and clarify that determination and review for anti-dumping duty refers to determination and review in a manner prescribed by rules made under the Customs Tariff Act.

○ **Appeals under Section 9**

Section 9C of the Customs Tariff Act, is being amended to remove ambiguity and 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 8B, 9, 9A and 9B of the Act. It also seeks to insert an explanation to provide the meaning of determination or review thereof.

⇒ **Prospective amendments in Schedule I of the Customs Tariff Act**

- Schedule I has been amended to increase the tariff rates on certain items with effect from 02.02.2023. **[Clause 126(a) read with Second Schedule to the Finance Bill]**
- Schedule I has been amended to modify the tariff rates on certain tariff items as part of rationalization of customs duty rate structure with effect from the date of assent. **[Clause 126(b) read with Third Schedule to the Finance Bill]**
- The heading 9801 of the first schedule of Customs Tariff Act, 1975 is being amended to exclude solar power plant/solar power project from the purview of Project Imports with effect from the date of assent. **[Clause 126(b) read with Third Schedule to the Finance Bill]**
- Schedule I has been proposed to be amended to modify the tariff entries with effect from 01.05.2023. **[Clause 126(b) read with Furth Schedule to the Finance Bill]**

⇒ **Prospective amendments in Schedule II of the Customs Tariff Act**

- Schedule II has been proposed to be amended to align the entries under heading 1202 with that of the First Schedule with effect from 01.05.2023. **[Clause 127 read with Fifth Schedule of the Finance Bill 2023]**

CHANGES IN TARIFF RATES

COMMODITIES	Rate (%)		
	From		To
A. INCREASE IN TARIFF RATE [TO BE EFFECTIVE FROM 02.02.2023, UNLESS OTHERWISE SPECIFIED] – CLAUSE 126(a) OF THE FINANCE BILL, 2023]			
Chemicals			
⇒ Styrene	2%	↑	2.5%
⇒ Vinyl Chloride Monomer	2%	↑	2.5%
Rubber			
⇒ Compounded Rubber	10%	↑	25% or Rs. 30 per kg., which ever is lower

Gems and Jewellery Sector			
⇒ Articles of precious metals	20%	↑	25%
⇒ Imitation Jewellery	20% or Rs.400 per kg., which ever is higher	↑	25% or Rs. 600 per kg., which ever is higher
Electrical Goods			
⇒ Electric Kitchen Chimney	7.5%	↑	15%
Automobiles and Toys			
⇒ Bicycles	30%	↑	35%
⇒ 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]			
⇒ New or re-treaded pneumatic tyres, of rubber, of a kind used on aircraft of heading 8802	3%	↓	2.5%
⇒ Base metals clad with silver, not further worked than semi manufactured	12.5%	↓	10%
⇒ Gold (including gold plated with platinum) unwrought or in semi manufactured forms, or in powder form	12.5%	↓	10%
⇒ Base metals or silver, clad with gold, not further worked than semi manufactured	12.5%	↓	10%
⇒ Platinum, unwrought or in semi manufactured form, or in powder form	12.5%	↓	10%
⇒ Base metals, silver or gold, clad with platinum, not further worked than semi- manufactured	12.5%	↓	10%

⇒ 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%
⇒ Coin	12.5%	↓	10%
⇒ Aero planes and other aircrafts	3%	↓	2.5%
C. TARIFF RATE CHANGES (WITH CHANGES TO THE EFFECTIVE RATE OF CUSTOMS DUTY) [CLAUSE 126(c) OF THE FINANCE BILL, 2023]			
⇒ Silver (including silver plated with gold or platinum), unwrought or in semi-manufactured forms, or in powder form	12.5%	↓	10%

OTHER PROPOSALS INVOLVING CHANGES IN BASIC CUSTOMS DUTY RATES IN NOTIFICATIONS

A. CHANGES IN BASIC CUSTOMS DUTY (TO BE EFFECTIVE FROM 02.02.2023)			
Agricultural Products and by Products			
⇒ Pecan nuts	100%	↓	30%
⇒ Fish lipid oil for use in manufacture of aquatic feed	30%	↓	15%
⇒ Crude glycerine for use in manufacture of Epichlorohydrin	7.5%	↓	2.5%
⇒ Algal Prime (flour) for use in manufacture of aquatic feed	30%	↓	15%
⇒ Denatured ethyl alcohol for use in manufacture of industrial chemicals	5%	↓	Nil
⇒ Fish meal for use in manufacture of aquatic feed	15%	↓	5%
⇒ Krill meal for use in manufacture of aquatic feed	15%	↓	5%
⇒ 90 Mineral and Vitamin Premixes for use in manufacture of aquatic feed	15%	↓	5%

Minerals			
⇒ Acid grade fluorspar (containing by weight more than 97% of calcium fluoride)	5%	↓	2.5%
Petrochemicals			
⇒ Naphtha	1%	↑	2.5%
Gems and Jewellery Sector			
⇒ Seeds for use in manufacturing of rough lab-grown diamonds	5%	↓	Nil
⇒ Silver (including silver plated with gold or platinum), unwrought or in semi-manufactured forms, or in powder form	7.5%	↑	10%
⇒ Silver Dore	6.1%	↑	10%
IT, Electronics			
⇒ Specified chemicals/items for manufacture of Pre-calcined Ferrite Powder	7.5%	↓	Nil
⇒ Palladium Tetra Amine Sulphate for manufacture of parts of connectors	7.5%	↓	Nil
⇒ Camera lens and its inputs/parts for use in manufacture of camera module of cellular mobile phone	2.5%	↓	Nil
⇒ Specified parts for manufacture of open cell of TV panel	5%	↓	2.5%
Electronic Appliances			
⇒ Heat Coil for use in the manufacture of Electric Kitchen Chimneys	20%	↓	15%
Automobiles			
⇒ Vehicle (including electric vehicles) in Semi-Knocked Down (SKD) form.	30%	↑	35%
⇒ 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%

⇒ Electrically operated Vehicle in Completely Built Unit (CBU) form, other than with CIF value more than USD 40,000	60%	↑	70%
⇒ 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			
⇒ 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 maintain the existing incidence of duty on certain items. These changes need to be read with appropriate changes in AIDC/SWS rates.			
⇒ Coal, peat, lignite	1%	↑	2.5%
⇒ Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form	12.5%	↓	10%
⇒ Gold Dore	11.85%	↓	10%
⇒ 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)			
In Notification No. 50/2017- Customs			
⇒ Ferrous waste and scrap (S. No.368)	Nil	↓	Nil (up to 31.03.2024)

⇒ Raw materials for use in manufacture of CRGO steel (S. No 374, 375)	Nil	↓	Nil (up to 31.03.2024)
⇒ Lithium-ion cell for use in the manufacture of battery or battery pack of cellular mobile phone (S. No 527A)	5%	↓	5% (up to 31.03.2024)
⇒ Lithium-ion cell for use in the manufacture of battery or battery pack of electrically operated vehicle (EVs) or hybrid motor vehicle (S. No. 527B)	5%	↓	5% (up to 31.03.2024)
⇒ Specified inputs and subparts for use in manufacture of telecommunication grade optical fibre or optical fibre cables (S. No. 168)	Nil	↓	Nil
⇒ Preform of silica for use in the manufacture of telecommunication grade optical fibres or optical fibre cables (S. No.341)	5%	↓	5% (up to 31.03.2025)
⇒ Inputs for manufacture of Preform of silica (S. No.341A)	Nil	↓	Nil (up to 31.03.2025)
⇒ Specified inputs for use in the manufacture of EVA sheet or back sheets which are used in the manufacture of solar cell or modules (S. No.237)	Nil	↓	Nil (up to 31.03.2024)
⇒ Solar tempered glass for use in the manufacture of solar cell or solar module (S. No.340)	Nil	↓	Nil (up to 31.03.2024)
⇒ 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 (S.No.405, 406)	5%	↓	5% (up to 31.03.2025)
⇒ Raw material and parts (including Dredger) for use in the manufacture of ships/vessels (S. No.559)	Nil	↓	Nil (up to 31.03.2025)
⇒ Specified Drugs, medicines, diagnostics kits or equipment, bulk drugs used in manufacture of drugs or medicines (S. No.166)	5%	↓	5% (up to 31.03.2025)
⇒ Lifesaving drugs/ medicines and diagnostic test kits, bulk drugs used in manufacture of lifesaving drugs or medicines (S. No.167)	Nil	↓	Nil (up to 31.03.2025)

REVIEW OF CUSTOMS DUTY CONCESSIONS/ EXEMPTIONS

Review of conditional exemption rates of BCD prescribed in Notification No. 50/2017 – Customs dated 30.6.2017:

BCD exemption for the goods covered under following serial numbers of the notification are being extended for a period of one year i.e., up to 31.03.2024, unless specified otherwise.

Note:

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

S. No of Notification 50/2017	Description
Notification No. 50/2017- Customs extended upto 31.03.2024	
⇒ 90	Lactose for use in the manufacture of homeopathic medicine
⇒ 133	Gold ores and concentrates for use in manufacture of Gol
⇒ 139	Specified bunker Fuel for use in ships or vessels
⇒ 150	Goods of Heading 2710 or 271490 for manufacture of Fertilizers
⇒ 155	Excess Liquefied petroleum gases (LPG) returned by DTA unit to SEZ unit
⇒ 164	Electrical energy supplied to DTA by power plants of 1000MW or above
⇒ 165	Electrical energy supplied to DTA by power plant less than 1000MW
⇒ 183	Medical use fission Molybdenum-99 (Mo-99) for use in manufacture of radio pharmaceutical
⇒ 184	Pharmaceutical Reference Standard
⇒ 188	Specified goods for manufacture of ELISA Kits
⇒ 204	Anthraquinone or 2-Ethyl Anthraquinone, for use in manufacture of Hydrogen Peroxide

⇒ 212A	Medicines/drugs/vaccines supplied free by United Nations International Children's Emergency Fund (UNICEF), Red Cross or an International Organization
⇒ 213	Drugs and materials
⇒ 238	Organic or inorganic coating material for manufacture of electrical steel
⇒ 253	Goods for manufacture of Brushless Direct Current (BLDC) motors
⇒ 254	Catalyst for manufacture of cast components of Wind Operated Electricity Generator
⇒ 255	Resin for manufacture of cast components of Wind Operated Electricity Generator
⇒ 258	Security fibre, security threads, Paper based taggant including Mfeature for manufacture of security paper by Security Paper Mill, Hoshangabad and Bank Note Paper Mill India Pvt Ltd, Mysore.
⇒ 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.
⇒ 260	Goods for the manufacture of orthopaedic implants falling under 902110
⇒ 261	Alatheaon and copper wire
⇒ 269	Super absorbent polymer for manufacture adult diapers, tampons, sanitary pads etc. (9619)
⇒ 271	Polytetramethylene ether glycol, (PT MEG) for use in manufacture of spandex yarn
⇒ 276	Ethylene – propylene – non-conjugated diene rubber (EPDM) for manufacture of insulated wires and cables
⇒ 277A	Calendared plastic sheet for manufacturing of Smart Card (8523)
⇒ 279	Pneumatic tyres of rubber for MRO of aircraft used in scheduled air service
⇒ 280	Pneumatic tyres of rubber for MRO of aircraft used by training, aeroclub etc.
⇒ 333	Moulds, tools and dies for manufacture of parts of electronic components/equipment
⇒ 334	Graphite Felt or graphite pack for growing silicon ingots; Thin steel wire used in wire saw for slicing of silicon wafers

⇒ 339	Toughened glass for solar thermal collectors or heaters
⇒ 353	Foreign currency coins when imported into India by a Scheduled Bank
⇒ 364A	Spent catalyst or ash containing precious metals
⇒ 378	Metal parts for manufacture of electrical insulators falling under heading 8546
⇒ 379	Pipes and tubes for use in manufacture of boilers
⇒ 380	Forged steel rings for manufacture of special bearings for use in wind operated electricity generator
⇒ 381	Flat copper wire for use in the manufacture of photo voltaic ribbon for solar cell/modules
⇒ 387	Zinc metal recovered by toll smelting or toll processing from zinc concentrates exported from India for such processes
⇒ 392	Dies for drawing metal, when imported after repairs in exchange of similar worn out dies exported out for repairs
⇒ 415	Parts/inputs for manufacture of catalytic convertors or its parts
⇒ 415A	Platinum or Palladium for manufacture of all goods including Noble Metal Compounds & Noble Metal Solutions falling under 2843 and goods of heading 381512
⇒ 416	Ceria zirconia compounds for use in the manufacture of wash coat for catalytic converter
⇒ 417	Cerium compounds for use in the manufacture of wash coat for catalytic converters
⇒ 418	Zeolite for use in the manufacture of wash coat for catalytic converters
⇒ 419	Aluminium Oxide for use in the manufacture of wash coat for catalytic converters
⇒ 420	Clay 2 Powder (Alumax) for use in ceramic substrate for catalytic convertors
⇒ 421	Goods required for basic telephone /internet service and their parts
⇒ 426	Specified goods for the manufacture of goods falling under 8523 5200, 8541, 8542, 8543 9000 or 8548 00 00
⇒ 428	Specified goods imported by accredited press cameraman

⇒ 429	Specified goods, imported by accredited journalist
⇒ 435	Capital goods/ Machinery for printing industry
⇒ 441	Spinnerets 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 spinnerets exported out of India
⇒ 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
⇒ 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
⇒ 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
⇒ 467	Cash dispenser and parts thereof
⇒ 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
⇒ 471	All parts for use in the manufacture of LED lights or fixtures including LED lamps
⇒ 472	All inputs for use in the manufacture of LED driver or MCPCB for LED lights and fixtures or LED lamps
⇒ 475	Specified goods including scramblers, descramblers, encoders, jammers, network firewall, SMS monitoring system etc.
⇒ 476	Television equipment, cameras and other equipment for taking films, imported by a foreign film unit or television team
⇒ 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.
⇒ 478	The wireless apparatus, parts imported by a licensed amateur radio operator
⇒ 480	Goods imported for being tested in specified test centres
⇒ 482	Newspaper page, transmission and reception facsimile system or equipment; telephoto transmission and reception system or equipment
⇒ 489B	Specified goods for manufacturing of microphones

⇒ 495	Batteries for electrically operated vehicles, including two and three wheeled electric motor vehicles
⇒ 497	Active Energy Controller (AEC) for use in manufacture of Renewable Power System (RPS) inverters
⇒ 504	Parts and Components of Digital Still Image Video Cameras
⇒ 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
⇒ 510	Parts, components and accessories for use in manufacture of reception apparatus for television and sub-parts for manufacture of these items
⇒ 511	Parts, components and accessories for use in manufacture of reception apparatus for television and sub-parts for manufacture of these items
⇒ 511	Parts, components and accessories for manufacture of CCTV Camera /IP camera and sub-parts for manufacture of these items
⇒ 512	Specified Parts, components and subparts for use in manufacture of Lithium-ion battery and battery pack
⇒ 512A	Inputs ,parts or subparts for manufacture of PCBA of Lithium ion battery and battery pack
⇒ 515A	Open cell for use in manufacture of LCD and LED TV panels of heading 8524
⇒ 516	Specified goods for use in the manufacture of Liquid Crystal Display (LCD) and LED TV panel
⇒ 519	Raw materials or parts for use in manufacture of e-Readers
⇒ 523A	Parts, sub-parts, inputs or raw material for use in manufacture of Lithium ion cells
⇒ 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
⇒ 534	Parts of gliders or simulators of aircrafts (excluding rubber tyres and tubes of gliders)
⇒ 535	Raw materials for manufacture of aircraft (except unmanned aircraft used as television camera, digital camera or video camera recorder) or its parts

⇒ 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
⇒ 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
⇒ 537	All goods of Heading 8802 (except 88026000-spacecraft)
⇒ 538	Components or parts, including engines, of aircraft of heading 8802
⇒ 539	(a) Satellites and payloads; (b) Ground equipments brought for testing of (a)
⇒ 539A	Scientific and technical instruments, apparatus etc required for launch vehicles and satellites and payloads
⇒ 540	Specified goods under heading 8802 imported by scheduled air transporter
⇒ 542	Specified goods imported by Aero Club, Flying Training Institutes
⇒ 543	Specified goods imported by non-scheduled air transporter
⇒ 544	Parts (other than rubber tubes) of aircraft of heading 8802 for operating scheduled air transport/air cargo services
⇒ 546	Parts (other than rubber tubes) of aircraft of heading 8802 for non-scheduled passenger/charter services, aero club, training purpose etc.
⇒ 548	Barges or pontoons imported along with ships 93. 549 Capital goods and spares, raw materials, parts,
⇒ 549	Capital goods and spares, raw materials, parts, material handling equipment and consumables for repairs of ocean-going vessels by a ship repair unit
⇒ 550	Spare parts and consumables for repairs of ocean-going vessels registered in India.
⇒ 551	Cruise ships, excursion ships (excluding vessels and floatin structures imported for breaking up)
⇒ 553	Fishing vessels, Tugs and Pusher crafts, light vessels (excluding vessels and floating structures imported for breaking up)

⇒ 555	Vessels such as warships, lifeboats (excluding vessels and floating structures imported for breaking up)
⇒ 565	Specified goods for use in the manufacture of Flexible Medical Video Endoscope
⇒ 566	Polypropylene, Stainless-steel Strip and stainless-steel capillary tube for manufacture of syringes, needles, catheters and cannulae.
⇒ 567	Stainless steel tube and wire, cobalt chromium tube, Haynes alloy-25 and polypropylene mesh required for manufacture of coronary stents / coronary stent system and artificial heart valve
⇒ 568	Parts and components required for the manufacture of Blood Pressure Monitors and blood glucose monitoring system (Glucometers)
⇒ 569	Ostomy products, its accessories and parts required for manufacture of such medical equipment
⇒ 570	Medical and surgical instruments, apparatus and appliances including spare parts and accessories thereof
⇒ 575	Hospital Equipment (excluding consumables) for use in specified hospitals
⇒ 577	Lifesaving medical equipment including accessories or spare parts or both of such equipment for personal use
⇒ 578A	Raw materials, parts or accessories for manufacture of Cochlear Implants
⇒ 579	Survey (DGPS) instruments, 3D modelling software cum equipment for surveying and prospecting of minerals
⇒ 580	X-Ray Baggage Inspection Systems and parts thereof
⇒ 581	Portable X-ray machine / system
⇒ 583	Parts and cases of braille watches, for the manufacture of Braille watches
⇒ 593	Parts of video games for the manufacture of video games
⇒ 607	Specified Life Saving drugs/medicines including medicines for Spinal Muscular Atrophy or Duchenne Muscular Dystrophy, for personal use
⇒ 607A	Lifesaving drugs/medicines for personal use supplied free of cost by overseas supplier
⇒ 611	Archaeological specimens, photographs, plaster casts or antiquities for exhibition for public benefit in a museum managed by ASI or by State Govt.

⇒ 612	Specified raw material for sports goods
Notification No. 50/2017- Customs extended upto 31.03.2028	
⇒ 609	Under bonafide personal and household effects of a deceased person
REVIEW OF EXEMPTIONS PRESCRIBED BY OTHER NOTIFICATIONS	
The BCD exemptions for the goods covered under following notifications are being extended for a period of one year i.e., up to 31.03.2024.	
Notification No.	Subject
⇒ 16-Customs dated 23.01.1965	Exemption to goods exported to foreign countries for display in show- rooms of Govt. of India
⇒ 80/1970- Customs	Exemption to articles supplied free under warranty as replacement for defective ones
⇒ 46-Customs (1974)	Pedagogic material for educational or vocational training courses
⇒ 248/76-Customs	Exemption to precious stones imported by posts on 'approval or return' basis
⇒ 207/89-Customs	Exemption to foodstuff and provisions, imported by foreigners
⇒ 134/94-Customs	Exemption to goods for carrying out repairs, reconditions, testing calibration or maintenance
⇒ 147/94-Customs	Exemptions to firearms & ammunition by renowned shot
⇒ 148/94-Customs	Exemptions to specified free gifts, donations, relief and rehabilitation material imported by charitable trusts, Red Cross, CARE and Govt. of India
⇒ 151/94-Customs	Exemption to aircraft equipment, tanks, fuel and lubricating oils by Indian Airlines, United Arab Airlines, Indian Air Force
⇒ 152/94-Customs	Exemption to imports for handicapped person, charitable or social welfare purposes and research and education programme
⇒ 153/94-Customs	Exemption to goods for foreign origin imported for repair and return
⇒ 39/96-Customs	Imports relating to defence, internal security forces& air forces

⇒ 50/96-Customs	Exemption to specified equipment, instruments, raw material etc. imported for R&D projects
⇒ 51/96-Customs	Exemption to research equipment by publicly funded and research institutions, Govt. Dept., laboratory, IIT etc
⇒ 25/98- Customs	Effective rate of duty for goods of Chapter 70,84,85 or 90
⇒ 97/99- Customs	Exemption to Gold bars under Gold Deposit Scheme of RBI
⇒ 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
⇒ 30/2004- Customs	Exemptions to second-hand computers/accessories received as donation by schools, charitable institutions
⇒ 45/2005- Customs	Exemption from Special Additional duty of Customs to goods cleared from SEZ and brought to any other place in India
⇒ 81/2005- Customs	Exemption to machinery/components for initial setting up of nonconventional power generation plants
⇒ 102/2007- Customs	Exemption from Special CVD to all goods imported for subsequent sale when IGST, CGST, SGST or UTGST paid by importers
⇒ 26/2011- Customs	Exemption to work of art, antiques in museum or art gallery imported for public exhibition
⇒ 23/2016- Customs	Effective rates for parts of aircraft imported under the Standard Exchange Scheme
⇒ 05/2017- Customs	Exemption to machinery, components for setting up fuel cell-based power generation plant
⇒ 16/2017- Customs	Exemption to specified drugs & medicines supplied free of cost to patients under Patient Assistance program of Pharma Companies
⇒ 29/2017- Customs	Exemption to specimen, models, wall pictures and diagrams for instructional purposes
⇒ 30/2017- Customs	Exemption to motion picture, music, gaming software for use in gaming console printed or recorded on media
⇒ 32/2017- Customs	Exemption to art work created abroad by Indian artist, sculptor, antiques books more than 100 years
⇒ 37/2017- Customs	Imports relating to defence & internal security forces

⇒ 49/2017- Customs	Exemption to special Additional Duty on specified goods of fourth schedule to Central Excise Act
⇒ 52/2017- Customs	Effective rate of Additional duty for goods under Chapter 27
The BCD exemptions for the goods covered under following notifications are being extended for a period of one year i.e., up to 31.03.2028.	
⇒ 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
⇒ 33/2017- Customs	Exemption to import of challenge cups and trophies won by a unit of Defence Force or its members
⇒ 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
⇒ 90/2009- Customs	Exemption to imports from Antarctica of goods used for or related to Indian Antarctic Expedition or Indian Polar Science Programme

OTHER NOTIFICATIONS CHANGES

<i>New Notification No.</i>	<i>Description</i>	<i>Amendment in Notification No.</i>
08/2023- Customs dated 01.02.2023	The India-UAE CEPA Tariff notification is being amended as a consequential change to rationalization of basic customs duty rate structure.	22/2022-Customs, dated 30.04.2022
09/2023- Customs dated 01.02.2023	This notification relating to jewelry export promotion is being amended consequent to changes in import duty structure on Gold and increase in duty rate of Silver.	57/2000-Customs, dated 08.05.2000
10/2023- Customs, dated 01.02.2023	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 Sportsperson of eminence for training.	146/94-Customs, dated 13.07.1994

CUSTOMS DUTY EXEMPTIONS/ CONCESSIONS BEING DISCONTINUED

Certain BCD exemptions under Notification No. 50/2017-Customs dated 30.06.2017 and other notification are being discontinued with effect from 31.03.2023

<i>New Notification No.</i>	<i>Description</i>	<i>Amendment in Notification No.</i>
02/2023-Customs dated 01.02.2023	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]	S. No. 16 of 50/2017-Customs dated 30.06.2017
02/2023-Customs dated 01.02.2023	This exemption entry pertaining to 'Monofilament Yarn' is being withdrawn as tariff rate is also at 5% and hence redundant.	S. No 325 of 50/2017-Customs dated 30.06.2017

SOCIAL WELFARE SURCHARGE (SWS)	
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 30.06.2017, published in the Gazette of India vide number G.S.R. 785(E), dated the 30.06.2017.
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 30.06.2017, published in the Gazette of India vide number G.S.R. 785(E), dated the 30.06.2017.
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 30.06.2017, published in the Gazette of India vide number G.S.R. 785(E), dated the 30.06.2017.
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 30.06.2017, published in the Gazette of India vide no. G.S.R. 785(E) dated the 30.06.2017.
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 30.06.2017, published in the Gazette of India vide no G.S.R. 785(E) dated the 30.06.2017.

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 30.06.2017.
RESCINDING OF NOTIFICATION RELATING TO SWS	
9)	Notification No. 13/2021-Customs, dated the 01.02.2021, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 71(E), dated the 01.02.2021.
10)	Notification No. 34/2022-Customs, dated the 30.06.2022, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 487(E), dated the 30.06.2022..

NOTIFICATION PERTAINING TO INDIAN AIRLINES BEING DISCONTINUED WITH EFFECT FROM 31.03.2023.

Notification No.	Subject	Justification
48/2017-Custom dated 30.06.2017	Exemption to catering cabin equipment. food and drinks on re-importation by aircrafts of the Indian Airlines Corporation from foreign flights	Indian Airlines Corporation is no longer in existence

Note: Description of entry is indicative, notification may be referred for complete description

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)

COMMODITIES	Rate (%)		
	From		To
A. AIDC RATE CHANGES (WITH CHANGES TO THE EFFECTIVE RATE OF CUSTOM DUTY)			
⇒ Silver (including silver plated with gold or platinum), unwrought or in semi manufactured forms, or in powder form	2.5%	↑	5%
⇒ Silver Dore	2.5%	↑	4.35%
B. CHANGES TO AIDC (WITHOUT ANY CHANGE TO THE EFFECTIVE RATE OF CUSTOM DUTY)			
⇒ Coal, peat, lignite	1.5%	↓	Nil
⇒ 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%
⇒ Gold (including gold plated with platinum) unwrought or in semi-manufactured form, or in power form	2.5%	↑	5%
⇒ Gold Dore	2.5%	↑	5.4%
⇒ 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 30.06.2017	1.5%	↑	5.4%
⇒ 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 30.06.2017	Nil	↑	0.5%

EXCISE

AMENDMENTS TO CENTRAL EXCISE

⇒ **Amendment to Seventh Schedule to the Finance Act, 2001**

The 7th 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 [Clause 153 read with Sixth Schedule of the Finance Bill, 2023]:

Tariff Item	Description of Goods	Unit	Excise Duty	NCCD
(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	850
2402 90 10	Cigarettes of tobacco substitutes	Tu	600	690

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

⇒ **Amendment to Notification No. 05/2023-Central Excise, dated 01.02.2023 w.e.f. 02.02.2023**

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.
