

2016-2017

UNION BUDGET

INDIRECT TAX ANALYSIS



CHANGE IN RATE

Description	Present	Proposed with Krishi Kalyan Cess(KKC)**
Service Tax (including SBC)	14.5%	15%*
Excise Duty	12.5%	12.5%#
Custom Duty	29.44%	29.44%

**Credit on KKC can be utilised for payment of output liability on KKC. For manufacturers KKC would be cost.

Subject to levy of Infrastructure Cess on specified motor vehicles and motor cars falling under 8703.

(*effective from 01.06.2016)

(#effective from 01.03.2016)

CENVAT CREDIT RULES

RATIONALISATION IN CREDIT ELIGIBILITY

- Definition of Capital Goods has been amended to broaden its scope to include:
 - i. Open Wagons classified under sub-heading 860692 of CETA.
 - ii. Equipments and appliances used in office located inside factory premises

 - Inputs shall include those capital goods having value upto Rs. 10,000 per piece.

 - Goods, including Capital Goods utilized outside the factory, for pumping water, for captive use in the factory shall be eligible for Cenvat Credit.

 - Services provided by Shipping Lines, by way of transportation of goods in a vessel, from a Custom station in India to a place outside India, have been expressly excluded from the definition of Exempted service enabling shipping lines to avail credit of input and input services.
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OTHER AMENDMENTS

- Clause 159 of the Finance Bill, 2016 has proposed to levy **Infrastructure Cess @ 4%** on specified Motor Cars and Motor Vehicles falling under heading 8703. Such Cess is neither eligible for Cenvat Credit nor can be paid through Cenvat.
- Cenvat Credit shall not be denied if **Tools** are supplied **directly** or **indirectly** through any other unit to **Job worker** premises or any other manufacturing unit.
- **Validity of permission** by AC/DC of Central Excise for removal of Final Product from Job Worker's premises has been extended to **3 years** from 1 year.

CREDIT- RIGHT TO USE NATURAL RESOURCES

- Credit of service tax paid on **input services** in nature of **assignment of the right to use any natural resource**, (e.g. Mines) shall be **equally distributed** over the **period of right**.
- If such **right** is transferred to another person for a consideration, then **balance Credit** after deducting service tax charged on consideration shall be allowed in the **year of transfer**.
- Cenvat credit of **annual or monthly user charges** payable in respect of such assignment services shall be allowed in the **year of payment**.

CENVAT CREDIT -EXEMPTED GOODS & SERVICES

- The **basic principle** of disallowing CENVAT credit of input and input service, used in manufacture of exempted goods and/or exempted service remains **unchanged**.
- The requirement of maintaining **separate accounts** to establish nexus between use of input and input service for manufacture of exempted goods and dutiable goods or provision of exempted services and non-exempted service has been **removed**.
- Rule 6(3) which lays down the relevant provisions regarding eligibility and allocation of Credit in cases of manufacture of exempted and dutiable goods or provision of exempted and non-exempted service, has been simplified. Its key highlights are elucidated below:-
 - ❖ Payment of 6%/7% of value of exempted goods/exempted services subject to **maximum of total credit** available.
 - ❖ **Take entire credit** initially and thereafter **pay in-eligible credit** in terms of formulae specified in sub-rule 3A.

Rule 6(3A):

Cenvat has been divided into three components viz,

- ✓ Exclusively in relation to exempted goods/services – Ineligible credit - To be paid
- ✓ Exclusively in relation to dutiable goods/non-exempted services – Eligible Credit-Not to be paid
- ✓ Common Credit – To be allocated into eligible and ineligible
- ✓ Ineligible Common Credit is to be computed in proportion of Value of exempted goods/service to total value of all goods/service - To be paid
- ✓ Balance Common credit other than ineligible credit shall be eligible credit - Not to be paid

CENVAT CREDIT -EXEMPTED GOODS & SERVICES

Other provisions

- Where the option under Rule 6(3) has not been exercised, the appropriate authorities shall follow procedure of Rule 6(3A) to determine monthly duty liability along with applicable interest @ 15%.
- The assessee who has already made an option under existing rules, shall exercise such option by 30th June.
- The facility provided to Banking and Financial institutions regarding payment of 50% of Cenvat credit availed, remain un-amended.

INPUT SERVICE DISTRIBUTOR (ISD)

- The definition of ISD has been amended to include distribution of input service by ISD to “**an outsourced manufacturing unit**”- *A long awaited demand of Pharma & FMCG Sector*
- “**Outsourced Manufacturing Unit**” means:
 - **Job Worker** who is **liable to pay duty** on value determined under Rule 10A of the Central Excise Valuation Rules, 2000 on the **goods manufactured for the ISD**

OR

 - the **manufacturer who manufactures goods, for the ISD** under a **contract** bearing **brand name of such ISD** and is liable to pay duty on the value determined under **Section 4A of the Excise Act.**

ISD-GUIDELINES FOR DISTRIBUTION

- Input service relating to a **particular unit**, credit distributed to **such unit**.
- Input service relating to **some units**, credit distributed to such units proportionately on the basis of turnover of such units.
- Input service relating to **all units**, credit distributed to **all units** proportionately on the basis of turnover.
- Outsourced Manufacturing Unit shall utilize the credit received from an ISD, against duty liability on goods of concerned ISD.
- Rule 6 of CCR, 2004 shall **not** be applicable to the Input Service Distributor.
- Rule 6 of CCR, 2004 shall be **applicable to Outsourced Manufacturing Unit**.

MISCELLANEOUS

- Factory of a manufacturer can avail credit of inputs received from **registered warehouse** of the manufacturer on the basis of **invoice issued** by such **warehouse** – *shall enhance bargaining power of manufacturers*
- **FIFO method** for determining utilisation of Credit for the purpose of Rule 14 stands **withdrawn**.

Service Tax

AMENDMENTS IN FINANCE ACT

Exempt Service

- The following services has been shifted from Negative list to Exemption list:
 - (a) Specified services provided in relation to education. *(date of enactment of bill)*
 - (b) Transportation of goods by aircraft from a place outside India to Custom Port.
(effective from 01.06.2016)
 - (c) Non air conditioned Stage Carriage. *(effective from 01.06.2016)*

New Service

- Air conditioned stage carriage *(effective from 01.06.2016)*
- Transportation of goods by vessel from place a place outside India to Custom station. *(effective from 01.06.2016)*

AMENDMENTS IN FINANCE ACT

Other:

- Right to use radio frequency spectrum and subsequent transfer thereof has been included under declared service. Controversy of sale on such right to use removed.
- Rule making power in POT. *(date of enactment of Bill)*

AMENDMENT IN ABATEMENT PROVISION

Description	Rate & Condition	
	Earlier	Proposed
Transportation of passengers by a stage carrier <i>(effective from 01.06.2016)</i>	-	40%
Transport of goods in containers barring Indian Railways <i>(effective from 01.04.2016)</i>	-	40%
Services of goods transport agency engaged in transportation of household goods <i>(effective from 01.04.2016)</i>	30%	40%

AMENDMENT IN ABATEMENT PROVISION

- Hitherto chit fund business was taxable with 70% abatement. A clarification has been made to tax services provided by foreman of chit fund with the same abatement rate.
- Hitherto service of a tour operator providing package tour were taxed with abatement of 25% but services involving only booking were taxed with abatement of 40%. Henceforth, it is proposed to tax both with flat 30% abatement.
- Renting of motor cab abatement remains at 40%. However fuel cost to be included to get such abatement.
- Uniform rate of abatement of 70% on construction services.

EXEMPTIONS WITHDRAWN

- Construction services for monorail or metro. However, contracts entered prior to 01.03.2016 will remain exempted. *(effective from 01.03.2016)*
- Transportation of passenger service provided by ropeway, cable car or aerial tramway. *(effective from 01.04.2016)*
- A person represented on an arbitral tribunal to an arbitral tribunal. *(effective from 01.04.2016)*
- Legal services provided by senior advocate. If such service is not in respect of industry , commerce , business or profession then same will not be taxed. *(effective from 01.04.2016)*

NEW EXEMPTIONS

- Service provided by Employees Provident Fund Organisation to employees.
- Service provided by SEBI in developing and regulating the securities market.
- Services provided by Insurance Regulatory Development Authority of India.
- Services provided by approved biotechnology incubators to incubates.
- Services of assessing bodies by way of assessment under Skill Development And Entrepreneurship Scheme.
- Services of life insurance business provided by way of annuity under the National Payment System.
- Services provided by way of skill/vocational training by Deen Dayal Upadhyay Grameen Kaushalya Yojana.

(effective from 01.04.2016)

NEW EXEMPTIONS

- Service provided by way of construction, erection, commissioning, etc. of a civil structure/other original works, to the In-Situ rehabilitation of existing slum dwellers using land as a resource through private participation or to the beneficiary led individual house construction/enhancement under the Housing for all (Urban) mission/ Pradhan Mantri Awas Yojna
- Exemption to construction of low cost house up to carpet area of 60 sq metres approved under All (Urban) mission/ Pradhan Mantri Awas Yojna and State Government scheme.
- Service provided by the IIM except Executive Development Programme.

(effective from 01.03.2016)

NEW EXEMPTIONS

- Services of General Insurance business provided under “Niramaya” Health Insurance scheme.
- Services provided by National Center for Cold Chain Development by way of cold chain knowledge dissemination

(effective from 01.04.2016)

EXEMPTION RESTORED WITH REFUND PROVISION

- Services provided to the Government, a Local Authority etc. in respect of Construction of following was made taxable on 01.04.2015.
 - (a) Civil structure for non business or The exempt by way of construction, erection, commissioning, etc. of a civil structure/other original works, to be used for non business or non commerce purpose,
 - (b) structure predominantly for use as an educational, clinical, art or cultural, establishment
 - (c) residential complex for own use or use of employees

Above exemption has been restored retrospectively till 31st March, 2020.

EXEMPTION RESTORED WITH REFUND PROVISION

- Similarly service provided by way of construction, erection, commissioning etc. of airport or port has been restored until 31st March, 2020.
- Service providers having paid Service Tax on above services during the period 1st April, 2015 to 29th February, 2016 shall be eligible for refund .
- The application shall be made within 6 months from the date of approval of the Bill.

CLARIFICATION - IT SOFTWARE

Information Technology Software sold in media has always been in dispute from classification perspective so as to consider the same as service or sale of goods. Number of decision has been given by the court considering the nature of transaction.

Vide Notification No.11/2016-ST has been issued clarifying **information technology software sold in media shall remain exempt from whole of service tax** subject to fulfilment of following conditions:-

- (i) If sold in media classified under Chapter 85 with Retail Sale Price (RSP) on it.
- (ii) Such media is subject to Excise Duty/Additional Custom Duty under RSP based assessment.
- (iii) Duty has been paid by the copyright holder of such software.
- (iv) Invoice reflects such RSP

RATIONALISATION OF INTEREST RATE

- Interest on delayed payment of service tax has been rationalised vide Notification No. 14/2006-ST.
- In cases where **service tax collected but not deposited**, rate of interest @ **24%** Per Annum.
- In **other cases**, rate of interest @ **15%** Per Annum.
- Interest on excess collection of service tax has been reduced to 15% Per Annum from 18% Per Annum.

(Effective on the day Finance Bill, 2016 receives the assent of the President)

REVERSE CHARGE MECHANISM

New Entry:

- Any service provided by Government or Local Authority to a business entity having turnover greater than Rs. 10 lakh
- Services provided by foreign shipping lines to business entity located in India.

Removal:

- Mutual fund agent providing services to Asset Management Company or mutual fund.
- Service provided by senior advocate.

REFUND OF EXPORTER

- Exporters having paid Service Tax on services used beyond manufacturing facility shall get refund of such Service Tax.
- Service Tax paid for services consumed from 1st July, 2012 onwards for which rebate had been denied.
- The application shall be made within 1 month.

REFUND FOR SERVICE PROVIDER

- Service providers having paid Service Tax on service provided to the entities set up by an Act of Parliament or state legislature
- Construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of canal, dam or other irrigation work.
- Refund shall be available for service tax collected for services provided during the period 1st July, 2012 to 29th January, 2014
- The application for such refund shall be made within 6 months from the date of approval of the Bill in the Parliament.

MISCELLANEOUS

- Benefit of quarterly payment of service tax & liability to pay on receipt extended to One Person Companies which was earlier granted to individuals & partnership firms only.
- Service Tax assessee needs to file annual return by 30th November of succeeding financial year. Further, provision revision of annual return has been specified with time limit of 1 month.
- Exemption limit for a performing artist in folk and classical in the area of music, dance or theatre increased from Rs 1 lakh to Rs 1.5 lakh.
- Selling of lottery tickets by State Government to lottery distributor/selling agent was considered as principle to agent basis and hence not eligible to service tax. Henceforth, by amending explanation it has been made exigible.

MISCELLANEOUS

- Monetary limit for punishable offence like evasion, wrong availment of cenvat & maintaining of false book has been proposed to be increased to 2 crore from earlier 50 lakh.
- The power to arrest under Service Tax has been restricted for offense where service tax has been collected but not deposited with the Government Exchequer.

This scheme has been initiated for cases pending before Commissioner (Appeals) and it shall come into force from 01.06.2016. The declarations made up to the 31st day of December, 2016.

- Declarant is required to pay tax due along with the interest thereon and penalty equivalent to 25% of the duty (within fifteen days of the receipt of the acknowledgment)
 - Intimate the Designated Authority [Assistant Commissioner] (within seven days of making such payment).
 - On payment and intimation, designated authority shall pass an order within fifteen days on receipt of proof of payment
 - No refund is allowed for such amounts as paid under the scheme.
 - Discharge Order shall be final and conclusive and shall not be reopened before any authority or court.
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➤ Scheme shall not apply to following persons:-

1. Order relating to search and seizure proceeding
2. Prosecution initiated before 01.06.2016.
3. Narcotic Drugs and other Prohibited Goods
4. Offences punishable under Indian Penal Code, Narcotic Drugs and Psychotropic Substances Act or Prevention of Corruption Act
5. Detention order under Conservation of Foreign Exchange And Prevention of Smuggling Act,1974

CENTRAL EXCISE

EXCISE DUTY ON READYMADE BRANDED GARMENTS

- Readymade garments bearing brand name and sold with RSP of Rs.1000/- would attract excise duty. (Classified under Chapter 61, 62 & 63 of except laminated jute bags)
- Option to pay excise duty @ 2% with no Cenvat credit on inputs and input services or with full excise duty of 12.5% with Cenvat credit facility.
- SSI exemption of Rs.150 lakhs shall be applicable. Further, SSI limit specifically for March, 2016 has been fixed at Rs.12.50 Lakhs.
- Tariff value is revised from 30% to 60% of the RSP.

(effective from 01.03.2016)

EXCISE DUTY ON ARTICLES OF JEWELLERY

- Articles of Jewellery (excluding silver jewellery, other than studded with diamonds/other precious stones) would attract excise duty.
- Option to pay excise duty @ 1% with no Cenvat credit on inputs and input services or with full excise duty of 12.5% with Cenvat credit facility.
- Special SSI exemption of Rs. 6 cr. shall be applicable with aggregate turnover of all units together within Rs.12 cr. Further, SSI limit specifically for March, 2016 has been fixed at Rs. 50 Lakhs.
- Manufacturer having centralized billing & accounting have been given option to register said premises instead of making separate registration for different factory or premises.
- Physical verification of units post registration application has been waived.

(effective from 01.03.2016)

OTHER AMENDMENTS

- Hitherto interest on finalization of provisional assessment was payable from the first of day of succeeding month in which differential amount is determined by the department till the date of payment. Such interest would be calculated from the first day after due date till date of payment. *(effective from 01.03.2016)*
- Self attestation by manufacturer on transporter copy of invoice, where invoice are digitally signed has been removed *(effective from 01.03.2016)*
- EOU shall be required to submitted ER-4 Return *(effective from 01.04.2016)*
- Annual Installed capacity statement in ER-7 has been discontinued *(effective from 01.04.2016)*

OTHER AMENDMENTS

- Rate of interest reduced from 18% p.a. to 15% p.a. for delayed payment of duty (*effective from 01.04.2016*)
- Hitherto Commissioner was empowered to grant single registration where two more premises of the same factory were separated by public road, railway line or canal. This provision is amended so as to allow single registration if units are located within a close area in a single range, the manufacturing process are interlinked and such units are not operating under area based exemption.
- Clarification regarding exemption of excise duty to Sub-contractors manufacturing and supplying goods on behalf of main contractors to the project financed by UN or an International Organization.

REVISION OF EXCISE RETURNS

- Monthly ER-1 return can be revised within next calendar month to which it relates. Similarly, revised return can also be filed for Annual return ER-4 within 1 month of its submission. Similar provision for revision of return extended to EOU filing ER-2 Return.

AMENDMENT IN REBATE/REFUND PROVISIONS

- Hitherto no time limit was prescribed for the service provider to filing refund of accumulated cenvat under Rule 5. The time limit of 1 year as specified under section 11B has been provided. For the service exporters such time limit is provided as 1 year from the date of receipt of Foreign exchange and in case of advance receipt, date of invoice.
- Similar time limit of 1 year as specified in 11B has been provided under rule 18 of the Central Excise Rules, for the purpose of rebate claim.
- Following procedural amendments have been made in respect of input stage Rebate :
 - Chartered Engineer's certifying correctness of Input output ratio.
 - Cases where input output norms are fixed by DGFT, the same needs to be furnished to the Chartered Engineer for examination.
 - Approval of declaration by AC/DC after being satisfied about it.
 - Provisions enabling AC/DC to physically visit and verify correctness of the declaration
 - Declaration as to non availment of cenvat credit
 - Time limit of 1 year as specified in 11B introduced

(effective from 01.03.2016)

CHANGES IN RSP – PERCENTAGE OF ABATEMENT

Chapter Heading/Sub Heading	Description	Present	Revised
64	All footwear	25%	30%
7607	All goods	Nil	25%
8517 62	Smart watches	Nil	35%
84264100, 8427,8429, 843010	Accessories	Nil	30%

- All goods (Soap, organic surface active products and preparation for use in soap, paper, wadding, felt and non-woven , impregnated, coated or covered with soap or detergent) of chapter heading 3401 are subject to abatement of 30%
- All goods (Organic surface active agents other than soap, surface active preparation, washing preparation , and cleaning preparation) of chapter heading 3402 are subject to abatement of 30%
- Accessories of vehicles , tyres , fork-lift trucks etc to be subject to abatement of 30%

(effective date to be notified)

CUSTOMS

SIGNIFICANT AMENDMENTS

- **Recovery provisions** under Section 28 of the Customs Act, 1962 have been suitably amended to align it with corresponding provisions in Excise and Service tax statute.
- Time limit to issue show cause notice for recovery involving extended period enhanced to **2 years** from 1 year.
- **Specified class of importers/exporters with proven track record** allowed to make **deferred payment** of import/export **duty** and **other charges**.
- Transit of imported goods to the third country – Board empowered to lay down pre-conditions.
- Effective from 01.04.2016, **Interest on delayed payment of duty** reduced from 18% P.A. to **15% P.A.**

WAREHOUSING-NEW SCENARIO

The Finance Bill 2016 has introduced significant reforms in the warehousing provisions, shifting from **physical control to record based control**:

- **Principal Commissioner of Customs/Commissioner of Customs** empowered to licence public/private warehouse subject to conditions yet to be prescribed.
- Introduction of a new class of warehouse designated as “**Special Warehouse**” - **notified goods** to be deposited & subjected to **physical control of the Customs**.
- The importers intending to avail warehousing facility shall furnish **Bond** equal to **3 times** the duty (earlier: 2 times) accompanied by **security** as may be specified.
- **Warehousing Bond : 3 times** the duty accompanied by prescribed **security**.

WAREHOUSING-NEW SCENARIO

- **EOU/EHTP/STP** etc allowed to **retain Capital Goods & other goods** till clearance or consumption **without any time limit** (earlier: Capital Goods - 5 years; Other Goods – 3 years).
- For **other units**, the time limit for retaining goods remains un-amended viz. 1 year. Further, extension by **1 year** at a time (earlier: 6 months) by the Principal Commissioner of Customs/Commissioner of Customs.
- Involvement of Custom Authorities towards **levy, monitoring & collection of warehouse rent** and other warehouse charges has been **eliminated**.
- Right of the owner/importer to withdraw **samples of warehoused goods duty free**, stands **withdrawn**.

BAGGAGE RULES, 2016

Baggage Rules, 2016 shall come into force on 1st April, 2016 superseding erstwhile Baggage Rules, 1998. Following table enumerates the key changes between the two rules:

SL No.	Description	Quantum of Duty Free Clearances (Baggage Rules, 1998)	Quantum of Duty Free Clearances (Baggage Rules, 2016)
1	Passengers returning from countries other than Nepal, Bhutan, Myanmar	Rs. 45,000/- for stay of more than 3 days. Rs. 17,500/- for stay equal to or less than three days.	Rs. 50,000/-
2	Passengers returning from Nepal, Bhutan, Myanmar	Rs. 6,000/- for stay of more than 3 days. Rs. 1,500/- for stay equal to or more than three days	Rs. 15,000/-

BAGGAGE RULES, 2016

SL No.	Description	Quantum of Duty Free Clearances (Baggage Rules, 1998)	Quantum of Duty Free Clearances (Baggage Rules, 2016)
3	Jewellery	Stay more than 1 year: Female : Rs. 1,00,000/- Male: Rs. 50,000/-	Stay more than 1 year: Female: 40 grams or Rs. 1,00,000 whichever is lower Male: 20 grams or Rs. 50,000 whichever is lower
4	Professional returning to India	<u>3-6 months stay:</u> Used household items : Rs. 12,000/- Professional equipment : Rs. 20,000/-	<u>3-6 months stay:</u> Used personal & household: Rs. 60,000/-

BAGGAGE RULES, 2016

SL No.	Description	Quantum of Duty Free Clearances (Baggage Rules, 1998)	Quantum of Duty Free Clearances (Baggage Rules, 2016)
6	Professional returning to India	<p><u>6-12 months stay:</u></p> <p>Used household items: Rs. 12,000/-</p> <p>Professional equipment: Rs. 40,000/-</p> <p><u>1 year stay:</u></p> <p>Used household items :Rs. 75,000/-</p>	<p><u>6-12 months stay:</u></p> <p>Used personal & household items up to an aggregate value of Rs. 1,00,000/-</p> <p><u>Minimum 1 year stay:</u></p> <p>Used personal & household items up to an aggregate value of Rs. 2,00,000/-</p> <p><u>Minimum 2 year stay:</u></p> <p>Used personal & household items up to an aggregate value of Rs. 5,00,000/-</p>

CLARIFICATION

- Project listed under List 32A (Sl. No. 507 of Notification no. 12/2012-CUS), supply to which is exempt from BCD and CVD, shall also be eligible for exemption from excise duty under serial no 336 of Notification no. 12/2012 – CE if :
 - ❖ Such project is awarded under ICB and
 - ❖ Conditions of Sl. No. 507 of Notification no. 12/2012-CUS are fulfilled
- irrespective of the fact that such project is also listed in List 10 or List 11 of Notification no. 12/2012-CE.

COMMON CHANGES

COMMON CHANGES

Limitation period for recovery of tax or duty has been extended by a period of 1 year.

Description	Present	Proposed
Service Tax	18 months	30 months
Central Excise	1 year	2 years
Custom	1 year	2 years

TARIFF – EXCISE & CUSTOMS

CHANGES IN EXCISE DUTY

Chapter Sub-Heading	Descriptions	Current	Revised	Remarks
2202 10	Water including mineral water and aerated waters containing sugar/sweetening matter/flavoured	18%	21%	Basic Excise Duty
2701 19 20	Aviation Turbine fuel	8%	14%	ATF for supply to Scheduled Commuters Airlines FROM Regional Connectivity Scheme airports to attract 8% Basic Excise Duty through S.No.77 of notification no.12/2012-CE amended vide notification no.12/2016-CE
27	Coal, Lignite and peat	300 per tonne	400 per tonne	Clean Energy Cess renamed as Clean Environment Cess
28, 29 or 38	Micronutrients	12.5%	6%	Basic Excise Duty to be paid by the manufacturers which are registered under FCO, 1985 manufacturing micronutrients

CHANGES IN EXCISE DUTY

Chapter Sub-Heading	Descriptions	Current	Revised	Remarks
31	Mixture of fertilizers made by physical mixing of chemical fertilizers	1%	Nil	Basic Excise Duty fully exempted
3923 21 00	Sacks and bags other than industrial use	15%	15%	Basic Excise Duty rationalised
3923 21 00	All goods other than the above mentioned goods	12.5%		
3923 29	All goods	12.5%		
54 and 55	Polyester staple fibre or polyester filament yarn, manufactured from plastic scrap or plastic waste including waste PET bottles	2% without CCR or 6% with CCR	2% without CCR or 12.5% with CCR	Basic Excise Duty

CHANGES IN EXCISE DUTY

Chapter Sub-Heading	Descriptions	Current	Revised	Remarks
8413 91 or 8501 31 19	Manufacture of 5 specified parts of Centrifugal pump	12.5%	6%	Basic Excise Duty on the manufacture of the 5 specified parts
85 or any other chapter	Charger/ adapter, battery and wired headsets/ speakers of mobile hand sets	Nil	2% without CCR/ 12.5% with CCR	Exemption withdrawn
	Consumer Premise Equipments	12.5%	4% without CCR & 12.5% with CCR	Basic Excise Duty
8607 & 8608	Parts of railway or tramway locomotives or rolling stock, railway or tramway track fixtures and fitting etc.	12.5%	6%	Basic Excise Duty
8609 00 00	Refrigerated Containers	12.5%	6%	Basic Excise Duty

MISCELLANEOUS CHANGES IN EXCISE DUTY

Chapter Sub-Heading	Descriptions	Current	Revised	Remarks
89	Capital goods and spares thereof, raw materials, parts, material handling equipment and consumables, for repairs of ocean-going vessels by a ship repair unit	-	Nil	Exempted from Excise Duty
84 or 90	Disposable sterilized dialyzer or micro barrier of artificial Kidney	-	Nil	Exempted from Excise Duty

- Oil Industries Development Cess reduced from Rs.4500 PMT to 20% ad valorem.
- Excise Duty @ 6% to continue for specified goods used in the manufacture of electrically operated vehicles and hybrid vehicles.
- Inputs used in the manufacture of charger/adapter ,battery of mobile handsets & Consumer Premise Equipments shall remain exempt from excise duty.

CHANGES IN CUSTOM DUTY

Tariff Heading	Item Description	Current	Revised	Remarks
0801 31 00	Cashew nut in shell	Nil	5%	Basic Customs Duty
2601 11 21	Iron ore lumps (below 58% Fe content)	30%	Nil	Export Duty
2601 11 22				
2601 11 41	Iron ore fines (below 58% Fe content)	10%	Nil	Export Duty
2601 11 42				
2610	Chromium ores and concentrates, all sorts	30%	Nil	Export Duty
2606 00 10	Bauxite (natural), not calcined	20%	15%	Export Duty
2606 00 20	Bauxite (natural), calcined	20%	15%	Export Duty

CHANGES IN CUSTOM DUTY

Tariff Heading	Item Description	Current	Revised	Remarks
2701 20	Briquettes, ovoids & similar solid fuels manufactured from coal	10%	2.5%	Basic Customs Duty
2702	Lignite, whether or not agglomerated, excluding jet			
2703	Peat (including peat litter), whether or not agglomerated			
2704	Coke & semi coke of coal, lignite, peat, whether or not agglomerated; retort carbon except Metallurgical coke	10%	5%	Basic Customs Duty
2705	Coal gas, water gas, producer gas & similar gas other than petroleum gases and other gaseous hydrocarbons			
2706	Tar distilled from coal, lignite, peat and other mineral tars, whether or not dehydrated or partially distilled, including reconstituted tars			

CHANGES IN CUSTOM DUTY

Tariff Heading	Item Description	Current	Revised	Remarks
2707 40 00	Naphthalene	5%	2.5%	Basic Customs Duty
2707	Oil and other products of the distillation of high temperature coal tar, similar products in which the weight of the aromatic constituents exceeds non-aromatic constituents	10%	2.5%	Basic Customs Duty
2708	Pitch & pitch coke obtained from coal tar or other mineral tars	10%	5%	Basic Customs Duty
2818 20 90	Aluminium oxide	7.5%	5%	Basic Customs Duty
2844	Medical use Fission Molybdenum-99	7.5%	Nil	Basic Customs Duty
2901	Acyclic Hydrocarbons	10%	2.5%	Basic Customs Duty
2902 (except 2902 41,43 & 50)	Cyclic Hydrocarbons	10%	2.5%	Basic Customs Duty. All items except para-xylene & styrene
2902 41 00	Orthoxylene	4%	2%	Special Additional Duty. Subject to actual user conditions

CHANGES IN CUSTOM DUTY

Tariff Heading	Item Description	Current	Revised	Remarks
2902 60 00	Styrene	5%	2.5%	Basic Customs Duty
3902	Polypropylene granules/raisins	7.5%	Nil	Basic Customs Duty. Subject to actual user conditions
3906 90 90	Super Absorbent Polymer	7.5%	5%	Basic Customs Duty. Subject to actual user conditions
4016 95 90	Natural latex rubber made balloon	10%	20%	Basic Customs Duty
4016 99 90				
4401 21 00	Wood in chips or particles,	5%	Nil	Basic Customs Duty
4401 22 00				
4701-4706	Pulp of woods or other fibrous cellulosic	5%	2.5%	Basic Customs Duty

CHANGES IN CUSTOM DUTY

Tariff Heading	Item Description	Current	Revised	Remarks
4823 90 11	Braille Paper	10%	Nil	Basic Customs Duty
4911	Drawings & designs and plans	Nil	10%	Basic Customs Duty
70	Pre form silica for manufacture of telecommunication grade optical fibre/cables	Nil	10%	Basic Customs Duty
7113	Imitation jewellery	10%	15%	Basic Customs Duty
71	Gold dore bar, having gold content not more 95%	8%	8.75%	Concessional Countervailing Duty
71	Silver dore bar, having silver content not more 95%	7%	7.75%	

CHANGES IN CUSTOM DUTY

Tariff Heading	Item Description	Current	Revised	Remarks
7402 00 22	Brass scrap	5%	2.5%	Basic Customs Duty
7601	Unwrought aluminium	5%	7.5%	Basic Customs Duty
7603	Aluminium powder & flakes			
7604	Aluminium bars, rod & profiles	5%	7.5%	Basic Customs Duty
7605	Aluminium wires			
7606	Aluminium plates, sheets & strips of thickness 0.2mm			
7607	Aluminium foil (whether or not printed or backed with paper board, plastics or similar backing materials) of a thickness (excluding any backing) not exceeding 0.2mm			

CHANGES IN CUSTOM DUTY

Tariff Heading	Item Description	Current	Revised	Remarks
7608	Aluminium tubes & pipes	7.5%	10%	Basic Customs Duty
7609 00 00	Aluminium tubes or pipes fittings			
8419 19 20	Solar water heater	7.5%	10%	Basic Customs Duty
8471	Populated Printed Circuit board	-	4%	Special Additional Duty
84	Populated Printed Circuit board for mobiles	-	2%	Special Additional Duty
8529	LCD (Liquid Crystal Display), LED (Light Emitting Diode) or OLED (Organic LED) panels for manufacture of Television	-	5%	Special Additional Duty
8505 11 90	Magnet Resin before magnetization & Neodymium Magnet before Magnetization	7.5%	Nil	Basic Customs Duty

CHANGES IN CUSTOM DUTY

Tariff Heading	Item Description	Current	Revised	Remarks
8543	Electronic reader	Nil	7.5%	Basic Customs Duty
	Raw materials for manufacture of E-readers	7.5%	5%	Basic Customs Duty
8540 71 00	Magnetrons	10%	Nil	Basic Customs Duty
8523	Foreign satellite data on storage media	10%	Nil	BCD, CVD & SAD

CHANGES IN CUSTOM DUTY

Tariff Heading	Item Description	Current	Revised	Remarks
85 or any other chapter	Electrolytes, membranes and their parts required by caustic soda/potash unit	2.5%	Nil	Basic Customs Duty
8609 00 00	Refrigerated containers	10%	5%	Basic Customs Duty
8703	Golf cars	10%	60%	Basic Customs Duty



// THANK
YOU