



D.O. F. No. 334/04/2024-TRU

New Delhi, the 23rd July, 2024

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

The Finance Minister has introduced the Finance (No.2) Bill, 2024 in Lok Sabha today, that is, 23rd July 2024.

2. Amendments have been proposed in the Bill as follows:

- (i) through Clauses 100 to 103 of the Bill to the Customs Act, 1962, through Clauses 106 and 107 of the Bill to the Customs Tariff Act, 1975.
- (ii) through Clause 104, exemption from GST Compensation Cess has been proposed on imports in SEZ by SEZ units/Developers for authorized operations w.e.f 1.7.2017;
- (iii) through Clause 105 read with the Second Schedule, Notification No. 37/2023- Customs dated 10.5.23 is proposed to be validated for the period from 1st April, 2023 up to and inclusive of 10th May, 2023 to provide exemption from basic customs duty and AIDC on imports of crude soyabean oil and crude sunflower seed oil subject to availability of unutilized quota in TRQ authorization for FY 2022-23 allotted by DGFT and Bill of lading issued on or before 31st March, 2023;
- (iv) through Clause 108 read with the Fifth Schedule, amendment has been proposed in Notification No. 12/2012- Central Excise dated 17.3.2012 to extend the timeline to submit the final Mega Power Certificate ;
- (v) through Clause 109 read with the Sixth Schedule, exemption from Clean Environment Cess has been proposed on excisable goods lying in stock as on 30.6.2017 on which appropriate GST Compensation Cess has been paid on supply of such goods or after 1.7.2017.

The changes proposed through sub -clause (a) of Clause 107 will take effect on the midnight of 23rd/24th July ,2024 by virtue of a declaration under The Provisional Collection of Taxes Act, 2023. The other changes proposed in the Bill would come into effect on the enactment of the Bill or from the date specified in the Finance (No.2) Bill.

3. Changes have also been proposed in the CGST Act , IGST, Act, UTGST Act and GST (Compensation to States) Act 2017, through Clauses 110 to 146 of the Bill in CGST Act 2017, through Clauses 147 to 150 of the Bill in IGST Act, 2017 , through Clauses 151 to 152 of the Bill in UT GST Act, 2017 and through Clause 153 in GST (Compensation to States) Act 2017.

4. Changes in customs duty rates have also been carried through the following Notifications which are effective from 24th July 2024 unless specified otherwise:

| | Notification Nos. | Date |
|-----------------------|---|----------------|
| Customs (Tariff) | 29/2024 -Customs to 31/2024 -Customs, 33/2024 -Customs to 34/2024 -Customs, 36/2024 -Customs to 39/2024 -Customs, | 23rd July 2024 |
| Customs (Non -Tariff) | 51/2024 -Customs | 23rd July 2024 |
| AIDC | 32/2024 -Customs | 23rd July 2024 |
| Health Cess | 35/2024 -Customs | 23rd July 2024 |

5. The proposed changes including changes in duty rates are briefly summarized below:

CUSTOMS

I DUTY RATE CHANGES

(1). Agricultural goods

The BCD on Shea nuts has been reduced from 30% to 15%.

(2). Critical Minerals

- a) BCD has been reduced to Nil on the following critical minerals, namely, Antimony, Beryllium, Bismuth, Cobalt, Copper, Gallium, Germanium, Hafnium, Indium, Lithium, Molybdenum, Niobium, Nickel, Potash, REE, Rhenium, Strontium, Tantalum, Tellurium, Tin, Tungsten, Vanadium, Zirconium, Selenium, Cadmium, Silicon other than Quartz & Silicon Dioxide.
- b) BCD has been reduced to 2.5% on following critical minerals, namely, Graphite, Silicon Quartz & Silicon Dioxide

(3). Aquafarming and Marine Sector:

- a) The BCD on Prawn & Shrimps feed and fish feed has been reduced to 5%.
- b) The BCD on Live SPF Vannamei shrimp (*Litopenaeus vannamei*) broodstock and Black tiger shrimp (*Penaeus monodon*) broodstock has been reduced to 5%
- c) The BCD on Artemia and Artemia cysts has been reduced to Nil.
- d) The BCD on following ingredients/inputs for use in the manufacture of Prawn and Shrimps feed or fish feed is being reduced subject to IGCR condition.

| Description of goods | From | To |
|-----------------------------|-------------|-----------|
| Mineral & vitamin pre mixes | 5% | Nil |
| Krill Meal | 5% | Nil |
| Fish lipid oil | 15% | Nil |
| Crude fish oil | 30% | Nil |
| Algal prime (flour) | 15% | Nil |

- e) BCD has been reduced to 5% on Insect Meal for use in R&D for aquatic feed manufacturing
- f) BCD has been reduced to 5% on Single Cell Protein from Natural Gas for use in R&D for aquatic feed manufacturing
- g) BCD has been reduced SPF Polychaete worms 30% to 5%.
- h) BCD has been reduced to Nil on pre-dust breaded powder for use in processing of sea-food.

(4). Chemicals and petrochemicals:

- a) The BCD on Ammonium Nitrate has been increased from 7.5% to 10%.
- b) The tariff rate of CTH 3920 and 3921 has been increased to 25%. Consequently, from 24.7.2024 , PVC Flex Films/Flex Banners will attract 25% by virtue of declaration under Provisional Collection of Taxes Act 2023. However, Notification No 50/2017-Customs has been amended to maintain the existing rate of 10%/15% on items other than PVC Flex Films/Flex Banners.

(5). Drugs

The BCD has been fully exempted on the following Cancer Drugs:

- (i) Trastuzumab Deruxtecan
- (ii) Osimertinib
- (iii) Durvalumab

(6). Textile and Leather Sector

- a) The BCD has been reduced from 7.5% to 5% on MDI for manufacture of spandex yarn to rectify duty inversion. This is subject to IGCR condition .
- b) The BCD has been reduced from 30% to 10% on Real Down Filling material from duck or goose for use in manufacture of textile or leather garments for export.
- c) Exemption has been extended to Wet white leather, Crust and finished leather for manufacture of textile or leather garments, leather /synthetic footwear or other leather products for export.

- d) Exemption has been extended to certain additional accessories and embellishments for manufacture of textile or leather garments, leather/synthetic footwear or other leather products for export.

(7). Electronics goods and equipment

- a) The BCD on cellular mobile phone has been reduced from 20% to 15%.
 b) The BCD on PCBA of cellular mobile phone has been reduced from 20% to 15%.
 c) The BCD on charger/adaptor of cellular mobile phone has been reduced from 20% to 15%.
 d) The BCD on Oxygen Free Copper (OFC) Strip has been reduced from 5% to Nil for use in manufacture of resistors subject to IGCR condition.
 e) The exemption entries providing concessional BCD rate to mechanics and die-cut parts of chapters 39 and 73 has been expanded to include chapter 40, 70 and 76.
 f) The exemption entry covering input items/raw material for use in manufacture of connectors has been expanded to add more input items/raw material.
 g) The BCD rate on PCBA of specified telecom equipment has been increased from 10% to 15%.

(8). Precious Metals

- a) The duty rates on precious metals have been revised as under:

| Commodity | BCD | | AIDC | | SWS | | Total duty |
|-------------|------|----|-------|-------|------|-----|------------|
| | From | To | From | To | From | To | |
| Gold Bars | 10% | 5% | 5.00% | 1% | Nil | Nil | 6% |
| Gold Dore | 10 % | 5% | 4.35% | 0.35% | Nil | Nil | 5.35% |
| Platinum | 10% | 5% | 5.40% | 1.40% | Nil | Nil | 6.40% |
| Silver Bar | 10% | 5% | 5.00% | 1% | Nil | Nil | 6% |
| Silver Dore | 10% | 5% | 4.35% | 0.35% | Nil | Nil | 5.35% |

- b) As a consequential change, the BCD has been reduced from:
 (i) 7.5% to 5% on Platinum and Palladium used in the manufacture of noble metal solutions, noble metal compounds and catalytic convertors
 (ii) 7.5% to 5% on bushings made of platinum and rhodium alloy when imported in exchange of worn out or damaged bushings exported out of India

Consequential changes have also been carried out in S. Nos. 357, 357A, 357B, 364A, 364B, 364C, 415, 415A and 442 of Notification No. 50/2017 dated 30.06.2017, Notification No. 22/2022, dated 30.04.2022 and Notification No. 57/2000, dated 08.05.2000 accordingly.

(9). Other Metals

- a) BCD has been reduced on Ferro-Nickel from 2.5% to Nil.
- b) BCD has been reduced on Blister Copper from 5% to Nil.
- c) The BCD exemption on Ferrous Scrap has been continued upto 31.3.2026.
- d) The concessional BCD rate of 2.5% on Copper scrap has been continued.
- e) The exemption on specified raw material for manufacture of CRGO steel has been continued upto 31.3.2026. Further, the exemption has also been extended to such specified raw materials for manufacture of CRGO Steel falling under tariff item 7226 11 00.

(10). Capital Goods

- a) Certain specified capital goods has been added to the list of exempted goods for use in manufacture of solar cells and modules .
- b) Certain specified goods have been added in the exemption entry (S.No 404 of Notification no 50/2017-customs) for use in petroleum exploration operations

(11). Others

- a) The BCD on Garden umbrella has been revised from ‘20%’ to ‘20% or ₹60 per piece, whichever is higher’. *(The duty rate is effective from 24.7.2024 by virtue of declaration under Provisional Collection of Taxes Act 2023)*
- b) The BCD rate on Lab chemicals classified under HS 9802 00 00 has been increased from 10% to 150% *(The duty rate is effective from 24.7.2024 by virtue of declaration under Provisional Collection of Taxes Act 2023)*
- c) The tariff rate on areca nuts and prepared/ preserved areca nuts is being enhanced to 150% w.e.f 1.10.2024. However, there is no change in the effective BCD rate which continues at 30%.

(12). Export duty

The effective export duty structure on Raw hides, skins and leather have been simplified and rationalized as under:

| S. No. | Commodity | Rate of duties | |
|--------|---|----------------|-----|
| | | From | To |
| 1 | Raw Hides & skins, all sorts (other than buffalo) | 40% | 40% |
| 2 | Raw Hides & skins of buffalo | 30% | 30% |
| 3 | Raw fur and skins including lamb fur skin | 60/10% | 40% |
| 4 | Wet Blue Chrome Leather | 40% | 20% |
| 5 | Crust Leather | 40% | 20% |
| 6 | Tanned fur skin | 60% | 20% |
| 7 | E.I Tanned Leather | Nil | Nil |
| 8 | Finished leather (as defined by DGFT) | Nil | Nil |

II. REVIEW OF EXEMPTIONS

A comprehensive review has been undertaken in respect of 188 conditional exemptions/concessional rates (*150 entries in notification No. 50/2017-Customs dated 30th June, 2017 and 38 exemptions/concessional rates are standalone Notifications*). The summary of changes are as below:

- 30 exemptions/ concessional rates are being extended upto 31.3.2029 (*Annexure -I*)
- 126 exemptions/ concessional rates are being continued upto 31.3.2026 (*Annexure -II*)
- 28 exemptions/ concessional rates are being lapsed on their end dates of 30.9.2024 (*Annexure -III*)
- end dates are being removed in 4 exemptions as they are covered by the exclusion clause. (*Annexure -IV*)

It may be noted that while continuing the exemptions/concessional rates, some entries have been pruned or modified.

III. OTHER PROPOSALS IN THE FINANCE (NO.2) BILL

- a) Notification No. 37/2023- Customs dated 10.5.23 is being validated for the period from 1st April, 2023 up to and inclusive of 10th May,2023 to provide exemption from basic customs duty and AIDC on imports of crude soyabean oil and crude sunflower seed oil subject to availability of unutilized quota in TRQ authorization for FY 2022-23 allotted by DGFT and Bill of lading issued on or before 31st March,2023.*[Clause 105 of the Bill]*
- b) The Clean Environment Cess is being exempted on excisable goods lying in stock as on 30th June, 2017 subject to payment of appropriate GST Compensation Cess on supply of such goods on or after 1st July, 2017.*[Clause 109 of the Bill]*
- c) Based on the recommendations of the GST Council in its 53rd meeting, GST Compensation Cess is being exempted with effect from 1st July, 2017 on imports in SEZ by SEZ units or developers for authorized operations.*[Clause 104 of the Bill]*
- d) Notification No 12/2012-CE dated 17.3.2012 is being amended to extend the time period for submission the final Mega Power Project certificate from 120 months to 156 months.*[Clause 108 of the Bill]*

[These above changes shall come into force from date of assent to the Finance (No.2) Bill].

IV. OTHER CHANGES

As a trade facilitation measure, Notification No. 45/2017-Customs dated 30.6.2017 has been amended to increase the time-period of duty free re-import of goods (other than those under export promotion schemes) exported under warranty from 3 years to 5 years, further extendable by 2 years.

Similarly, Notification No. 153/94-Customs dated 13 July 1994 has been amended to extend the time limit for export from 6 months to 1 year, further extendable by 1 year, in the case of aircraft and vessels imported for maintenance, repair and overhauling.

V. LEGISLATIVE AMENDMENTS

a) Amendments in Customs Act, 1962

- (i) Section 28 DA is being amended to enable the acceptance of different types of proof of origin provided in trade agreements in order to align the said section with new trade agreements which provide for self-certification.
- (ii) A proviso to sub-section (1) of Section 65 is being inserted to empower the Central Government to specify certain manufacturing and other operations in relation to a class of goods that shall not be permitted in a warehouse.
- (iii) Section 143AA of the Customs Act is being amended to substitute the expression “a class of importers or exporters” with “a class of importers or exporters or any other persons” to facilitate the trade.
- (iv) Clause (m) of subsection (2) of section 157 of the Customs Act is being amended by substituting the expression “a class of importers or exporters” with “a class of importers or exporters or any other persons”.

[These changes shall come into effect from date of assent to the Finance (No.2) Bill]

b) Amendments in Customs Tariff Act, 1975

- a) Section 6 is being omitted on account of winding up of Tariff Commission
- b) The First Schedule to the Customs Tariff Act, 1975 is being amended to,-
 - (i) increase the rates on certain tariff items. (*The duty rate is effective from 24.7.2024 by virtue of declaration under Provisional Collection of Taxes Act 2023*)
 - (ii) create new tariff lines in respect of defence products, technical textiles, sustainable blended aviation fuel, products used in Indian semiconductor machines, e-bicycles, natural menthol, printer cartridge etc. These changes shall come into effect from 1.10.2024.

c) Amendment in Countervailing Duty on Subsidized Articles and Rules, 1995

The Customs Tariff (Identification, Assessment and Collection of Countervailing Duty on Subsidized Articles and for Determination of Injury) Rules, 1995 have been amended to insert a provision for ‘New Shipper Review’. This will be effective from 24.07.2024.

GOODS AND SERVICES TAX

Unless otherwise specified, amendments proposed in the Finance (No.2) Bill 2024 will come into effect from the date when the same will be notified concurrently, as far as possible, with the corresponding amendments to the similar Acts passed by the States & Union territories with legislature.

a) Amendments in CGST Act, 2017

- 1) Section 9 is being amended to bring Extra Neutral Alcohol used in manufacture of alcoholic liquor for human consumption out of purview of central tax. Similar amendments are proposed in IGST Act and UTGST Act.
- 2) Section 11A is being inserted to empower the government to regularize non-levy or short levy of central tax due to any general practice prevalent in trade. Similar power is being proposed in IGST Act, UTGST Act and GST (Compensation to States) Act.
- 3) New sub-sections (5) and (6) are being inserted in section 16 of CGST act to relax the time limit to avail input tax credit as per section 16(4) of the CGST Act, retrospectively from 01.07.2017, as follows:

- a) In respect of initial years of implementation of GST, i.e., financial years 2017-18, 2018-19, 2019-20 and 2020-21:

In respect of an invoice or debit note for the Financial Years 2017-18, 2018-19, 2019-20 and 2020-21, the registered person shall be entitled to take input tax credit in any return under section 39 which is filed upto the 30th day of November, 2021

- b) with respect to cases where returns have been filed after revocation:

The time limit to avail input tax credit in respect of an invoice or debit note, in cases where returns for the period from the date of cancellation of registration/ effective date of cancellation of registration till the date of revocation of cancellation of the registration, will be extended till the date of filing the said GSTR-3B return, subject to certain conditions, if the said return is filed by the registered person within thirty days of the order of revocation of cancellation of registration.

- 4) Section 74A is being inserted in the CGST Act to provide a common time limit for issuance of demand notices and orders in respect of demands for FY 2024-25 onwards, for cases involving charges of fraud, suppression of facts or wilful misstatement and the cases not involving the charges of fraud, suppression of facts or wilful misstatement etc. Also, the time limit for the taxpayers to avail the benefit of reduced penalty, by paying the tax demanded along with interest, is being increased from 30 days to 60 days.
- 5) Sections 107 and 112 of CGST Act are being amended to reduce the maximum amount of pre-deposit for filing appeal with the Appellate Authority from Rs. 25 crore of central tax

to Rs. 20 crore of central tax and to reduce the amount of pre-deposit for filing appeal with the Appellate Tribunal from 20% with a maximum amount of Rs. 50 crore of central tax to 10 % with a maximum of Rs. 20 crore of central tax. Besides, the time limit for filing appeals before the Appellate Tribunal is being modified to avoid the appeals from getting time barred, on account of Appellate Tribunal not coming into operation.

- 6) Section 128A is being inserted in the CGST Act to provide for a conditional waiver of interest and penalty in respect of demands pertaining for financial years 2017-18, 2018-19 and 2019-20, in cases where demand notices have been issued under section 73 and full tax liability is paid by the taxpayer before a date to be notified.
- 7) Section 140 (7) of CGST Act is being amended, retrospectively with effect from 01.07.2017, to enable availment of transitional credit in respect of input services received by an Input Services Distributor prior to the appointed day, where invoices were also received prior to the appointed day.
- 8) Section 171 of CGST Act is being amended to enable the Government to notify the GST Appellate Tribunal to handle anti-profiteering cases and also empowers the Government to notify a date after which the Authority for anti-profiteering shall not accept application for examination.
- 9) Paragraphs 8 and 9 are being inserted in Schedule III of CGST Act to provide that the activity of apportionment of co-insurance premiums by the lead insurer to the co-insurers in the co-insurance agreement and the services by insurers to reinsurers in respect of ceding/re-insurance commission will, subject to certain conditions, be treated neither as a supply of goods nor as a supply of services.
- 10) Amendment is proposed in Section 13(3) of CGST Act by amending clause (b) and inserting a clause (c) to provide for a specific provision in section 13(3) for covering the cases where the invoice is required to be issued by the recipient of services in case of RCM supplies.
- 11) Clause (i) of Section 17 of CGST Act is being amended to restrict blockage of input tax credit for tax paid under Section 74 to demands up to FY 2023-24.
- 12) Second proviso may be inserted in section 30(2) of the CGST Act to provide for enabling clause to prescribe conditions and restrictions for revocation of cancellation of registration.
- 13) Clause (f) of section 31 of CGST Act is being amended to provide for an enabling provision to prescribe the time period within which the invoice has to be issued by the recipient under reverse charge mechanism and to clarify that a person registered solely for purpose of deducting TDS under section 51 of CGST Act shall be treated as a person not registered for the purpose of clause (f) of section 31(3) of the said Act.
- 14) Section 39 is being amended to mandate filing of returns by TDS deductors for every month, even if no deductions are made during the said month, and also to provide for an enabling clause for prescribing the time limit for filing these returns.

- 15) Section 54 of CGST Act and section 16 of IGST Act is being amended to prohibit refund of unutilized input tax credit or of integrated tax on zero-rated supply of goods which are subjected to export duty.
- 16) Sub-section 1A is being inserted in section 70 of the CGST Act to provide for appearance by an authorized representative on behalf of a summoned person.
- 17) Section 109 of CGST Act is being amended to empower the government to specify cases to be heard only by the Principal Bench of the Appellate Tribunal.
- 18) Section 122(1B) of CGST Act is being amended to restrict the applicability of penal provisions under this section to only those Electronic Commerce Operators who are required to collect tax at source under section 52.
- 19) Section 73 and 74 of CGST Act is being amended to limit the applicability of these sections to demands up to FY 2023-24, since from FY 2024-25 onwards demands are to be ascertained as per provisions of newly inserted section 74A. Also, Section 75 of CGST Act is being amended to allow for redetermination of penalties if the charges of fraud, suppression, or willful misstatement are not established. Further, reference to section 74A or the concerned sub-sections of section 74A is being inserted in section 10, section 21, section 35, section 49, section 50, section 51, section 62, section 63, section 64, section 65, section 66, section 104 and section 127.

b) Amendments in the IGST Act, 2017

- (i) Sub-section (1) in Section 5 in the IGST Act is being amended, so as to not levy integrated tax on Extra Neutral Alcohol used for manufacture of alcoholic liquor for human consumption.
- (ii) Section 6A is being inserted in the IGST Act, so as to empower the Government to regularize non –levy or short levy of integrated tax where it is found that such non levy or short levy was a result of general practice
- (iii) Sub-section (4) in Section 16 in the IGST Act is being amended, so as to provide for notification of class of persons who may make zero rated supplies of goods or services or both or class of goods or services which may be supplied on zero rated basis, and refund of integrated tax in respect of which can be claimed, in accordance with the provisions of Section 54 of the Central Goods and Services Tax Act, subject to such conditions, safeguards and procedures as may be prescribed. Sub-section (5) is being inserted in the said Section to provide that no refund of unutilized input tax credit or of integrated tax paid on account of zero rated supply of goods shall be allowed in cases where the zero rated supply of goods is subjected to export duty
- (iv) Section 20 in the IGST Act is being amended, so as to reduce the maximum amount of pre-deposit payable for filing appeal before appellate authority from rupees fifty crores to rupees forty crores of integrated tax. Further, it proposes to reduce the maximum amount payable as pre-deposit for filing appeal before the Appellate Tribunal from rupees hundred crores to rupees forty crores of integrated tax.

c) Amendments in the UT GST Act, 2017

- (i) Sub-section (1) in Section 7 in the UTGST Act is being amended, so as to not levy union territory tax on Extra Neutral Alcohol used for manufacture of alcoholic liquor for human consumption.
- (ii) Section 8A in the UTGST Act is being inserted, so as to empower the Government to regularize non –levy or short levy of union territory tax where it is found that such non levy or short levy was a result of general practice.

d) Amendment in the GST (COMPENSATION) Act, 2017

Section 8A is being inserted in the GST (Compensation) Act, so as to empower the Government to regularize non –levy or short levy of cess where it is found that such non levy or short levy was a result of general practice.

6. This above contents only summarizes the key budgetary changes and does not have any legal sanctity. It is only the Finance (No.2) Bill, upon its enactment and the relevant notifications that have legal force.


7. My team and I have taken utmost care to clearly reflect the intention of the Government in the Finance (No.2) Bill and the Notifications. However, the possibility of an inadvertent error cannot be ruled out. I, therefore, request you to kindly go through the Finance (No.2) Bill, the Memorandum & the Notifications and bring to our notice, at the earliest, if there are any omission/error or discrepancies. You are also requested to study the budgetary changes and ensure the smooth implementation of the proposed changes keeping the convenience of the taxpayers in mind. The copies of Finance Bill (No.2), 2024, Finance Minister’s Budget Speech, Explanatory Memorandum to the Bill and relevant notifications can be downloaded directly from www.indiabudget.gov.in as well as www.cbic.gov.in.

8. In case of doubt or difficulty on any issue, you are requested to bring it immediately to my notice at js-tru01@gov.in or to the notice of Shri Rakesh Dahiya, Director (TRU) (Tel: 011-23092236, email: rakesh.dahiya@gov.in), Ms. Amreeta Titus, Deputy Secretary (TRU) (Tel: 011-23092753, email: amreeta.titus@gov.in) or Sh. Vinay V. Nayak , Budget Officer (TRU) (Tel: 011-23095559, email: vinay.nayak@gov.in). We can also be reached at budget-cbec@nic.in.

9. Before signing off, I would like to personally thank each and every member of my team and acknowledge their hard work and dedication. I, also personally, and on behalf of my team thank each one of you for your suggestions/inputs and look forward to your comments/feedback.

with regards,

Yours sincerely,


23/7/2024
(Limatula Yaden)

Joint Secretary (TRU-I)

To,

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

Annexure -IEXEMPTIONS TO BE EXTENDED FOR A FURTHER PERIOD UPTO 31ST MARCH 2029**(i) Entries under 50/2017-Customs**

| S No | S N of 50/17-Cus | Brief Description |
|-------------|-------------------------|--|
| 1. | 212A | Medicines/drugs/vaccines supplied free by United Nations International Children's Emergency Fund (UNICEF), Red Cross etc |
| 2. | 213 | Drugs and materials |
| 3. | 428 | Specified goods imported by accredited press cameraman |
| 4. | 429 | Specified goods, imported by accredited journalist |
| 5. | 607 | Life Saving drugs like Keytruda etc |
| 6. | 607A | Lifesaving drugs/medicines for personal use |
| 7. | 611 | Archaeological artefacts for exhibition in a museum |
| 8. | 612 | Specified raw material for sports goods |
| 9. | 577 | Lifesaving medical equipment for personal use |
| 10. | 549 | Capital goods, raw materials and spares for repairs of ocean-going vessels |
| 11. | 550 | Spare parts and consumables for repairs of ocean going vessels registered in India. |

(ii) Standalone Notifications

| SN | Notification No | Brief Description |
|-----------|---------------------------------------|---|
| 1 | 16/1965-Customs dated 23 January 1965 | Exemption to goods exported to foreign countries for display in show-rooms of Govt of India |
| 2 | 80/1970-Customs 29 August 1970 | Goods supplied freely under warranty as replacement for defective ones in lieu of earlier imported goods. |
| 3 | 207/89-Customs dated 17 July 1989 | Foodstuffs and provisions (excluding fruit products, tobacco, alcohol) by foreigners |
| 4 | 147/94-Customs dated 13 July 1994 | Firearms and ammunition when imported for use by a renowned shooter |
| 5 | 148/94-Customs dated 13 July 1994 | Specified gifts; goods gifted free under a bilateral agreement; goods imported by Indian Red Cross Society, goods for the purposes of relief and rehabilitation |

| SN | Notification No | Brief Description |
|-----------|--|---|
| 6 | 152/94-Customs dated 13 July 1994 | Appliance/aids for blind/handicapped imported by institution for blind & deaf; and other specified teaching aids imported by Govt Universities |
| 7 | 153/94-Customs dated 13 July 1994 | Articles for foreign origin imported for repair and return, theatrical equipment and costumes, mountaineering expedition equipment, photographic, filming recording etc |
| 8 | 134/94-Customs dated 22 June 1994 | Specified capital goods, and other ancillary items imported for repairs |
| 9 | 39/96-Customs dated 23 July 1996 | Specified imports relating to Defence, internal security forces and Air Force. |
| 10 | 50/96-Customs dated 23 July 1996 | Specified equipment, instruments, raw materials, components, pilot plant and computer software when imported for publicly funded R & D projects |
| 11 | 51/96-Customs dated 23 July 1996 | Scientific and technical instruments, apparatus, equipment, accessories etc when imported by publicly funded research institution, |
| 12 | 25/1998-Customs dated 2 June 1998 | Capital goods/machinery/ measuring instruments for manufacture of semiconductor wafers. |
| 13 | 23/2016-Customs dated 1 March 2016 | Parts of aircraft when imported into India under the Standard Exchange Scheme |
| 14 | 32/2017-Customs dated 30 June 2017 | Imports of artwork and antique books |
| 15 | 37/2017-Customs dated 30 June 2017 | Imports in relation to defense and international security forces including medals, decorations, personal effects of Defense Personnel, bonafide gifts from foreign donors, stores and goods for trials, demonstration |
| 16 | 16/2017-Customs dated 20 April, 2017 | Specified medicines from whole of the duty of customs, when imported for supply under Specified Patient Assistance Programme |
| 17 | 25/1999-Customs dated 28 February 1999 | Capital goods/machinery used by the IT/Electronics industry, subject to actual user condition. |

| SN | Notification No | Brief Description |
|-----------|---|--|
| 18 | 25/2002-Customs dated 1 March 2002 | Specified raw materials, inputs and parts for use in manufacture of specified electronic items |
| 19 | 35/2017-Customs dated 30 th June 2017 | Aviation Turbine Fuel in the tanks of the aircrafts of an Indian Airline or of the Indian Air Force |

Annexure - II

PROPOSED TO BE EXTENDED FOR A FURTHER PERIOD TILL 31ST MARCH 2026

(i) Entries under 50/2017-Customs

| S No | S N of 50/17-Cus | Brief Description |
|-------------|-------------------------|---|
| 1. | 17 | Planting materials including seeds, plants, oil seeds etc. |
| 2. | 90 | Lactose for manufacture of homeopathic medicines |
| 3. | 104 | Specified goods used in processing of sea-food |
| 4. | 133 | Gold ores and concentrates |
| 5. | 139 | Bunker Fuels namely: (i). IFO 180 CST; (ii). IFO 380 CST; (iii). VLSFO (CTH 27) |
| 6. | 155 | Liquefied petroleum gases (LPG) received from unit in SEZ and returned by the DTA unit to the SEZ unit |
| 7. | 164 | Electrical energy supplied from SEZ unit to DTA |
| 8. | 165 | Electrical energy supplied from SEZ to DTA |
| 9. | 172 | Specified goods used in manufacture of silicon wafers or solar wafers, for manufacture of solar cell or module |
| 10. | 183 | Medical use fission Molybdenum-99 (Mo-99) for use in manufacture of radio pharmaceuticals |
| 11. | 184 | Pharmaceutical Reference Standard |
| 12. | 188 | Goods for manufacture of ELISA Kits |
| 13. | 191 | Maltol for manufacture of deferiprone |
| 14. | 204 | Anthraquinone or 2-Ethyl Anthraquinone for use in manufacture of Hydrogen peroxide |
| 15. | 253 | Specified Goods for manufacture of Brushless Direct Current (BLDC) motors |
| 16. | 257 | Tags, labels, stickers, belts, buttons, hangers or printed bags, imported by bonafide exporters |
| 17. | 257A | Specified goods used in manufacture of handicraft items for export when imported by bonafide exporter |
| 18. | 258 | Security fibre, threads, Paper based Taggant,M-feature for use in manufacture of security paper by Security Paper Mill, Hoshangabad and Bank Note Paper Mill India Pvt Ltd, Mysore. |
| 19. | 259 | Raw materials for manufacture of security fibre and security thread for supply to Security Paper Mill, Hoshangabad and Bank Note Paper Mill India Pvt. Ltd, Mysore for use in manufacture of security paper |

| S No | S N of 50/17-Cus | Brief Description |
|-------------|-----------------------------|---|
| 20. | 261 | Raw material for manufacture of Copper-T Contraceptive (i) Alatheon (ii) Copper Wire |
| 21. | 265 | Capacitor grades polypropylene granules for manufacture of Capacitor grade plastic |
| 22. | 269 | Super absorbent polymer for manufacture of adult diapers and specified goods |
| 23. | 271 | Polytetramethylene ether glycol, (PT MEG) for use in manufacture of spandex yarn |
| 24. | 276 | Ethylene- propylene- non-conjugated diene rubber (EPDM) for manufacture of insulated wire and cables |
| 25. | 279 | New or retreated Pneumatic tyres of rubber for use in servicing, repair of maintenance of aircrafts used for operating scheduled air transport service or scheduled air cargo service etc |
| 26. | 280 | New or retreated Pneumatic tyres of rubber for use in servicing, repair or maintenance of aircraft imported or procured by Aero Club of India/ for flying training purpose/ operating non-scheduled (passenger or charter) services/ AAI for flight calibration purpose |
| 27. | 290 | Wood pulp for manufacture of newsprint, paper or paperboard |
| 28. | 292 | Goods imported for manufacture of paper, paper boards, newsprint |
| 29. | 293A | Newsprint and uncoated paper imported for printing of newsprint |
| 30. | 296A | Lightweight coated paper imported by actual users for printing of magazines |
| 31. | 326 | Hydrophilic /Hydrophobic Non- Woven, imported for use in the manufacture of Adult Diapers |
| 32. | 329 | Pile fabrics for the manufacture of toys |
| 33. | 333 | Moulds, tools and dies, for the manufacture of parts of electronic components or electronic equipment |
| 34. | 334 | (i) Graphite Felt or Graphite pack for growing silicon ingots (ii) Thin Steel wire used in wire saw for slicing of silicon wafers |
| 35. | 345A | Simply Sawn Diamonds |
| 36. | 364A | Spent catalyst or ash containing precious metals |
| 37. | 368 | Ferrous Scrap |
| 38. | 378 | Metal parts for manufacture of electrical insulators falling under heading 8546 |
| 39. | 379 | Pipes and tubes for use in manufacture of boilers |

| S No | S N of 50/17-Cus | Brief Description |
|-------------|-----------------------------|---|
| 40. | 380 | Forged steel rings for manufacture of special bearings for use in wind operated electricity generators |
| 41. | 381 | Flat copper wire for use in the manufacture of photo voltaic ribbon for manufacture of solar photovoltaic cell or modules |
| 42. | 392 | Dies for drawing metal, where imported after repairs from abroad |
| 43. | 403 | Parts and raw materials for offshore oil exploration |
| 44. | 415 | Parts for manufacture of catalytic convertors |
| 45. | 415A | Platinum or Palladium for manufacture of Noble Metal Compounds & Noble Metal Solutions |
| 46. | 416 | Ceria zirconia compounds for use in the manufacture of washcoat for catalytic convertors |
| 47. | 417 | Cerium compounds for use in the manufacture of washcoat for catalytic convertors |
| 48. | 418 | Zeolite for use in the manufacture of washcoat for catalytic convertors |
| 49. | 422 | Machinery, electrical equipment for use in semiconductor wafer and LCD |
| 50. | 423 | Machinery, electrical equipment for use in marking and packaging of semiconductor chips |
| 51. | 426 | Specified goods for the manufacture of semiconductor devices, memory card, IC, solar cell |
| 52. | 435 | Capital goods for printing industry |
| 53. | 442 | Bushings made of Platinum and Rhodium alloy when imported in exchange of worn out or damaged bushings exported out of India |
| 54. | 446 | Parts and components for manufacture of tunnel boring machines |
| 55. | 451 | Evacuated tubes with three layers of solar selective coating for use in manufacture of solar water heater |
| 56. | 462 | Ball screws for use in the manufacture of CNC Lathes |
| 57. | 463 | Linear Motion Guides for use in the manufacture of CNC Lathes |
| 58. | 464 | CNC Systems for use in the manufacture of CNC Lathes |
| 59. | 464A | Goods for manufacture of plastic processing machineries |
| 60. | 467 | Parts and components of cash dispenser or automatic bank note dispenser |
| 61. | 471 | All parts for use in the manufacture of LED lights |
| 62. | 472 | All inputs for use in the manufacture of LED driver or MCPCB for LED lights |

| S No | S N of 50/17-Cus | Brief Description |
|-------------|-----------------------------|--|
| 63. | 476 | Television equipment, cameras etc for taking films, imported by a foreign film unit or television team |
| 64. | 477 | Filming equipment of foreign origin if imported into India after having been exported therefrom. |
| 65. | 480 | Goods imported for being tested in specified test centers |
| 66. | 489B | Goods for manufacturing of Microphones |
| 67. | 504 | Parts and Components of Digital Still Image Video Cameras |
| 68. | 509 | Parts, components and accessories for manufacture of Digital Video Recorder |
| 69. | 510 | Parts, components and accessories for use in manufacture of reception apparatus for television |
| 70. | 511 | Parts, components and accessories for manufacture of CCTV Camera |
| 71. | 512 | Specified Parts, components and for use in manufacture of Lithium-ion battery and battery pack |
| 72. | 512A | Inputs, parts or sub-parts for use in the manufacturing of Printed Circuit Board Assembly |
| 73. | 515A | Open Cell for manufacture of TV Panel |
| 74. | 516 | The following goods for use in the manufacture of Liquid Crystal Display (LCD) /LED TV Panel |
| 75. | 517 | Magnetrons for manufacture of domestic microwave ovens |
| 76. | 519 | Raw materials or parts for use in manufacture of e-Readers |
| 77. | 523A | Parts, sub-parts, inputs or raw material for use in manufacture of Lithium ion cells |
| 78. | 527 | Lithium ion cell use in manufacture of battery or battery pack |
| 79. | 527A | Lithium Ion Cell for use in manufacture of battery or battery pack of cellular mobile |
| 80. | 527B | Lithium Ion Cell manufacture of battery or battery pack of EV |
| 81. | 534 | Parts of gliders or simulators of aircrafts (excluding rubber tyres and tubes of gliders) |
| 82. | 535 | Raw materials for manufacture of aircraft and parts of aircraft |
| 83. | 535A | Parts of aircraft for manufacture of aircraft or for manufacture of parts of aircraft by PSU under Min of Defence |
| 84. | 536 | Parts, testing equipment, tools and tool-kits for maintenance, repair, and overhauling of aircraft, components or parts of aircrafts |
| 85. | 537 | All goods of Heading 8802 (except 88026000-spacecraft) |
| 86. | 538 | Components or parts, including engines, of aircraft of heading 8802 |

| S No | S N of 50/17-Cus | Brief Description |
|------|------------------|--|
| 87. | 539 | (a) Satellites and payloads; (b) Ground equipment brought for testing of (a) |
| 88. | 539A | Scientific and technical instruments etc for launch vehicles and satellites |
| 89. | 540 | Specified goods imported by scheduled air transporter |
| 90. | 542 | Specified goods imported by Aero Club, Flying Training Institutes |
| 91. | 543 | Specified goods imported by non-scheduled air transporter |
| 92. | 544 | Parts (other than rubber tubes), of aircraft of heading 8802 |
| 93. | 546 | Parts (other than rubber tubes), of aircraft of heading 8802 |
| 94. | 548 | Barges or pontoons imported along with ships |
| 95. | 551 | Cruise ships, Excursion ships |
| 96. | 553 | Fishing vessels, Tugs and Pusher crafts, light vessels excluding vessels and floating structure imported for break up |
| 97. | 555 | Vessels like warships, lifeboats excluding vessels and floating structure imported for break up |
| 98. | 567 | Stainless steel tube and wire, for manufacture of Coronary stents /artificial valve |
| 99. | 569 | Parts required for manufacture of Ostomy products |
| 100. | 570 | Medical and surgical instruments, apparatus and appliances including spare parts and accessories thereof |
| 101. | 575 | Specified Hospital Equipment for use in specified hospitals |
| 102. | 578A | Raw materials, for the manufacture of Cochlear Implants |
| 103. | 580 | X-Ray Baggage Inspection Systems and parts thereof |
| 104. | 581 | Portable X-ray machine / system |
| 105. | 583 | Parts and cases of braille watches, for the manufacture of Braille watches |
| 106. | 591 | Parts of electronic toys |
| 107. | 593 | Parts of video games for the manufacture of video games |
| 108. | 150 | Naphtha for manufacture of Fertilisers <i>(scope of exemption is being reduced only to Naphtha)</i> |
| 109. | 468 | Parts for manufacture of Micro ATM, Fingerprint reader/scanner, Iris scanner, Miniaturised POS <i>(Scope of exemption is being limited to import of raw materials only)</i> |
| 110. | 237 | Specified material for manufacture of EVA (Ethylene Vinyl Acetate) sheets or backsheet, which are used in the manufacture of solar photovoltaic cells or modules <i>(Scope of materials which can be imported is being increased)</i> |

| S No | S N of 50/17-Cus | Brief Description |
|-------------|-------------------------|--|
| 111. | 260 | Goods for the manufacture of specified orthopedic implants (902110) |
| 112. | 374 | Magnesium Oxide (MgO) coated cold rolled steel coils for use in manufacture of cold rolled grain oriented (CRGO) steel |
| 113. | 375 | Specified items for manufacture of cold rolled grain oriented steel (CRGO) steel |
| 114. | 257B | Specified goods used in manufacture of textile or leather garments for export when imported by bonafide exporter |
| 115. | 257C | Specified goods used in manufacture of leather or synthetic footwear or other leather products for export when imported by bonafide exporter |
| 116. | 404 | Specified items including capital goods and raw materials for off shore oil exploration |
| 117. | 80A | Algal oil for manufacture of aquatic food |

(ii) Standalone notifications

| SNo | Notification No | Brief Description |
|------------|--|--|
| 1 | 30/2017-Customs dated 30 June 2017 | Exemption to motion picture, music, gaming software for use in gaming console printed or recorded on media |
| 2 | 05/2017-Customs dated 2 February 2017 | Exemption to machinery, components for setting up fuel cell based on waste to energy |
| 3 | 113/2003-Customs dated 22 July 2003 | Exemption to castor oil cake and castor de-oiled cake manufactured from indigenous castor oil seeds on indigenous plant and machinery by unit in SEZ and brought to DT A |
| 4 | 81/2005-Customs dated 8 September 2005 | Exemption to machinery/components for initial setting up of non-conventional power generation plants |
| 5 | 26/2011-Customs dated 1 March 2011 | Exemption to work of art, antiques in museum or art gallery |
| 6 | 248/1976-Customs dated 2 August 1976 | Exemption to precious stones imported by posts on 'approval or return' basis |
| 7 | 24/2001-Customs dated 1st March 2001 | Exemption to copper cathodes, wire bars and wire rods produced out of copper reverts |
| 8 | 25/2001-Customs dated 1st March 2001 | Exemption on gold and silver produced out of copper anode slime which were exported out of India for toll smelting and processing |

| | | |
|---|---|---|
| 9 | 32/1997-Customs dated 1st April 1997 | Exemption to goods imported for execution of an export order for jobbing |
|---|---|---|

Annexure III

THE EXEMPTIONS WHICH ARE BEING LAPSED ON THE END DATE OF 30TH SEPTEMBER 2024:

(i) Entries under 50/2017-Customs

| S. No | SN of 50/2017-Customs | Description |
|--------------|------------------------------|---|
| 1 | 478 | Wireless apparatus, accessories and parts as specified in List 29 imported by a licensed amateur radio operator |
| 2 | 353 | Foreign currency coins when imported into India by a Scheduled Bank |
| 3 | 387 | Zinc metal recovered by toll smelting or toll processing from zinc concentrates exported from India for such processes |
| 4 | 441 | Spinnerettes made inter alia of Gold, Platinum and Rhodium or any one or more of these metals, when imported in exchange of worn-out or damaged spinnerettes exported out of India |
| 5 | 238 | Organic/inorganic Coating material for manufacture of electrical steel |
| 6 | 254 | Catalyst for manufacture of cast components of Wind Operated Electricity Generator |
| 7 | 255 | Resin for manufacture of cast components of Wind Operated Electricity Generator |
| 8 | 277A | Calendared plastic sheet for manufacturing of Smart Card under chapter heading 8523 |
| 9 | 339 | Concessional rate on import of Toughened glass with low iron content and transmissivity of minimum 91% and above, for use in manufacture of solar thermal collectors or heaters |
| 10 | 421 | Specified goods required for basic telephone service, cellular mobile telephone service, internet service or closed users' group 64 KBPS domestic data network via INSAT satellite system service and parts, for manufacture of the goods |
| 11 | 479 | Mono or Bi polar Membrane electrolyzers and parts thereof including secondary brine purification components, jumper switches, filtering elements for hydrogen filters for caustic soda or potash units; Membrane and parts thereof or other parts for caustic soda or potash units; |
| 12 | 475 | Specified goods including scramblers, descramblers, encoders, decoders, jammers, network firewalls, network sniffers, scanners and monitoring systems, probes for data monitoring and SMS/MMS monitoring systems |

| S. No | SN of 50/2017-Customs | Description |
|-------|-----------------------|--|
| 13 | 482 | Newspaper page transmission and reception facsimile system or equipment; and Telephoto transmission and reception system or equipment |
| 14 | 495 | Batteries for electrically operated vehicles, including two and three wheeled electric motor vehicles. |
| 15 | 497 | Active Energy Controller (AEC) for use in manufacture of Renewable Power System (RPS) inverters |
| 16 | 579 | Survey (DGPS) instruments, 3D modeling software for ore body simulation cum mine planning and exploration (geophysics and geochemistry) equipment required for surveying and prospecting of minerals |
| 17 | 419 | Aluminium Oxide for manufacture of washcoat of catalytic converter |
| 18 | 420 | Clay 2 powder for use in ceramic substrate for catalytic convertor |
| 19 | 340 | Solar tempered glass or solar tempered (anti-reflective coated) glass for use in manufacture of solar cells/panels/modules |
| 20 | 565 | Specified goods for use in the manufacture of Flexible Medical Video Endoscope [heading 9018] |
| 21 | 566 | Specific input goods for manufacture of syringes, needles, catheters and cannulae |
| 22 | 568 | Parts and components for manufacture of blood pressure monitors and blood glucose monitoring system (Glucometers) |

(ii) Standalone Notifications

| | | |
|---|--|---|
| 1 | 97/99-Customs dated 21 July 1999 | Exempts BCD and additional duty under Sections 3(1), 3(3) and 3(5) on standard gold bars imported by a RBI authorized bank |
| 2 | 30/2004-Customs dated 28 January 2004 | Provides full exemption from BCD to <u>second-hand</u> computers/accessories and peripherals received as donation by schools, charitable institutions. |
| 3 | 102/2007-Customs dated 14 September 2017 | Provides exemption from Special Additional Duty (SAD) levied vide section 3(5) of CTA on to all goods imported for subsequent sale when IGST, CGST, SGST or UTGST paid by importer. |
| 4 | 45/2005-Customs dated 16 May 2005 | Provides exemption from Special Additional Duty levied under Section 3(5) of CTA on goods cleared from SEZ to DTA. |

| | | |
|---|--|---|
| 5 | 151/94-Customs dated 13 July 1994 | Provides exemption to imports of duty-paid fuel and lubricating oil on aircrafts taken during the outward flight; goods imports by United Arab Airlines; aircraft engines, spares imported by Indian Airlines and Air India International. <i>Re-import entries will operate from re-import notification 45/2017-Cus</i> |
| 6 | 26-Customs dated 19 th February 1962 | Provides exemption from import duty under the Sea Customs Act on catering cabin equipment, food and drink on re-importation by aircrafts of the Indian Airlines Corporation from foreign flights |

Removal of end-date

| S.No | Notification No | Brief Description |
|-------------|---------------------------------------|--|
| 1 | 49/2017-Customs dated 30 June 2017 | Exemption to special Additional Duty on specified goods of Fourth Schedule to Central Excise Act |
| 2 | 52/2017-Customs dated 30 June 2017 | Effective rate of Additional duty for goods under Chapter 27 |
| 3 | 29/2017-Customs dated 30 June 2017 | Exemption to specimen, models, wall pictures and diagrams for instructional purposes |
| 4 | 46/1974-Customs dated 25 May 1974 | Pedagogic material for educational or vocational training courses |
