

जी. डी. लोहानी  
संयुक्त सचिव (टीआरयू-1)

**G. D. LOHANI**  
Joint Secretary (TRU-I)



भारत सरकार  
GOVERNMENT OF INDIA  
वित्त मंत्रालय (राजस्व विभाग)  
MINISTRY OF FINANCE (DEPARTMENT OF REVENUE)  
केन्द्रीय अप्रत्यक्ष कर और सीमा शुल्क बोर्ड  
CENTRAL BOARD OF INDIRECT TAXES & CUSTOMS  
नई दिल्ली - 110001  
NORTH BLOCK, NEW DELHI - 110001

D.O. F. No. 334/01/2022-TRU

New Delhi, the 1<sup>st</sup> February, 2022

*Dear Principal Chief Commissioner/ Chief Commissioner/ Principal Director General/  
Director General,*

The Finance Minister has introduced the Finance Bill, 2022 in Lok Sabha today, that is 1<sup>st</sup> February, 2022. Changes in Customs, Central Excise, GST law and rates have been proposed through the Finance Bill, 2022. To prescribe effective rates of duty, following notifications are being issued:

	Notification /Circular Nos.	Date
Customs (Tariff)	02/2022-Customs to 15/2022-Customs	1 <sup>st</sup> February, 2022
Customs (Non-Tariff)	07/2022-Customs (N.T.)	1 <sup>st</sup> February, 2022
Customs (ADD)	05/2022-Customs (ADD) to 07/2022-Customs(ADD)	1 <sup>st</sup> February, 2022
Customs (CVD)	01/2022-Customs(CVD)	1 <sup>st</sup> February, 2022
Central Excise	01/2022-Central Excise	1 <sup>st</sup> February, 2022
Central Excise (N.T.)	01/2022-Central Excise (N.T.)	1 <sup>st</sup> February, 2022
Circular (Central Excise)	1082/03/2022-CX	1 <sup>st</sup> February, 2022
Circular (Customs)	3/2022-Customs	1 <sup>st</sup> February, 2022

2. Unless otherwise stated, all changes in rates of duty will take effect from the midnight of 1<sup>st</sup> February/2<sup>nd</sup> February, 2022. A declaration has been made under the Provisional Collection of Taxes Act, 1931 in respect of clause 97 (a) of the Finance Bill, 2022 so that changes proposed therein take effect from the midnight of 1<sup>st</sup> February/2<sup>nd</sup> February, 2022. The remaining legislative changes would come into effect only upon the enactment of the Finance Bill, 2022 or from 1<sup>st</sup> May, 2022.

**3. Major highlights of the budget –**

- i. A comprehensive review of Customs duty exemptions has been undertaken through a process involving crowd sourcing and inputs from various ministries. In this context, about 350 exemptions are being withdrawn.
- ii. Further, after a detailed review of customs duty exemptions on capital goods and project imports, more than 40 exemptions relating thereto are proposed to be gradually phased out.
- iii. Certain exemptions are being introduced for duty free import of specified goods by bonafide exporter of items like handicraft, apparel, leather goods. The value added export goods shall be exported in six months and exporter shall follow IGCR Rules.

- iv. Custom tariff structure is being simplified by moving the unconditional concessional rates from existing exemption notifications to the First Schedule of Customs Tariff Act. In this process, certain tariff lines and rates have also been rationalised. As a result, applicable BCD rates on sectors such as textiles, chemicals, metals etc. will operate almost entirely through tariff.
- v. Sunset date is being stipulated as per section 25(4A) of the Customs Act, 1962 in respect of conditional exemption entries in respective notifications. This section, as brought in last year, prescribes validity period of conditional exemptions. Certain exemptions, like international commitments such as FTA, ITA, concessions emanating from FTP like Advance Authorisation, and concessions under Phased Manufacturing Programmes (PMP) have been excluded from the purview of automatic expiry.
- vi. Graded import duty rate structure is being notified to operationalise Phased Manufacturing Plan for wearables, hearables and smart meters.
- vii. Significant legislative changes in the Customs Act are being made, particularly as regards to specifying class of officers and assignment of function and jurisdiction of the proper officers. Certain actions by such officers of Customs, taken in past, are being validated through the Finance Bill, 2022.
- viii. Revised IGCR Rules is being notified to make the entire process digital and transparent.

4. Important changes in respect of Customs and Central Excise duty (including cesses) are contained in the Annexures to this letter as detailed below.

**(i) Customs duty rate changes:** The change in the rates of duty, tariff rates, omission of certain exemption and amendments in certain exemptions, conditions to exemptions, clarifications relating to applicability of SWS etc. are at **Annexure A**.

**(ii) Tarrifisation:** An exhaustive exercise has been carried out for simplification of tariff structure. Unconditional concessional rates prescribed through various notifications are being moved to Tariff (First) Schedule in the Customs Tariff Act. These changes in tariff rate shall come into effect from 1<sup>st</sup> May, 2022. Accordingly, the respective entries in the concerned notifications will be omitted with effect from the 1<sup>st</sup> May, 2022. The duty rates on such item shall then operate through First Schedule of Customs Tariff Act, 1975. It may however be noted that certain rate changes in the Customs Tariff are coming into effect immediately by virtue of declaration under the Provisional Collection of Taxes Act. **[The details are at Annexure B]**

**(iii) Central Excise Changes:** The changes in Central Excise Act and duty rates are at **Annexure C**.

**(iv)Legislative changes in the Customs Act, Customs Tarff Act and Rules made thereunder:**

a) Certain significant changes are being made in the Customs Act. The definition of 'proper officer' is being modified; officers of DRI, Audit and Preventive formation are being specifically included in the class of officers of Customs; explicit provision is being made for assigning functions to officer of Customs by the Board or Pr. Commissioner/Commissioner of Customs; concurrent jurisdiction is being provided for in certain circumstance, as the Board may specify; explicit provision is being made to delineate jurisdiction on cases involving short levy/payment of duty or erroneous refund etc. and to provide for concurrent exercise of powers. Further, enabling provisions are being added to tackle the menace of systemic undervaluation. Procedures with respect to Advance Ruling are being rationalised. A section is being added to make unauthorised publication of import or export data, an offence under the Customs Act.

b) In a major trade facilitation measure the Import of Goods Concessional Rate of Duty (IGCR) Rules,2017 have been comprehensively revised. End-to-end automation is being introduced in the entire process; various forms are being standardized and any transaction based permissions or intimations are being done away with. Periodical statement under these rules shall also be submitted on the common portal.

**[The details are at Annexure D]**

**(v) Legislative Changes in the GST Acts:**

Certain changes have been made in the GST Acts and the IGST Act on the basis of recommendation made by the GST Council. These changes will come into effect from the date to be notified. These changes broadly relates to facilitation/simplification and for improving compliance. These changes include rationalisation of return filing procedure, sequential filing of GSTR-1, cancellation of registration of return non-filers/ stop-filers, doing away with two-way communication process in return filing and consequent changes related thereto, certain conditional restrictions on utilisation of input tax credit, allowing transfer in electronic cash ledger of a distinct person, extending the relevant date for rectification of errors, availing input tax credits, issuance of credit or debit note pertaining to a financial year till 30<sup>th</sup> November of following financial year, etc. Also, section 50 of the CGST Act has been amended to prescribe, with effect from 1<sup>st</sup> July, 2017, levy of interest on wrongly availed ITC only if it is utilised. **[The details are at Annexure E]**

4. This letter only summarizes the key highlights of the budgetary changes. It should not be used in any quasi-judicial or judicial proceedings. The relevant legal texts contained in the Finance Bill and notifications alone have legal force. We have taken every possible care in making the changes error free. However, inadvertent errors cannot be ruled out given the scale of the exercise. I shall be grateful if the provisions of the Finance Bill and notifications are studied carefully and feedback is provided urgently, including the issues that may need clarification.

5. It is requested that all possible efforts may be made to guide the taxpayers by holding interactive sessions/seminars for their benefit. In case of any doubt or difficulty, I would request you to kindly bring it to my notice immediately at js-tru01@gov.in or to the notice of Shri Gaurav Singh, Deputy Secretary (TRU) (Tel: 011-2309 2753, email: gaurav.singh80@nic.in), Shri J.S. Kandhari, Deputy Secretary (TRU) (Tel: 011-2309 5526, email: js.kandhari@nic.in), Shri Syed Wasif Haider, OSD (TRU) (Tel: 011-2309 5516, email: swasif.haider@gov.in) or Shri Dibyalok, Budget Officer (TRU) (Tel: 011-2309 5547, email: dibyalok.8437@gov.in) We can also be reached at budget-cbec@nic.in.

6. Copies of Finance Bill, 2022, Finance Minister's Budget Speech, Explanatory Memorandum to the Bill and relevant notifications can be downloaded directly from [www.indiabudget.gov.in](http://www.indiabudget.gov.in) as well as [www.cbic.gov.in](http://www.cbic.gov.in).

7. To conclude my team and I would like to express our gratitude to you for the valuable suggestions, feedback and support and would look forward to your comments/suggestions.

With warm regards,

Yours sincerely,



(G. D. Lohani)

Joint Secretary (TRU-I)

Enclosed as above

To,

**All Principal Chief Commissioners/ Principal Director General  
All Chief Commissioners/Directors General  
All Principal Commissioners,  
All Commissioners,  
Director DPPR/ Logistics/ Legal Affairs/ Data Management.**

**CUSTOMS****Note:**

- (a) “Basic Customs Duty” (BCD) means Customs duty levied under the Customs Act, 1962.
- (b) “Health Cess” means duty of Customs imposed *vide* Clause 141 of the Finance Act, 2020.
- (c) “Social Welfare Surcharge (SWS)” means duty of customs levied *vide* section 110 of the Finance Act, 2018.
- (d) “Agriculture Infrastructure and Development Cess (AIDC)” means a duty of customs that is levied under Section 124 of the Finance Act, 2021.

Note 1 : Tarrifisation with no effective rate change – The effective rates prescribed by notifications are being moved to tariff. These changes are being incorporated in the First Schedule of the Customs Tariff Act, 1975. The changes in the tariff schedule shall commence from 01.05.2022. Therefore, during the period from 02.02.2022 till 30.04.2022, these rates shall continue to operate through existing notifications, which shall be omitted on 1.5.2022.

Note 2 : Tarrifisation with effective rate change - Certain new concessional rates coming into effect from 2.2.2022 are being prescribed through the notifications. These changes are also being incorporated in the First Schedule of the Customs Tariff Act, 1975. The changes in the tariff schedule shall commence from 01.05.2022. Consequently, the relevant entries in the notification shall be omitted w.e.f. 1.5.2022.

**I. Changes in BCD rate****Chapter 1**

(1) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. No. 1 of the Table 1 in Annexure B.

**Chapter 2: No change****Chapter 3 – 5**

(1) Vide S. No. 4 of notification No. 50/2017- Customs, concessional BCD rate of 10% is prescribed on “Atlantic salmon” falling under heading 0302 or 0303. On review, this entry is being omitted [S. No. 2 of notification No. 02/2022 - Customs dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will now attract a BCD rate of 30%.

(2) A technical change has been made in the S. No. 6 of notification No. 50/2017- Customs to remove the condition of Specific Pathogen Free (SPF) for Live *Litopennaeus vannamei* Shrimp. The same shall continue to be regulated through Department of Fisheries regulations [S. No. 3 of notification No. 02/2022 - Customs dated 1<sup>st</sup> February 2022 refers]. This change is being made effective from 02.02.2022. Further, a new dedicated tariff item 0306 36 20 for Live *Litopennaeus vannamei* Shrimp with a standard rate of duty of 10% is being inserted with effect from 01.05.2022 [Clause 97 (b) of the Finance Bill, 2022 refers]. Accordingly, the reference to sub heading 0306 16 or 0306 17 is being modified to heading 0306. Thus, the BCD rate on this item would operate through the Tariff with effect from 01.05.2022 and consequently entry '6' shall be omitted.

(3) BCD on Live Black tiger shrimp (*Penaeus monodon*) (heading 0306) is being decreased from 30% to 10% by inserting S. No. 6A in notification No. 50/2017 - Customs [S. No. 3 of notification No. 02/2022- Customs dated 1<sup>st</sup> February 2022 refers]. This change is being made effective from 02.02.2022. With effect from 01.05.2022, the BCD rate on this item would operate through the Tariff and consequently said entry '6A' shall be omitted.

(4) BCD on Frozen Krill (tariff item 0306 19 00) is being decreased from 30% to 15% by inserting S. No. 6B in notification No. 50/2017 – Customs [S. No. 3 of notification No. 02/2022 – Customs dated 1<sup>st</sup> February 2022 refers]. This change is being made effective from 02.02.2022.

(5) BCD on Frozen Mussels (tariff item 0307 32 00) is being decreased from 30% to 15% by inserting S. No. 6C in notification No. 50/2017 - Customs [S. No. 3 of notification No. 02/2022 – Customs dated 1<sup>st</sup> February 2022 refers]. This change is being made effective from 02.02.2022. With effect from 01.05.2022, the BCD rate on this item would operate through the Tariff and consequently said entry '6C' shall be omitted.

(6) BCD on Frozen Squids (tariff item 0307 43 20) is being decreased from 30% to 15% by inserting S. No. 6D in notification No. 50/2017 - Customs [S. No. 3 of notification No. 02/2022 – Customs dated 1<sup>st</sup> February 2022 refers]. This change is being made effective from 02.02.2022. With effect from 01.05.2022, the BCD rate on this item would operate through the Tariff and consequently said entry '6D' shall be omitted.

(7) A technical change has been made for Artemia and Artemia cysts. Live Artemia is being moved from Chapter 5 (Tariff item 0511 99 11) to Chapter 3 (Tariff item 0306 36 60) and a standard rate of duty of 5% has been prescribed in the First Schedule of the Customs Tariff Act, 1975. Further, a new dedicated tariff item 0511 91 40 has been

inserted for Artemia cysts in Chapter 5 and a standard rate of duty of 5% has been prescribed. These changes are being made effective from 01.05.2022. Therefore, the BCD rate on these items would operate through the Tariff with effect from 01.05.2022 and consequently entries '13' and '14' shall be omitted.

(8) Vide S. No. 15 of notification No. 50/2017- Customs, concessional BCD rate of 5% is prescribed on Frozen semen and specified Frozen semen equipment falling under Chapter 5 or any other Chapter. On review, this entry is being modified to narrow the scope of this exemption to only Bovine Semen falling under tariff item 0511 10 00 [S. No. 5 of notification No. 02/2022 - Customs dated 1<sup>st</sup> February 2022 refers]. Consequently, all other items under this exemption entry shall attract Tariff rate as per specific CTH. This change is being made effective from 02.02.2022. With effect from 01.05.2022 the BCD rate on Bovine semen would operate through the Tariff and consequently said entry '15' shall be omitted.

(9) Vide S. No. 104 of notification No. 50/2017- Customs, BCD exemption is prescribed on goods specified in List 1 of said notification, falling under any Chapter, used in processing of sea-food. On review, the said List of goods to which this entry is applicable is being revised [S. No. IV(viii) of notification No. 02/2022 - Customs dated 1<sup>st</sup> February 2022 refers].

(10) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. No. 2 to 4 of the Table 1 in Annexure B.

## **Chapter 6-7: No change**

## **Chapter 8**

(1) Vide S. No. 26 of notification No. 50/2017- Customs, concessional BCD rate of 10% is prescribed on all goods falling under tariff items 0802 21 00 and 0802 22 00. On review, this entry is being omitted [S. No. 7 of notification No. 02/2022 - Customs dated 1<sup>st</sup> February 2022 refers]. Consequently, all goods falling under tariff items 0802 21 00 and 0802 22 00 will now attract a BCD rate of 30%.

(2) Vide S. No. 28 of notification No. 50/2017- Customs, concessional BCD rate of 30% is prescribed on all goods falling under tariff items 0802 91 00, 0802 92 00, 0802 99 00. On review, this entry is being omitted [S. No. 9 of notification No. 02/2022 - Customs dated 1<sup>st</sup> February 2022 refers]. Consequently, all goods falling under tariff items 0802 91 00, 0802 92 00, 0802 99 00 will now attract standard tariff (100%). Further, these items are being exempted from Social Welfare Surcharge [S. No. I (i) of

notification No. 03/2022 - Customs dated 1<sup>st</sup> February 2022 refers]. This change is being made effective from 02.02.2022.

(3) S. No. 31 of notification No. 50/2017- Customs is being omitted being redundant. The applicable rate, as prescribed through this notification /S. No. 31, shall continue vide the First Schedule of the Customs Tariff Act, 1975.

(4) Vide S. No. 33 of notification No. 50/2017- Customs, concessional BCD rate of 15% is prescribed on all goods, other than black, white, or red currants and gooseberries, falling under tariff item 0810 60 00 or sub-heading 0810 90. On review, this entry is being omitted [S. No. 12 of notification No. 02/2022 - Customs dated 1<sup>st</sup> February 2022 refers]. Consequently, all such goods falling under tariff item 0810 60 00 or sub-heading 0810 90 will now attract a BCD rate of 30%.

(5) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. No. 5 to 8 of the Table 1 in Annexure B.

### **Chapter 9**

(1) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. No. 9 to 10 of the Table 1 in Annexure B.

### **Chapter 10**

(1) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. No. 11 to 13 of the Table 1 in Annexure B.

### **Chapter 11**

(1) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. No. 14, 15 of the Table 1 in Annexure B.

### **Chapter 12**

(1) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First

Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. No. 16, 17 of the Table 1 in Annexure B.

### **Chapter 13**

(1) Vide S. No. 50 of notification No. 50/2017- Customs, concessional BCD rate of 5% is prescribed on “Seed lac” falling under sub-heading 1301 90. On review, this entry is being omitted [S. No. 15 of notification No. 02/2022 - Customs dated 1<sup>st</sup> February 2022 refers]. Consequently, “Seed lac” falling under sub-heading 1301 90 will now attract a BCD rate of 30%.

(2) BCD on Asafoetida (tariff item 1301 90 13) is being decreased from 20% to 5% by amending S. No. 51 in notification No. 50/2017 - Customs [S. No. 16 of notification No. 02/2022 – Customs dated 1<sup>st</sup> February 2022 refers]. This change is being made effective from 02.02.2022. With effect from 01.05.2022, the BCD rate on this item would operate through the Tariff and consequently said entry ‘51’ shall be omitted.

(3) Vide S. No. 52 of notification No. 50/2017- Customs, concessional BCD rate of 20% is prescribed on “Dammar batu” falling under tariff item 1301 90 22. On review, this entry is being omitted [S. No. 17 of notification No. 02/2022 - Customs dated 1<sup>st</sup> February 2022 refers]. Consequently, “Dammar batu” falling under tariff item 1301 90 22 will now attract a BCD rate of 30%.

### **Chapter 14**

(1) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. No. 18 of the Table 1 in Annexure B.

### **Chapter 15**

(1) BCD on Algal Oil for manufacturing of aquatic feed (heading 1518) is being decreased from 30% to 15% by inserting S. No. 80A in notification No. 50/2017 - Customs [S. No. 19 of notification No. 02/2022 – Customs dated 1<sup>st</sup> February 2022 refers]. Further, the concession is subject to the condition that the importer follows the procedure set out in the Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017. This change is being made effective from 02.02.2022.

(2) Vide S. No. 82 of notification No. 50/2017- Customs, BCD exemption is prescribed on “Crude glycerin for use in manufacture of soaps” falling under tariff item 1520 00 00. On review, this entry is being omitted [S. No. 20 of notification No. 02/2022 - Customs dated 1<sup>st</sup> February 2022 refers]. Consequently, “Crude glycerin for

use in manufacture of soaps” falling under tariff item 1520 00 00 will now attract a BCD rate of 7.5%.

(3) Social Welfare Surcharge is being exempted on all goods falling under sub-headings 1509 90 and 1510 90 [S. No. I (ii) of notification No. 03/2022 - Customs dated 1<sup>st</sup> February 2022 refers]. This change is being made effective from 02.02.2022.

#### **Chapter 16: No change**

#### **Chapter 17**

(1) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. No. 19 of the Table 1 in Annexure B.

#### **Chapter 18**

(1) BCD on Cocoa beans, whole or broken, raw or roasted (tariff item 1801 00 00) is being decreased from 30% to 15% by inserting S. No. 91A in notification No. 50/2017 - Customs [S. No. 22 of notification No. 02/2022 – Customs dated 1<sup>st</sup> February 2022 refers]. This change is being made effective from 02.02.2022. With effect from 01.05.2022, the BCD rate on this item would operate through the Tariff and consequently said entry ‘91A’ shall be omitted.

#### **Chapter 19**

(1) Vide S. No. 96 of notification No. 50/2017- Customs, concessional BCD rate of 30% is prescribed on “Tapioca and substitutes therefor prepared from starch in the form of flakes, grains, pearls, siftings or in similar forms”, falling under tariff item 1903 00 00. On review, this entry is being omitted [S. No. 23 of notification No. 02/2022 - Customs dated 1<sup>st</sup> February 2022 refers]. Consequently, such goods will now attract a BCD rate of 50%.

(2) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. No. 20 of the Table 1 in Annexure B.

#### **Chapter 20-21: No change**

## **Chapter 22**

(1) A technical change is being made at entry in S. No. 100 of notification No. 50/2017- Customs. The sub-heading 2202 90 is substituted with sub-heading 2202 99. S No. 25 of notification No. 02/2022 - Customs dated 1<sup>st</sup> February 2022 refers].

(2) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. No. 21 of the Table 1 in Annexure B.

## **Chapter 23**

(3) A technical change is being made in the description of goods falling under tariff item 2309 90 32. The description is being changed to “Fish feed in powdered form” [Clause 97(b) of the Finance Bill, 2022 refers].

(4) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. No. 22, 23 of the Table 1 in Annexure B.

## **Chapter 24: No Change**

## **Chapter 25**

(1) Vide S. No. 122 of notification No. 50/2017, concessional BCD rate of 2.5% is prescribed on ‘Silica Sands’, falling under tariff items 2505 10 11, 2505 10 12 and 2505 10 19. On review, this entry is being omitted [S. No. 28 of notification No. 2/2022-Cus dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will now attract a BCD rate of 5%.

(2) Vide S. No. 124 of notification No. 50/2017, concessional BCD rate of 10% is prescribed on ‘All goods other than Rough Marble and Travertine blocks; Marble slabs’, falling under tariff items 2515 11 00, 2515 12 10, 2515 12 20, 2515 12 90, 2516 11 00 and 2516 12 00. On review, this entry is being omitted [S. No. 30 of notification No.2/2022-Customs dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will now attract a BCD rate of 40%, through the Customs Tariff. Further exemption from Social Welfare Surcharge has been granted to these items [S. No. 1. (iii) of notification No. 03/2022-Customs dated 1<sup>st</sup> February 2022 refers]

(3) Vide S. No. 132 of notification No. 50/2017, concessional BCD rate of 5% is prescribed on “Goods used in the manufacturing of refractory products” falling under Chapters 25, 28, 38 or 39. On review,

- i. Clause A of this entry is being omitted with effect from 1<sup>st</sup> April, 2023. [S. No. 33(a) of notification No. 02/2022-Customs dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods falling under Chapters 25, 28, 38 or 39 will now attract an applicable BCD rate, with effect from 1<sup>st</sup> April, 2023.
- ii. Clause B of this entry where a concessional BCD rate of 5% is prescribed on “Phenolic Resin” is being omitted with effect from 2<sup>nd</sup> February, 2022. Consequently, these goods will now attract a BCD rate of 7.5%. [S. No. 33(b) of notification No. 02/2022-Customs dated 1<sup>st</sup> February 2022 refers]

(4) Vide S. No. 175 of notification No. 50/2017, concessional BCD rate of Nil is prescribed on ‘Common salt (including rock salt, sea salt and table salt)’, falling under Chapter heading 2501. On review, this entry is being omitted [S. No. 49 of notification No. 02/2022-Customs dated 1st February 2022 refers]. Consequently, goods, falling under Chapter heading 2501 will now attract a BCD rate of 5%.

(5) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. No. 24 to 29 of the Table 1 in Annexure B.

## **Chapter 26**

(1) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. No. 30 to 34 of the Table 1 in Annexure B.

## **Chapter 27**

1) Tariff rate on “Coal, Lignite and Peat” falling under Heading “2701, 2702 and 2703” has been reduced to 5% through the First Schedule to the Customs Tariff Act [Clause 97 (b) of the Finance Bill 2022 refers]. However, vide S. No. 141 of notification No. 50/2017-Customs, concessional BCD rate of 1% will continue on these goods.

2) BCD on “Fuel oil, Straight run fuel oil, Low Sulphur wax residue, Vacuum residue, slurry and Vacuum gas oil” falling under Sub-heading 2710 19 is being reduced from 5% to 2.5% by inserting S. No. 147B, 147C, 147D, 147E and 147F in notification No. 50/2017 [S. No. 36 of notification No. 02/2022 dated 1st February 2022 refers].

3) Vide S. No. 151 of notification No. 50/2017, concessional BCD rate of Nil is prescribed on 'Kerosene imported by the IOCL, HPCL, BPCL and IBP company Ltd. for ultimate sale through the PDS', falling under Sub-heading 2710 19. On review, this entry is being omitted [S. No. 37 of notification No. 02/2022-Customs dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will now attract a BCD rate of 5%.

4) Vide S. No. 159 of notification No. 50/2017-Customs, concessional BCD rate of Nil is prescribed on "Materials and equipments for construction of road based on Bio-based asphalt", falling under Chapter 27 or 34 or 87. On review, this entry and condition No. 14 is being omitted [S. No. 40 of notification No. 02/2022-Customs dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will now attract applicable BCD rate.

5) Vide S. No. 161 of notification No. 50/2017, concessional BCD rate of Nil is prescribed on "Electrical energy originating from Nepal and Bhutan", falling under Tariff item 2716 00 00. On review, this entry is being omitted [S. No. 40 of notification No.2/2022 dated 1<sup>st</sup> February 2022 refers]. Exemption is available to the all goods (except alcoholic beverages, tobacco and manufactured tobacco products) imported from specified SAFTA member countries vide notification No. 99/2011- Customs dated 9<sup>th</sup> November, 2011. Therefore, Electrical energy imported from Nepal and Bhutan would be eligible for exemption from BCD under this notification. Exemption to electricity from Bhutan is also available under notification No. 40/2017-Customs dated 30<sup>th</sup> June, 2017. Therefore, this is a technical change and there will be no change in the effective rate of BCD.

6) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. No. 35 to 45 of the Table 1 and in Annexure B.

## **Chapter 28**

1) BCD on "Sodium Cyanide" falling under tariff item 2837 11 00 is being increased from 7.5% to 10%. With effect from 02.02.2022, tariff item 2837 11 00' has been excluded from entry '169' of Notification No. 50/2017-Customs. Consequently, the BCD rate on this item would operate through the Tariff. [S. No. 45 of notification No. 02/2022 dated 1<sup>st</sup> February 2022 refers].

2) Vide S. No. 171 of notification No. 50/2017, concessional BCD rate of Nil is prescribed on "goods used in the manufacture of laser and laser-based instruments", falling under Chapters 28, 29, 84, 85 or 90. On review, this entry is being omitted [S.

No. 46 of notification No. 02/2022-Customs dated 1st February 2022 refers]. Consequently, goods, falling under Chapters 28, 29, 84, 85 or 90 will now attract applicable BCD rate.

3) Vide S. No. 173 of notification No. 50/2017, concessional BCD rate of 10% is prescribed on “goods used in the manufacture of telecommunication grade impregnated glass reinforcement roving”, falling under Chapters 28, 29, 32, 39, 70 or 90. On review, this entry and the associated condition is being omitted [S. No. 47 of notification No. 02/2022-Customs dated 1<sup>st</sup> February 2022 refers]. Consequently, goods, falling under Chapters 28, 29, 32, 39, 70 or 90 will now attract applicable BCD.

4) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5. 2022.. For details, please refer to Sr. No. 46 to 50 of the Table 1 in Annexure B.

## **Chapter 29**

1) Vide S. No. 187 of notification No. 50/2017, concessional BCD rate of Nil is prescribed on “Raw materials intermediates and consumables supplied by the UNICEF for the manufacture of DTP vaccine”, falling under Chapters 29 or any chapter. On review, this entry is being omitted [S. No. 54 of notification No. 02/2022-Customs dated 1st February 2022 refers]. Consequently, these goods will now attract applicable BCD.

2) Vide S. No. 192 of notification No. 50/2017, concessional BCD rate of 10% is prescribed on “Alkyl esters of long chain fatty acids obtained from vegetable oils, commonly known as Bio-diesel”, falling under Chapters 29, or 38. On review, this entry is being omitted [S. No. 55 of notification No. 02/2022-Customs dated 1<sup>st</sup> February 2022 refers]. These goods fall under Tariff item 3826 00 00 and already attract a BCD rate of 10%. This is a technical change.

3) BCD on “Methyl Alcohol” falling under tariff item 2905 11 00 is being decreased from 5% to 2.5% by amending S. No. 200 of notification No. 50/2017-Customs [S. No. 57 of notification No. 02/2022 dated 1<sup>st</sup> February 2022 refers]. This change is being made effective from 2<sup>nd</sup> February, 2022. This change is being made effective from 02.02.2022. With effect from 01.05.2022, the BCD rate on this item would operate through the Tariff and consequently said entry ‘200’ shall be omitted.

4) BCD on “Acetic acid” falling under tariff item 2915 21 00 is being decreased from 7.5% to 5% by inserting S. No. 204A in the notification No. 50/2017-Customs [S.

No. 59 of notification No. 02/2022 dated 1<sup>st</sup> February 2022 refers]. This change is being made effective from 2<sup>nd</sup> February, 2022. This change is being made effective from 02.02.2022. With effect from 01.05.2022, the BCD rate on this item would operate through the Tariff and consequently said entry '204A' shall be omitted.

5) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. No. 51 to 65 of the Table 1 in Annexure B.

### **Chapter 30**

1) Vide S. No. 215 of notification No. 50/2017, concessional BCD rate of Nil is prescribed on "The blood group sera, namely Anti C., anti E., anti c., anti e., anti M., anti N., anti Le., anti Pl., anti S., anti human globulin sera, anti F., anti kell, anti cellane, anti jka., and anti I", falling under any chapter. On review, this entry is being omitted [S. No. 61 of notification No. 02/2022-Customs dated 1<sup>st</sup> February 2022 refers]. This is a technical change as these items are exempted from BCD vide entry at S. No. 167 of notification No. 50/2017-Customs dated 30.6.2017 at S. No. 12 of List-4.

2) Vide S. No. 166 of notification No. 50/2017-Customs, concessional BCD rate of 5% is prescribed on "Drugs, medicines, diagnostic kits or equipment and Bulk drugs used in the manufacture of drugs or medicines" falling under Chapters 28, 29 or 30. On review, this entry and associated List -3 is being rationalized and accordingly,

- i. 35 items have been omitted from the associated List-3 w.e.f. 02.02.2022 [IV (ix)(i) of notification No. 02/2022-Customs dated 02.02.2022 refers]
- ii. 1 item [item no. 95 Influenza Vaccine of List-3] would be omitted w.e.f. 1<sup>st</sup> October, 2023. [IV (ix)(ii) of notification No. 02/2022-Customs dated 02.02.2022 refers]
- iii. 3 items have been transferred to this List from List 4 w.e.f. 2.2.2022. [IV (ix)(iii) of notification No. 02/2022-Customs dated 02.02.2022 refers]
- iv. Also, in column (2) of the Table of the said notification, chapter "38" is being added alongside Chapters 28, 29 and 30 [S. No. 41 of notification No. 02/2022 dated 1<sup>st</sup> February 2022 refers] as items falling under Chapter 38 have moved from List 4 to List 3.

3) A new entry at S. No. 166A would be inserted w.e.f. 1<sup>st</sup> April 2024 providing concessional rate of 5% for bulk drugs falling under Chapters 28, 29 or 30 used in the manufacture of Poliomyelitis Vaccine or Monocomponent insulins subject to importer following IGCR Rules 2017. [S. No. 42 of notification No. 02/2022 dated 1<sup>st</sup> February 2022 refers].

4) Vide S. No. 167 of notification No. 50/2017-Customs, concessional BCD rate of Nil is prescribed on “Lifesaving drugs, medicines, diagnostic kits or equipment and Bulk drugs used in the manufacture of lifesaving drugs or medicines” falling under Chapters 28, 29, 30 or 38. On review, this entry is being rationalized and accordingly

- i. Entry at S. No. 167 (C) which provides exemptions to other life-saving drugs or medicines subject to the condition No. 16 has been omitted. This exemption is already available vide entry at S. No. 607 of notification No. 50/2017-Customs.
- ii. 39 items have been removed from the List-4. [IV(x) of Notification No. 02/2022-Customs dated 02.02.2022 refers]
- iii. For 2 medicines namely Poliomyelitis Vaccine (inactivated and live) and of Monocomponent Insulin, the formulations are being omitted from List-4. Further, bulk drugs for manufacture of these formulations have been granted exemptions till 31.03.2024. W.e.f. 01.04.2024 these bulk drugs would attract 5% rate under newly created entry at S. No. 166A of 50/2017-Customs [S. No. 43 (b) of notification No. 02/2022-Customs dated 1st February 2022 refers]

5) A new entry (S. No. 167A) is being inserted in the notification No. 50/2017-Customs, to exempt drugs or medicines, falling under Chapter 30 or Heading 9804 of the First Schedule to the Customs Tariff Act, 1975, which are used for the treatment of rare diseases, when imported by 8 Centers of Excellence (CoE) listed in the associated List 2 (inserted) or any other person/institution on their recommendation and Condition No. 112 is also being inserted. [S. No. 44 of notification No. 02/2022-Customs dated 1st February 2022 refers]

### **Chapter 31**

(1) Vide S. No. 224 of notification No. 50/2017- Customs, concessional BCD rate of 5% is prescribed on “Potassium Nitrate for manurial purpose” falling under Chapter 31. On review, this entry is being omitted [S. No. 63 of notification No. 02/2022 - Customs dated 1st February 2022 refers]. These goods will continue to attract 5% vide S. No. 225 of notification No. 50/2017- Customs. This is a technical change.

(2) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. No. 66 of the Table 1 in Annexure B.

### **Chapter 32**

(1) Vide S. No. 233 of notification No. 50/2017, concessional BCD rate of 2.5% is prescribed on ‘Myrobalan fruit extract’ falling under Tariff Item 3201 90 20. On review,

this entry is being omitted [S. No. 65 of notification No. 02/2022-Customs dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will now attract a BCD rate of 7.5%.

(2) Vide S. No. 234 of notification No. 50/2017, concessional BCD rate of NIL is prescribed on 'Triband Phosphor' falling under Tariff Item 3206 50 00. On review, this entry is being omitted [S. No. 65 of notification No. 02/2022-Customs dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will now attract a BCD rate of 7.5%.

(3) Vide S. No. 235 of notification No. 50/2017, concessional BCD rate of 5% is prescribed on 'Ceramic colours' falling under Tariff Item 3207 10 40. On review, this entry is being omitted [S. No. 65 of notification No. 02/2022-Customs dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will now attract a BCD rate of 7.5%.

(4) Vide S. No. 236 of notification No. 50/2017, concessional BCD rate of 5% is prescribed on 'All goods' falling under Tariff Item 3207 40 00. On review, this entry is being omitted [S. No. 65 of notification No. 02/2022-Customs dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will now attract a BCD rate of 7.5%.

(5) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. No. 67, 68 of the Table 1 in Annexure B.

### **Chapter 33**

(1) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. No. 65 of the Table 1 in Annexure B.

### **Chapter 34**

1) Vide S. No. 241 of notification No. 50/2017, concessional BCD rate of 7.5% is prescribed on 'Vinyl Polyethylene Glycol for use in manufacture of Poly Carboxylate Ether' falling under Tariff Item 3404 20 00. On review, this entry is being omitted [S. No. 67 of notification No. 02/2022-Customs dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will now attract a BCD rate of 10%.

2) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. No. 69 of the Table 1 in Annexure B.

## **Chapter 35**

1) Vide S. No. 242 of notification No. 50/2017, concessional BCD rate of 5% is prescribed on 'The following goods for use in the manufacture of Plasma Volume Expanders, namely: - (i) Hydroxyethyl starch, (ii) Dextran' falling under Chapter 35. On review, this entry is being omitted [S. No. 67 of notification No. 02/2022-Customs dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will now attract applicable tariff rate.

2) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. No. 65 of the Table 1 in Annexure B.

## **Chapter 36 - 37: No Change**

## **Chapter 38**

1) Vide S. No. 248 of notification No. 50/2017, concessional BCD rate of 10% is prescribed on 'Dipping oil, Paclobutrazol (Cultar)' falling under Chapter 38. On review, this entry is being omitted [S. No. 67 of notification No. 02/2022-Customs dated 1<sup>st</sup> February 2022 refers]. These items were being imported under tariff heading 3808 wherein the tariff rate is also at 10% making this entry redundant. Hence, there will be no change in the applicable BCD rate on these goods.

2) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. No. 65, 70, 71 of the Table 1 in Annexure B.

## **Chapter 39**

(1) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. No. 72, 73 of the Table 1 in Annexure B.

## **Chapter 40**

(1) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First

Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. No. 74 of the Table 1 in Annexure B.

#### **Chapter 41**

(1) Export duty is being reduced from 40% to 30% on 'Raw hides and skins of buffalo' falling under sub-heading 4101 by inserting S. No. 38B in Notification No. 27/2011-Customs dated 1<sup>st</sup> March, 2011 with effect from 2<sup>nd</sup> February, 2022. [S. No. 2 of notification No. 10/2022-Customs dated 1<sup>st</sup> February, 2022 refers]

#### **Chapter 42 – 43: No change**

#### **Chapter 44**

(1) Vide S. No. 289 of notification No. 50/2017-Customs, concessional BCD rate of Nil is prescribed on Wood in chips or particles, used in manufacture of paper, paperboard and newsprint (falling under tariff items 4401 21 00 and 4401 22 00). On review, this entry is being omitted with effect from 31<sup>st</sup> March, 2023 [S. No. 76 of notification No. 02/2022-Customs dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will attract a BCD rate of 5% with effect from 1<sup>st</sup> April, 2023.

#### **Chapter 45 – 46: No change**

#### **Chapter 47**

(1) BCD on recovered (waste and scrap) paper or paperboard imported for manufacture of paper, paperboard or newsprint (falling under sub-heading 4707) is being increased from Nil to 2.5% by amending S. No. 292 of notification No. 50/2017-Customs [S. No. 77 of notification No. 02/2022-Customs dated 1<sup>st</sup> February 2022 refers]. This change is being made effective from 2<sup>nd</sup> February, 2022.

#### **Chapter 48**

(1) Vide S. No. 293 of notification No. 50/2017-Customs, concessional BCD rate of 5% is prescribed on Grape guard paper (falling under Chapter 48). On review, this entry is being omitted [S. No. 78 of notification No. 02/2022-Customs dated 1<sup>st</sup> February 2022 refers]. Consequently, Grape guard paper will attract duty at tariff rate.

#### **Chapter 49: No change**

## Chapter 50-63: Textiles

(1) Hitherto, the effective BCD on textile items falling under Chapters 50-63 of Customs Tariff are prescribed *vide* the following notifications:

- i. S. No. 305 to 329 of notification No. 50/2017-Customs dated 30<sup>th</sup> June, 2017
- ii. notification No. 82/2017-Customs dated 27<sup>th</sup> October, 2017
- iii. notification No. 48/2006-Customs dated 26<sup>th</sup> May, 2006
- iv. notification No. 14/2006-Customs dated 1<sup>st</sup> March, 2006

(2) Going forward, it is proposed to reduce the Tariff rate for all textile items to the present effective rate as prescribed *vide* aforementioned notifications. Accordingly, with this change, with effect from 1<sup>st</sup> May, 2022, for goods falling under Chapter 50-63 of Customs Tariff, the Tariff rate shall be the applicable BCD (clause 97(b) of Finance Bill, 2022).

(3) Furthermore, notification No. 14/2006-Customs, dated 1<sup>st</sup> March, 2006, which prescribes the effective BCD on upholstery and other than upholstery fabrics of specified varieties of woven fabrics of Chapters 52, 54, 55 and 58 is being rescinded with effect from 2<sup>nd</sup> February, 2022 (S. No. 4 of notification No. 05/2022-Customs, dated 1<sup>st</sup> February, 2022 refers). Effective BCD on upholstery and other than upholstery fabrics is being equalized and the new effective BCD on these items is being prescribed by amending notification No. 82/2017-Customs dated 27<sup>th</sup> October, 2017. This notification will remain in effect till 30<sup>th</sup> April, 2021 (S. Nos. (i) to (liii) of notification No. 7/2022-Customs, dated 1<sup>st</sup> February, 2022 refers), post which the Tariff rate shall be the applicable BCD on these items.

(4) Since there are certain changes in the effective rates for specified varieties of woven fabrics of Chapters 52, 54, 55 and 58, it is advisable to closely examine notification No. 82/2017-Customs dated 27<sup>th</sup> October, 2017 to identify the items on which effective rates have been equalized for upholstery and other than upholstery fabrics of Chapters 52, 54, 55 and 58.

(5) While applicable rate of textile items shall comprehensively operate through Tariff w.e.f. 01.05.2022. For the period for 02.02.2022 to 30.04.2022, the rate on most of textile item shall operate through notification No. 82/2017-Customs. Accordingly, the Notification No. 82/2017-Customs is being amended to incorporate effective BCD on textile items including those on which presently the rates are prescribed *vide* notification No. 48/2006-Customs dated 26<sup>th</sup> May, 2006 (S. No. (i) of notification No. 7/2022-Customs, dated 1<sup>st</sup> February, 2022 refers). Notification No. 48/2006-Customs

dated 26th May, 2006 is being rescinded with effect from 2<sup>nd</sup> February, 2022 (S. No. 5 of notification No. 05/2022-Customs, dated 1st February, 2022 refers).

(6) The effective BCD on certain textile tariff items falling under CTH 6001, 6101, 6102, 6103, 6104, 6201, 6202, 6203, 6204 are hitherto composite rates, with different rates of specific duty. On a number of these items, the combination of specific and ad-valorem rate is being replaced by ad-valorem rates only. For the period from 2<sup>nd</sup> February, 2022, to 30<sup>th</sup> April, 2022, notification No. 82/2017-Customs dated 27th October, 2017 will be amended to incorporate effective BCD so prescribed (S. Nos. (liv) to (lxvi) of notification No. 7/2022-Customs, dated 1st February, 2022 refers). 1<sup>st</sup> May, 2022 onwards these items Tariff Rate on these items shall be the applicable BCD. Since composite tariff for these items have been replaced by ad-valorem tariff only, SWS exemption for these items is being withdrawn with effect from 2<sup>nd</sup> February, 2022 (S. No. I (iv) to I (xix) of notification No. 03/2022-Customs dated 1<sup>st</sup> February, 2022). Since there are certain changes in the effective rates, it is advisable to closely examine notification No. 82/2017-Customs dated 27th October, 2017 to identify the items on which composite rates have been replaced by ad-valorem rates. W.e.f. 1.5. 2022 these rates shall operate through tariff.

(7) Notification No. 82/2017-Customs dated 27<sup>th</sup> October, 2017 is being rescinded with effect from 1<sup>st</sup> May, 2022 (S. No. 15 of notification No. 05/2022-Customs, dated 1st February, 2022 refers).

#### **Chapter 64 – 65: No change**

#### **Chapter 66**

(1) Vide S. No. 332 of notification No. 50/2017-Customs, concessional BCD rate of 5% is prescribed on 'Parts of umbrella, including umbrella panels' falling under any chapter. On review, this entry is being omitted [S. No. 82 of notification No. 02/2022-Customs dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will attract applicable BCD as per their classification under the Customs Tariff Act, 1975.

(2) BCD on Umbrellas and sun umbrellas (heading 6601) is being increased from 10% to 20% by increasing the tariff rate [Clause 97(a) of the Finance Bill 2022 refers]. By virtue of the declaration made under Provisional Collection of Taxes Act, 1931, this increase will come into force with immediate effect.

#### **Chapter 67: No change**

## **Chapter 68**

(1) Vide S. No. 277 of notification No. 50/2017-Customs, concessional BCD rate of 7.5% is prescribed on 'Mica glass tape for use in manufacture of insulated wires and cables falling under heading 8544' (falling under tariff item 6814 90 90). On review, this entry is being omitted [S. No. 73 of notification No. 2/2022-Customs dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will now attract a BCD rate of 10%.

(2) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. No. 86 of the Table 1 in Annexure B.

## **Chapter 69**

(1) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. No. 86 of the Table 1 in Annexure B.

## **Chapter 70**

(1) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. No. 87, 88 of the Table 1 in Annexure B.

## **Chapter 71**

(2) S. No. 345A is being inserted in notification No. 50/2017-Customs to exempt Simply Sawn Natural Diamonds (tariff items 7102 21 or 7102 31 00) imported under Kimberley Process Certification Scheme (KPCS) from BCD [S. No. I (87) and IV (vii) of notification No. 2/2022-Customs, dated 1<sup>st</sup> February, 2022 refers]. This change is being made effective from 2<sup>nd</sup> February, 2022.

(3) BCD on Cut and Polished Diamonds (Chapter 71) and Cut and Polished Natural Gemstones (Chapter 71 (except 7104 90 90)) is being decreased from 7.5% to 5% by amending S. Nos 349, 350 and 351 of notification No. 50/2017-Customs [S. No. 88 of notification No. 2/2022-Customs, dated 1<sup>st</sup> February, 2022 refers]. This change is being made effective from 2<sup>nd</sup> February, 2022.

(4) A composite BCD rate of 20% or Rs. 400/kg, whichever is higher is being applied on Imitation Jewellery (tariff heading 7117) by changing the tariff rate [Clause 97(a) of the Finance Bill 2022 refers]. By virtue of the declaration made under Provisional Collection of Taxes Act, 1931, this change will come into force with immediate effect.

(5) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. No. 89, 90 of the Table 1 in Annexure B.

## Chapter 72

(1) NIL BCD rate on scrap of iron or steel including stainless steel (tariff heading 7204) that is applicable up to 31.03.2022 is being extended up to 31.03.2023 by amending S. No. 368 of notification No. 50/2017-Customs with effect from 2<sup>nd</sup> February, 2022 [S. Nos. I (91) and II of notification No. 2/2022-Customs, dated 1<sup>st</sup> February, 2022 refers]. Also Tariff rate of scrap of iron or steel (heading 7204) is being reduced to 2.5% in the First Schedule. Therefore, once the exemption from duty on these scrap expires, the BCD rate shall operate through tariff. [S. No. 92 of notification No. 2/2022-Customs, dated 1<sup>st</sup> February, 2022 read with Clause 97(b) of the Finance Bill 2022 refers].

(2) The following notifications imposing anti-dumping duty or countervailing duty on certain products of steel are being permanently revoked with effect from 1<sup>st</sup> February, 2022:

S.N.	Notification No.	Product	Exporting Country
1	54/2018- Customs (ADD) dated 18.10.2018	Straight length Bars and Rod of alloy Steel	China PR
2	38/2019-Customs (ADD) dated 25.09.2019	High Speed Steel of Non-Cobalt Grade	China PR, Brazil, Germany
3	16/2020 – Customs (ADD) dated 23.06.2020	Flat rolled products of steel, (Al or Zinc coated)	China PR, Vietnam, and Korea RP
4	1/2017-Customs (CVD) dated 07.09.2017	Hot rolled and cold rolled stainless steel flat products	China PR

[Notification Nos. 5/2022-Customs (ADD), 6/2022-Customs (ADD), 7/2022-Customs (ADD), and 1/2022- Customs (CVD), all dated 1<sup>st</sup> February, 2022 refers]

(3) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First

Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. No. 91 to 93 of the Table 1 in Annexure B.

### **Chapter 73**

(1) BCD on S. G Ingot Castings (tariff item 7325 10 00) for use in the manufacture of plastic processing machineries (tariff items 8477 10 00, 8477 20 00, 8477 30 00) is being decreased from 10% to 7.5% by inserting S. No. 464A in notification No. 50/2017-Customs [S. No. 125 of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. This change is being made effective from 2<sup>nd</sup> February, 2022.

### **Chapter 74**

(1) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. No. 94, 95 of the Table 1 in Annexure B.

### **Chapter 75**

(1) The applicable BCD rate on all goods falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. No. 96 of the Table 1 in Annexure B.

### **Chapter 76**

(1) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. No. 97 of the Table 1 in Annexure B.

### **Chapter 78 to 80: No Change**

### **Chapter 81**

(1) Vide S. No. 391A of notification No. 50/2017-Customs, BCD rate of 5% is being prescribed on cadmium unwrought/wrought/ powder, waste or scrap, falling under tariff items 8112 61 00 or 8112 69 00 with effect from 2<sup>nd</sup> February, 2022 [S. No. 96 of notification No. 2/2022-Customs dated 1<sup>st</sup> February 2022 refers] so as to apply the same BCD rate that was applicable before 1<sup>st</sup> January, 2022 on these goods. With effect from 01.05.2022 these rates shall operate through tariff. [S. No. 96 of notification No. 2/2022-Customs dated 1<sup>st</sup> February 2022 read with Clause 97(b) of the Finance Bill 2022 refers].

(2) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. No. 98, 99 of the Table 1 in Annexure B.

## **Chapter 82 to 83: No Change**

### **Chapter 84**

(1) Vide S. No. 393 of notification No. 50/2017-Customs, concessional BCD rate of 5% is prescribed on specific sports machinery falling under Chapter 84. On review, this entry would be omitted with effect from 1<sup>st</sup> April, 2023 [S. No. 97 of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will attract an applicable BCD rate, with effect from 1<sup>st</sup> April, 2023.

(2) Vide S. No. 394 of notification No. 50/2017-Customs, NIL BCD rate is prescribed on 'bacteria removing clarifier' falling under Chapter 84. On review, this entry would be omitted with effect from 1<sup>st</sup> April, 2023 [S. No. 97, of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will attract an applicable BCD rate, with effect from 1<sup>st</sup> April, 2023.

(3) Vide S. No. 395 of notification No. 50/2017-Customs, concessional BCD rate of 5% is prescribed on 'marine seawater pumps with fibre Impellers' and 'automatic fish/prawn feeder' falling under Chapter 84 or any other chapter. On review, this entry would be omitted with effect from 1<sup>st</sup> April, 2023 [S. No. 97 of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will attract an applicable BCD rate, with effect from 1<sup>st</sup> April, 2023.

(4) Vide S. No. 396 of notification No. 50/2017-Customs, NIL BCD rate is prescribed on 'machinery or equipment for effluent treatment plant for leather industry' falling under Chapter 84 or any other chapter. On review, this entry is being omitted with effect from 1<sup>st</sup> April, 2022 [S. No. 98 of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will attract an applicable BCD rate, with effect from 1<sup>st</sup> April, 2022.

(5) Vide S. No. 397 of notification No. 50/2017-Customs, concessional BCD rate of 7.5% is prescribed on goods required for use in high voltage power transmission project falling under Chapter 84 or any other chapter. On review, a few entries of this exemption are being omitted with effect from 1<sup>st</sup> April, 2022 [S. No. IV (xii) of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. The remaining entries of this exemption would be omitted with effect from 1<sup>st</sup> April, 2023 [S. No. 99

of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will attract an applicable BCD rate, with effect from 1<sup>st</sup> April, 2022/ 2023.

(6) Vide S. No. 399 of notification No. 50/2017-Customs, concessional BCD rate of 5% is prescribed on goods for use in man-made or synthetic fiber or yarn industry falling under Chapter 84 or any other chapter. On review, a few entries of this exemption are being omitted with effect from 1<sup>st</sup> April, 2022 [S. No. IV (xiii) of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. The remaining entries of this exemption would be omitted with effect from 1<sup>st</sup> April, 2023 [S. No. 99 of notification No. 2/2022-Customs dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will attract an applicable BCD rate, with effect from 1<sup>st</sup> April, 2022/ 2023.

(7) Vide S. No. 400 of notification No. 50/2017-Customs, concessional BCD rate of 5% is prescribed on goods for use in textiles industry, falling under Chapter 84 or any other chapter. On review, this entry would be omitted with effect from 1<sup>st</sup> April, 2023 [S. No. 99 of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will attract an applicable BCD rate, with effect from 1<sup>st</sup> April, 2023.

(8) Vide S. No. 403 of notification No. 50/2017-Customs, NIL BCD rate is prescribed on parts and raw materials for manufacture of goods required for off- shore oil exploration, falling under Chapter 84 or any other chapter. On review, this entry would be omitted with effect from 1<sup>st</sup> April, 2023 [S. No. 101 of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will attract an applicable BCD rate, with effect from 1<sup>st</sup> April, 2023.

(9) Vide S. No. 404 of notification No. 50/2017, concessional BCD rate of Nil is prescribed on “goods imported in connection with petroleum operations”, falling under chapters 84 or any other chapter. The said concessional BCD rate will continue to apply. However, the goods in associated List-33 have been pruned and have been made more specific by prescribing the concerned HS Codes. Also, the associated condition No. 48 for availing such exemption and disposal of such goods have been simplified by defining a licensee, lessee, contractor or sub-contractor and removing the requirement of producing a certificate from Directorate General of Hydrocarbons (DGH) for import or each transaction Further, condition of disposal is being simplified and the revised procedure of disposal of such goods through MSTC (or any Government Agency notified by Government for this purpose) shall apply to goods imported earlier. [S. No. 102 of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers].

(10) Vide S. No. 405 of notification No. 50/2017-Customs, concessional BCD rate of 5% is prescribed on parts for wind operated electricity generators, falling under Chapter 84 or any other chapter. On review, a few entries of this exemption are being omitted with effect from 1<sup>st</sup> April, 2022 [S. No. 103 of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. The remaining entries of this exemption would be omitted with effect from 1<sup>st</sup> April, 2023 [S. No. 103 of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will attract an applicable BCD rate, with effect from 1<sup>st</sup> April, 2022/ 2023.

(11) Vide S. No. 406 of notification No. 50/2017-Customs, concessional BCD rate of 5% is prescribed on permanent magnets for use in wind operated electricity generators, falling under Chapter 84 or any other chapter. On review, this entry would be omitted with effect from 1<sup>st</sup> April, 2023 [S. No. 104 of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will attract an applicable BCD rate, with effect from 1<sup>st</sup> April, 2023.

(12) Vide S. No. 407 of notification No. 50/2017-Customs, NIL BCD rate is prescribed on goods required for the substitution of ozone depleting substances (ODS), falling under Chapter 84 or any other chapter. On review, this entry would be omitted with effect from 1<sup>st</sup> April, 2023 [S. No. 104 of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will attract an applicable BCD rate, with effect from 1<sup>st</sup> April, 2023.

(13) Vide S. No. 408 of notification No. 50/2017-Customs, concessional BCD rate of 5% is prescribed on goods required for renovation, modernization or maintenance of a fertilizer plant, falling under Chapter 84 or any other chapter. On review, this entry would be omitted with effect from 1<sup>st</sup> April, 2023 [S. No. 104 of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will attract an applicable BCD rate, with effect from 1<sup>st</sup> April, 2023.

(14) Vide S. No. 409 of notification No. 50/2017-Customs, concessional BCD rate of 5% is prescribed on goods required for setting up crude petroleum refinery, falling under Chapter 84 or any other chapter. On review, a few entries of this exemption are being omitted with effect from 1<sup>st</sup> April, 2022 [S. No. IV (xiv) of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. The remaining entries of this exemption would be omitted with effect from 1<sup>st</sup> April, 2023 [S. No. 104 of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will attract an applicable BCD rate, with effect from 1<sup>st</sup> April, 2022/ 2023.

(15) Vide S. No. 410 of notification No. 50/2017-Customs, concessional BCD rate of 5% is prescribed on kits required for the conversion of petrol/ diesel driven vehicles

into CNG driven vehicles, falling under Chapter 84 or any other chapter. On review, this entry is being omitted with effect from 1<sup>st</sup> April, 2022 [S. No. 105 of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will attract an applicable BCD rate, with effect from 1<sup>st</sup> April, 2022.

(16) Vide S. No. 413 of notification No. 50/2017-Customs, concessional BCD rate of 5% is prescribed on machinery for renovation or modernization of a power generation plant, falling under Chapter 84 or any other chapter. On review, this entry is being omitted with effect from 1<sup>st</sup> April, 2022 [S. No. 105 of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will attract an applicable BCD rate, with effect from 1<sup>st</sup> April, 2022.

(17) Vide S. No. 414 of notification No. 50/2017-Customs, concessional BCD rate of 5% is prescribed on goods for manufacture & supply of machinery to a power generation plant, falling under Chapter 84 or any other chapter. On review, this entry is being omitted with effect from 1<sup>st</sup> April, 2022 [S. No. 105 of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will attract an applicable BCD rate, with effect from 1<sup>st</sup> April, 2022.

(18) Vide S. No. 432 of notification No. 50/2017-Customs, concessional BCD rate of 5% is prescribed on goods for use in the textile industry, falling under Chapter 84 or any other chapter. On review, a few entries of this exemption are being omitted with effect from 1<sup>st</sup> April, 2022 [S. No. IV (xvi) of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. The remaining entries of this exemption would be omitted with effect from 1<sup>st</sup> April, 2023 [S. No. 109 of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will attract will attract an applicable BCD rate, with effect from 1<sup>st</sup> April, 2022/ 2023.

(19) Vide S. No. 433 of notification No. 50/2017-Customs, Nil BCD rate is prescribed on machinery for effluent treatment plant for handloom sector, falling under Chapter 84 or any other chapter. On review, this entry is being omitted with effect from 1<sup>st</sup> April, 2022 [S. No. 110 of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. Consequently, Consequently, these goods will attract will attract an applicable BCD rate, with effect from 1<sup>st</sup> April, 2022.

(20) Vide S. No. 434 of notification No. 50/2017-Customs, concessional BCD rate of Nil/5% is prescribed on machinery for use in the silk textile industry falling under Chapter 84 or any other chapter. On review, this entry would be omitted with effect from 1<sup>st</sup> April, 2023 [S. No.111 of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. Consequently, Consequently, these goods will attract an applicable BCD rate, with effect from 1<sup>st</sup> April, 2023.

(21) Vide S. No. 436 of notification No. 50/2017-Customs, concessional BCD rate of 5% is prescribed on spares for outboard motors, falling under Chapter 84 or 85. On review, this entry would be omitted with effect from 1<sup>st</sup> April, 2023 [S. No. 112 of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will attract an applicable BCD rate, with effect from 1<sup>st</sup> April, 2023.

(22) Vide S. No. 439 of notification No. 50/2017-Customs, concessional BCD rate of 5% is prescribed on machinery used in the leather or footwear industry, falling under Chapter 84, 85 or 90. On review, this entry would be omitted with effect from 1<sup>st</sup> April, 2023 [S. No. 113 of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will attract an applicable BCD rate, with effect from 1<sup>st</sup> April, 2023.

(23) Vide S. No. 440 of notification No. 50/2017-Customs, concessional BCD rate of 5% is prescribed on fogging machines, falling under Chapter 84. On review, this entry would be omitted with effect from 1<sup>st</sup> April, 2023 [S. No. 113 of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will attract an applicable BCD rate, with effect from 1<sup>st</sup> April, 2023.

(24) BCD on the 'cost of exchange of Bushing (made up of platinum and rhodium alloy, imported in exchange of worn-out bushing exported for refurbishment)' falling under Chapter 84, is being decreased from 10% to 7.5% by amending S. No. 442 of notification No. 50/2017-Customs [S. No. 114 of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. This change is being made effective from 2<sup>nd</sup> February, 2022.

(25) Vide S. No. 443 of notification No. 50/2017-Customs, concessional BCD rate of 5% is prescribed on specific capital goods when imported by Security Printing and Minting Corporation of India Limited (SPMCIL) falling under Chapter 84. On review, this entry is being omitted [S. No. 115 of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will attract an applicable BCD rate.

(26) Vide S. No. 444 of notification No. 50/2017-Customs, Nil BCD rate is prescribed on 'geothermal ground source heat pumps' falling under Chapter 84. On review, this entry would be omitted with effect from 1<sup>st</sup> April, 2023 [S. No. 116 of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will attract an applicable BCD rate, with effect from 1<sup>st</sup> April, 2023.

(27) Vide S. No. 445 of notification No. 50/2017-Customs, concessional BCD rate of 5% is prescribed on machinery for making of gem and jewellery, falling under Chapter 84 or any other chapter. On review, this entry would be omitted with effect from 1<sup>st</sup>

April, 2023 [S. No. 116 of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will attract an applicable BCD rate, with effect from 1<sup>st</sup> April, 2023.

(28) Vide S. No. 448 of notification No. 50/2017-Customs, concessional BCD rate of 2.5% is prescribed on specific agricultural implements, falling under Chapter 84 or any other chapter. On review, this entry would be omitted with effect from 1<sup>st</sup> April, 2023 [S. No. 117 of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will attract an applicable BCD rate, with effect from 1<sup>st</sup> April, 2023.

(29) Vide S. No. 449 of notification No. 50/2017-Customs, concessional BCD rate of 5% is prescribed on C-block compressors and crankshafts used in manufacture of refrigerator compressors, falling under tariff item 8414 90 11. On review, this entry is being omitted with effect from 2<sup>nd</sup> February, 2022. [S. No. 119 of notification No. 02/2022-Customs dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will now attract a BCD rate of 7.5%.

(30) BCD on 'coffee roasting, brewing or vending machineries for use in the manufacturing or processing of coffee' (tariff heading 8419) is being decreased from 10% to 5% by inserting S. No. 451B in notification No. 50/2017-Customs [S. No. 121 of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. This change is being made effective from 2<sup>nd</sup> February, 2022.

(31) Vide S. No. 455 of notification No. 50/2017-Customs, concessional BCD rate of 5% is prescribed on machinery for filling, closing, sealing or labelling bottles or cans, falling under tariff items 84223000, 84224000 or 84229090. On review, this entry would be omitted with effect from 1<sup>st</sup> April, 2023 [S. No. 123 of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will attract an applicable BCD rate, with effect from 1<sup>st</sup> April, 2023.

(32) Vide S. No. 458 of notification No. 50/2017-Customs, concessional BCD rate of 5% is prescribed on machinery for the industrial preparation of food or drink, falling under tariff heading 8438. On review, this entry would be omitted with effect from 1<sup>st</sup> April, 2023 [S. No. 123 of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will attract an applicable BCD rate, with effect from 1<sup>st</sup> April, 2023.

(33) Vide S. No. 460 of notification No. 50/2017-Customs, Nil BCD rate is prescribed on shuttle less looms, falling under tariff headings 8446 or 8448. On review, this entry would be omitted with effect from 1<sup>st</sup> April, 2023 [S. No. 123 of notification No. 2/2022-

Customs, dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will attract an applicable BCD rate, with effect from 1<sup>st</sup> April, 2023.

(34) Vide S. No. 461 of notification No. 50/2017-Customs, concessional BCD rate of 5% is prescribed on machineries such as knitting, weaving machines etc., falling under tariff headings 8444, 8445, 8446, 8447, 8448 or 8449. On review, card clothing (8448 31 00) is being omitted from this S. No. with effect from 1<sup>st</sup> April, 2022 [S. No. 124 of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. The remaining entries of this exemption would be omitted with effect from 1<sup>st</sup> April, 2023 [S. No. 124 of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will attract will attract an applicable BCD rate, with effect from 1<sup>st</sup> April, 2022/ 2023.

(35) BCD on Linear Motion Guides (tariff item 8477 90 00) and Ball Screws (tariff item 8483 40 00) for use in the manufacture of plastic processing machineries (tariff items 8477 10 00, 8477 20 00, 8477 30 00) is being decreased from 7.5% to 5% by inserting S. No. 464A in notification No. 50/2017-Customs [S. No. 125 of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. This change is being made effective from 2<sup>nd</sup> February, 2022.

(36) Vide S. No. 469 of notification No. 50/2017-Customs, concessional BCD rate of 5% is prescribed on 'atmospheric water generator', falling under tariff sub-heading 8472 90 or 8473 40. On review, this entry would be omitted with effect from 1<sup>st</sup> April, 2023 [S. No. 127 of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will attract an applicable BCD rate, with effect from 1<sup>st</sup> April, 2023.

(37) Vide S. No. 470 of notification No. 50/2017-Customs, concessional BCD rate of 5% is prescribed on machinery for making wooden fiberboards, falling under tariff item 8479 30 00. On review, this entry would be omitted with effect from 1<sup>st</sup> April, 2023 [S. No. 127 of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will attract an applicable BCD rate, with effect from 1<sup>st</sup> April, 2023.

(38) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. No. 100 to 102 of the Table 1 in Annexure B.

## Chapter 85

(1) BCD rate on camera lens for use in manufacture of camera module of cellular mobile phone (tariff item 3920 99 99/ 9002 11 00) is being decreased from 15%/ 10% to 2.5% by amending S. No. 6B of notification No. 57/2017. [S. No. 4(ii) of notification No. 15/2022-Customs dated 1<sup>st</sup> February 2022 refers]. This change is being made effective from 2<sup>nd</sup> February, 2022.

(2) BCD rate on specified parts of transformers for use in manufacture of chargers/ adapters is being decreased from 10%/ 15% to 5% by inserting S. No. 13B in notification No. 57/2017-Customs. This change is being made effective from 2<sup>nd</sup> February, 2022 and the concessional rate will be valid till 31<sup>st</sup> March, 2024 [S. No. 4(iii) of notification No. 15/2022-Customs dated 1<sup>st</sup> February 2022 refers].

(3) Notification No.11/2022-Customs is being issued to prescribe a Phased Manufacturing Program (PMP) for wrist wearable devices (commonly known as smart watches), falling under tariff item 8517 62 90, and its inputs/ parts / sub-parts. The proposed trajectory for the applicable BCD rates on these goods is mentioned in the table below.

**Table**  
**PMP for Wrist Wearable Devices (commonly known as Smart watches)**

S. No.	CTH	Commodity	From	To			
				2022 -23	2023 -24	2024 -25	2025 -26
Following parts [S. No. 1 to 7] for manufacture of wearable devices falling under tariff item 8517 62 90 of the Customs Tariff							
1.	8517 79 10	Printed Circuit Board Assembly (PCBA)	NIL	NIL	10%	15%	15%
2.	8544	Charging Cable	10%	NIL	5%	10%	15%
3.	39, 73, 85	Specified parts of wearable devices	As per CTH	NIL	5%	10%	15%
4.	8507 60 00/ 8507 80 00	Battery	15%	NIL	5%	10%	15%
5.	8517 79 90	Display Assembly	NIL	NIL	NIL	5%	10%
6.	8501	Vibrator Motor	10%	10%	10%	10%	10%

7.	Any Chapter	Parts, sub-parts, and raw materials for use in the manufacture of the S. Nos 1 to 6 above	As per CTH	NIL	NIL	NIL	NIL
8.	8517 62 90	Wrist Wearable Devices (Commonly known as Smart Watches)	20%	20%	20%	20%	20%
<i>Note: IGCR conditions shall apply for the items in S. No. 1 to 7 above.</i>							

[Notification No. 11/2022-Customs dated 1<sup>st</sup> February, 2022 refers]

Further, Printed Circuit Board Assembly (PCBA), falling under tariff item 8517 79 10, for wrist wearable devices is being excluded from the BCD exemption contained in S. No. 13S of notification No. 24/2005-Customs as the BCD rates on PCBA for wrist wearable devices will now be governed by notification No. 11/2022-Customs dated 1<sup>st</sup> February 2022 [S. No. 2(i) of notification No. 15/2022-Customs dated 1<sup>st</sup> February 2022 refers].

Similarly, parts of wrist wearable devices falling under tariff item 8517 79 90 are being excluded from the BCD exemption contained in S. No. 5 of notification No. 57/2007-Customs as the BCD rates on such parts will now be governed by notification No. 11/2022-Customs dated 1<sup>st</sup> February 2022 [S. No. 4(i) of notification No. 15/2022-Customs dated 1<sup>st</sup> February 2022 refers].

(4) The tariff rate on all goods falling under tariff item 8518 21 00, 8518 22 00, 8518 29 00 and 8518 30 00 is being increased from 15% to 20%. [Clause 97(a) of the Finance Bill 2022 refers]. By virtue of the declaration made under Provisional Collection of Taxes Act, 1931, this increase will come into force with immediate effect. However, vide S. No. 9 of notification No. 12/2022-Customs, concessional BCD rate of 15% will continue on these goods till 31<sup>st</sup> March, 2022. [Notification No. 12/2022-Customs dated 1<sup>st</sup> February 2022 refers].

Further, with effect from 1<sup>st</sup> April 2022, the BCD rates on hearable devices and inputs/ parts/ subparts thereof, will be governed as per the phased manufacturing program (PMP) as mentioned in the Table below. The BCD rate on all goods falling under sub-headings 8518 21, 8518 22, 8518 29 and 8518 30, other than 'hearable devices' (as defined in the notification No. 12/2022-Customs) shall continue to remain 15% [S. No. 10 of notification No. 12/2022-Customs dated 1<sup>st</sup> February 2022 refers].

**Table**  
**PMP for Hearable Devices**

S. No.	CTH	Commodity	From	To			
				2022-23	2023-24	2024-25	2025-26
Following parts [S. No. 1 to 6] for manufacture of hearable devices falling under sub-headings 8518 21, 8518 22, 8518 29 or 8518 30 of the Customs Tariff							
1.	8518 90 00	PCBA for Hearable Device	10%	NIL	10%	15%	15%
2.	8544	USB Cable	10%	15%	15%	15%	15%
3.	73, 74, 85	Specified parts of hearable devices	As per CTH	NIL	5%	10%	15%
4.	8507 60 00/ 8507 80 00	Battery	15%	NIL	5%	10%	15%
5.	8518 90 00	Speaker Assembly (Pre-assembled speaker driver with protective mesh, but not including PCBA or battery)	10%	NIL	NIL	5%	10%
6.	Any Chapter	Parts, sub-parts, and raw materials for use in the manufacture of the S. Nos 1, 3, 4, and 5 above	As per CTH	NIL	NIL	NIL	NIL
7.	8518 21 to 8518 30	Hearable Devices	15%	20%	20%	20%	20%

*Note:*

(1) IGCR conditions shall apply for the items in S. No. 1 to 6 above.

(2) Hearable devices mean: -

- i). true wireless stereo (TWS), headphones, earphones and similar devices like earbuds, neckbands, headsets, etc., whether or not combined with a microphone, being capable of connecting through a wireless medium; and
- ii). portable Bluetooth speakers comprising of an amplifier and loudspeaker(s) with maximum output power not exceeding 40 Watts, having battery as a source of power and capable of wireless connectivity through Bluetooth.

[Notification No. 12/2022-Customs dated 1<sup>st</sup> February, 2022 refers]

Similarly, the tariff rate on parts of goods falling under heading 8518 (tariff item 8518 90 00) is being increased from 10% to 15%. [Clause 97(b) of the Finance Bill 2022 refers]. However, the BCD rate on these goods would remain at '10%', excluding specific parts of hearable devices which will attract BCD rates as per the PMP mentioned in the

Table above [S. No.11 of notification No. 12/2022-Customs dated 1<sup>st</sup> February 2022 and S. No. 4(iv) of notification No. 15/2022-Customs refers].

(5) BCD rate on Aluminium/ Copper based Copper Clad Laminates for use in manufacture of PCBs/ MCPCBs is being decreased to 'Nil' by amending S. No. 122 of notification No. 25/1999-Customs [S. No. 59 of notification No. 14/2022-Customs dated 1<sup>st</sup> February 2022 refers]. This change is being made effective from 2<sup>nd</sup> February, 2022.

(6) The tariff rate on photo voltaic cells, not assembled in modules or made up into panels (tariff item 8541 42 00) is being increased from 20% to 25% [Clause 97(a) of the Finance Bill 2022 refers]. By virtue of the declaration made under Provisional Collection of Taxes Act, 1931, this increase will come into force with immediate effect. However, the BCD rate on these goods would remain at 'Nil' up to 31<sup>st</sup> March, 2022, vide S. No. 23 of notification No. 24/2005-Customs.

The BCD on these goods will increase to 25% with effect from 1<sup>st</sup> April, 2022. However, goods under this tariff item that are used solely and exclusively with specified goods covered by notification No. 24/2005-Customs and 25/2005-Customs will continue to attract 'Nil' BCD vide the newly inserted S. No. 38A of 24/2005-Customs and 32A of notification No. 25/2005-Customs [S. Nos. 2(iii) and 3(iv) of notification No. 15/2022-Customs dated 1<sup>st</sup> February 2022 refers].

(7) The tariff rate on photo voltaic cells, assembled in modules or made up into panels (tariff item 8541 43 00) is being increased from 20% to 40% [Clause 97(a) of the Finance Bill 2022 refers]. By virtue of the declaration made under Provisional Collection of Taxes Act, 1931, this increase will come into force with immediate effect. However, the BCD rate on these goods would remain at 'Nil' up to 31<sup>st</sup> March, 2022, vide S. No. 23 of notification No. 24/2005-Customs.

The BCD on these goods will increase to 40% with effect from 1<sup>st</sup> April, 2022. However, goods under this tariff item that are used solely and exclusively with specified goods covered by notification No. 24/2005-Customs and 25/2005-Customs will continue to attract 'Nil' BCD vide the newly inserted S. No. 38A of 24/2005-Customs and 32A of notification No. 25/2005-Customs [S. Nos. 2(iii) and 3(iv) of notification No. 15/2022-Customs dated 1<sup>st</sup> February 2022 refers].

(8) The tariff rate on all goods falling under tariff item 8541 49 00 is being increased from 20% to 40% [Clause 97(a) of the Finance Bill 2022 refers]. By virtue of the declaration made under Provisional Collection of Taxes Act, 1931, this increase will come into force with immediate effect. However, the BCD rate these goods, other than photo voltaic cells and modules, will continue to attract Nil BCD vide S. No. 23 of

notification No. 24/2005-Customs [S. No. 2(ii) of notification No. 15/2022-Customs dated 1<sup>st</sup> February 2022 refers].

(9) S. No. 402, 466, 485, 496, 506, 507 and 508 of notification No. 50/2017-Customs is being omitted being redundant. The applicable rate, as prescribed through these entries, shall continue vide S. No. 39 of notification No 24/2005-Customs [S. Nos. 100, 126, 130, 134 and 136 of notification No. 02/2022-Customs dated 1<sup>st</sup> February 2022 refers].

(10) S. No. 505 of notification No. 50/2017-Customs is being omitted being redundant. The applicable rate, as prescribed through this entry, shall continue vide S. No. 510 of notification No. 50/2017-Customs [S. No. 136 of notification No. 02/2022-Customs dated 1<sup>st</sup> February 2022 refers].

(11) Vide S. No. 424 of notification No. 50/2017-Customs, concessional BCD rate of Nil is prescribed on specified goods required for paging service and their parts falling under any chapter. [S. No. 106 of notification No. 02/2022-Customs dated 1<sup>st</sup> February 2022 refers]. On review, this entry is being omitted with effect from 2<sup>nd</sup> February, 2022. Consequently, these goods will now attract applicable BCD rate as per their classification.

(12) Vide S. No. 425 of notification No. 50/2017-Customs, concessional BCD rate of Nil is prescribed on specified goods required for public mobile radio trunked service (PMRTS) and their parts falling under any chapter. [S. No. 106 of notification No. 02/2022-Customs dated 1<sup>st</sup> February 2022 refers]. On review, this entry is being omitted with effect from 2<sup>nd</sup> February, 2022. Consequently, these goods will now attract applicable BCD rate as per their classification.

(13) Vide S. No. 430 of notification No. 50/2017-Customs, concessional BCD rate of Nil is prescribed on specified goods for use in pharmaceutical and bio-technology sector imported for research and development use falling under chapter 84, 85 or 90. [S. No. 107 of notification No. 02/2022-Customs dated 1<sup>st</sup> February 2022 refers]. On review, this entry would be omitted with effect from 1<sup>st</sup> April, 2023. Consequently, these goods will attract applicable BCD rate as per their classification from 1<sup>st</sup> April, 2023.

(14) Vide S. No. 431 of notification No. 50/2017-Customs, concessional BCD rate of Nil is prescribed on specified goods for use of agro-chemical sector units falling under chapters 84, 85 or 90. On review, this entry is being omitted from 2<sup>nd</sup> February, 2022. [S. No. 108 of notification No. 02/2022-Customs dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will now attract duty at tariff rate.

(15) Vide S. No. 450 of notification No. 50/2017-Customs, concessional BCD rate of 5% is prescribed on over load protector and positive thermal coefficient, falling under tariff item 8536 20 90 and 8539 49 00 respectively, for use in manufacture of refrigerator compressors. On review, the entry is being omitted with effect from 2<sup>nd</sup> February, 2022. [S. No. 120 of notification No. 02/2022-Customs dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will now attract a BCD rate of 10%.

(16) Vide S. No. 479 of notification No. 50/2017-Customs, concessional BCD rate of Nil is prescribed on specified goods including mono or bipolar membrane electrolyzers, membranes and its parts, required for to caustic soda units or caustic potash units falling under any chapter. [S. No. 128 of notification No. 02/2022-Customs dated 1<sup>st</sup> February 2022 refers]. On review, this entry would be omitted with effect from 1<sup>st</sup> April, 2024. Consequently, these goods will attract applicable BCD rate as per their classification from 1<sup>st</sup> April, 2024.

(17) Vide S. No. 501 of notification No. 50/2017-Customs, concessional BCD rate of Nil is prescribed on recorded magnetic tapes and floppy diskettes, imported by the University Grants Commission for use in Computers falling under heading 8523. On review, this entry is being omitted with effect from 2<sup>nd</sup> February, 2022. [S. No. 135 of notification No. 02/2022-Customs dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will now attract applicable BCD rate as per the tariff item.

(18) Vide S. No. 513 of notification No. 50/2017-Customs, concessional BCD rate of Nil is prescribed for parts or components (falling under any chapter) for use in manufacture of populated printed circuit board of specified goods. On review, a few of these specified goods are being omitted from the entry as the exemption pertaining to such goods is redundant. Consequently, the parts or components for use in manufacture of populated printed circuit board of such omitted goods will continue to attract Nil BCD vide S. No. 39 of notification No. 24/2005-Customs [S. No. 137(a) of notification No. 02/2022-Customs dated 1<sup>st</sup> February 2022 refers]. Further, this entry is being omitted from 1<sup>st</sup> April, 2024. [S. No. 137 (b) of notification No. 02/2022-Customs dated 1<sup>st</sup> February 2022 refers].

(19) Notification No. 25/1999-Customs provides exemption in customs duty on goods imported for the manufacture of specified electronic goods. The exemption notification has been reviewed comprehensively and suitable amendments are being made to the said notification. Further, a sunset date of 31.03.2024 has been prescribed for the remaining exemptions under this notification [Notification No. 14/2022-Customs dated 1<sup>st</sup> February refers].

(23) Notification No. 25/2002-Customs provides exemption in customs duty to capital goods imported for manufacture of specified electronic goods. The exemption notification has been reviewed and a sunset date of 31.03.2024 has been prescribed for the exemptions provided under this notification. [S. No. 1 of notification No. 15/2022-Customs dated 1<sup>st</sup> February 2022 refers].

(24) Vide S. No. 9 of notification No. 25/2005-Customs, concessional BCD rate of Nil is prescribed for parts of line telephone handsets falling under tariff item 8518 30 00. The description of the exempted goods has been changed to line telephone handsets falling under tariff item 8518 30 00. [S. No. 3(i) of notification No. 15/2022-Customs dated 1<sup>st</sup> February 2022 refers].

(25) Vide S. No. 28 of notification No. 25/2005-Customs, concessional BCD rate of Nil is prescribed for electrical conductors for a voltage not exceeding 80 V under sub-heading 8544 49. The sub-heading in the exemption entry has been updated to include sub-heading 8544 42. [S. No. 3(ii) of notification No. 15/2022-Customs dated 1<sup>st</sup> February 2022 refers].

However, the exemption provided under this entry will not be applicable for USB cables (sub-heading 8544 42) for cellular mobile phones and wrist wearable devices (commonly known as smart watches).

(26) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. Nos. 103 to 107 of the Table 1 in Annexure B.

## **Chapter 86: No Change**

## **Chapter 87**

(1) The entries at S. No. 525, 526A and 531A of notification No. 50/2017 dated 30.06.2017 provide the BCD rates on various forms of electric vehicles. Certain representations were received from the trade and field formations about the scope of these entries. Consequently, these entries have been revised, in order to remove the doubts that have arisen about the scope of these entries. The revised entries at S. No. 525, 526A and 531A of notification No. 50/2017 dated 30.06.2017 are now self-explanatory. It is to reiterate that this is a clarificatory change only with no change in the applicable BCD rates on various forms of E-vehicles. [S. No. 138, 139, 140 of notification No. 02/2022-Customs dated 1<sup>st</sup> February 2022 refers]

(2) The entry Sl. No. 531A of notification No. 50/2017 dated 30.06.2017 has been amended in order to delete the words 'electric compressor' and 'contactor' since these items are not used in two wheeled electric vehicles. [S. No. 140 of notification No. 02/2022-Customs dated 1<sup>st</sup> February 2022 refers]

### **Chapter 88**

(1) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. No. 109, 110 of the Table 1 in Annexure B.

### **Chapter 89**

(1) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. No. 111, 112, 113 of the Table 1 in Annexure B.

### **Chapter 90**

(1) Health Cess on needles for suture (tariff item 9018 32 10) used in manufacture of surgical sutures (tariff item 3006 10 10) is being decreased from 5% to 'Nil' by inserting S. No. 1A in notification No. 08/2020-Customs. [S. No. 5 of notification No. 15/2022-Customs dated 1<sup>st</sup> February 2022 refers]. This change is being made effective from 2<sup>nd</sup> February, 2022.

(2) Vide S. No. 216 and 481 of notification No. 50/2017-Customs, concessional BCD rate of Nil is prescribed on artificial kidney and disposable sterilized dialyzer and micro-barrier of artificial kidney, respectively. On review, these entries are being omitted [S. Nos. 61 and 129 of notification No. 02/2022-Customs dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will now attract applicable BCD rate.

(3) Vide S. No. 216A and 481A of notification No. 50/2017-Customs, concessional BCD rate of Nil is prescribed on raw materials, parts or accessories for use in manufacture of on artificial kidney and disposable sterilized dialyzer and micro-barrier of artificial kidney, respectively. On review, these entries are being omitted [S. Nos. 61 and 129 of notification No. 02/2022-Customs dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will now attract applicable BCD rate.

(4) BCD rates on specified parts of X-ray machines for medical, surgical, dental or veterinary use is being increased from 5% to 10% by amending S. No. 563A of

notification No. 50/2017-Customs [S. No. 147 of notification No. 02/2022-Customs dated 1<sup>st</sup> February 2022 refers]. This change is being made effective from 1<sup>st</sup> April, 2022.

(5) BCD rate on X-ray machines for medical, surgical, dental or veterinary use (tariff items 9022 14 20 or 9022 14 90) is being increased from 7.5% to 10% by amending S. No. 563A of notification No. 50/2017-Customs. [S. No. 147 of notification No. 02/2022-Customs, dated 1<sup>st</sup> February 2022 refers]. This change is being made effective from 1<sup>st</sup> April, 2022.

(6) The tariff rate on electricity meters for alternating current falling under tariff item 9028 30 10 is being increased from 15% to 25%. [Clause 97(a) of the Finance Bill 2022 refers]. By virtue of the declaration made under Provisional Collection of Taxes Act, 1931, this increase will come into force with immediate effect. However, vide S. No. 581A of notification No. 50/2017-Customs, concessional BCD rate of 10% will continue on these goods other than Smart Meters.

Smart meters will also continue to attract BCD rate of 15% till 31<sup>st</sup> March 2022, vide S. No. 11 of notification No. 13/2022-Customs.

Further, with effect from 1<sup>st</sup> April 2022, the BCD rates on Smart Meters and inputs/ parts/ subparts thereof, will be governed as per the phased manufacturing program (PMP) as mentioned in the Table below [Notification No. 13/2022-Customs dated 1<sup>st</sup> February 2022 refers].

### Table

#### PMP for Smart Meters

S. No.	CTH	Commodity	From	To			
				2022 -23	2023 -24	2024 -25	2025 -26
Following parts [S. No. 1 to 6] for manufacture of smart meters falling under tariff item 9028 30 10 of the Customs Tariff							
1.	9028 90 10	Assembled / Populated PCB for Smart Meters	7.5%	20%	20%	20%	20%
2.	8517 69 90	Communication Module	10%	NIL	NIL	5%	10%
3.	8536 49 00	Relay	10%	5%	10%	10%	15%
4.	8517 71 00	Antenna	NIL	NIL	NIL	5%	10%
5.	8524 11 00/ 8524 91 00	LCD & Backlight for LCD	15%	NIL	5%	10%	10%
6.	8506 50 00	Battery	10%	NIL	5%	10%	10%

7.	Any Chapter	Parts, sub-parts, and raw materials for use in the manufacture of the S. Nos 1 to 6 above	As per CTH	NIL	NIL	NIL	NIL
8.	9028 30 10	Smart Meters	15%	25%	25%	25%	25%
<i>Note: IGCR conditions shall apply for the items in S. No. 1 to 7 above.</i>							

[Notification No. 13/2022-Customs dated 1<sup>st</sup> February, 2022 refers]

Similarly, the tariff rate on parts and accessories for electricity meters (tariff item 9028 90 10) is being increased from 10% to 20% [Clause 97(a) of the Finance Bill 2022 refers]. By virtue of the declaration made under Provisional Collection of Taxes Act, 1931, this increase will come into force with immediate effect. The applicable BCD rate on parts of electricity meters (tariff item 9028 90 10) would remain at '7.5%' up to 31<sup>st</sup> March, 2022, vide S. No. 494 of notification No. 50/2017-Customs. After 1<sup>st</sup> April, 2022 the BCD rates on these goods will be governed as per the PMP in table above.

(7) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. Nos. 108, 115 and 116 of the Table 1 in Annexure B.

### **Chapter 91**

(1) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First Schedule from 1.5.2022. Accordingly relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. No. 117 of the Table 1 in Annexure B.

### **Chapter 92 – 94: No Change**

### **Chapter 95**

(1) BCD on parts of electronic toys used in the manufacture of electronic toys, falling under heading 9503 is being increased from 15% to 25% by amending S. No. 591 of notification No. 50/2017-Customs dated 30<sup>th</sup> June, 2017, [S. No. 152 of notification No. 02/2022-Customs dated 1<sup>st</sup> February 2022 refers]

(2) Vide S. No. 588 of notification No. 50/2017, concessional BCD rate of Nil is prescribed on 'Synthetic tracks and artificial surfaces and equipments required for their installation', falling under 95 or any other Chapter. On review, this entry is being

omitted [S. No. 151 of notification No. 2/2022-Cus dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will now attract applicable BCD rate.

(3) Vide S. No. 589 of notification No. 50/2017, concessional BCD rate of Nil is prescribed on 'goods for laying synthetic tracks and artificial surfaces', falling under Heading 9506 or any other chapter. On review, this entry is being omitted [S. No. 151 of notification No. 2/2022-Cus dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will now attract applicable BCD rate.

(4) Vide S. No. 590 of notification No. 50/2017, concessional BCD rate of Nil is prescribed on 'requisites for games and sports', falling under 95 Chapter. On review, this entry is being omitted [S. No. 151 of notification No. 2/2022-Cus dated 1<sup>st</sup> February 2022 refers]. Consequently, these goods will now attract applicable BCD rate.

(5) Vide S. No. 594 of notification No. 50/2017-Customs, concessional BCD rate of Nil is prescribed on snow-skis, water-skis, surf boards etc. On review, this entry would be omitted with effect from 1st April, 2023. Consequently, these goods will attract applicable BCD rate as per their classification from 1st April, 2023. [S. No. 153 of notification No. 02/2022-Customs dated 1st February 2022 refers].

(6) The applicable BCD rate on certain items falling under this chapter, which hitherto were prescribed through notification, are being incorporated in the First Schedule from 1.5.2022. Accordingly, relevant exemption entries shall be omitted w.e.f. 1.5.2022. For details, please refer to Sr. No. 118 of the Table 1 in Annexure B.

#### **Chapter 96 – 97: No change**

#### **Chapter 98**

(1) Concessional BCD rates extended to project imports are being phased out gradually in the following manner:

S. No.	Description	Entry No. in Notn 50/2017-Customs	BCD Rates		S. No. of notification 2/2022-Customs refers	Clause of the Finance Bill 2022 refers
			From (%)	To* (%)		
1	Power Projects	598, 599, 602, 597(iii), 597(iv), 597(v)	0/2.5/5	7.5	155, 156, 159	97(b)
2	Coal Projects	597(i)	0	7.5	155	

3	Gas Projects	600(a), 604	5	7.5	157, 161
4	Iron Ore Projects	597 (ii)	2.5	7.5	155
5	Water Supply Projects	603	0	7.5	160
6	Other Projects	601, 605, 600 (b), 606	0/5	7.5	157, 158, 162, 163

- a. \*New projects registered after 30<sup>th</sup> September 2022 under project imports will attract 7.5% BCD rate. [S. No. I (155 to 163) and IV (vii) of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 read with Clause 97(b) of the Finance Bill 2022 refers].
- b. \*Projects registered till 30<sup>th</sup> September 2022 under project imports will continue to get lower rates of duty till 30<sup>th</sup> September 2023. [S. Nos. I (155 to 163) and IV (vii) of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 read with Clause 97(b) of the Finance Bill 2022 refers].
- c. \*With effect from 30<sup>th</sup> September 2023, all projects registered under project imports will attract 7.5% BCD rate. [S. Nos. I (155 to 163) and IV (vii) of notification No. 2/2022-Customs, dated 1<sup>st</sup> February 2022 read with Clause 97(b) of the Finance Bill 2022 refers].

(2) In Condition No. 16 associated with Entry at S. No. 607 of Notification No. 50/2017-Customs for the words “Duchenne Muscular Atrophy” the words “Duchenne Muscular Dystrophy” are being substituted.

## II. Miscellaneous Changes

**1. Exemption to import duty for bonafide exporters** - A scheme for duty-free imports for the purpose of use in goods meant for export, based on end-use monitoring is being introduced for bonafide exporters subject to the requirement of exporting value added products manufactured using inputs imported under these exemptions, within a period of six months. Importer shall be required to follow the procedure under the Import of Goods at Concessional Rate (IGCR) Rules, 2017. The following changes are being made to the Notification 50/2017-Customs to operationalize the scheme as detailed under:

- i. Conditions required for availing exemptions *vide* S. No. 257 are being amended.
- ii. S. No. 257A is being inserted to provide for conditional exemptions for import of specified items like decorative papers, motifs, back of photo frames, etc. to be used in manufacture of *handicraft products* meant for exports.

- iii. S. No. 257B is being inserted to provide for conditional exemptions for import of specified items like fasteners, inlay cards, lining and inter-lining materials, wet blue chrome tanned leather, etc. to be used in manufacture of *textile or leather garments* meant for exports.
- iv. S. No. 257C is being inserted to provide for conditional exemptions for import of specified items like buckles, buttons, locks etc. to be used in manufacture of *leather or synthetic footwears, or other leather products* meant for exports.
- v. S. No. 288, having been subsumed under new S. No. 257B, is being omitted.

[S. Nos 69, 70 and 75 of 2/2022-Customs dated 01.02.2022 refers]

**2. Indicating end dates for conditional exemptions in notifications as per Section 25(4A) of Customs Act-** Section 25 (4A) of the Customs Act, inserted *vide* Finance Act, 2021, prescribes that where any exemption is granted subject to any condition under sub-section (1), such exemption shall, unless otherwise specified or varied or rescinded, be valid up to 31st day of March falling immediately after two years from the date of such grant or variation. Accordingly, conditional exemptions will have validity in terms of this sub-section. Therefore, entry being impacted on account of this clause have been identified and an explanation has been inserted in the notification No. 50 /2017-Customs.

The following entries, unless varied, will have validity up to <b>31.03.2023</b> .	
1.	16, 90, 133, 139, 150, 155, 164, 165, 168, 183, 184, 188, 204, 213, 237, 238, 253, 254, 255, 258, 259, 260, 261, 269, 271, 276, 277A, 279, 280, 325, 333, 334, 339, 340, 341, 341A, 353, 364A, 374, 375, 378, 379, 380, 381, 387, 392, 415, 415A, 416, 417, 418, 419, 420, 421, 426, 428, 429, 441, 462, 463, 464, 471, 472, 475, 478, 482, 489B, 495, 497, 504, 509, 510, 511, 512, 512A, 516, 519, 534, 535, 535A, 536, 538, 540, 542, 543, 544, 546, 549, 550, 559, 565, 566, 567, 568, 570, 575, 577, 578A, 579, 580, 581, 583, 593, 612
The following entries [having been reviewed in this exercise done this year], unless varied, will have validity up to <b>31.03.2024</b> .	
2.	17, 80A, 104, 172, 191, 257, 257A, 257B, 257C, 264A, 290, 292, 293A, 296A, 326, 329, 345A, 354, 355, 356, 357, 422, 423, 442, 446, 451, 465, 517, 591

[S. No. III of 2/2022-Customs dated 01.02.2022 refers]

In addition, end date of 31.03.2023 as per sub-section (4A) of section 25 of the Customs Act, 1962 is also being indicated against the following conditional exemptions, namely-

S. No.	Notification No.
1.	146/94-Customs dated 13.07.1994
2.	147/94-Customs dated 13.07.1994
3.	39/96-Customs dated 23.07.1996
4.	50/96-Customs dated 23.07.1996

5.	30/2004-Customs dated 28.01.2004
6.	81/2005-Customs dated 08.09.2005
7.	5/2017-Customs dated 02.02.2017
8.	16/2017-Customs dated 20.04.2017
9.	Serial No.2 of 32/2017-Customs dated 30.06.2017

[Notification No. 9/2022-Customs dated 01.02.2022 refers]

3. **Rescission of obsolete notifications** - Certain miscellaneous exemption notifications which are obsolete or whose validity had expired or which had become redundant are being rescinded. The list of such exemption notifications is as below:

S. No.	Notification No.	Notification Subject
1.	190/1978- Customs dated 22.09.1978	These notification provides for additional duty of customs on import of transformer oil equivalent to such portion of the excise duty leviable on the raw material commonly known as transformer oil base stock or transformer oil feedstock .
2.	191/1978- Customs dated 22.09.1978	
3.	10/1995- Customs dated 7.3.1995	This notification prescribes concessional rate of customs duty on import inputs imported for manufacturing of Iron & Steel intermediates.
4.	26/1999- Customs dated 28.2.1999	This notification prescribes concessional rate of basic customs duty on import of kerosene imported by a manufacturer of linear alkyl benzene for extracting N-Paraffin.
5.	27/2004- Customs dated 23.01.2004	This notification prescribes concessional rate of customs duty on import of specified goods imported for use in manufacture of certain chemicals.
6.	14/2006- Customs dated 01.03.2006	This notification prescribes concessional rate of customs duty on import of specified varieties of woven fabrics falling under Chapters 52, 54, 55 and 58. The entries of this notification have been merged in notification No. 82/2017-Customs.
7.	48/2006- Customs dated 26.05.2006	This notification prescribes concessional rate of customs duty on import of woven fabrics of carded/combed wool or fine animal hair. The entries of this notification have been merged in notification No. 82/2017-Customs.
8.	82/2017- Customs dated 27.10.2017	This notification prescribes concessional rate of customs duty on import of textile items falling under Chapter 50-63 of Customs Tariff Act.

		This notification will prescribe effective rate on textile items for the period 02.02.2022 to 30.04.2022. This notification would be rescinded with effect from 01.05.2022.
9.	90/2007- Customs dated 26.07.2007	This notification prescribes concessional rate of additional duty of customs on import of items related to Electronics and Information Technology goods.
10.	08/2011- Customs dated 14.02.2011	This notification prescribes exemption from the whole of the additional duty of customs, leviable thereon under sub-section (1) of section 3 of the said Customs Tariff Act, on jute products imported from Bangladesh or Nepal. The notification has been rescinded as post introduction of GST, the jute products attract integrated tax on imports.
11.	24/2011- Customs dated 1.03.2011	This notification exempts Basic Customs Duty on copper concentrate as is equivalent to the duty of customs leviable on the value of Gold and silver contained in such copper concentrate.
12.	49/2013- Customs dated 29.11.2013	This notification prescribed concessional rate of customs duty on import of Anti-Tuberculosis Drugs, Diagnostics and Equipment and had lapsed on 1 <sup>st</sup> April, 2016.
13.	23/2014- Customs dated 11.07.2014	This notification prescribed concessional rate of customs duty on import of Drugs & equipment imported for National AIDS Control Programme and had lapsed on 1 <sup>st</sup> April, 2015.
14.	37/2015- Customs dated 10.06.2015	This notification prescribed concessional rate of customs duty on import of Anti-Retroviral Drugs (ARV Drugs) and had lapsed on 1 <sup>st</sup> April, 2016.
15.	11/2016- Customs dated 01.03.2016	This notification prescribes concessional rate of customs duty on import of software recorded media.
16.	20/2020- Customs dated 9.04.2020	This notification prescribes concessional rate of customs duty on import of Face Masks, Surgical Masks, Ventilators, COVID-19 Testing Kits, etc. and had lapsed on 30 <sup>th</sup> September, 2020.
17.	40/2020- Customs dated 28.10.2020	This notification prescribes concessional rate of customs duty on import of Potatoes under Tariff Rate Quota (TRQ) and had lapsed on 31 <sup>st</sup> January, 2021.

[Notification Nos 4/2022-Customs and 5/2022-Customs both dated 01.02.2022 refers]

In addition, following expired/ redundant entries of exemption notifications are also being omitted.

S. No.	Notification No.	Notification Subject	Expired/ redundant Serial Nos. being omitted
1.	27/2011-Customs dated 01.03.2011	This notification prescribes concessional rate of customs duty on export of goods.	20B, 63, 64

2.	39/96-Customs, dated the 23.07.1996	This notification prescribes concessional rate of customs duty on items relating to Defence and internal security forces.	14, 15, 17, 18, 19, 24, 29, 30, 31, 31A, 31B, 32, 33, 35, 36, 38, 39, 40, 41, 42, 43
3.	37/2017-Customs dated 28.10.2020	This notification prescribes concessional rate of customs duty on import of items relating to internal security agencies.	6, 7

[Notification No. 6/2022-Customs, 7/2022-Customs and 10/2022-Customs all dated 01.02.2022 refers]

**4. Clarifications regarding Social Welfare Surcharge:** Circular No. 03/2022-Customs dated 1<sup>st</sup> February, 2022 is being issued clarifying the applicability of social welfare surcharge on goods exempted from Basic Customs Duty. [Circular No. 03/2022-Customs refers]

**5. Exemption from Cesses:** In order to comply with International Agreements, certain cesses are being exempted for notifications as indicated in the table below;

S. N.	Notification no.	AIDC Exemption	Health Cess Exemption	RIC Exemption
1.	104/2010-Customs dated 01.10.2010	YES	-	-
2.	38/96-Customs dated 23.07.1996	YES	YES	YES
3.	40/2017-Customs dated 30.06.2017	YES	YES	YES
4.	60/2011-Customs dated 14.07.2011	YES	-	-
5.	148/94-Customs dated 13.07.1994	YES	YES	YES

[Notification no. 8/2022-Customs dated 01.02.2022 refers]

**ANNEXURE - B**

I. The following entries of **notification No. 50/2017-Customs** are being moved to the first schedule of Customs Tariff with effect from 1<sup>st</sup> May, 2022. Consequently, the respective entry will be omitted *vide* Notification No. 2/2022-Customs, dated 1.2.2022 with effect from 1<sup>st</sup> May, 2022 (column 6 of the table below refers). While the same entry will be inserted to the first schedule of Customs Tariff *vide* Clause 97(b) of the Finance Bill, 2022 with effect from 1<sup>st</sup> May, 2022. Applicable BCD rate on these goods would thus remain unchanged.

Table 1

S. No.	S. No. as per Notification No. 50/2017-Customs	HS Code	Description of goods as per notification [Indicative only]	Applied Rate	S. No. of notification 2/2022-Customs refers
(1)	(2)	(3)	(4)	(5)	(6)
1.	3A	0101 21 00	Pure-bred Breeding Horses	Nil	1
2.	12	0508 00 10	All goods	Nil	4
3.	14	0511 99 11	Artemia	5%	4
4.	15	0511 10 00	Bovine Semen	5%	5
5.	22	0801 31 00	Cashew nuts in shell	2.5%	6
6.	27	0802 51 00, 0802 52 00	All goods	10%	8
7.	29	0804 10 20, 0804 10 30	All goods	20%	10
8.	30	0805 10 00, 0805 50 00, 0806 10 00, 0808 30 00 or 0808 40 00	All goods	30%	10
9.	34	0904 11 10	Long pepper (Piper longum)	30%	13
10.	35	0907	All goods	35%	13
11.	37	1001 19 00 or 1001 99 10	Wheat	40%	13
12.	39	1005 10 00, 1007 or 1008 21, 1008 29	All goods	50%	13
13.	41	100590	All goods	50%	13
14.	42	1104 22 00	De-hulled oat grain	15%	13
15.	43	1107 10 00, 1108 12 00	All goods	30%	13
16.	45	1207 91 00	All goods	20%	13
17.	48	1209 91 or 1209 99	All goods	5%	14
18.	55	1401 10 00	Bamboo	25%	18
19.	91	1702 11 or 1702 19	All goods	25%	21

S. No.	S. No. as per Notification No. 50/2017- Customs	HS Code	Description of goods as per notification [Indicative only]	Applied Rate	S. No. of notification 2/2022- Customs refers
(1)	(2)	(3)	(4)	(5)	(6)
20.	97	1905 31 00 or 1905 32	All goods	30%	24
21.	106	2207 20 00	All goods	5%	26
22.	117	2309 10 00	All goods	20%	26
23.	119A	Chapter 23 (except 23091000)	All goods	15%	27
24.	120	25 (except 2515, 2516, 2523, 2524)	All goods	5%	27
25.	121	2503 00 10	Crude or unrefined sulphur	2.5%	27
26.	123	2510	Rock phosphate	2.5%	29
27.	127	2520 10 10, 2520 10 20, 2520 10 90	Gypsum	2.5%	31
28.	129	2523 29	All goods	Nil	32
29.	130	2528	All goods	2.5%	32
30.	134	2601 to 2617	All goods	2.5%	34
31.	135	2604 00 00	Nickel Ore and Concentrate	Nil	34
32.	136	2612 10 00	Uranium Ore and Concentrates, for generation of Nuclear Power	Nil	34
33.	137	2620 11 00, 2620 19	All goods	5%	34
34.	138	2620 30	All goods	5%	34
35.	141	2701, 2702, 2703	All goods	5%	
36.	142	2704, 2705, 2706	All goods	5%	35
37.	143	2707	All goods	2.5%	35
38.	144	2708	All goods	5%	35
39.	146	2710 12 50	Avgas	Nil	35
40.	147	2710, 2711, 2712, 2713, 2714 or 2715	All goods (excluding naphtha), other than the goods	5%	35

S. No.	S. No. as per Notification No. 50/2017- Customs	HS Code	Description of goods as per notification [Indicative only]	Applied Rate	S. No. of notification 2/2022- Customs refers
(1)	(2)	(3)	(4)	(5)	(6)
			mentioned in S. No. 150, 151, 153, petroleum coke falling under sub-heading 2713 11 or 2713 12		
41.	147A	2710 12 21, 2710 12 22, 2710 12 29	Naphtha	2.5%	35
42.	154	2711 19 10, 2711 19 20	Liquefied petroleum gases (LPG)	5%	38
43.	156	2711 12 00	Propane	2.5%	39
44.	157	2711 13 00	Butanes	2.5%	39
45.	157A	2713 12 10, 2713 12 90	Calcined Petroleum Coke	7.5%	39
46.	169	28 (except 2801, 2802, 2803, 2804, 2805, 2809 20 10, 2810 00 20, 2814, 2823 00 10, 2837 11 00 and 2843)	All goods	7.5%	45
47.	174	2801 20 00	Iodine	2.5%	48
48.	178	2818 20 10	All goods	5%	50
49.	180	2825 40 00	Nickel oxide and hydroxide	Nil	51
50.	182	2844 20 00	All goods, for generation of Nuclear Power	Nil	52
51.	185	29(except 29054300, 29054400 and 29337100)	All goods	7.5%	53
52.	193	2901, 2902 (except 2902 43 00, 2902 50 00)	All goods	2.5%	56
53.	194	2902 41 00	o-xylene	Nil	56

S. No.	S. No. as per Notification No. 50/2017-Customs	HS Code	Description of goods as per notification [Indicative only]	Applied Rate	S. No. of notification 2/2022-Customs refers
(1)	(2)	(3)	(4)	(5)	(6)
54.	195	2903 (except 2903 11 10, 2903 12 00, 2903 13 00, 2903 22 00) or 2904	All goods	5%	56
55.	196	2902 43 00	p-xylene	Nil	56
56.	197	2902 50 00	Styrene	2%	56
57.	198	2903 15 00	Ethylene Dichloride (EDC)	Nil	56
58.	199	2903 21 00	Vinyl chloride monomer (VCM)	2%	56
59.	201	2905 31 00	Mono ethylene glycol (MEG)	5%	58
60.	202A	2910 20 00	Methyl oxirane (propylene oxide)	5%	58
61.	206	2917 36 00	Purified Terephthalic Acid (PTA), Medium Quality Terephthalic Acid (MTA) and Qualified Terephthalic Acid (QTA)	5%	60
62.	207	2917 37 00	Dimethyl terephthalate (DMT)	5%	60
63.	208	2926 10 00	Acrylonitrile	2.5%	60
64.	210	293371 00	Caprolactam	5%	60
65.	211	2905 43 00, 2905 44 00, 3301, 3501, 3502, 3503, 3504, 3505, 3809 10 00	All goods	20%	60

S. No.	S. No. as per Notification No. 50/2017- Customs	HS Code	Description of goods as per notification [Indicative only]	Applied Rate	S. No. of notification 2/2022- Customs refers
(1)	(2)	(3)	(4)	(5)	(6)
66.	219	31 (except 31022100, 31023000, 31025000, 31043000, 31052000, 31053000, 31054000, 31055100, 31055900, 31056000, 31059010, 31059090)	All goods	7.5%	62
67.	231	3201, 3202, 3203, 3204, 3205 00 00, 3206 (except 3206 11, 3201 20 00 and 3206 19 00) or 3207	All Goods	7.5%	64
68.	232	3201 20 00	Wattle extract	2.5%	64
69.	240	3403	All Goods	7.5%	66
70.	250	3801, 3802, 3803 00 00, 3804, 3805, 3806, 3807, 3809 (except 3809 10 00), 3810, 3812, 3815, 3816 00 00, 3817, 3821 00 00, 3824 (except 3824 60 and 3824 99 00) or 3827	All goods other than those at S. No. 250A	7.5%	68
71.	251	3823 11 00, 3823 12 00, 3823 13 00, 3823 19 00 or 3823 70	All goods	7.5%	68
72.	262	3901 to 3915 (except 3904 and 3908)	All goods	7.5%	71
73.	268	3906 90 70	Sodium polyacrylate	5%	72
74.	281	4001 21, 4001 22, 4001 29	All goods	25% or Rs. 30/- per kg, whichever is lower	74
75.	306	5101	All goods	2.5%	79

S. No.	S. No. as per Notification No. 50/2017-Customs	HS Code	Description of goods as per notification [Indicative only]	Applied Rate	S. No. of notification 2/2022-Customs refers
(1)	(2)	(3)	(4)	(5)	(6)
76.	307	5102	All goods	5%	79
77.	308	5103 10 10, 5103 20 10, 5103 20 20, 5103 20 90	Wool Waste	5%	79
78.	309	5103 10 90, 5103 30 00	All goods other than Wool waste	10%	79
79.	310	5105 29 10	Wool Tops	2.5%	79
80.	314	5201	All goods	5%	79
81.	316	5301	All goods	Nil	79
82.	317	5303 10 00	Raw jute	5%	79
83.	318	5401, 5402, 5403, 5404, 5405 00 00 or 5406	All goods	5%	79
84.	321	5501 to 5510	All goods	5%	79
85.	323	5511	All goods	10%	79
86.	338	6815 91 00, 6901, 6902, or 6903	All goods	7.5%	83
87.	342	7001 00 10	All goods	5%	84
88.	343	7015 10 10	Rough ophthalmic blanks,	5%	85
89.	344	7101 10 10 and 7101 21 00	Raw pearls	5%	86
90.	364	7110 31 00, 7110 39 00	Rhodium	2.5%	89
91.	366	7201, 7202, 7203, 7205 (excluding 7226 11 00)	All goods	5%	90
92.	367	7202 60 00	Ferro-nickel	2.5%	90
93.	369	7204	All goods [Effective rate of 'Nil' will operate through S. No. 368 of 50/2017-Customs till 01.04.2023]	2.5%	92
94.	382	7404	All goods	2.5%	94
95.	383	7411 or 7412	All goods	7.5%	94
96.	384	75	All goods	Nil	94

S. No.	S. No. as per Notification No. 50/2017- Customs	HS Code	Description of goods as per notification [Indicative only]	Applied Rate	S. No. of notification 2/2022- Customs refers
(1)	(2)	(3)	(4)	(5)	(6)
97.	385	7602	Aluminium scrap	2.5%	94
98.	390A	8105 20 10	Cobalt mattes and other intermediate products of cobalt metallurgy	2.5%	95
99.	391	8110 10 00, 8110 20 00	All Goods	2.5%	95
100.	448B	8407 21 00	Outboard motors	5%	118
101.	452	8419 19 20	Water heaters	7.5%	122
102.	452A	8421 39 20, 8421 39 90	All goods	7.5%	122
103.	487	8502 (except 8502 11 00, 8502 20 10, 8502 40 00)	All goods	7.5%	131
104.	488	8503 00 10, 8503 00 21 or 8503 00 29	All goods	7.5%	131
105.	489	8504 10 10, 8504 10 20 or 8504 10 90	All goods	7.5%	131
106.	492	8546	All goods	7.5%	132
107.	493	8547	All goods	7.5%	132
108.	494	9030 31 00, 9030 90 10	All goods <i>Note: This is a partial change to the original entry;</i>	7.5%	133
109.	541	8802 11 00 and 8802 12 00	Helicopters	2.5%	141
110.	547	8807 10 00, 8807 20 00, 8807 30 00	All goods	2.5%	142
111.	552	8902 00 10	Trawlers and other fishing vessels	Nil	143
112.	554	8905 10 00	All goods	Nil	144
113.	556	8907 10 00	All goods	Nil	145

S. No.	S. No. as per Notification No. 50/2017-Customs	HS Code	Description of goods as per notification [Indicative only]	Applied Rate	S. No. of notification 2/2022-Customs refers
(1)	(2)	(3)	(4)	(5)	(6)
114.	557	8908 00 00	All goods	2.5%	145
115.	563	9018 32 30, 9018 50 20, 9018 90 21, 9018 90 24, 9018 90 43, 9018 90 95, 9018 90 96, 9018 90 97, 9018 90 98	Goods required for medical, surgical, dental or veterinary use	5%	146
116.	563A	9018 (other than items in entry at Sr. No. 563 and 9018 90 99), 9019 (other than 9019 10 20), 9020, 9021	All goods	7.5%	147
117.	584	9108, 9110 or 9114 30 10	Watch dials and watch movements	5%	150
118.	594A	9506 91	All goods	10%	154

II. The following entries of **notification No. 52/2017-Customs** are being moved to the first schedule of Customs Tariff with effect from 1<sup>st</sup> May, 2022. Consequently, the respective entry will be omitted (*vide* Notification No. 06/2022-Customs, dated 1.2.2022) with effect from 1<sup>st</sup> May, 2022 (column 6 of the table below refers). [Clause 97(b) of the Finance Bill, 2022 refers] Applicable BCD rate on these goods would thus remain unchanged.

**Table 2**

S. No.	S. No. as per Notification No. 52/2017-Customs [to be omitted w.e.f 1.5.2022]	HS Code	Description of goods as per notification [Indicative only]	Applied Rate	S. No. of notification 06/2022-Customs refers
(1)	(2)	(3)	(4)	(5)	(6)
119.	1A	2709 00 90	All goods	Nil	S. No. 2 of the Table refers
120.	2	2710 12 41, 2710 12 42, 2710 12 49	Motor Spirit commonly known as petrol	2.5%	

121.	3	2710 19 44, 2710 19 49	High speed diesel (HSD)	2.5%	
122.	4	2710 19 39	All goods [ <i>ATF</i> ]	5%	
123.	5	2711 11 00	Liquefied natural gas (LNG)	2.5%	
124.	11	2711 21 00	All goods	5%	

[Clause 97(b) of the Finance Bill, 2022 refers]

**CENTRAL EXCISE**

- (1) Notification No. 49/2008-Central Excise (N.T.) dated 24.12.2008, provides for Retail Sale Price (RSP) based valuation for specified goods and prescribes an abatement as a percentage of retail sale price for such goods. This notification was issued under section 4A of the Central Excise Act, 1944. Accordingly, this notification has been superseded by notification No. 01/2022- Central Excise (N.T.) dated the 1st February, 2022, wherein the list to goods in the notification has been pruned to cover all such goods that are presently covered under Central Excise i.e. chewing tobacco, preparations containing chewing tobacco, Jarda scented tobacco and Pan masala containing tobacco. Further, notification has been aligned to latest provisions.[Notification No. 01/2022-Central Excise (N.T.) dated 1<sup>st</sup> February 2022 refers]
- (2) Circular No. 1082/03/2022-CX dated 01.02.2022 has been issued to ensure uniform implementation of Retail Sale Price (RSP) based valuation on notified goods, in accordance to Section 4A of the Central Excise Act, 1944 (1 of 1944).
- (3) Two new tariff items, that is, 2710 12 43 and 2710 12 44, falling under Chapter 27, have been inserted in the Fourth Schedule to the Central Excise Act, 1944, relating to E12 and E15 fuel blends, conforming to the new BIS specification [IS 17586] that has been issued for Ethanol Blended Petrol with percentage of ethanol up to twelve (E12) and fifteen (E15) percent respectively. This will align the Fourth Schedule to the Central Excise Act, 1944, with the similar proposed amendment in the sub-heading 2710 12 in the First Schedule to the Customs Tariff Act, 1975. [Clause 98 of Finance Bill, 2022 refers]
- (4) In order to promote blending of Motor Spirit (commonly known as Petrol) with ethanol/methanol and blending of High Speed Diesel with bio-diesel, an additional Basic Excise Duty of Rs. 2 per litre on Petrol and Diesel, intended to be sold to retail consumers without blending, as confirming to (Bureau of Indian Standards) BIS classification, would be levied with effect from the 1st day of October, 2022. [Notification No. 01/2022-Central Excise dated 1<sup>st</sup> February, 2022 refers]
- (5) The Seventh Schedule of the Finance Act, 2001, is being amended by substituting Central Excise tariff item 2709 20 00 with 2709 00 10 for Petroleum Crude. [Clause 125 of Finance Bill, 2022 refers]

**Amendments in Customs Act, 1962:**

(1) **Clause (34) of section 2** contains definition of “proper officer”. This section is being modified to specifically state that assignment of functions to an officer of Customs by the Board or the Principal Commissioner of Customs or the Commissioner of Customs shall be done under the newly inserted sub-sections (1A) and (1B) of Section 5 in the Customs Act, 1962 (52 of 1962). [Clause 85 of Finance Bill, 2022 refers]

(2) **Section 3** is being amended to specifically include the officers of DRI, Audit and Preventive formation in the class of Officers. This amendment has been made to remove any ambiguity as regards the class of officers of Customs. [Clause 86 of Finance Bill, 2022 refers]

(3) **Sub-Section (1A) and 1(B) to Section 5:** Sub-section (1A) and (1B) have been inserted in section 5 of the Act to explicitly provide power of assignment of function to officers of customs by the Board or as the case may be by the Principal Commissioner of Customs or Commissioner of Customs. This amendment has been necessitated to correct the infirmity observed by the Courts in recent judgements that the Act required explicit provision conferring powers for assignment of function to officers of Customs as “proper officers” for the purposes of the Act, besides the definition clause (34) in section 2 of the Customs Act. [Clause 87 of Finance Bill, 2022 refers]

(4) **Sub-section (4) to Section 5** is being inserted to delineate the criteria which the Board may adopt while imposing limitations or conditions under sub-section (1) or while assigning functions under sub-section (1A) to the officer of Customs. For instance, one of the limitations/ conditions that the Board currently imposes on “officers of Customs” is that they are required to operate within a specified territorial jurisdiction. However, with the launch of faceless assessments and other trade facilitation initiatives wherein, for instance, a need is felt for the development of industry-specific expertise in assessments the Board may need to confine jurisdiction to certain goods or class of goods. [Clause 87 of Finance Bill, 2022 refers]

(5) **Sub-section (5) to Section 5** is being inserted to ensure that wherever necessary, for the proper management of work, two or more officers of customs, can concurrently exercise powers and functions (for example in the case of faceless assessment) [Clause 87 of Finance Bill, 2022 refers]

(6) **Section 14** is being amended to include provisions for rules enabling the Board to specify the additional obligations of the importer in respect of a class of imported goods whose value is not being declared correctly, the criteria of selection of such goods, and the checks in respect of such goods. This amendment is a measure to address the issue of undervaluation in imports. [Clause 88 of Finance Bill, 2022 refers]

(7) **Section 28E** is being amended to omit the Explanation under clause (c) and omit clause (h). [Clause 89 of Finance Bill, 2022 refers]

(8) **Section 28H** is being amended to make provisions for prescribing appropriate fees by Board relating to application for advance Ruling and also give flexibility to the applicant to withdraw his application at any time before a ruling is pronounced from the current 30 days' time period. Consequently, the sub-section (3) is being omitted. [Clause 90 of Finance Bill, 2022 refers]

(9) **Sub-section (7) under section 28I** is being substituted so as to remove the word "Members" and also make changes accordingly. [Clause 91 of Finance Bill, 2022 refers]

(10) **Sub-section (2) under Section 28J** is being substituted so that advance ruling under sub-section (1) of Section 28J is now valid for a period of three years or till there is a change in law or facts on the basis of which the advance ruling has been pronounced, whichever is earlier. [Clause 92 of Finance Bill, 2022 refers]

A proviso is also being inserted to provide that the advance rulings in force on the date on which the Finance Bill, 2022 receives assent of the President, the said period of three years shall be reckoned from the date on which the Finance Bill receives assent of the President.

(11) **Section 110AA** is being inserted with a view to affirm the principle that, wherever, an original function duly exercised by an officer of competent jurisdiction, is the subject matter of a subsequent inquiry, investigation, audit or any other specified purpose by any other officer of customs, then, notwithstanding, such inquiry, investigation, audit or any other purpose, the officer, who originally exercised such jurisdiction shall have the sole authority to exercise jurisdiction for further action like re-assessment, adjudications, etc. consequent to the completion of such inquiry, investigation, audit or any other purpose) [Clause 93 of Finance Bill, 2022 refers]

(12) **Section 135AA** is being inserted to protect the import and export data submitted to Customs by importers or exporters in their declarations by making the publishing of such information unless provided by the law, as an offence under Customs Act. [Clause 94 of Finance Bill, 2022 refers]

### **Other Legislative amendments pertaining to Customs:**

(1) **A clause 96 has been inserted in the Finance Bill, 2022.** This clause seeks to give validation to any action taken or functions performed before the date of commencement of the Finance Act, 2022, under certain Chapters of the Customs Act by any officer of Customs, as specified in Section 3 of the Customs Act, as amended, where such action was in pursuance of their appointment and assigning of functions by the Central government or the Board under the Customs Act.

### **First Schedule of Customs Tariff Act, 1975**

(1) Amendments are being made in the Finance Bill, 2022, wherein New Tariff entries are being introduced by accommodating the requests from different Ministries and Departments. These new entries will help-

- in better identification of the products and to provide greater clarity in classification;
- to identify new categories of Fuels being introduced in the Country;
- to give a fillip to identification and exports of Handicrafts;
- to clarify the manner of determination of Fe content in iron ore being exported;

### **Amendment to Customs Import of Goods at Concessional Rate of duty (IGCR) Rules, 2017**

Customs (Import of goods at concessional rate of duty) Rules, 2017 are being amended to provide the following facilities:

- (1) To introduce end to end automation in the entire process. Requirement of submitting all the necessary details electronically, through a common portal, is being brought out in the Rules itself.
- (2) Standardizing and notifying the various forms in which details are to be submitted electronically.
- (3) Leveraging the advantage of such submissions electronically, the need for any transaction based permissions and intimations are all being done away with.
- (4) Consequently, the procedure to claim the notification benefit is being simplified and automated.
- (5) For effective monitoring of the use of goods for the intended purposes, a Monthly Statement is being proposed which is to be submitted by the importer on the Common Portal.
- (6) An option for voluntary payment of the necessary duties and interest, through the Common Portal is being provided to the importer.

[Notification No. 07/2022-Customs (N.T.) refers]

**Amendments in CGST, IGST and UTGST Acts, 2017:**

Amendments carried out in the Finance Bill, 2022, *vide* clause 99 to 113 will come into effect from the date when the same will be notified, as far as possible, concurrently with the corresponding amendments to the similar Acts passed by the States & Union territories with legislature, until stated otherwise.

**I. AMENDMENTS IN THE CGST ACT, 2017:**

(1) A new clause (ba) to sub-section (2) of section 16 of the CGST Act is being inserted to provide that input tax credit with respect to a supply can be availed only if such credit has not been restricted in the details communicated to the taxpayer under section 38.

Further, sub-section (4) of section 16 of the CGST Act is being amended so as to provide for an extended time for availment of input tax credit by a registered person in respect of any invoice or debit note pertaining to a financial year upto thirtieth day of November of the following financial year. [Clause 99 of Finance Bill, 2022 refers]

(2) Clause (b) and (c) of sub-section (2) of section 29 of the CGST Act are being amended so as to provide that the registration of a person is liable for cancellation, where

- a. a person paying tax under section 10 has not furnished the return for a financial year beyond three months from the due date of furnishing of the said return;
- b. a person, other than those paying tax under section 10, has not furnished returns for such continuous tax period as may be prescribed.

[Clause 100 of Finance Bill, 2022 refers]

(3) Sub-section (2) of section 34 of the CGST Act is being amended so as to provide for an extended time for issuance of credit notes in respect of any supply made in a financial year upto thirtieth day of November of the following financial year. [Clause 101 of Finance Bill, 2022 refers]

(4) Section 37 of the CGST Act is being amended so as to:

- a. provide for prescribing conditions and restrictions for furnishing the details of outward supply and for communication of the details of such outward supplies to concerned recipients;

- b. do away with two-way communication process in return filing;
- c. provide for an extended time upto thirtieth day of November of the following financial year for rectification of errors in respect of details of outward supplies furnished under sub-section (1);
- d. provide for tax period-wise sequential filing of details of outward supplies under sub-section (1).

[Clause 102 of Finance Bill, 2022 refers]

(5) Section 38 of the CGST Act is being substituted for prescribing the manner as well as conditions and restrictions for communication of details of inward supplies and input tax credit to the recipient by means of an auto-generated statement and to do away with two-way communication process in return filing. [Clause 103 of Finance Bill, 2022 refers]

(6) Section 39 of the CGST Act is being amended so as to:

- a. provide that the non-resident taxable person shall furnish the return for a month by thirteenth day of the following month;
- b. provide an option to the persons furnishing return under proviso to sub-section (1), to pay either the self-assessed tax or an amount that may be prescribed;
- c. provide for an extended time upto thirtieth day of November of the following financial year, for rectification of errors in the return furnished under section 39;
- d. provide for furnishing of details of outward supplies of a tax period under sub-section (1) of section 37 as a condition for furnishing the return under section 39 for the said tax period.

[Clause 104 of Finance Bill, 2022 refers]

(7) Section 41 of the CGST Act is being substituted so as to do away with the concept of “claim” of eligible input tax credit on a “provisional” basis and to provide for availment of self-assessed input tax credit subject to such conditions and restrictions as may be prescribed. [Clause 105 of Finance Bill, 2022 refers]

(8) Sections 42, 43 and 43A of the CGST Act are being omitted so as to do away with two-way communication process in return filing. [Clause 106 of Finance Bill, 2022 refers]

(9) Section 47 of the CGST Act is being amended so as to provide for levy of late fee for delayed filing of return under section 52. Further, reference to section 38 is being removed consequent to the amendment in section 38 of the CGST Act. [Clause 107 of Finance Bill, 2022 refers]

(10) Consequent to the amendment in section 38 of the CGST Act, sub-section (2) of section 48 of the CGST Act is being amended so as to remove reference to section 38 therefrom. [Clause 108 of Finance Bill, 2022 refers]

(11) Section 49 of the CGST Act is being amended so as to:

- a. provide for prescribing restrictions for utilizing the amount available in the electronic credit ledger;
- b. allow transfer of amount available in electronic cash ledger under the CGST Act of a registered person to the electronic cash ledger under the said Act or the IGST Act of a distinct person;
- c. provide for prescribing the maximum proportion of output tax liability which may be discharged through the electronic credit ledger.  
[Clause 109 of Finance Bill, 2022 refers]

(12) Sub-section (3) of section 50 of the CGST Act is being substituted retrospectively, with effect from the 1st July, 2017, so as to provide for levy of interest on input tax credit wrongly availed and utilized. [Clause 110 of Finance Bill, 2022 refers]

(13) Sub-section (6) of section 52 of the CGST Act is being amended so as to provide for an extended time upto thirtieth day of November of the following financial year for rectification of errors in the statement furnished under sub-section (4). [Clause 111 of Finance Bill, 2022 refers]

(14) Section 54 of the CGST Act is being amended so as to:

- a. explicitly provide that refund claim of any balance in the electronic cash ledger shall be made in such form and manner as may be prescribed;
- b. provide the time limit for claiming refund of tax paid on inward supplies of goods or services or both under section 55 as two years from the last day of the quarter in which the said supply was received;
- c. extend the scope of withholding of or recovery from refunds in respect of all types of refund;

- d. provide clarity regarding the relevant date for filing refund claim in respect of supplies made to a Special Economic Zone developer or a Special Economic Zone unit by way of insertion of a new sub-clause (ba) in clause (2) of Explanation thereto.

[Clause 112 of Finance Bill, 2022 refers]

- (15) Consequent to the amendment in section 38 of the CGST Act, sub-section (2) of section 168 of the CGST Act is being amended so as to remove reference to section 38 therefrom. [Clause 113 of Finance Bill, 2022 refers]

## II. RETROSPECTIVE CHANGES RELATING TO GST:

Following amendments carried out in the Finance Bill, 2022, *vide* clause 114 to 123 will come into effect on the date of its enactment.

- (1) Central Tax, Union Territory Tax and Integrated Tax is being exempt on supply of unintended waste generated during the production of fish meal (falling under heading 2301), except fish oil, for the period 01.07.2017 to 30.09.2019, subject to the condition that if the said tax has been paid, same shall not be eligible for refund [Clause 116, 119, 122 of the Finance Bill, 2022 refers]

- (2) Central Tax, Union Territory Tax and Integrated Tax is being exempt on supply of 'service by way of grant of alcoholic liquor license, against consideration in the form of license fee or application fee or by whatever name it is called by the State Governments', as it has been declared as an activity or transaction which shall be treated neither as a supply of goods nor a supply of service, for the period 01.07.2017 to 30.09.2019, subject to the condition that if the said tax has been paid, same shall not be eligible for refund [Clause 117, 120, 123 of the Finance Bill, 2022 refers]

- (3) Retrospective changes are being made to notify [www.gst.gov.in](http://www.gst.gov.in), retrospectively, with effect from 22nd June, 2017, as the Common Goods and Services Tax Electronic Portal, for all functions provided under Central Goods and Services Tax Rules, 2017, other than those provided for e-way bill and for generation of invoices under sub-rule (4) of rule 48 of the CGST Rules. [Clause 114 of the Finance Bill, 2022 refers]

- (4) Retrospective changes are being made to Central Tax, Integrated Tax and United Territory Tax notifications notify rate of interest under sub-section (3) of section 50 of the CGST Act as 18%, with effect from the 1st day of July, 2017. [Clause 115, 118, 121 of the Finance Bill, 2022 refers]

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