



ECONOMIC
LAW
PRACTICE
ADVOCATES & SOLICITORS

UNION BUDGET

UNION
BUDGET
2020
AN ANALYSIS



CUSTOMS & INTERNATIONAL TRADE

LEGISLATIVE CHANGES

Insertion of Chapter VAA

- The Bill proposes to introduce Chapter VAA of the Customs Act stipulating a scheme for administering the verification of the country of origin of the goods imported under preferential tariff FTAs with different countries.
- The new Chapter empowers the proper officer to go beyond the mere acceptance of the origin certificate produced by the Importer and undertake verification of such certificate in case the same is found to be insufficient or non-satisfactory, by requiring additional information and documents consistent with the Trade agreement.
- Under the new scheme proposed under Section 28DA, for claiming the preferential duty rate under the trade agreement, the importer must:
 - Make a declaration that the goods qualify for the preferential duty treatment by virtue of their origin;
 - Possess sufficient information to fulfill determination criteria, viz., regional value content, product specific criteria, etc. stipulated in specified Trade agreement;
 - Furnish such further information, as may be prescribed in the rules.
 - Exercise reasonable care as to the accuracy and truthfulness of the information
- Where the proper officer has reasons to believe that the country of origin criteria prescribed in the Trade agreement has not been met, he may require the importer to furnish further information consistent with the Trade agreement in support of its claim.

Suspension of preferential treatment

- In case where the importer fails to provide the requisite information, the proper officer, for any reasons to be recorded in writing, may carry out his own verification. Pending such verification, the officer may temporarily suspend the preferential tariff treatment to such goods. The Principal Commissioner of Customs or the Commissioner of Customs has been empowered to disallow the preferential rate even without further verification.
- During the suspension period, the goods may be released on the request of the importer on submission of security equivalent to the differential amount of duty under provisional assessment and the preferential duty claimed.
- While the preferential duty claim is under suspension, the officer shall inform the Issuing Authority of the reasons for such suspension and shall seek necessary information with a view to determine the origin of goods within prescribed time.
- Depending upon the provision of information by the issuing authority or its satisfactory nature, the proper officer shall restore or, as the case may be, disallow the preferential treatment giving reasons in writing.
- Such verification may be sought within five years from the date of claim of such preferential duty treatment by the Importer.
- Interestingly, where the verification establishes non-compliance of country of origin criteria, the officer has been entrusted with the powers to reject the preferential tariff treatment to the imports of the identical goods from the same producer or exporter, unless proved otherwise.
- While the new Chapter grants power to the proper officer to reject the preferential treatment to imported goods after due verification, in certain cases the officer may right away refuse such preferential treatment where:
 - The tariff entry itself is not eligible for preferential treatment under the trade agreement
 - The certificate of origin contains in-complete description;
 - The certificate of origin is altered in any way without any authentication by issuing authority, or
 - The certificate of origin is expired.
- Section 111 and Section 156 of the Customs Act has also been proposed to be amended to respectively authorize the Custom Authorities to confiscate the goods in case of contravention of the provision of this chapter, and to delegate the power to prescribe rules in relation to the specified timelines, circumstances, etc. for the administration of ROO under the Trade agreement to the Government.

ELP COMMENTS:

The implementation of ROO in India has been a matter of concern for GOI for quite some time. Pursuant to many red flags raised by the intelligence agencies, in the past, (i) adverse impact of FTAs on the revenue, (ii) deteriorating manufacturing activities in India, and (iii) misuse of treaty benefits on imports from non-FTA countries, the Government has initiated a review of various FTAs and the procedures laid down thereunder. The violation of ROO and value addition norms has been under the scanner of the Government despite some existing regulations prescribed in this context.

While there have been country specific regulations [as stipulated in Notification No. 55/2011-Cus. (N.T.), dated August 1, 2011 and Notification No. 29/2015-Cus. (N.T.), dated March 10, 2015 etc.] which empowers the customs authority to make a request to the certificate issuing authority, for a verification of origin, there appears to be lack of enforcement. With the objective to ensure desired administration of preferential tariff treatment under FTAs, the proposed amendment seeks to pose stringent obligations on the importers to adhere to the ROO.

The proposed amendments also confer wide powers on the Customs Authorities. While it remains to be seen how these provisions are implemented, claiming preferential treatment is going to be quite cumbersome. Further, while the Government of India has power to regulate import process for claiming preferential duty rate, India's trading partners may raise concerns on the additional rules proposed in the Bill.

Amendment to Section

- Section 11(2)(f)
 - Customs Act is proposed to be amended to expand the powers of the Government to impose prohibition (either absolutely or subject to such conditions) on import or export of any goods in order to prevent injury to the economy being caused by uncontrolled import or export of such goods. Currently, such prohibition exists only on import and export of gold and silver.

ELP COMMENTS:

This step appears to be in continuation of the efforts by the Government to safeguard interest of the domestic industry and to take corrective steps to control sudden surges that harm the domestic industry.

- Section 28
 - Section 28 of the Customs Act, as amended by the Finance Act, 2018 inter alia provided for a definite time frame for adjudication of demand notices ranging from six months to one year depending upon charges of collusion, suppression ,etc., failure of which would lead to the lapse of assessment proceedings. The existing Explanation 4 to Section 28 of the Customs Act provided that such amendment would apply only with respect to notices issued on/after March 29,2018.
 - Now, the above Explanation 4 is proposed to be substituted in order to explicitly clarify that all cases where notice has been issued before March 29, 2018, shall continue to be governed by the provisions of the Section 28 which existed before enactment of Finance Act 2018, notwithstanding, any judgement, decree, order of an any Court, Appellant Tribunal, or provision of any law, to the contrary.
 - This amendment is proposed to come into effect, retrospectively, from March 29, 2018.

ELP COMMENTS:

This amendment appears to be brought into overrule the judgment of the Punjab and Haryana High Court in the case of Harkaran Dass Vedpal v. Union of India [2019(368) ELT 546 (P&H)] wherein it held that amendment to Section 28 is retroactive and time limitation of adjudication would apply to past notices as well treating such notices issued on March 29,2018.

- Section 28AAA

- Section 28AAA of the Customs Act is proposed to be amended to widen its scope so as to provide for recovery of duty from a person against utilization of instruments issued under any other law, or under any scheme of the Central Government, in addition to the Foreign Trade (Development and Regulation) Act, 1992.

New System of “Electronic Duty Credit Ledger” under Customs

- Section 51B is proposed to be inserted in Chapter VIIA of the Customs Act to provide for creation of an “Electronic Duty Credit Ledger” in the customs automated system.
 - The duty credit will be given in lieu of duty remission of duties / taxes on inputs used in the manufacturing of exported goods or such other benefit as may be prescribed;
 - This duty credit may be used by the person to whom it is issued or may also be transferred to another person in the prescribed matter;
 - Separate notification will be issued to specify the manner of issuance and use of duty credit including time-limit of usage;
 - To correspond to this change, amendment has also been proposed under Section 28AAA, whereby duty credit if obtained by misstatement or suppression can be recovered in the manner prescribed therein.

Introduction of “tariff rate quota” as a safeguard measure

- Section 8B of the CTA relates to imposition of “Safeguard Duty” in cases when an article is imported into India in increased quantities to cause serious injury to the domestic industry. It is proposed to substitute Section 8B of the CTA to expand the scope of safeguard measures by including TRQ and “other safeguard measures” (such as other non-tariff barriers);
- In a TRQ system, the imports within the quota are charged at a lower (in-quota) tariff rate, while a higher (out-of-quota) tariff rate is used for imports above the concessionary level. The following key factors will be taken into account by the Government where a TRQ is used as a safeguard measure:
 - It shall generally not fix such quota lower than the average level of imports in the last three representative years unless otherwise deemed necessary to prevent or remedy serious injury;
 - The Government may allocate such TRQ to supplying countries having substantial interest;
- Sub-section 10 of the proposed Section 8B of the CTA also empowers the Government to provide for rules relating to manner in which TRQ may be allocated among the supplying countries, manner of implementing TRQ and other safeguard measures and manner of their application.

ELP COMMENTS:

The proposed Section empowers the Government to apply additional safeguard measures. Prior to this proposed substitution, India could impose safeguard measure only in the form of safeguard duty and not in the form of quantitative restrictions or other non-tariff barriers. TRQ has already been permitted as a safeguard measure in the WTO Agreement on Safeguards, in which India is a member country. The use of this measure is globally quite prevalent by the WTO members, including the EU, Japan, Canada and the US. The proposed provisions shall enable regulating surge in imports in a systematic way. While on one side the TRQ system protect domestic producers to face competition from large quantities of imports, on the other side, it allows consumers and producers in the importing country to enjoy benefits, of lower priced products at-least for a limited “in-quota” period as against a system of single safeguard duty rate.

Strengthening the laws against circumvention of Anti-Dumping and Countervailing duties

- To tighten the circumvention of Anti-Dumping and the Countervailing duties, the Anti-Dumping Duty Rules [i.e. Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury, 1995], and the Countervailing Duty Rules [i.e. Customs Tariff (Identification, Assessment and Collection of Countervailing Duty on Subsidized Articles and for Determination of Injury), Rules 1995] have been amended vide Notification 09/2020 Customs (N.T.) dated February 2, 2020 and Notification 10/2020 Customs (N.T.) dated February 2, 2020, respectively.

- The Anti-Dumping Duty Rules are amended to strengthen the anti-circumvention measures by making them more comprehensive and wider in scope. As per the substituted Rule 25, “circumvention” shall be considered where (a) a change in the trading patterns between any country and India (or between individual companies in any country and India) as a result of practice, process or work that cannot be adequately explained by legitimate reasons or economic justifications other than the circumvention of Anti-Dumping Duties, and (b) where there is evidence of injury / dumping in comparison with the past normal prices for the like product. This enhances the scope which was previously limited to three specified circumvention practices, viz. (i) importation of subject goods in unassembled, unfinished or incomplete form (ii) by way of minor alteration in appearance and form and (iii) goods routed through any other exporter or country which was earlier not notified for Anti-Dumping Duty. Also, as per sub-rule 2(d) of the new Rule 25, any scenario which renders the imposition of Anti-Dumping Duty as ineffective shall be considered as circumvention.
- The Countervailing Duty Rules have been amended to enable investigation and imposition of duties into situations of circumvention of the said duty. Under the current Countervailing Duty Rules there is no provision for initiating an anti-circumvention investigation. However, the Rules have been amended to introduce such investigation powers similar to as available under the Anti-Dumping Duty Rules. Certain other changes have been made to bring clarity in the provisions including insertion of definition of “like article” and “period of investigation”.

ELP COMMENTS:

The issues relating to situations in which anti-circumvention investigations could be initiated have been a matter of debate and under judicial scanner of various High Courts. The amendment seeks to adopt the provisions similar EC Regulations / ASCM respectively and attempts to widen the powers of the authorities to initiate such anti-circumvention investigation. Since the AD agreement contains no equivalent circumvention provisions there is no WTO contravention as such. We can, at best hope that authorities do not reach out too far in order to enforce these powers.

Product Specific Notifications

- Notification No. 01/2020-Customs (SG): This notification provides definitive clarity on the products subject to safeguard duty under Notification No. 1/2018-Customs (SG).

ELP COMMENTS:

This appears to be intended to clear up certain confusion in previous imports (particularly in 2018) wherein many items, other than the subject product (solar cells and modules), that are classified under heading 8541 in the CTA, were being assessed for levy of safeguard duty. The notification clearly identifies only the subject products upon which the duty will be levied.

- Notification No. 03/2020-Customs (ADD): This notification rescinds the relevant customs notifications from 2016 and 2019 which levied AD duty levied on Purified Terephthalic Acid.

ELP COMMENTS:

The AD duties on PTA have been abolished in the interest of larger public interest and to bolster the potential of the textile sector, as PTA is a key raw material for this industry. Another key input for the textile sector, mono ethylene glycol, is also subject to an anti-dumping investigation currently.

Introduction of ‘Health cess’

- With a view to give impetus to the domestic industry, as also to generate resource for health infrastructure and services, the Bill proposes to introduce a duty of customs, known as Health cess, on the import of medical equipment (falling under headings 9018 to 9022) at the rate of 5% *ad valorem* on the import value of such goods.

- However, the cess is not proposed to be imposed on medical devices which are exempt from BCD and inputs/ parts used in the manufacture of medical devices. Further, Export Promotion scrips shall not be used for payment of the said cess.

TARIFF CHANGES

- Union Budget 2020 continued thematic changes to Customs Tariff with an aim to enhance India's image as that of an attractive investment destination (rather than merely a market/ place of consumption) and overall to promote the government's premier program "Make in India".
- DGFT Trade Notice 37, 46 & 47/ 2019-20 dated October 22, 2019 had raised apprehensions regarding importers not doing due diligence in mentioning correct 8-digit HS Codes. More specifically, the administration has been unconvinced about importers using residual 'others' category under various headings/ sub-headings. In this regard, it was widely anticipated that the FM in its speech would give some roadmap towards either resolving these present disputes and/ or would indicate that India may soon move a 10-digit classification code (as has been the global flavor in recent past). The 10-digit classification code could certainly aid overcoming some of the current classification disputes.
- Unless otherwise stated, all changes in rates of duties take effect from the midnight of February 1, 2020 / February 2, 2020

CTH	Description of Goods	Erstwhile Rate (%)	Revised Rate (%)
0101 21 00	Pure-bred breeding animals	30	Nil
0303	Tuna Bait	Nil	30
0402 10 or 0402 21 00	Goods upto an aggregate of ten thousand metric tonnes of total imports of such goods in a financial year*	15	60
0404 10 10	Whey, concentrated, evaporated or condensed, liquid or semi-liquid	30	40
0404 90 00	Other Whey	30	40
0405	Butter, ghee and butter oil	30	40
0406 90 00	Other Cheese	30	40
5	Pancreas falling under Chapter 5 [Products of animal origin, not elsewhere specified or included]	5	30
0508 00	Conch Shell	5	30
0601 or 0602	Bulbs, Tubers, etc. or other live plants	5	10
0802 32 00	Walnuts, shelled	30	100
0802 61 00	Macadamia nuts in shell	30	100
0802 62 00	Macadamia nuts shelled	30	100
0802 70 00	Kola nuts (Cola Spp.)	30	100
1001 99 20	Meslin	Nil	100
1001 11 00	Durum wheat seeds	Nil	100
1001 91 00	Seeds of wheat (other than durum wheat)	Nil	100
1005 90	Maize, upto an aggregate of five lakh metric tonnes *	Nil	60
1209 10 00	Sugar Beet seeds	5	30
1401 10 00	Bamboo for use in the manufacture of Agarbatti**	10	10
15	Edible oils falling under headings 1508, 1512, 1513, 1514,1515 or subheading 1511 10	85	100
15	Refined vegetable oils of edible grade, in loose or bulk form (other than those falling under heading 1511)	85	100
1512 11	Crude Sunflower seed or safflower oil upto an aggregate of one lakh and fifty thousand metric tonnes of total imports of such goods in a financial year*	50	100

1512 11	All goods other than crude Sunflower seed or safflower oil upto an aggregate of one lakh and fifty thousand metric tonnes of total imports of such goods in a financial year	75	100
1514 19 or 1514 99	Refined rape oil, colza oil or mustard oil upto an aggregate of one lakh and fifty thousand metric tonnes of total imports of such goods in a financial year*	45	75
1517 or 1518	Margarine, animal or vegetable fats and oils	80	100
1520 00 00	Curde glycerol waters and glycerol lyes (other than crude glycerin)	20	30
1701	Raw Sugar upto an aggregate of three lakh metric tonnes of total imports of such goods.	25	100
1702	Dextrose Monohydrate	20	30
2004 10 00	Preserved potatoes	30	35
2008 11 00	Peanut Butter	7.5	30
22	Wine**	30	150
2208	Angostura bitters	5	150
2301 20, 2309 90 32, 2309 90 39	Fin Fish Feed	Nil	30
2304	Dietary Soya Fiber	15	30
27	Very Low Sulphur Fuel Oil (ISO 8217:2017 RMG 380 Viscosity in 220-400 CST standards / Marine Fuel 0.5 (FO)	10	Nil
2710	Naphtha, when imported by Ratnagiri Gas and Power Private Limited (RGPPL), for use in generation of electricity in the power plants of Ratnagiri Gas and Power Private Limited (RGPPL) at Dabhol, District Ratnagiri, Maharashtra	Nil	5
2710	Naphtha, when imported for generation of electrical energy by a generating company as defined in section 2(28) of the Electricity Act, 2003 (36 of 2003) to supply electrical energy or to engage in the business of supplying electrical energy	Nil	5
2713 12 10, 2713 12 90	Calcined Petroleum Coke	10	7.5
2716 00 00	Electrical Energy <i>[Entry No 160 omitted [Notification No 50/2017 dated June 30, 2017 (as amended)]</i>	Nil	Rs 2000 per 1000 kwh
2801, 2802, 2803, 2804, 2805 and 2814	All goods	7.5	5
2843	Noble Metal Compounds and Nobel Metal Solutions**	7.5	10
2916 12 10	Butyl Acrylate	5	7.5
30	Japanese Encephalitis vaccine, imported by the Andhra Pradesh Government through UNICEF	Nil	5
31	Kyanite salts	5	10
3504	Isolated soya protein	10	30
37	Colour positive unexposed cinematographic film in jumbo rolls and colour negative unexposed cinematographic film in rolls of 400 feet and 1000 feet	5	10

3701 20 00 or 3702	Instant print film	5	10
3704	Cinematographic films, exposed but not developed	Nil	10
3907 99 90	Poly Ester Liquid Crystal Polymers **	10	Nil
3913 90 90	Compostable polymer or bio-plastic used in the manufacture of bio-degradable agro mulching films, nursery plantation pots and flower pots	Nil	7.5
3919 90 90	Water blocking tape for use in the manufacture of insulated wires and cables falling under heading 8544	7.5	15
3920 10 99	Calendared plastic sheet for use in manufacturing of Smart Card falling under heading 8523**	10	5
3920	Subbed polyester base, imported by M/s Hindustan Photo Films manufacturing Company Limited, Udhagamandalam for the manufacture of medical or industrial X-ray films and graphic art films	Nil	Applicable BCD as per tariff
Any Chapter	Promotional material (like Trailers, making of film etc.) imported in the form of electronic promotion kits / beta cams	Nil	Applicable BCD as per tariff
4114 20 10	Patent Leather	Nil	10
4301	Raw furskins (other than those falling under tariff item 4301 3000)	Nil	15
4302	Tanned or dressed furskins (other than those falling under tariff item 4301 3000)	Nil	10
48	Newsprint – In strips or rolls of width exceeding 28 cm; or In rectangular (including square) sheets with one side exceeding 28 cm [ELP Comment: <i>The Finance Minister has considered the request of the print media industry and has reduced the Basic Customs duty. However, the domestic manufacturing industry has initiated an anti-dumping investigation which is ongoing and thus if the duty is recommended and imposed the consuming industry will be impacted.]</i>	10	5
48	Uncoated paper of a kind used for printing newspapers, of which not less than 50 by weight of the total fibre content consists of wood fibres obtained by mechanical or chemi-mechanical process, unsized or very lightly sized, having a surface roughness Parker Print Surf (1 Mpa) on each side exceeding 2.5 micro meters (microns), weighing not less than 40 g/m ² and not more than 65 g/m ² [ELP Comment: <i>The Finance Minister has considered the request of the print media industry and has reduced the Basic Customs duty. However, there is already an additional burden of anti-dumping duty which is currently being borne by the consuming industry when imported from Indonesia, Thailand and Singapore]</i>	10	5

4810	Lightweight coated paper weighing up to 70 g/m ² , imported by actual users for printing of magazines	10	5
64 or Any other Chapter	Goods used in leather industry	15 / 25	10
6401 to 6405	Footwear	25	35
6406	Parts of Footwear	15	20
6702	Artificial flowers, foliage and fruit and parts thereof	10	20
6911 [except 6911 90 10]	Tableware, kitchenware, other household articles, of porcelain or china	10	20
6912 [except 6912 00 30]	Ceramic tableware, kitchenware, other household articles, other than of porcelain or china	10	20
7013	Glassware of a kind used for table, kitchen, toilet, office, indoor decoration or similar purposes (other than that of heading 7010 or 7018)	10	20
7018 10 20	Beads	10	20
7103	Rubies, emerald and sapphires, unset and imported uncut, Roughed coloured gemstones, Pre-forms of precious and semi-precious stones	Nil	0.50
7104	Rough synthetic gemstones, Rough cubic zirconia	Nil	0.50
7104	Polished cubic zirconia	5	7.50
71	Gold in the form of wire, ribbon, pre-form of purity 99.99 and above used for semi-conductor devices and light emitting diodes	Nil	12.5
7110	Platinum or palladium for use in the manufacture of all goods falling under heading 2843 and sub-heading 3815 12.**	12.50	7.50
7112	Spent catalyst or ash containing precious metals**	12.50	11.85
7118	Coin	10	12.50
7323	Table, kitchen or other household articles and part thereof, of iron or steel; iron or steel wool	10	20
74	Copper and articles thereof used in manufacture of specified electronic items covered under Chapter 34, 84, 85 and 90	Nil	Applicable BCD as per tariff
7418	Table, kitchen or other household articles and parts thereof, of copper	10	20
7615 10	Table, kitchen or other household articles and parts thereof, of aluminium	10	20
7806	Lead bars, rods, profiles and wire	5	10
7907	Zinc tubes, pipes and tube or pipe fittings	7.5	10
8007	Tin plates, sheets and strip, of thickness exceeding 0.2mm; tin foil of thickness not exceeding 0.2mm and tin powders and flakes	5	10
8301 (except tariff item 8301 20 00)	Padlocks and Locks (Key, Combination or Electrically Operated), Of Base Metal; Clasps and Frames with Clasps, Incorporating Locks, Of Base Metal; Keys for any of the foregoing articles, Of Base Metal	10	20
8304	Filing, Cabinets, Card- Index Cabinets, Paper Trays, Paper Rests, Pen Trays, Office Stamp Stands and Similar Office or Desk Equipment, of Base Metal, Other than office Furniture of heading 9403	10	20

8305	Fittings for Loose-Leaf Binders or Files, Letter Clips, Letter Corners, Paper Clips, Indexing Tags and similar office articles, of base metal; Staples in strips (for example for Offices, Upholstery, Packaging) of Base Metal	10	20
8306	Bells, Gongs and the like, Non-Electric, of Base Metal; Statuettes and other Ornaments of Base Metal, Photograph, Picture or similar frames of Base Metal, Mirrors of Base Metal	10	20
8310	Sign Plates, Name Plates, Address-Plates and similar plates, Numbers, Letters and other Symbols of Base Metal, excluding those of heading 9405	10	20
84 or any other Chapter	Goods specified in List 10 required for use in high voltage power transmission project	5	7.5
Any Chapter	Parts and components of the goods specified in List 10 required for use in high voltage power transmission project	5	Applicable BCD as per tariff
Any Chapter	All items of equipment including machinery and rolling stock, procured by or on behalf of Delhi Metro Rail Corporation Ltd.	5	Applicable BCD as per tariff
84 or any other Chapter	Goods specified in List 14 required for construction of roads	5	Applicable BCD as per tariff
84 or any other Chapter	Goods specified in List 15 required for construction of roads	5	Applicable BCD as per tariff
8414 30 00 and 8414 80 11	Compressors of refrigerator and air conditioner	10	12.5
8421 39 20 and 8421 39 90	Catalytic converters falling under "Air Purifier or cleaners" and "Other" category	10	15
84 or any other Chapter	Parts of catalytic convertor and Raw Substrate (Ceramic and Metal), Wash-coated Substrate (Ceramic and Metal), Stainless Steel wire cloth stripe and wash coated used in manufacture of catalytic convertors and its parts subject to actual user condition	5	7.5
84 or any other Chapter	Platinum, Palladium, Nobel Metal Compounds and Solution used for manufacture of catalytic convertors and its parts subject to actual user condition	5	Applicable BCD as per tariff
84 or any other Chapter	Specified goods required for manufacture of Optical Disk Drives	Nil	Applicable BCD as per tariff
8432 80 20	Rotary tiller / weeder	2.5	7.5
8419 89 10	Pressure Vessel	7.5	10
8424	Sprinklers and Drip Irrigation system for agriculture and horticulture purposes and Micro Irrigation equipment	5	7.5
8436 21 00	Poultry incubators and brooders	5	7.5
8418	Refrigerating equipment (falling under 8418 10 10, 8418 30 10, 8418 40 10, 8418 40 90, 8418 50 00, 8418 61 00, 8418 69 10 to 8418 69 50 and 8418 69 90)	7.5 / 10	15
8414 51 and 8414 51 90	Fans (except railway carriage fans)	7.5 / 10	20
8414 51 40	Railway carriage fan	7.5	10
8414 51 50	Wall fan	7.5	10
8414 59	Fans falling under other category (except blower, portable)	7.5	10
8414 59 20	Blowers, portable	10	20
85	MP3 or MP4 or MPEG 4 player with or without radio or video reception facility	5	10

85	One set of pre-recorded cassettes accompanying books for learning languages and essential complement to such books	Nil	10
85	Audio cassettes, if recorded with material from books, newspaper or magazines, for the blind	Nil	10
8501 (except 8501 64 70, 8501 64 80)	All goods	7.5	10
8504 40	Charger or power adapter (except those covered in Information Technology Agreement-I)	10 / 15	20
8509 (except tariff item 8509 90 00)	All goods	10	20
8510 (except item tariff 8510 90 00)	All goods	10	20
8515 (except tariff item 8515 90 00)	All goods	7.5	10
8516 (except tariff items 8516 50 00 and 8516 90 00)	All goods	10	20
8517 70 90	Fingerprint reader/ scanner for use in manufacturing of cellular mobile phones	Nil	15
8517 70 10	Printed Circuit Board Assembly (PCBA) of Cellular mobile phones <i>[Effective date: April 01, 2020]</i>	10	20
8517 70 90	Vibrator Motor / Ringer for use in manufacture of cellular mobile phones <i>[Effective date: April 01, 2020]</i>	Nil	10
8517 70 90	Display Assembly for use in manufacture of cellular mobile phones <i>[Effective date: April 01, 2020]</i>	Nil	10
8517 70 90	Touch Panel/ Cover Glass Assembly for use in manufacture of cellular mobile phones <i>[Effective date: April 01, 2020]</i>	Nil	10
8518	The following goods for use in the manufacturing of Microphones falling under tariff item 8518 10 00, namely; ** (i) Microphone Cartridge; (ii) Microphone Holder; (iii) Microphone Grill; (iv) Microphone Body.	10	Nil
8518 30 00	All headsets and earphones (including for cellular mobile phones)	10	15
8529 90 30	Open cell of television sets	-	Nil

	(1) As a knocked down kit containing all the necessary components, parts or subassemblies, for assembling a complete vehicle, with:- (a) disassembled Battery Pack, Motor, Motor Controller, Charger, Power Control Unit, Energy Monitor Contractor, Brake system, Electric Compressor not mounted on chassis;	10	15
	(b) pre-assembled Battery Pack, Motor, Motor Controller, Charger, Power Control Unit, Energy Monitor Contractor, Brake System, Electric compressor not mounted on a chassis or a body assembly.	15	25
9401	Seats (other than those of heading 9402), whether or not convertible into beds, and parts thereof	20	25
9403	Other furniture and parts thereof	20	25
9404	Mattress supports, articles of bedding and similar furnishing fitted with springs or stuffed or internally fitted with any material or of cellular rubber or plastics, whether or not covered	20	25
9405	Lamps and lighting fittings including searchlights and spotlights and parts thereof, not elsewhere specified or included, illuminated signs, illuminated name-plates and the like, having a permanently fixed light source, and parts thereof not elsewhere specified or included	20	25
9503	Tricycles, scooters, pedal cars and similar wheeled toys, dolls carriages, dolls, other toys, reduced-size ("scale") models and similar recreational models, working or not, puzzles of all kinds	20	60
9603	Brooms, brushes (including brushes constituting parts of machines, appliances or vehicles), hand-operated mechanical floor sweepers, not motorized, mops and feather dusters, prepared knots and tufts for broom or brush making, paint pads and rollers, squeegees (other than rollers squeegees)	10	20
9615	Combs, hair-slides and the like, hairpins, curling pins, curling grips, hair-curlers and the like, other than those of heading 8516, and parts thereof	10	20
9617	Vacuum flasks and other vacuum vessels, complete with cases, parts thereof other than glass inners	10	20

* Conditions Removed; ** Conditions Introduced

Social Welfare Surcharge (Exempted for the following entries):

CTH	Description of Goods
0404 10 10	Whey, concentrated, evaporated or condensed, liquid or semi-liquid
0406 90 00	Other Cheese
0601	Bulbs, tubers, tuberous roots, corms, crowns and rhizomes, dormant, in growth or in flower; chicory plants and roots other than roots of heading 1212
0602	Other live plants (including their roots), cuttings and slips; mushroom spawn
0802 31 00	Walnuts, in-shell
0802 32 00	Walnuts, shelled
0802 12 00	Almonds, shelled
1001 99 20	Meslin

1001 11 00	Durum wheat, seed
1001 91 00	Wheat, other seed
1005 90	Maize
1704 10 00	Chewing gum, whether or not sugar coated
1901 10	Preparations suitable for infants or young Children, put up for retail sale
2204	Wine of fresh grapes, including fortified wine; grape must other than that of heading 2009
2205	Vermouth and other wine of fresh grapes flavored with plants or aromatic substances
2206 00 00	Other fermented beverages; mixtures of fermented beverages and non-alcoholic beverages, not elsewhere specified or included
2515 12 20	Slabs
6802 10 00	Tiles, cubes and similar articles, whether or not rectangular (including square), the largest surface area of which is capable of being enclosed in a square the side of which is less than 7 cm; artificially coloured granules, chippings and powder, other monumental or building stone and articles thereof, simply cut sawn with a flat even surface
6802 21 10	Marble blocks/tiles
6802 21 20	Marble monumental stone
6802 21 90	Other tiles, cubes and similar articles
6802 91 00	Marble, travertine and alabaster
6802 92 00	Other calcareous stone

Social Welfare Surcharge introduced for the following entries:

CTH	Description of Goods
Chapter 90	Optical, photographic, cinematographic, measuring, checking, precision, medical, or surgical instruments and apparatus, clocks and watches, musical instruments, parts and accessories thereof
Chapter 84	8443, 8443 31 00 (including parts and accessories), 8443 32 (including parts and accessories), 8472 90 91, 8470, 8471, 8473 21 00, 8473 29 00, 8473 50 00, 8473 30 00, 8472 90 30 (ATM), 8473 40 (printed circuit assemblies for ATM),
Chapter 85	8517, 8519 50 00, 8523, recorded media for reproducing phenomena other than sound or image of heading 8523, 8531 20, 8532, 8533, 8534 00 00, 8541, parts of electronic integrated circuits and micro-assemblies of tariff item 8523 52 or 8542 90 00, 8543 59 10, 8543 70 11, 8517 69 50, 8517 69 60, 8517 69 70, 8517 69 90, 8517 70 10, 8517 62 (units of automatic data processing machine), 8528 42 00, 8528 52 00 or 8528 62 00, Parts and accessories (heading 8529) of goods falling under tariff items 8528 42 00, 8528 52 00 or 8528 62 00, 8504 40 (Static converters for automatic data processing machine), 8504 50 (other inductors for power supply to automatic data processing, printed circuit assemblies for 8518 90, 8522 90, 8538 90 (for goods of heading 8536), 8543 90 00, Electric conductor 8544 42, 8517 12 10 and 8517 12 90

Following notifications have been rescinded:

Sr. No.	Notification No.	Particulars
1	Notification 205/92- Cus dated May 19, 1992	Import against an advance customs clearance permit
2	Notification 73/99-Cus dated June 8, 1999	Exemption to Power Grid Corporation of India Limited on import of specified equipment's, required for setting up the Rihand-Sasaram-Biharshariff HVDC Link Back to Back Station Project
3	Notification 105/99-Cus dated August 10, 1999	Concessional rate of duties on goods when imported from SAARC Countries under SAARC Preferential Trade Agreement, 1995

4	Notification 22/2003-Cus dated February 4, 2003	Exemption to paper money, woollen apparels etc. received as gift by Indian Red Cross
5	Notification 14/2004-Cus dated January 8, 2004	Exempt water supply projects for agricultural and industrial use
6	Notification 56/2006-Cus dated June 7, 2006	Exemption to primary products imported from Nepal from additional duty of Customs
7	Notification 22/2007-Cus dated March 1, 2007	Peak rates for preferential rates for Custom Duty
8	Notification 13/2010-Cus dated February 19, 2010	Exemption of Customs Duty on specified goods when imported into India for the purpose of organising the Common Wealth Games, 2010

Please find the detailed Budget book [here](#)



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