

Government of India
Ministry of Finance
(Department of Revenue)
Tax Research Unit

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D.O.F.No. 334/3/2019-TRU
New Delhi, the 5th July, 2019

Dear Principal Chief Commissioner / Chief Commissioner /Principal Commissioner,

The Finance Minister has introduced the Finance (No.2) Bill, 2019 in Lok Sabha today, that is 5th July, 2019. Changes in Customs, Central Excise, Service Tax, GST law and rates have been proposed through the Finance (No.2) Bill, 2019. To prescribe effective rates of duty following notifications are being issued:

	Notification Nos.	Date
CUSTOMS	No. 18/2019-Customs to No. 27/2019-Customs	6 th July, 2019
CENTRAL EXCISE	No. 2/2019-CE to No. 6/2019-CE	6 th July, 2019

2. Unless otherwise states, all changes in rates of duty take effect from the midnight of 5th July/6th July, 2019. A declaration has been made under the Provisional Collection of Taxes Act, 1931 in respect of clauses 87(a), 90, 185 and 201 of the Finance (No.2) Bill, 2019 so that changes proposed therein take effect from the midnight of 5th July/6th July, 2019. The remaining legislative changes would come into effect only upon the enactment of the Finance (No.2) Bill, 2019.

3. Important changes in respect of Customs and Central Excise duties rates are contained in the Annexures appended to this letter:

- a) Annex A contains,-
 - (i) details of Chapter wise changes in Basic Customs Duty;
 - (ii) amendments in provisions relating to Countervailing duty and safeguard duty in the Customs Tariff Act, 1975;
- b) Annex B contains details of Chapter wise changes relating to Central Excise Duty; and
- c) Annex C contains the details of retrospective amendments made in certain notifications through Finance Bill (Customs and GST)

4. Nominal excise duty, as mentioned in Annexure 'B', is being imposed on tobacco products and crude petroleum. These products attract levy of NCCD which in certain cases is being contested on the ground of basic duty being nil. Also, a nominal BCD is being imposed on crude petroleum, which attracts NCCD on imports.

5. Besides, the rate changes, other significant changes made through the Finance Bill are as follows:

- (i) Clauses 69 to 84 of the Finance (No. 2) Bill, 2019 seeks to amend the Customs Act, 1962 for facilitating trade, improving compliance and reducing litigation. Amendment seeks to prescribe that a person other than the person in charge of conveyance can also furnish departure manifest, aadhaar verification of any person, empowering the proper officer to scan a person who has secreted goods liable for confiscation inside his body, provision for arrest of an offender outside India, power to provisionally attach bank account, levying penalty for payment of duty by using any instrument obtained by fraud and certain offences have been made cognizable and non-bailable. A provision has also been made to waive fine in lieu of confiscation for cases covered under deemed closure proceedings to reduce litigation.
- (ii) Clause 87(b) of the Finance (No. 2) Bill, 2019 seeks to amend First Schedule to the Customs Tariff Act, 1975 so as to create specific tariff lines for specific products, presently classified as others, rectify the errors to align it with HSN. These changes shall come into effect from a notified date.
- (iii) Clauses 91 to 115 of the Finance (No. 2) Bill, 2019 seeks to amend Central Goods and Service Tax Act, 2017 for facilitating trade and improving compliance as per the decisions of the GST Council. These changes include providing an option for composition scheme to service providers, increasing the threshold exemption limit from Rs. 20 lakhs to Rs. 40 lakhs, prescribing annual returns and quarterly tax payments for composition dealers, charging of interest only on net cash tax liability, making aadhaar authentication mandatory for certain class of taxpayers and creation of a National Appellate Authority for Advance Ruling to hear appeals against conflicting advance rulings pronounced on the same question by the Appellate Authorities of two or more States. These changes shall come into effect from a notified date.
- (iv) Clauses 116 to 118 of the Finance (No. 2) Bill, 2019 seek to retrospectively exempt service tax on liquor license, long duration courses of IIMs for relevant periods and upfront amount paid towards long term lease of plots for development of infrastructure for financial business.
- (v) Clauses 119 to 134 of the Finance (No. 2) Bill, 2019 seek to provide for a dispute resolution cum amnesty scheme, for legacy cases of the Central Excise, Service Tax and Cess. The provisions of this scheme, called as the "Sabka Vishwas Legacy Dispute Resolution Scheme, 2019" will be effective from a date to be notified later. Details regarding the manner in which the scheme will operate will be contained in the rules and instructions which will be issued later.

6. This letter only summarizes the key highlights of the budgetary changes. It should not be used in any quasi-judicial or judicial proceedings. The relevant legal texts contained in the

Finance Bill and notifications alone have legal force. While every possible effort has been made to make errors free Budget documents, however, given the scale of changes, possibility of inadvertent errors cannot be completely ruled out. I shall be grateful if the provisions of the Finance Bill and notifications are studied carefully and feedback on issues that may need clarification is provided urgently.

7. I may request that all possible efforts be made to guide the taxpayers by holding interactive sessions/ seminars for their benefit. In case of any doubt or difficulty, I would request you to kindly bring at the earliest it to my notice or to the notice of Sh. Reyaz Ahmad, Director (TRU) (Tel. No. 011-23092236) email: ahmad.reyaz@nic.in, Sh. Gaurav Singh, Deputy Secretary (TRU-I) No. 011-23092753), e-mail: gaurav.singh80@nic.in, or Sh. Mahipal Singh, Budget Officer (TRU) (Tel No. 011-23095547), e-mail: mahipal.singh1980@nic.in. We can also be reached at budget-cbec@nic.in.

8. Copies of Finance (No.2) Bill, 2019 Finance Minister's Budget Speech, Explanatory Memorandum to the Bill, relevant notifications can be downloaded directly from www.indiabudget.nic.in as well as www.cbec.gov.in.

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

With warm regards,

Yours sincerely,



(G. D. Lohani)

Joint Secretary (TRU-I)

Enclosed: as above

To,

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

CUSTOMS**Note:**

- (a) “Basic Customs Duty” (BCD) means Customs duty levied under the Customs Act, 1962
- (b) “Export Duty” means duty of customs levied on goods specified in Second Schedule to the Customs Tariff Act, 1975
- (c) Clause 87 (a) of the Finance Bill, 2019 seeks to amend the First Schedule to the Customs Tariff Act, 1975 so as to increase the tariff rate of Basic Customs duty on certain goods.
- (d) “Road and Infrastructure Cess” means the additional duty of customs levied under section 111 of the Finance Act, 2018.

These increases will come into effect immediately [from 00 hours on 06.07.2019] owing to the declaration under the Provisional Collection of Taxes Act, 1931.

I. Changes in BCD rate**Chapter 1-7: No Change****Chapter 8**

(1) BCD on Cashew Kernel, broken falling under tariff item 0801 32 10 is being increased from “ Rs 60 per Kg or 45%, whichever is higher” to 70%. S. No. 23 of notification No. 50/2017-Customs dated 30th June, 2017, is being omitted *vide* notification No. 25/2019-Customs, dated 6th July, 2019.

(2) BCD on Cashew Kernel, whole falling under tariff item 0801 32 20 and on Cashew Shelled, Other under tariff item 0801 32 90 is being increased from “ Rs 75 per Kg or 45%, whichever is higher” to 70%. S. No. 24 of notification No. 50/2017-Customs dated 30th June, 2017, is being omitted *vide* notification No. 25/2019-Customs, dated 6th July, 2019.

Chapter 9-14: No Change**Chapter 15**

(1) The end use-based exemption on goods, having free fatty acid (FFA) 20% or more, is being withdrawn. Entries at I(A), I(B) and I(C) in S. No. 57 along with S. No. 67 of notification No. 50/2017-Customs dated 30th June, 2017 are being amended *vide* notification No. 25/2019-Customs, dated 6th July, 2019.

Chapter 16-22: No Change

Chapter 23

(1) *vide* entry at S. No. 119 in notification No. 50/2017- Customs, dated 30th June, 2017, concessional BCD at the rate of 5% has been prescribed on prawn feed, shrimp larvae feed and fish feed in pellet form. Certain interpretational issues have arisen as regards this entry. The entry has been rephrased to make the intention explicitly clear that concessional rate applies to prawn feed and shrimp larvae feed in all forms and fish feed in pellet form.

Chapter 24: No Change

Chapter 25

(1) BCD on Marble Slabs falling under tariff item 2515 12 20 is being increased to tariff rate of 40% by omitting S. No. 125 of notification No. 50/2017- Customs, dated 30th June, 2017 *vide* notification No.25/2019-Customs, dated 6th July, 2019 refers.

Chapter 26

(1) BCD on all forms of Uranium Ores and Concentrates falling under tariff item 2612 10 00 is being reduced from 2.5% to Nil, for use in generation of nuclear power by amending S. No. 136 of notification No. 50/2017- Customs, dated 30th June, 2017 *vide* notification No.25/2019-Customs, dated 6th July, 2019. Hitherto, Nil rate of BCD was prescribed only on the Uranium concentrate of the form U₃O₈.

Chapter 27

(1) Scheduled rate of Additional Duty of Customs [commonly known as Road and Infrastructure Cess] levied on imported Motor Spirit [Petrol] and High Speed Diesel Oil is being increased from Rs. 8 per litre to Rs. 10 per litre. Sixth Schedule to the Finance (No.13) Act, 2018 has been amended (Clause 201 of the Finance Bill, 2019 refers). The effective rate of Additional Duty of Customs levied on imported Motor Spirit [Petrol] and High Speed Diesel Oil [commonly known as Road and Infrastructure Cess] is being increased from Rs. 8 per litre to Rs. 9 per litre. Notification No. 18 /2019-Customs dated the 6th July, 2019 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, these changes will come into force with immediate effect

(2) A nominal BCD of Re. 1 per tonne is being imposed on imported Petroleum crude falling under tariff item 2709 00 00. Presently the tariff item 2709 00 00 is exempt from BCD (S. No. 145 of notification No. 50/2017- Customs, dated 30th June, 2017 and Sl. No. 1 of notification No. 52/2017- Customs, dated 30th June, 2017). The entry at S. No. 145 of notification No. 50/2017-

Customs, dated 30th June, 2017 is being omitted. The amended rate of BCD would be effective from Sl. No. 1 of notification No. 52/2017- Customs, dated 30th June, 2017 as amended *vide* notification No. 20/2019-Customs, dated 6th July, 2019.

(3) BCD on Naphtha falling under heading 2710 is being reduced from 5% to 4% by amending S. No. 147 Notification No. 50/2017- Customs, dated 30th June, 2017 *vide* notification No.25/2019-Customs, dated 6th July, 2019 [new S. No. 147A refers].

Chapter 28

(1) BCD on all goods falling under tariff item 2844 20 00 is being reduced from 7.5% to Nil, for use in generation of nuclear power [S. No. 182 of notification No. 50/2017- Customs, dated 30th June, 2017 as amended *vide* notification No.25/2019-Customs, dated 6th July, 2019 refers]. Hitherto, only some forms like sintered natural uranium dioxide and sintered uranium dioxide pellets (U₂₃₅), for use in generation of nuclear power were attracting Nil rate of BCD.

Chapter 29

(1) Basic Custom Duty on Ethylene dichloride (EDC)], falling under tariff item 2903 15 00 is being reduced from 2% to Nil by amending S. No. 198 of notification No.50/2017-Customs, dated 30th June, 2017, *vide* notification No.25/2019-Customs, dated 6th July, 2019.

(2) Basic Custom Duty on Methyloxirane (Propylene Oxide), falling under tariff item 2910 20 00 is being reduced from 7.5% to 5% by amending notification No.50/2017-Customs, dated 30th June, 2017, *vide* notification No.25/2019-Customs, dated 6th July, 2019 [new S. No. 202A refers]

(3) The end use-based exemption on goods falling under sub-heading 2915 70 is being withdrawn by omitting S. No.252 of notification No. 50/2017-Customs dated 30th June, 2017 *vide* notification No. 25/2019 dated 6th July, 2019.

Chapter 30-37: No Change

Chapter 38

(1) The end use-based exemption on goods falling under tariff items 3823 11 00, 3823 12 00, 3823 13 00, 3823 19 00 is being withdrawn by omitting S. No. 252 of notification No. 50/2017-Customs dated 30th June, 2017, *vide* notification No. 25/2019-Customs, dated 6th July, 2019.

(2) S. Nos. 249A and 250A of notification No. 50/2017-Customs dated 30th June, 2017, are being amended so as to include all goods under the tariff items 3822 00 90 and 3824 99 90 respectively within the ambit of these entries.

Chapter 39

(1) Basic Custom Duty on Poly Vinyl Chloride (PVC), falling under heading 3904 is being increased from 7.5% to 10% by amending S. Nos. 262 and 267 of notification No.50/2017-Customs, dated 30th June, 2017, *vide* notification No.25/2019-Customs, dated 6th July, 2019.

(2) BCD on all goods, falling under heading 3918 is increased from 10% to 15% by increasing the tariff rate of all goods falling under this heading [Clause 87(a) of the Finance Bill, 2019 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this increase will come into force with immediate effect].

(3) BCD on all goods of the tariff items 3926 90 91 and 3926 90 99, is being increased from 10% to 15% by omitting entries at Sr. Nos. 11 and 12 of the notification No. 57/2017-Customs, dated 30th June 2017 as amended *vide* notification No 24/2019-Customs dated 6th July, 2019.

Chapter 40

(1) BCD on butyl rubber falling under tariff item 4011 31 10 and Chlorobutyl rubber or bromobutyl Rubber falling under tariff item 4011 39 10 is being increased from 5% to 10% by omitting S. Nos. 282 and 283 of notification No.50/2017-Customs, dated 30th June, 2017, *vide* notification No. 25/2019-Customs, dated 6th July, 2019.

Chapter 41

(1) Export duty is being reduced from 15% to Nil on EI tanned leather falling under Chapter 41 by amending S. No. 26 of notification No.27/2011-Customs, dated 1st March 2011, *vide* notification No.27/2019-Customs, dated 6th July, 2019.

(2) Export duty is being reduced from 60% to 40% on Hides, skins and leather, tanned and untanned, all sorts by amending notification No.27/2011-Customs, dated 1st March 2011, *vide* notification No.27/2019-Customs, dated 6th July, 2019 [New S. No. 38A refers]

Chapter 42-47: No change

Chapter 48

- (1) Exemption from BCD on Newsprint falling under heading 4801 is being withdrawn by omitting S. No. 294 of notification No.50/2017-Customs, dated 30th June, 2017, *vide* notification No. 25/2019-Customs, dated 6th July, 2019. Consequently, Newsprint will now attract 10% BCD [tariff rate].
- (2) Exemption from BCD on uncoated paper used in printing of newspaper is being withdrawn by omitting S. No. 295 of notification No.50/2017-Customs, dated 30th June, 2017, *vide* notification No. 25/2019-Customs, dated 6th July, 2019. Consequently, Uncoated paper used in printing of newspaper will now attract 10% BCD [tariff rate].
- (3) Exemption from BCD on Lightweight coated paper used in printing of magazines falling under heading 4810 is being withdrawn by omitting S. No. 297 of notification No.50/2017-Customs, dated 30th June, 2017, *vide* notification No. 25/2019-Customs, dated 6th July, 2019. Consequently, Lightweight coated paper used in printing of magazines will now attract 10% BCD [tariff rate].

Chapter 49

- (1) BCD is being increased from Nil to 5% on Printed books (including covers for printed books) and printed manuals, in bound form or in loose-leaf form with binder, executed on paper or any other material including transparencies falling under tariff items 4910 10 10, 4901 91 00 or 4901 99 00. S. No. 302 of notification No.50/2017-Customs, dated 30th June, 2017, is being amended *vide* notification No. 25/2019-Customs, dated 6th July, 2019

Chapter 50: No Change

Chapter 51

- (1) BCD on wool fibre under heading 5101 is being reduced from 5% to 2.5% by amending S. No. 306 of notification No.50/2017-Customs, dated 30th June, 2017, *vide* notification No.25/2019-Customs, dated 6th July, 2019.
- (2) BCD on Wool Tops under heading 5105 is being reduced from 5% to 2.5% by amending S. No. 310 of notification No.50/2017-Customs, dated 30th June, 2017, *vide* notification No.25/2019-Customs, dated 6th July, 2019.

Chapter 52-53: No Change

Chapter 54

(1) Classification of dyed woven fabrics, containing more than 85% or more by weight of filaments of nylon or other polyamides, against S. Nos. 41 and 42 of notification No. 14/2006-Customs dated 1st March, 2006, is being rectified from “5407 42 00” to “5407 42”, *vide* notification No.26/2019-Customs, dated 6th July, 2019. This is a technical change.

Chapter 56

(1) Exemption from BCD on water blocking tape for use in manufacture of telecommunication grade optical fibres or optical fibre cables is being withdrawn. They will now attract applicable rate of BCD. List 5 of S. No. 168 of notification No. 50/2017-Customs, dated 30th June, 2017 as amended *vide* notification No. 25 /2019-Customs, dated 6th July, 2019 refers.

57-67: No Change

Chapter 68

(1) BCD on Marble Slabs falling under tariff items 6802 10 00, 6802 21 10, 6802 21 20, 6802 21 90, 6802 91 00 and 6802 92 00 is being increased to tariff rate of 40% by amending S. No. 335 and omitting S. No. 336 of notification No. 50/2017- Customs, dated 30th June, 2017 *vide* notification No.25/2019-Customs, dated 6th July, 2019 refers.

(2) BCD on all goods, falling under heading 6813 is being increased from 10% to 15% by increasing the tariff rate [Clause 87 (a) of the Finance Bill, 2019 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this increase will come into force with immediate effect.]

Chapter 69

(1) BCD on all goods falling under heading 6905 is being increased from 10% to 15% by increasing the tariff rate. Clause 87 (a) of the Finance Bill, 2018 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this increase will come into force with immediate effect.

(2) BCD on all goods falling under heading 6907 is being increased from 10% to 15% by increasing the tariff rate. Clause 87 (a) of the Finance Bill, 2018 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this increase will come into force with immediate effect.

Chapter 70

(1) BCD on all goods falling under heading 7009 is being increased from 10% to 15% by increasing the tariff rate. [Clause 87 (a) of the Finance Bill, 2019 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this increase will come into force with immediate effect.]

(2) Specified raw materials for use in the manufacture of Preform of Silica is being exempted from BCD by amending notification No. 50/2017-Customs, dated 30th June, 2017, *vide* notification No. 25/2019-Cus, dated 6th July, 2019. [New S.No.341A refer]

Chapter 71

(1) Tariff rate on all goods falling under heading 7106 is being increased from 10% to 12.5%. Clause 87 (a) of the Finance Bill, 2018 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this increase will come into force with immediate effect. Consequently, BCD on Silver, in any form, medallions and silver coins having silver content not below 99.9% or semi manufactured forms of silver falling under sub-heading 7106 92 is being increased from 10% to 12.5%. Accordingly, S. No. 359 of notification No.50/2017-Customs, dated 30th June, 2017, is being omitted, *vide* notification No. 25/2019-Customs, dated 6th July, 2019.

(2) BCD on Silver dore bar, having silver content not exceeding 95% falling under heading 7106 is being increased from 9.35% to 11.85% by amending S. No. 355 of notification No.50/2017-Customs, dated 30th June, 2017, *vide* notification No. 25/2019-Customs, dated 6th July, 2019

(3) BCD on all goods falling under tariff item 7107 00 00 is being increased from 10% to 12.5% by increasing the tariff rate. Clause 87 (a) of the Finance Bill, 2018 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this increase will come into force with immediate effect.

(4) Tariff rate on all goods falling under heading 7108 is being increased from 10% to 12.5%. Clause 87 (a) of the Finance Bill, 2018 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this increase will come into force with immediate effect. Consequently, BCD on Gold bars and Gold coins having gold content not below 99.5% and gold findings is being increased from 10% to 12.5%. Accordingly, S. No. 358 of notification No.50/2017-Customs, dated 30th June, 2017, is being omitted, *vide* notification No. 25/2019-Customs, dated 6th July, 2019.

(5) BCD on Gold Dore bar, having gold content not exceeding 95% is being increased from 9.35% to 11.85% by amending S. No. 354 of notification No.50/2017-Customs, dated 30th June, 2017, *vide* notification No. 25/2019-Customs, dated 6th July, 2019

(6) BCD on Gold and Silver falling under Chapter 71 or 98 imported through baggage by eligible passengers is being increased from 10% to 12.5% by amending S. No. 356 and 357 of notification No.50/2017-Customs, dated 30th June, 2017, *vide* notification No. 25/2019-Customs, dated 6th July, 2019

(7) BCD on all goods falling under tariff item 7109 00 00 is being increased from 10% to 12.5% by increasing the tariff rate. Clause 87 (a) of the Finance Bill, 2018 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this increase will come into force with immediate effect.

(8) Tariff rate on all goods falling under heading 7110 is being increased from 10% to 12.5%. Clause 87 (a) of the Finance Bill, 2018 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this increase will come into force with immediate effect. Consequently, BCD on Platinum falling under sub-heading 7110 11 or tariff item 7110 19 00 is being increased from 10% to 12.5%. Accordingly, S. No. 363 of notification No.50/2017-Customs, dated 30th June, 2017, is being omitted, *vide* notification No. __/2019-Customs, dated 6th July, 2019. However, there is no change in BCD on rhodium which attracts 2.5%.

(9) BCD on all goods falling under tariff item 7111 00 00 is being increased from 10% to 12.5% by increasing the tariff rate. Clause 87 (a) of the Finance Bill, 2018 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this increase will come into force with immediate effect.

(10) BCD on all goods falling under heading 7112 is being increased from 10% to 12.5% by increasing the tariff rate. Clause 87 (a) of the Finance Bill, 2018 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this increase will come into force with immediate effect.

Chapter 72

(1) BCD on all goods falling under heading 7218 is being increased from 5% to 7.5% by amending notification No.50/2017-Customs, dated 30th June, 2017, *vide* notification No.25/2019-Customs, dated 6th July, 2019. [amendment in S. No. 366 and New S. No 373A refers]

(2) BCD on all goods falling under heading 7224 is being increased from 5% to 7.5% by amending notification No.50/2017-Customs, dated 30th June, 2017, *vide* notification No.25/2019-Customs, dated 6th July, 2019 [amendment in S. No. 366 and New S. No 373B refers]

(3) BCD on all goods [other than INVAR] falling under heading 7229 is being increased from 5% to 7.5% by amending notification No.50/2017-Customs, dated 30th June, 2017, *vide* No. 25/2019-Customs, dated 6th July, 2019. BCD on INVAR is being retained at 5% [amendment in S. No. 366 and New S. Nos 376C and 376D refer]

(4) BCD on Magnesium Oxide (MgO) coated cold rolled steel used for manufacture of CRGO, is being reduced from 5% to 2.5% by amending S. No. 374 of notification No.50/2017-Customs, dated 30th June, 2017, *vide* notification No.25/2019-Customs, dated 6th July, 2019.

(5) BCD on (a) hot rolled coils, (b) cold-rolled Magnesium Oxide (MgO) coated and annealed steel, (c) hot rolled annealed and pickled coils, (d) cold rolled full hard, used for manufacture of CRGO, is being reduced from 5% to 2.5% by amending S. No. 375 of notification No. 50/2017-Customs dated 30th June, 2017, *vide* notification No. 25/2019-Customs, dated 6th July, 2019.

(4) BCD on amorphous alloy ribbon, falling under tariff item 7226 99 30 is being increased from 10% to 5% by amending notification No. 50/2017- Customs, dated 30th June, 2017, *vide* notification No. 25/2019-Customs, dated 6th July, 2019. [new S. No. 376B refers]

Chapter 73-80: No Change

Chapter 81

(1) BCD on cobalt mattes and other intermediate products of cobalt metallurgy falling under tariff item 8105 20 10 is being reduced from 5% to 2.5% by amending Notification No.50/2017-Customs, dated 30th June, 2017, *vide* notification No. 25/2019-Customs, dated 6th July, 2019 [new S. No. 390A refers]

Chapter 82: No change

Chapter 83

(1) BCD on locks used in motor vehicles, falling under tariff item 8301 20 00 is being increased from 10% to 15% by increasing the tariff rate of all goods falling under this heading [Clause 87 (a) of the Finance Bill, 2019 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this increase will come into force with immediate effect.]

(2) BCD on all goods falling under heading 8302, is being increased from 10% to 15% by increasing the tariff rate of all goods falling under this heading. [Clause 87 (a) of the Finance Bill, 2019 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this increase will come into force with immediate effect].

Chapter 84 and 85

(1) BCD on indoor and outdoor units of split-system air conditioner falling under tariff item 8415 90 00, is being increased from 10% to 20% by increasing the tariff rate. [Clause 87 (a) of the Finance Bill, 2019 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this increase will come into force with immediate effect]. However, the existing BCD rate on other items of tariff item 8415 90 00 shall continue. Notification No. 50/2017-Customs, dated 30th June, 2017, as amended *vide* notification No. 25/2019-Customs, dated 6th July, 2019. [New S.No.449A refer]

(2) BCD on oil or petrol filters and intake air filters, for internal combustion engines, falling under heading 8421 23 00 and 8421 31 00 respectively, is being increased from 7.5% to 10% by increasing the tariff rate of all goods falling under this heading [Clause 87 (a) of the Finance Bill, 2019 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this increase will come into force with immediate effect].

(3) BCD on catalytic convertors falling under tariff items 8421 39 20 and 8421 39 90, is being increased from 5% to 10% by increasing the tariff rate from 7.5% to 10%. [Clause 87 (a) of the Finance Bill, 2019 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this increase will come into force with immediate effect]. However, BCD on other goods falling under tariff items 8421 39 20 and 8421 39 90 will continue at 7.5%. Notification No. 50/2017-Custom, dated 30th June, 2017 is being amended *vide* notification No. 25/2019-Customs, dated 6th July, 2019. [S. No. 453 omitted and new S. No. 452A inserted]

(4) BCD exemption hitherto available on stone crushing (cone type) plants falling under tariff item 8474 20 10, for construction of roads, is being withdrawn by amending S. No. 411 of the Table read with List 14 (item 9) of notification No.50/2017-Customs, dated 30th June, 2017, as amended *vide* notification No. 25/2019-Customs, dated 6th July, 2019. Consequently, stone crushing (cone type) plants, will now attract 7.5% BCD.

(5) Specified Capital goods to manufacture semiconductors included in ITA agreement were exempt from BCD as per notification No, 25/1998-Customs, dated 2nd June, 1998. HSN classification of the capital goods included in the notification is being amended to align it with present HSN transposition. [Notification No. 25/1998-Customs, dated 2nd June, 1998 as amended

vide notification No. 21/2019-Customs, dated 6th July, 2019 refer]. This is a technical amendment and clarificatory in nature.

(6) Exemption from BCD on charger or adapter of Digital Video Recorder (DVR), Network Video Recorder (NVR), CCTV camera and IP camera falling under sub-heading 8504 40, is being withdrawn, they will now attract 15% of BCD. S.No. 13 of notification No. 57/2017-Customs, dated 30th June, 2017, as amended *vide* notification No. 24/2019-Customs, dated 6th July, 2019 and S. Nos 509 and 511 of notification No 50/2017-Customs dated 30th June, 2017 as amended *vide* notification No 25/2019-Customs dated 6th July, 2019 refers.

(7) BCD on all goods falling under tariff item 8512 10 00, 8512 20 10, 8512 20 20, 8512 30 10 and 8512 40 00 is being increased from 10% to 15% by increasing the tariff rate [Clause 87 (a) of the Finance Bill, 2019 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this increase will come into force with immediate effect].

(8) BCD on all goods, falling under tariff item 8512 20 90 and 8512 30 90 is being increased from 7.5% to 15% by increasing the tariff rate [Clause 87 (a) of the Finance Bill, 2019 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this increase will come into force with immediate effect].

(9) BCD on all goods, falling under tariff item 8512 90 00 is being increased from 7.5% to 10% by increasing the tariff rate [Clause 87 (a) of the Finance Bill, 2019 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this increase will come into force with immediate effect].

(10) BCD on loudspeakers falling under tariff items 8518 21 00 and 8518 22 00, is being increased from 10% to 15% by increasing the tariff rate. [Clause 87 (a) of the Finance Bill, 2019 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this increase will come into force with immediate effect].

(11) Parts of line telephone handsets falling under tariff line 8518 30 00 is part of ITA agreement. Parts of line telephone handsets falling under tariff line 8518 30 00, is being explicitly exempt from BCD by amending notification No. 25/2005-Customs, dated 1st March, 2005 *vide* notification No. 23/2019, dated 6th July, 2019.

(12) BCD on Digital Video Recorder (DVR) and Network Video Recorder (NVR) falling under tariff item 8521 90 90, is being increased from 15% to 20% by increasing the tariff rate. [Clause 87(a) of the Finance Bill, 2019 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this increase will come into force with immediate effect]. However, the existing

BCD rate on other items of tariff item 8521 90 90 shall continue at 10% BCD as per S.No.499A of the notification No. 50/2017-Customs, dated 30th June, 2017.

(13) BCD on CCTV camera and IP camera falling under sub-heading 8525 80, is being increased from 15% to 20% by increasing the tariff rate. [Clause 87 (a) of the Finance Bill, 2019 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this increase will come into force with immediate effect]. However, the existing BCD rate on other items of sub-heading 8525 80 other than CCTV camera and IP camera shall continue at 10% BCD as per S.No.502A of the notification No. 50/2017-Customs, dated 30th June, 2017.

(14) Exemption from BCD on specified electronic items as mentioned in entry at S. No. 427 read with List 20 of the notification No. 50/2017-Customs, dated 30th June, 2017, is being withdrawn by omitting the entry at S. No. 427 read with List 20 of the notification No. 50/2017-Customs, dated 30th June, 2017 (*vide* notification No 25/2019-Customs dated 6th July, 2019 refers). Consequently, these goods will attract applicable BCD rate.

(15) BCD on all goods, falling under tariff items 8539 10 00, 8539 21 20 and 8539 29 40 is increased from 10% to 15% by increasing the tariff rate of all goods falling under these tariff items [Clause 87 (a) of the Finance Bill, 2019 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this increase will come into force with immediate effect].

(16) Microphones, receivers and SIM sockets of mobile phones attracts 15% BCD by tariff rate. Further, in general speakers attracts 15% BCD by tariff rate. Also, connectors for use in cellular mobile phones attracts concessional 10% BCD [S.No. 5B of the notification No. 57/2017-Customs, dated 30th June, 2017 refers]. Now, all these items are being explicitly excluded from scope of entry at Sr. No. 6A of the notification No. 57/2017-Customs, dated 30th June, 2017 as amended *vide* notification No 24/2019-Customs dated 6th July, 2019 refers.

Chapter 86: No Change

Chapter 87

(1) BCD on CBU (completely built unit) imports of motor vehicles, falling under heading 8702 or 8704 is being increased from 25% to 30% by amending S. No. 524 of notification No. 50/2017-Customs dated 30th June, 2017, *vide* notification No. 25/2019-Customs, dated 6th July, 2019.

(2) BCD on all goods, falling under heading 8706 is increased from 10% to 15% by increasing the tariff rate of all goods falling under this heading. [Clause 87 (a) of the Finance Bill, 2019 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this increase will come into force with immediate effect].

(3) BCD on all goods, falling under heading 8707 is increased from 10% to 15% by increasing the tariff rate of all goods falling under this heading [Clause 87 (a) of the Finance Bill, 2019 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this increase will come into force with immediate effect].

Chapter 88-89: No Change

Chapter 90:

(1) BCD on Optical fibres, optical fibres bundles and cables falling under tariff items 9001 10 00, is being increased from 10% to 15% by increasing the tariff rate. [Clause 87 (a) of the Finance Bill, 2019 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this increase will come into force with immediate effect].

(2) Raw materials, parts and accessories for use in the manufacture of artificial kidney, disposable dialyzers and micro barriers of artificial kidney is being exempted from BCD. Notification No. 50/2017-Customs, dated 30th June, 2017, as amended *vide* notification No. 25/2019-Customs, dated 6th July, 2019. [New S.No.216A and 481A]

Chapter 91-97: No Change

Chapter 98

(1) Printed books imported for personal use are being excluded from the purview of heading 9804 of Chapter 98 of the First Schedule to the Customs Tariff Act, 1975 by amending the Chapter Notes to Chapter 98. [Clause 87 (a) of the Finance Bill, 2019 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this change will come into force with immediate effect].

Miscellaneous:

(1) BCD is being exempted on specified military equipment and their parts imported by the Ministry of Defence or the Armed Forces, subject to specified conditions. [notification No. 19/2019-Customs, dated 6th July, 2019 refers]. The notification is valid upto 30th June, 2024.

(2) BCD is being exempted on specified capital goods [falling under Chapter 82, 84, 85 and 90] for manufacture of specified electronic items such as PCB, Charger of Cellular Mobile Phone, Display Panel, etc subject to actual user condition. Notification No. 25/2002-Customs, dated 1st March, 2002, is being amended *vide* notification No. 22/2019-Customs, dated 6th July, 2019.

(3) BCD is being exempted on the goods imported under Project Imports for setting up of the following Atomic Power projects: -

- (a) Mahi Banswara Atomic Power project- 1 to 4, Mahi Banswara, Rajasthan;
- (b) Kaiga Atomic Power project-5 & 6, Kaiga site, Karnataka;
- (c) Gorakhpur Atomic Power project- 3 & 4, GHAVP site, Haryana, and
- (d) Chutka Atomic Power project- 1 & 2, Chutka site, Madhya Pradesh.

[The list 32 of S. No. 602 of notification No. 50/2017-Customs dated 30th June, 2017, as amended *vide* notification No. 25/2019-Customs, dated 6th July, 2019 refers].

(3) Condition No.48 [S.No.404] of notification No.50/2017-Customs dated 30.06.2017 is being amended so as to provide option to pay BCD at the rate of 7.5% at transaction value on goods imported without payment of customs duty for petroleum or coal bed methane operations, where disposal is made in unserviceable and mutilated condition. Condition No. 48 of notification No. 50/2017- Customs, dated 30th June, 2017 as amended *vide* notification No.25/2019-Customs, dated 6th July, 2019 refers.

(4) Foam/ EVA foam [falling under heading 39] and Pine wood [falling under heading 4407] are being included in the list of items which are allowed duty free import upto 3% of FOB value of sports goods exported in the preceding financial year, subject to the condition that the manufacturer of sports goods is registered with the "Sports Goods Exports Promotion Council". [existing entry at S. No. 612 of notification No. 50/2017-Customs dated 30th June, 2017, amended *vide* notification No. 25/2019-Customs, dated 6th July, 2019 refers].

II. Amendment in provision relating to Countervailing duty and safeguard duty under Customs Tariff Act, 1975

(1) Anti-Circumvention provision for Countervailing Duty is being provided by inserting subsection 1A in section 9 of the Customs Tariff Act, 1975 [Clause 85 of the Finance Bill, 2019 refers].

(2) Section 9C is being amended so as to provide that appeal against an order of determination or review regarding the existence, degree and effect of increased volume of imports of any article requiring imposing of safeguard duty, shall lie with CESTAT. [Clause 86 of the Finance Bill, 2019 refers].

EXCISE**Note:**

- (a) “Basic Excise Duty” means the excise duty set forth in the Fourth Schedule to the Central Excise Act, 1944.
- (b) “Road and Infrastructure Cess” means the additional duty of Central Excise levied under section 112 of the Finance Act, 2018.
- (c) “Special Additional Excise Duty” means a duty of excise levied under section 147 of the Finance Act, 2002.

These increases will come into effect immediately [from 00 hours on 06.07.2019] owing to the declaration under the Provisional Collection of Taxes Act, 1931.

Chapter 24

(1) The Central Excise duty is being imposed on the following tariff items (Notification No.03/2019-Central Excise dated the 6th July, 2019 refers):

S. No.	Heading, sub-heading tariff item	Commodity	From	To
1	2402 20 10	Other than filter cigarettes, of length not exceeding 65 millimetres	Nil	Rs 5 per thousand
2	2402 20 20	Other than filter cigarettes, of length exceeding 65 millimetres but not exceeding 70 millimetres	Nil	Rs. 5 per thousand
3	2402 20 30	Filter cigarettes of length (including the length of the filter, the length of filter being 11 millimetres or its actual length, whichever is more) not exceeding 65 millimetres	Nil	Rs. 5 per thousand
4	2402 20 40	Filter cigarettes of length (including the length of the filter, the length of filter being 11 millimetres or its actual length, whichever is more) exceeding 65 millimetres but not exceeding 70 millimetres	Nil	Rs. 5 per thousand
5	2402 20 50	Filter cigarettes of length (including the length of the filter, the length of filter being 11 millimetres or its actual length, whichever is more) exceeding 70 millimetres but not exceeding 75 millimetres	Nil	Rs. 5 per thousand

6	2402 20 90	Other	Nil	Rs. 10 per thousand
7	2402 90 10	Cigarettes of tobacco substitutes	Nil	Rs. 5 per thousand
8	2403 11 10	Hookah or gudaku tobacco	Nil	0.5%
9	2403 19 10	Smoking mixtures for pipes and cigarettes	Nil	1%
10	2403 19 21	Other than paper rolled biris, manufactured without the aid of machine	Nil	5 paisa per thousand
11	2403 19 29	Other	Nil	10 paisa per thousand
12	2403 19 90	Other	Nil	0.5%
13	2403 91 00	“Homogenised” or “reconstituted” tobacco	Nil	0.5%
14	2403 99 10	Chewing tobacco	Nil	0.5%
15	2403 99 20	Preparations containing chewing tobacco	Nil	0.5%
16	2403 99 30	Jarda scented tobacco	Nil	0.5%
17	2403 99 40	Snuff	Nil	0.5%
18	2403 99 50	Preparations containing snuff	Nil	0.5%
19	2403 99 60	Tobacco extracts and essence	Nil	0.5%
20	2403 99 90	Other	Nil	0.5%

Chapter 27

(1) Tariff rate of excise duty on crude petroleum falling under tariff item 2709 20 00 is being increased from Nil to Re.1 per litre. Clause 90 of the Finance Bill, 2019 refers. However, Crude petroleum oil produced in the specified oil fields under production sharing contracts or in the exploration blocks offered under the New exploration licensing policy (NELP) through international competitive bidding is exempted [notification No.6/2019-Central Excise dated 6th July, 2019 refers]. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, these changes will come into force with immediate effect.

(2) Scheduled rate of Additional Duty of Excise [commonly known as Road and Infrastructure Cess (RIC)] levied on Motor Spirit [Petrol] and High Speed Diesel Oil is being increased from Rs. 8 per litre to Rs. 10 per litre. A suitable amendment has been proposed in the Sixth Schedule to the Finance (No.13) Act, 2018. Clause 201 of the Finance Bill, 2019 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, these changes will come into force with immediate effect. However, the effective rate of Additional Duty of Excise [commonly known as Road and Infrastructure Cess (RIC)] levied on Motor Spirit [Petrol] and High Speed Diesel Oil is being increased from Rs. 8 per litre to Rs. 9 per litre. Notification No. 4/2019-Central Excise dated the 6th July, 2019 refer.

(3) Scheduled rate of Special Additional Excise Duty (SAED) levied on Motor Spirit [Petrol] is being increased from Rs. 7 per litre to Rs. 10 per litre. A suitable amendment has been proposed in the Eighth Schedule to the Finance (No.20) Act, 2002. Clause 185 of the Finance Bill, 2019 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, these changes will come into force with immediate effect. However, the effective rate of Special Additional Excise Duty (SAED) on Motor Spirit [Petrol] is being increased from Rs. 7 per litre to Rs. 8 per litre. Notification No. 5/2019-Central Excise dated the 6th July, 2019 refer.

(3) Scheduled rate of Special Additional Excise Duty (SAED) levied on High Speed Diesel Oil is being increased from Rs. 1 per litre to Rs. 4 per litre. A suitable amendment has been proposed in the Eighth Schedule to the Finance (No.20) Act, 2002. Clause 185 of the Finance Bill, 2019 refer. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, these changes will come into force with immediate effect. However, the effective rate of Special Additional Excise Duty (SAED) levied on High Speed Diesel Oil is being increased from Rs. 1 per litre to Rs. 2 per litre. Notification No. 5/2019-Central Excise dated the 6th July, 2019 refers.

(4) The Table below summarizes the change in various duties applicable to petrol and diesel:

	Duty rates applicable upto 05.07.2019 (Rs. per litre)				Duty rates applicable with effect from 06.07.2019 (Rs. per litre)			
	BED	SAED	RIC	Total	BED	SAED	RIC	Total
Petrol (unbranded)	2.98	7	8	17.98	2.98	8	9	19.98
Petrol (branded)	4.16	7	8	19.16	4.16	8	9	21.16
Diesel (unbranded)	4.83	1	8	13.83	4.83	2	9	15.83
Diesel (branded)	7.19	1	8	16.19	7.19	2	9	18.19

MISCELLANEOUS CHANGES

I. RETROSPECTIVE AMENDMENTS OF RATE NOTIFICATIONS (CUSTOMS)

- (1) Retrospective amendments in customs notification Nos. 46/2011-Customs, dated 01.06.2011, 53/2011-Customs, dated 01.07.2011, 12/2012-Customs, dated 17.03.2012 and 50/2017-Customs, dated 30.06.2017, in order to insert correct classification of Stearic Acid as per WCO, for the period as mentioned in the table below:

S. No.	Notification	Period for retrospective change
(a)	46/2011-Customs, dated 01.06.2011	31.03.2017 to 14.09.2017
(b)	53/2011-Customs, dated 01.07.2011	31.03.2017 to 14.09.2017
(c)	12/2012-Customs dated 17.03.2012	31.03.2017 to 30.06.2017
(d)	50/2017-Customs dated 30.06.2017	01.07.2017 to 14.09.2017

- (2) Retrospective amendment in Notification No.29/2016- Customs (ADD) dated 05.07.2016, for the period from 08.03.2016 to 04.07.2016, so as to exclude expanded polypropylene beads and ter- polymers from the description of goods attracting anti-dumping duty.
- (3) IGST and Compensation cess is being exempted on temporary importation of private road vehicles under the Customs Convention on Temporary Importation of Private Road Vehicles (carnet de passages-en-douane) with retrospective effect from 01.07.2017 to 31.12.2018. [Clause 84 of the Finance Bill, 2019 refers].

II. RETROSPECTIVE AMENDMENTS OF GST RATE NOTIFICATIONS

S.No.103A of notification Nos 2/2017-Central Tax (Rate), 02/2017- Integrated Tax (Rate) and 02/2017 – Union territory Tax (Rate), all dated 28.06.2017 exempts Uranium Ore Concentrate from Central Tax, Integrated Tax and Union Territory Tax respectively retrospectively for the period from 01.07.2017 to 14.11.2018. However, if the GST has already been paid the same shall not be refunded. Clause 112, Clause 114 and Clause 115 of the Finance Bill, 2019 respectively may be referred to for details.