



D.O.F.No.334/3/2025-TRU
New Delhi, the 1st February, 2025.

Dear Principal Chief Commissioner / Chief Commissioner/ Principal Commissioner,

The Finance Minister has introduced the Finance Bill, 2025 in Lok Sabha today, that is, 1st February, 2025. Changes in Customs Act 1962, Customs Tariff Act, 1975, Central Excise Act, 1944, CGST Act, 2017 and customs tariff rates have been proposed through Clauses 87 to 129 of the Finance Bill, 2025. A special provision for retrospective service tax exemption has also been proposed through clause 130 of the Finance Bill, 2025.

2. To prescribe effective rates of duty, the following notifications are being issued which are effective from 2nd February, 2025 unless specified otherwise:

Duty	Notification Nos.	Date
Tariff		
Export Duty	No.3/2025-Customs	1st February, 2025
Customs Duty	No.4/2025-Customs to No.13/2025-Customs	1st February, 2025
Central Excise	No.1/2025-Central Excise	1st February, 2025
Non -Tariff		
Customs	No.7/2025 -Customs (NT)	1st February, 2025

A declaration has been made under the Provisional Collection of Taxes Act, 2023 in respect of Clause 98 (a) of the Finance Bill, 2025 and accordingly, changes proposed therein takes effect from the midnight of 1st February / 2nd February, 2025. The other changes proposed in the Bill would come into effect on the enactment of the Bill or from 1st May, 2025 or the date specified in the Finance Bill.

2. Important changes in respect of Customs and Central Excise duty rates and legislative changes are briefly summarised in the five Annexures appended to this letter:

- 1) **Annexure I:** Chapter wise changes relating to customs tariff rates and HSN changes;
- 2) **Annexure II:** Legislative changes in Customs Act, 1962, Customs Tariff Act, 1975, Central Excise Act 1944; Central Excise duty and Service Tax Exemption
- 3) **Annexure III:** Review of customs conditional exemptions /concessional rates
- 4) **Annexure IV:** Other changes in Customs Notifications
- 5) **Annexure V:** Legislative changes in CGST Act 2017


3. It may be noted that the above contents only summarize the key budgetary changes and do not in any way have any legal sanctity. It is only the Finance Bill, upon its enactment and the relevant notifications that have legal force.

4. My team and I have taken utmost care to clearly reflect the intention of the Government in the Finance Bill and the Notifications. However, the possibility of an inadvertent error cannot be ruled out. I, therefore, request you to kindly go through the Finance Bill, the Memorandum & the Notifications and bring to our notice, at the earliest, if there are any omission/error or discrepancies to enable us to take immediate remedial action. You are also requested to study the budgetary changes and ensure the smooth implementation of the proposed changes keeping the convenience of the taxpayers in mind. The copies of Finance Bill, 2025, Finance Minister's Budget Speech, Explanatory Memorandum to the Bill and relevant notifications can be downloaded directly from www.indiabudget.gov.in as well as www.cbic.gov.in.

5. In case of doubt or difficulty on any issue, you are requested to bring it immediately to my notice at l.yaden@nic.in or to the notice of Ms. Puneeta Bedi, Director (TRU) (Tel: 011-23092236, email: maliabedi.83@gov.in), Ms. Amreeta Titus, Deputy Secretary (TRU) (Tel: 011-23092753, email: amreeta.titus@gov.in) or Ms Sanjala Sharma, Budget Officer (TRU) (Tel: 011-23095559, email: sanjala.sharma01@gov.in). We can also be reached at budget-cbec@nic.in.

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

Yours sincerely,



(Limatula Yaden)

Joint Secretary (TRU-I)

To,

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

CUSTOMS

Chapters 1 to 2: No change

Chapter 3:

- 1) Basic Customs Duty (BCD) is being reduced from 30% to 5% on Frozen Fish Paste (Surimi) classified under tariff item 0304 99 00 for use in manufacture of surimi analogue products for export [S. No 3AC of Notification No. 50/2017-Customs dated 30th June, 2017 as amended by Notification No.5/2025 Customs, dated 1st February, 2025 refers].

Chapters 4 to 9: No change

Chapter 10:

- 1) W.e.f 1.5.2025, a Supplementary Note is being inserted for the purposes of tariff items 1006 30 11 and 1006 30 91.
- 2) W.e.f 1.5.2025, in heading 1006, for sub-heading 1006 30, tariff items 1006 30 10 to 1006 30 90 and the entries relating thereto are being substituted

[Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers].

Chapters 11 to 14: No change

Chapter 15:

- 1) The tariff rate is being reduced from 30% to 20% on glycerol falling under tariff item 1520 00 00. This will be effective from 1st May, 2025 *[Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers]*. **However, no change is being made to the existing effective rates** under S. Nos 81 and 81A of Notification No. 50/2017-Customs dated 30th June, 2017.

Chapters 16 to 19: No change

Chapter 20:

- 1) W.e.f. 1.5.2025, tariff items 2008 19 20 to 2008 19 90 and their entries are being substituted and three new tariff items 2008 19 21, 2008 19 22 and 2008 19 29 are being created for 'Makhana'. *[Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers]*. **Since the amendments will come into force only w.e.f 1.5.2025, the existing classification and their effective rates will continue to apply.**
- 2) W.e.f 1.5.2025, a Supplementary Note is being inserted for Makhana

[Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers].

Chapters 21 to 22: No change

Chapter 23:

- 1) BCD is being reduced from 15% to 5% on Fish Hydrolysate, falling under sub-heading 2301 20, for use in manufacture of aquatic feed [S. No 104 DC of Notification No. 50/2017-Customs dated 30th June, 2017 as amended by Notification No.5/2025 Customs, dated 1st February, 2025 refers].

Chapter 24: No change

Chapter 25:

- 1) The tariff rate is being reduced from 40% to 20% on marble and travertine crude or roughly trimmed, merely cut into blocks, slabs and others, falling under tariff items 2515 11 00, 2515 12 10, 2515 12 20, 2515 12 90 and granite crude or roughly trimmed or merely cut into blocks or slabs of a rectangular (including square) shape falling under tariff items 2516 11 00 and 2516 12 00. This will come into effect from 1st May, 2025. *[Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers].*

However, w.e.f 2nd February, 2025, these goods will attract 20% BCD and 20% AIDC [S. No.1 of Notification No. 4/2025 Customs, dated 1st February, 2025 and S. Nos. 9A and 9B of Notification No. 11/2021-Customs dated 1st February, 2021 as amended by Notification No. 6/2025-Customs, dated 1st February, 2025 refers].

Chapter 26:

- 1) The effective BCD rate on certain items falling under this chapter, which hitherto were prescribed through Notification No. 36/2024-Customs dated 23rd July, 2024, are being incorporated in the First Schedule to the Customs Tariff Act, 1975 and will operate through the Tariff Schedule. This will be effective from 1st May, 2025 *[Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers].*

Chapter 27:

- 1) W.e.f. 1.5.2025, tariff item 2710 91 00 is being substituted to create three new tariff items *[Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers].*
- 2) The tariff rate is being reduced from 15% to 2.5% on Liquefied Propane classified under tariff item 2711 12 00 and Liquefied Butane classified under tariff item 2711 13 00. **However, no change is being made to the existing effective rates.**

- 3) The tariff rate is being reduced from 15% to 5%, on LPG (for non-automotive purpose) classified under tariff item 2711 19 10, LPG (for automotive purpose) classified under tariff item 2711 19 20 and other liquified petroleum gas classified under tariff item 2711 19 90. This change will be effective from 1st May,2025. *[Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers]*. **However, no change is being made to the existing effective rates.**

Chapter 28:

- 1) The tariff rate is being reduced from 20% to 7.5% on Phosphoric Acid classified under tariff item 2809 20 10. This change will be effective from 1st May, 2025. *[Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers]*. **However, no change is being made to the existing effective rate.**
- 2) The tariff rate is being reduced from 27.5% to 7.5% on Boric acid classified under tariff item 2810 00 20. This change will be effective from 1st May,2025 *[Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers]*. **However, no change is being made to the existing effective rate.**
- 3) W.e.f. 1.5.2025, in heading 2812, the tariff item 2812 19 30 is being substituted. *[Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers]*.
- 4) W.e.f. 1.5.2025, in heading 2813, one new tariff item is being created, namely, 2813 90 30 and in heading 2853, one new tariff item is being created namely, 2853 90 50 *[Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers]*.

Chapter 29:

- 1) The tariff rate is being reduced from 10% to 7.5% on all items falling under sub heading 2933 59. These changes will come into effect from 1st May, 2025. *[Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers]*. However, w.e.f 2nd February, 2025 these goods will attract 7.5% BCD [S. No.2 of Notification No.4/2025 Customs, dated 1st February, 2025 refers].
- 2) W.e.f. 1.5.2025 , in chapter 29, 18 New supplementary Notes and tariff items are being created, substituted or modified *[Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers]*.

Chapters 30 to 32: No change

Chapter 33:

- 1) The tariff rate is being reduced from 100% to 20% on synthetic flavoring essences and mixtures of odoriferous substances of a kind used in food and beverage industry classified under sub heading 3302 10. This change will be effective from 1st May, 2025 [Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers].

However, w.e.f 2nd February, 2025 these goods will attract 20% BCD +10% SWS [S. No.3 of Notification No.4 /2025 Customs, dated 1st February, 2025 and Sl. No II of Notification No.7 /2025 Customs, dated 1st February, 2025 refers]. **However, no change is being made to the existing concessional rate under S. No. 239 of Notification No. 50/2017-Customs dated 30th June 2017.**

Chapter 34:

- 1) The tariff rate is being reduced from 25% to 20% on candles, tapers and the like classified under heading 3406 .This change will come into effect from 1st May, 2025.[Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers].

However, w.e.f 2nd February, 2025 these goods will attract 20% BCD and 7.5 % AIDC + Nil SWS [S. No.4 of Notification No.4/2025 Customs, dated 1st February, 2025 and S. No. 13AA of Notification No. 6/2025-Customs, dated 1st February, 2025 and S.No. I (i) of Notification No. 7 /2025 – Customs dated 1st February, 2025 refers].

Chapter 35 to 37: No change

Chapter 38:

- 1) The tariff rate is being reduced from 30% to 10% on tariff sub heading 3822 90 covering Pharmaceutical Reference standard, Certified/ other reference materials. This change will come into effect from 1st May, 2025. [Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers]. **However, no change is being made to existing effective rates.**
- 2) The tariff rate is being reduced from 30% to 20% on Sorbitol classified under sub heading 3824 60. This change will come into effect from 1st May, 2025 [Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers].

However, w.e.f 2nd February, 2025 these goods will attract 20% BCD +10% SWS. [S. No.5 of Notification No.4/2025 Customs, dated 1st February, 2025 refers].

- 3) The tariff rate is being reduced from 17.5% to 7.5% on Other – Prepared Binders, chemical products and preparations of chemical or allied industries classified under tariff item 3824 99 00. This change will come into effect from 1st May, 2025. [Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers].

However, these goods will continue to attract 7.5% BCD [S. No.6 of Notification No. 4/2025 Customs, dated 1st February, 2025 refers].

- 4) W.e.f 1st May 2025, in headings 3808, 3813, 3814, Supplementary Notes 1, 2, 5, 7 and 8 are being amended, 6 new Supplementary Notes are being inserted, and some tariff items are being inserted/substituted [*Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers*].

Chapter 39:

- 1) The tariff rate is being reduced from 25% to 20% on other, plates, sheets, films, foil and strip, of plastics, non-cellular and not reinforced, laminated, supported or similarly combined with other materials classified under heading 3920 and other, plates, sheets, films, foil and strip, of plastics classified under heading 3921. This change will come into effect from 1st May, 2025. [*Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers*].

However, w.e.f 2nd February, 2025, PVC Flex films, PVC flex sheets, PVC Flex banners that are excluded in S.No 273A and 273B in Notification No.50/2017-Customs will attract 20% BCD +7.5 % AIDC + Nil SWS [S.No. 7 of Notification No. 4/2025 - Customs dated 1st February, 2025 and S. No. 13 AB of Notification No. 6/2025 - Customs dated 1st February, 2025 and S. No. III(8A) of Notification No. 7/2025- Customs, dated 1st February, 2025 refers]. **Effective rates as applicable through these entries for others will continue.**

Chapter 40: No change

Chapter 41:

- 1) BCD is being reduced from 10% to Nil on Wet Blue leather (hides and skins) classified under headings 4104, 4105 and 4106 [S.No. 284A of Notification No. 50/2017-Customs dated 30th June ,2017 as amended by Notification No.5/2025-Customs, dated 1st February, 2025 refers.]
- 2) Export duty is being reduced from 20% to Nil on crust leather (hides and skins) classified under 4104, 4105 and 4106 [S.No. 25J of Notification No. 27/2011-Customs, dated 1st March, 2011 as amended by Notification No.3 /2025-Customs, dated 1st February, 2025 refers.]

Chapters 42 to 59: No change

Chapter 60:

- 1) The tariff rate is being revised from 10%/20% to “20% or Rs. 115 per kg, whichever is higher” on knitted fabrics classified under tariff items 6004 10 00, 6004 90 00, 6006 22 00, 6006 31 00, 6006 32 00, 6006 33 00, 6006 34 00, 6006 42 00 and 6006 90 00.

By virtue of declaration under the Provisional Collection of Taxes Act, 2023, the revised duty rate will come into force with effect from the midnight of 1st February / 2nd February, 2025. [*Clause 98 (a) of Finance Bill read with Second Schedule refers.*]

Chapters 61-63: No change

Chapter 64:

- 1) The tariff rate is being reduced from 35% to 20% on footwears classified under headings 6401, 6402, 6403, 6404 and 6405. These changes will come into effect from 1st May, 2025. [*Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers.*] However, w.e.f 2nd February, 2025 these goods will attract 20% BCD and 18.5% AIDC + Nil SWS [S. No.8 of Notification No. 4/2025 Customs, dated 1st February, 2025 and S. No.14A of Notification No. 6/2025-Customs dated 1st February, 2025 and S.No. I(ii) of Notification No. 7/2025-Customs, dated 1st February, 2025 refers].

Chapters 65-67: No change

Chapter 68:

- 1) The tariff rate is being reduced from 40% to 20% on worked monumental or building stone classified under heading 6802 except tariff item 6802 99 00. This change will come into effect from 1st May, 2025. [*Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers.*]

However, w.e.f 2nd February, 2025 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 will attract 20% BCD + 20% AIDC [S. No.9 of Notification No. 4/2025 -Customs, dated 1st February, 2025 and S. No. 14B of Notification No. 6/2025-Customs dated 1st February, 2025 refers]. **However, no change is being made to the existing effective rate.**

Chapters 69 to 70: No change

Chapter 71

- 1) The tariff rate is being reduced from 25% to 20% on articles of jewellery and parts thereof classified under heading 7113 and articles of goldsmiths' or silversmiths' wares and parts thereof classified under heading 7114. This change will come into effect from 1st May, 2025. [*Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers.*] However, w.e.f 2nd February, 2025 these goods will attract 20% BCD [S. No. 10 and 11 of Notification No. 4 /2025 -Customs dated 1st February, 2025 refers].
- 2) The Basic Customs duty rate is being reduced from 25% to 5% on platinum findings classified under 7113 and AIDC of 1.4% is being imposed. [S. No.364C of Notification No.50/2017 Customs, dated 30th June, 2017 as amended by Notification No.5/2025-

Customs, dated 1st February, 2025 and S.No. 15F of Notification No. 6/2025- Customs dated 1st February,2025 refers].

- 3) W.e.f 1st May, 2025 in heading 7106, three new tariff items are being created, in heading 7108, two tariff items are been substituted to create four new tariff items, in 7110, two tariff items are being substituted to create 6 new tariff items [*Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers*].

Chapter 72:

- 1) The tariff rate is being reduced from 27.5%/22.5%/20% to 15% on goods classified under tariff items 7210 12 10, 7210 12 90, 7219 12 00, 7219 13 00, 7219 21 90, 7219 90 90 and 7225 11 00. This change will come into effect from 1st May, 2025. [*Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers*]. **However, no change is being made to existing effective rates**

Chapter 73:

- 1) The tariff rate is being reduced from 25% to 15% on goods classified under tariff items 7307 29 00, 7307 99 90, 7308 90 90, 7310 29 90, 7318 15 00, 7318 16 00, 7318 29 90, 7320 90 90, 7325 99 99, 7326 19 90 and 7326 90 99. This change will come into effect from 1st May, 2025. [*Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers*]. **However, no change is being made to existing effective rates**

Chapter 74:

- 1) The tariff rate is being reduced to Nil on Copper waste & scrap classified under tariff items 7404 00 12, 7404 00 19 and 7404 00 22. This change will come into effect from 1st May, 2025. [*Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers*]. However, w.e.f 2nd February, 2025, these goods will attract Nil BCD [S.No.12 of Notification No. 4 /2025-Customs dated 1st February, 2025 refers]

Chapters 75 to 77: No change

Chapter 78:

- 1) The tariff rate is being reduced from 5% to Nil on Lead waste and scrap classified under heading 7802. W.e.f 2nd February, 2025, these goods will attract Nil BCD [S. No. 381A of Notification No. 50/2017-Customs dated 30th June, 2017 as amended by Notification No.5 /2025 Customs, dated 1st February, 2025 refers].

Chapter 79:

- 1) The tariff rate is being reduced from 5% to Nil on Zinc waste and scrap classified under heading 7902 . W.e.f 2nd February, 2025, these goods will attract Nil BCD.[S. No.381B of Notification No. 50/2017-Customs dated 30th June, 2017 as amended by Notification No.5/2025- Customs, dated 1st February, 2025 refers].

Chapter 80:

- 1) The tariff rate is being reduced from 5% to Nil on unwrought Tin classified under heading 8001 to tariffise the existing effective rates. This change will come into effect from 1st May, 2025 [*Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers*].
- 2) The tariff rate is being reduced from 5% to Nil on Tin, waste and scrap classified under heading 8002 . This change will come into effect from 1st May, 2025 [*Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers*]. However, w.e.f 2nd February, 2025, these goods will attract Nil BCD. [S.No. 13 of Notification No. 4 /2025-Customs dated 1st February, 2025 refers]

Chapter 81:

- 1) The tariff rate is being reduced to Nil to tariffise the effective rate in the First Schedule on the following:
 - (i) Unwrought tungsten classified under tariff item 8101 94 00
 - (ii) Unwrought molybdenum classified under tariff item 8102 94 00
 - (iii) Unwrought tantalum classified under sub heading 8103 20
 - (iv) Cobalt, unwrought classified under tariff item 8105 20 20
 - (v) Bismuth, unwrought classified under tariff item 8106 10 10
 - (vi) Unwrought zirconium, powders classified under tariff item 8109 21 00
 - (vii) Unwrought antimony, powders classified under tariff item 8110 10 00
 - (viii) Beryllium unwrought, powders classified under tariff item 8112 12 00
 - (ix) Hafnium unwrought classified under sub heading 8112 31
 - (x) Rhenium unwrought classified under tariff item 8112 41 10
 - (xi) Cadmium unwrought, Powders classified under tariff item 8112 69 10
 - (xii) Cadmium, wrought classified under tariff item 8112 69 20

This change will come into effect from 1st May, 2025. [*Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers*].

- 2) The tariff rates is being reduced to Nil on the following:
 - (i) Antimony, waste & scrap classified under tariff item 8110 20 00
 - (ii) Beryllium, waste & scrap classified under tariff item 8112 13 00
 - (iii) Waste & Scrap of Bismuth and Bismuth Alloys classified under tariff item 8106 90 10
 - (iv) Cadmium, waste & scrap classified under tariff item 8112 61 00

- (v) Cobalt, waste & scrap classified under tariff item 8105 30 00
- (vi) Molybdenum, waste & scrap classified under tariff item 8102 97 00
- (vii) Rhenium, waste & scrap classified under tariff item 8112 41 20
- (viii) Tantalum, waste & scrap classified under tariff item 8103 30 00
- (ix) Tungsten, waste & scrap classified under tariff item 8101 97 00
- (x) Zirconium, waste & scrap classified under tariff items 8109 31 00, 8109 39 00

These changes will come into effect from 1st May, 2025. [Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers]. However, w.e.f 2nd February, 2025, these goods will attract Nil BCD [S.Nos 14 to 23 of Notification No. 4/2025-Customs dated 1st February, 2025 refers]

- 3) BCD is being reduced from 5% to Nil on Cobalt Powder classified under tariff item 8105 20 30 [S.No. 390B of Notification No.50/2107 -Customs dated 30th June,2017 as amended by Notification No. 5/2025-Customs dated 1st February,2025.
- 4) W.e.f 1st May, 2025, the description of the heading in heading 8112 is being amended.

Chapters 82 to 83: No change

Chapter 84:

- 1) The following capital goods in Table A below are being added in the existing list of capital goods exempted from BCD for manufacture of Lithium Ion Battery of mobile phones. [S. No. 69 of Notification No. 25/2002-Customs dated 1st March,2002 as amended by Notification No.11/2025-Customs, dated 1st February, 2025 refers.]

Table A

S.No.	Name of Capital Goods	HSN	S.No.	Name of Capital Goods	HSN
1.	Auto-taping machine	84659990 / 84798999	15.	Film / Myler tearing machine	84798999
2.	Auto-packing machine	84224000	16.	Auto unloading Machine	84289090
3.	Mylar sticking machine	84798999	17.	Mylar slitting machine	84798999
4.	Auto magazine load machine	84798999	18.	Foil slitting machine	84623900 / 84649000
5.	Constant temperature capacity machine	84798999	19.	Dust collector	84213990
6.	Separator coating machine	84798999	20.	Electrode packing machine	84224000
7.	Roller cleaning machine	84798999	21.	Electrode rewinding machine	84798999 / 84798100

8.	Formation machine	84798999	22.	Calender printing machine	84201000
9.	Automatic tapping machine	84798999	23.	Electrolyte tapping machine	84798999
10.	Stacking machine	84798999	24.	Strip Tape machine	84659990 / 84659600
11.	Separator trimming machine	84798999	25.	Mixing or agitating substances machine	84798999
12.	Tab transfer welding & winding machine	85158090 / 85152190	26.	Aluminium foil bag edge cutting machine	84623900
13.	Ultrasonic Tray cleaning machine	84798999	27.	Ultrasonic cleaning machine	84798999
14.	Gasket automatic cleaning machine	84798999	28.	Cell slicing machine	84659600

- 2) The following capital goods in Table B are being added in the existing list of capital goods exempted from BCD for use in the manufacture of Lithium ion battery of EVs.[S.No. 69A of Notification No. 25/2002-Customs dated 1st March,2002 as amended by Notification No.11/2025- Customs, dated 1st February, 2025 refers.]

Table B

S.No.	Name of Capital Goods	HSN	S.No.	Name of Capital Goods	HSN
1.	Solvent Recovery System	84798999	18.	1st Helium test	90318000
2.	Heat Recovery System	84145990	19.	2nd Helium test	90318000
3.	Effluent Treatment System	84212190	20.	Wire feeding and rework	85158090
4.	Electrolyte injection machine	84798999	21.	Cell ageing Machine	84283300
5.	Helium Injection Machine	84798999 / 90318090	22.	Negative Pressure Formation	85437099
6.	Nail Inserting Machine	84798999	23.	Cell Formation - Cell capacity and SOC	90303900 /85439090
7.	Nail Pulling Machine	84798999	24.	Cell Formation - DCIR	90303900
8.	Injection hole cleaning machine	84798999	25.	Cell Formation - Cell Tray plastic	39231090
9.	Cell Baking & Cooling Machine	84198990	26.	Cell Formation - Cell Tray	76169910

S.No.	Name of Capital Goods	HSN	S.No.	Name of Capital Goods	HSN
				Metallic	
10.	Jelly Roll Pairing Machine	84798999	27.	Cell Formation - Formation Machine	73044190
11.	Mylar Wrapping Machine	84224000	28.	Cell Formation - Other Trays	39239000/ 73269019
12.	Cell Sorting Line	84798999 / 84799090	29.	Film wrapping and final inspection	90318000/ 90221990
13.	Laser Pin Welding	84682010	30.	Tap to top cap welding	84682010
14.	Laser Notching & Winding	84798999	31.	Fibre temperature Detection System	73089000
15.	Ultrasonic welding	85158090	32.	Water sprinkler system	84248999
16.	Load in Can	84798999	33.	Rack	73089000
17.	Top cover laser welding	85158090	34.	Tape Coding	84798999
			35.	Wire filling and welding machine	84798999

Chapter 85:

- 1) BCD is being increased from 10% to 20% on Interactive Flat Panel Displays (CBU) classified under tariff item 8528 59 00. [Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers]. By virtue of declaration under the Provisional Collection of Taxes Act, 2023, this increase will come into force with effect from midnight of 1st February/2nd February, 2025. [Clause 98(a) of the Finance Bill, 2025 read with Second Schedule refers].

However, all goods classified under tariff item 8528 59 00, other than Interactive Flat Panel Display (CBU) will continue to attract 10% BCD under S.No 515C of Notification No. 50/2017-Customs dated 30 June, 2017 amended by Notification No. 5/2025 - Customs dated 1st February,2025

- 2) BCD is being reduced to 5% on Open Cell with or without touch classified under heading 8524 for manufacture of Interactive Flat Panel Display module. [S.No. 515AA of Notification No. 50/2017-Customs dated 30th June ,2017 as amended by Notification No.5/2025 -Customs, dated 1st February, 2025 refers].

- 3) BCD is being reduced to 5% on Touch glass sheet and Touch sensor PCB classified under heading 8529 for the manufacture of Interactive Flat Panel Display modules. [S.No 515 D of Notification No. 50/2017-Customs dated 30th June, 2017 as amended by Notification No.5/2025 -Customs, dated 1st February, 2025 refers.].

Thus a graded duty structure is being put in place to incentivize domestic manufacture of Interactive Flat Panel Displays as below:

Interactive Flat Panel Displays (IFPDs)	BCD Rate
CBU	20%
Flat Panel Display Module	15%
PCBA of IFPD	15%
Open Cell for Flat panel display module with or without touch	5%
Touch glass sheet	5%
Touch sensor PCB.	5%

- 4) BCD is being reduced from 2.5% to Nil on inputs and parts (chip on film, PCBA, glass board/substrate cell) for manufacture of open cell of LCD/ LED television panels. [S.No.515B of Notification No. 50/2017-Customs dated 30th June, 2017 as amended by Notification No.5/2025- Customs, dated 1st February, 2025 refers.]
- 5) BCD is being reduced from 20% to 10% on Ethernet Switches - Carrier grade classified under tariff item 8517 62 90, 8517 69 90 [S. No 20 of Notification No. 57/2017-Customs dated 30th June ,2017 as amended by Notification No.10/2025- Customs, dated 1st February, 2025 refers.]
- 6) The tariff rate is being reduced from 40% to 20% on solar module and other semiconductor devices and photo voltaic cells classified under tariff items 8541 43 00 and 8541 49 00. This change will come into effect from 1st May, 2025. [*Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers*].

However, w.e.f 2nd February, 2025 these goods will attract 20% BCD and 20% AIDC + Nil SWS [S. No. 24 of Notification No. 4/2025 -Customs dated 1st February, 2025 and S. Nos. 16AB and 16AC of Notification No. 6/2025-Customs, dated 1st February, 2025 and S.No. III (8B) of Notification No. 7/2025 -Customs dated 1st February, 2025 refers].

- 7) BCD is being reduced from 2.5% to Nil on inputs/parts or sub parts for manufacture of PCBA, Camera Module, connector, wired headset, microphone and receiver, USB cable, Finger print reader/scanner of cellular mobile phone [S. No. 6A,6B, 6C and 7 of Notification No. 57/2017 -Customs dated 30th June 2017 as amended by Notification No.10/2025 -Customs dated 1st February 2025 refers]

8) The tariff rate is being reduced from 25% to 20% on Solar cells classified under tariff item 8541 42 00. This change will come into effect from 1st May, 2025. [*Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers*].

However, w.e.f 2nd February, 2025 these goods will attract 20% BCD and 7.5 % AIDC + Nil SWS [S. No. 24 of Notification No . 4 /2025 -Customs dated 1st February, 2025; S. No. 16AA of Notification No. 6/2025-Customs, dated 1st February, 2025 and S.No. III (8B) of Notification No.7/2025 -Customs dated 1st February, 2025 refers].

9) BCD is being reduced from 5% to Nil on Lithium-Ion Battery waste and scrap classified under tariff item 8549 13 00, 8549 14 00 and 8549 19 00. [S. No. 518A of Notification No. 50 /2017 -Customs dated 30th June, 2017 as amended by Notification No. 5/2025-Customs, dated 1st February, 2025 refers].

10) S.No. 6D of Notification No. 57/2017-Customs dated 30th June 2017 is being amended to incorporate 'any chapter' in column (2).

11) S. No 5E of the Notification No. 57/2017-Customs dated 30th June 2017 is being omitted.

12) W.e.f 1st May, 2025 , sub -heading note 2 of chapter 85 is being amended.

Chapter 86: No change

Chapter 87:

1) The tariff rate is being reduced from 40% to 20% on motor vehicles for transport of passengers classified under heading 8702 and motor vehicles for transport of goods classified under heading 8704. This change will come into effect from 1st May, 2025. [*Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers*].

However, w.e.f 2nd February, 2025 these goods will attract 20% BCD + 20% AIDC + Nil SWS [S. Nos. 25 and 27 of Notification No. 4/2025 -Customs dated 1st February, 2025, S. Nos. 16 AD and 16 AE of Notification No. 6/2025-Customs, dated 1st February, 2025 and S. No. I (iii) of Notification No.7/2025 -Customs dated 1st February, 2025 refers]. Consequential amendments are also being made to S.Nos 524 and 525 of Notification No.50/2017-Customs dated 30th June, 2017

2) The tariff rate is being reduced from 125% to 70% on motor vehicles classified under heading 8703. This change will come into effect from 1st May, 2025. [*Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers*]. However, w.e.f 2nd February, 2025,-

- (i) motor vehicles (CBU)> \$40, 000 USD will attract 70% BCD + 40% AIDC + Nil SWS
- (ii) Used motor vehicles will attract 70% BCD+67.5% AIDC + Nil SWS.

[S. No. 26 of Notification No.4/2025 -Customs dated 1st February, 2025 and S. No.16AF and 16AG of Notification No. 6/2025-Customs, dated 1st February, 2025 and S. No. VIII of Notification No. 7/2025 -Customs dated 1st February, 2025 refers]. **However, there is no change in existing effective rates on others.**

- 3) The tariff rate is being reduced from 100% to 70% on motor cycles classified under heading 8711. This change will come into effect from 1st May, 2025. [*Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers*].

However, w.e.f 2nd February, 2025, used motor cycles will attract 70% BCD + 40% AIDC + Nil SWS [S. No. 28 of Notification No . 4/2025 -Customs dated 1st February, 2025, S.No. 16AH of Notification No.6/2025-Customs, dated 1st February, 2025 and S.No. III (8C) of Notification No. 7/2025 -Customs dated 1st February, 2025 refers].

The effective rates on motor cycles is being restructured and reduced by substituting S.No 531 of Notification No. 50/2017-Customs dated 30th June ,2017 as under:

S.No	Description	BCD Rate	
		From	To
1.	(i) Engine capacity not exceeding 1600 CC (CBU)	50%	40%
	(ii) Semi-knocked down (SKD)	25%	20%
	(iii) Completely knocked down (CKD)	15%	10%
2	(i) Engine capacity 1600 CC & above (CBU)	50%	30%
	(ii) Semi-knocked down (SKD)	25%	20%
	(iii) Completely knocked down (CKD)	15%	10%

- 4) The tariff rate is being reduced from 35% to 20% on bicycles classified under tariff item 8712 00 10. This change will come into effect from 1st May,2025. [*Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers*].

However, w.e.f 2nd February, 2025, used bicycles will attract 20% BCD + 15% AIDC [S. No. 29 of Notification No. 4/2025 -Customs dated 1st February, 2025 and S. No.16AI of Notification No. 6/2025-Customs, dated 1st February, 2025 refers].

Chapters 88: No change

Chapters 89:

- 1) The tariff rate is being reduced from 25% to 20% on yachts and other vessels for pleasure or sports classified under heading 8903. This change will come into effect from 1st May, 2025. [*Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers*].

However, w.e.f 2nd February, 2025 these goods will attract 20% BCD + 7.5% AIDC + Nil SWS [S. No. 30 of Notification No .4/2025 -Customs dated 1st February, 2025, S. No.16B of Notification No. 6/2025-Customs, dated 1st February, 2025 and S.No. I (iv) of Notification No. 7/2025 -Customs dated 1st February, 2025 refers].

Chapter 90:

- 1) The tariff rate is being reduced from 25% to 20% on electricity meter for alternating current (Smart meters) classified under tariff item 9028 30 10. This change will come into effect from 1st May, 2025. [*Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers*].

However, w.e.f 2nd February, 2025, these goods will attract 20% BCD + 7.5% AIDC + Nil SWS [S. No. 31 of Notification No. 4/2025-Customs dated 1st February, 2025, S.No. 16C of Notification No. 6/2025-Customs, dated 1st February, 2025 and S.No. III (8D) of Notification No. 7/2025 -Customs dated 1st February, 2025 refers].

Chapters 91 to 93: No change

Chapter 94:

- 1) The tariff rate is being reduced from 25% to 20% on the following:
- (i) seats (other than those of heading 9402), whether or not convertible into beds, and parts thereof classified under heading 9401
 - (ii) Other furniture and parts thereof classified under heading 9403,
 - (iii) Mattress supports, articles of bedding and similar furnishing etc. classified under heading 9404,
 - (iv) Luminaries and lighting fittings including searchlights and spotlights and parts thereof etc. classified under heading 9405.

These changes will come into effect from 1st May 2025 [*Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers*].

However, w.e.f 2nd February, 2025, these goods will attract 20% BCD + 5% AIDC . SWS is being exempted. [S. No. 32 of Notification No.4/2025 -Customs dated 1st February, 2025, S. No. 16D of Notification No. 6/2025-Customs, dated 1st February, 2025 and S.No. I (iv) of Notification No.7/2025-Customs dated 1st February, 2025 refers].

Chapter 95:

- 1) The tariff rate is being reduced from 70% to 20% on parts of electronic toys classified under tariff item 9503 00 91. This change will come into effect from 1st May 2025 [*Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers*]. However, w.e.f 2nd February, 2025 these goods will attract ,-

- (i) 20% BCD + 7.5% AIDC + Nil SWS if used for manufacture of electronic toys.
- (ii) 20% BCD + 20 % AIDC + Nil SWS if not used for manufacture of electronic toys.

[S. No. 33 of Notification No. 4/2025-Customs dated 1st February, 2025, S. Nos 16E and 16F of Notification No. 6/2025-Customs, dated 1st February, 2025 and S.No. I (iv) of Notification No. 7/2025-Customs dated 1st February, 2025 refers].

Chapters 96 to 97: No change

Chapter 98

- 1) The tariff rate is being reduced from 150 % to 70% on Laboratory Chemicals This change will come into effect from 1st May 2025 [*Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers*].

However, w.e.f 2nd February, 2025, these goods will attract 70% BCD + 70% AIDC + Nil SWS. [S. No. 34 of Notification No. 4/2025-Customs dated 1st February, 2025, S. No. 16G of Notification No. 6/2025-Customs, dated 1st February, 2025 and S.No III (8E) of Notification No. 7/2025-Customs, dated 1st February, 2025 refers].

There is no change in the existing rate of 10% BCD + 10% SWS on Lab Chemicals imported on actual user condition.

- 2) The tariff rate is being reduced from 100% to 70% on all dutiable articles, imported by a passenger or a member of a crew in his baggage classified under tariff item 9803 00 00. This change will come into effect from 1st May,2025. [*Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers*].

However, w.e.f 2nd February, 2025, these goods will attract 35% BCD + Nil SWS. [S. No. 35 of Notification No. 4/2025 -Customs dated 1st February, 2025, and S.No III (8G) of Notification No. 7/2025-Customs, dated 1st February, 2025 refers]. Further, articles of gold/silver imported under S. Nos. 356 or 357 of Notification No. 50/2017-Customs dated 30th June, 2017 are being exempted from SWS. [S.No.VII of Notification No. 7/2025-Customs dated 1st February,2025 refers]

- 3) The tariff rate is being reduced from 35% to 20% on all dutiable goods imported for personal use classified under heading 9804. This change will come into effect from 1st May, 2025. [*Clause 98(b) of the Finance Bill, 2025 read with Third Schedule refers*].

However, w.e.f 2nd February, 2025, dutiable goods imported for personal use other than those not covered in S.No 608 of Notification No.50/2017 -Customs will attract 20% BCD + Nil SWS. [S. No.36 of Notification No.4 /2025 -Customs dated 1st February,2025 and S.No III (8H) of Notification No.7/2025-Customs, dated 1st February, 2025 refers].

However, the existing effective duty under S.No 608 of Notification No. 50/2017 - Customs dated 30th June, 2017 will continue.

LEGISLATIVE CHANGES – CUSTOMS, CENTRAL EXCISE

A. CUSTOMS:

I. Amendments in the Customs Act, 1962:

1) Amendment of Section 18 of the Customs Act, 1962

- a) A new sub-section (1B) is being inserted in Section 18 of the Customs Act, 1962 to provide definite time limit of two years for finalisation of provisional assessment. It also provides that this time period may be extended by the Commissioner of Customs for a further period of one year if the sufficient cause is shown. Further, it also provides that, for the pending cases, the time-limit shall be reckoned from the date of assent of the Finance Bill.
- b) A new sub-section (1C) is being inserted to provide for certain grounds on which the time-limit of two years for finalizing provisional assessment shall remain suspended.

2) Insertion of new Section 18A of the Customs Act, 1962

A new Section 18A is being inserted after Section 18 of the Customs Act, 1962 for voluntary revision of entry post clearance so as the importers and exporters may revise any entry that is made in relation to the goods within a prescribed time and according to certain conditions as may be prescribed. It also provides for treating such entry as self-assessment and allow payment of duty or treat the revised entry as a refund claim under Section 27. It also provides for certain cases where this section will not apply.

3) Amendment of Section 27 of the Customs Act, 1962

A new explanation is being inserted in sub-section 1 of Section 27 to clarify that the period of limitation of the claim of refund consequent to the revised entry under Section 18A or amendment under Section 149 of the Customs Act, 1962, shall be one year from the date of payment of duty or interest

4) Amendment of Section 28 of the Customs Act, 1962

A new clause is being inserted in Explanation 1 of Section 28 to provide that the relevant date in case where duty is paid under the revised entry under Section 18A is the date of payment of duty or interest.

5) Amendment of Section 127A of the Customs Act, 1962

A new clause is being inserted after clause (d) and (e) of Section 127A of the Customs Act, 1962, to define Interim Board, Member of the of Interim Board and pending applications.

6) Insertion of new sub- section (5) in Section 127B of the Customs Act, 1962

A new sub-section (6) is being inserted in Section 127B, of the Customs Act, 1962 to provide end date for receipt of applications under this section.

7) Insertion of new sub- section (12) in Section 127C of the Customs Act, 1962

A new sub-section (12) is being inserted in Section 127C providing applicability of various sub-sections of Section 127C of the Customs Act, 1962 to the Interim Board.

8) Insertion of new sub- section (3) in Section 127D of the Customs Act, 1962

A new sub-section (3) is being inserted in Section 127D clarifying that the powers of Settlement Commission shall be exercised by the Interim Board and further provisions of this section shall mutatis mutandis apply to the Interim Board as they apply to the Settlement Commission.

9) Insertion of new sub -section (5) in Section 127F of the Customs Act, 1962

A new sub-section (5) is being inserted in Section 127F providing that the powers and functions of Settlement Commission shall be exercised or performed by the Interim Board.

10) Insertion of new Proviso to Section 127G of the Customs Act, 1962

A proviso to Section 127G of the Customs Act, 1962 is being inserted to provide that the powers and functions of Settlement Commission shall be exercised or performed by the Interim Board.

11) Insertion of new sub -section (4) in Section 127H of the Customs Act, 1962

A new sub-section (4) is being inserted in Section 127H to provide that the powers and functions of Settlement Commission shall be exercised or performed by the Interim Board.

II. Amendments to the First Schedule to Customs Tariff Act, 1975

S. No.	Amendment	Clause of the Finance Bill, 2025
	Amendments not affecting rates of duty	
	The First Schedule to the Customs Tariff Act, 1975 is being amended with effect from 01.05.2025 to, - a) create new tariff items based on process (parboiled, others) and on variety (rice recognised by Geographical Indication Registry,	[98(b) read with Third Schedule]

	<p>basmati, others) under sub-heading 1006 30</p> <p>b) create new tariff items under ‘Makhana’ products (popped, flour and powder, others) and consequent re-numbering of existing entries under chapter 2008 19</p> <p>c) create new tariff items to separately identify waste oils containing different levels of concentration of levels of polychlorinated biphenyls (PCBs), polychlorinated terphenyls (PCTs) or polybrominated biphenyls (PBBs) under sub-heading 2710 91</p> <p>d) create new tariff items for identification of certain dual-use chemical for non-pesticidal use in chapter 28</p> <p>e) create new tariff items and supplementary notes for identification of certain dual-use chemical for non-pesticidal use and certain goods covered by international conventions in chapter 29</p> <p>f) create new tariff items and supplementary notes for identification of certain technical-grade pesticides and certain goods covered by international conventions in chapter 38</p> <p>g) create new tariff lines to distinguish precious metals – containing 99.9% or more by weight of silver, containing 99.5% or more by weight of gold, containing 99% or more by weight of platinum under headings 7106, 7108 and 7110 respectively</p> <p>h) changes in heading 8112 to align with WCO HS 2022</p> <p>i) changes in sub-heading note 2 to chapter 85 to align with WCO HS 2022</p>	
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III. Amendments in Customs (Import of Goods at Concessional Rates or For Specified End Use) Rules, 2022.

Rules 6 and 7 are being amended to increase the time limit for fulfilling end use from current six months to one year and to provide for filing of quarterly statement instead of monthly statement.

B. CENTRAL EXCISE

Note: “Basic Excise Duty” means the excise duty set forth in the First Schedule to the Central Excise Tariff Act, 1985.

I Implementation of higher excise duty on sale of unblended Diesel

The additional excise duty of Rs 2 per litre notified to be levied on unblended Diesel *vide* Notification No. 11/2017-Central Excise dated 30.06.2017, as amended, is being deferred till 31st March, 2026.

II. Amendments in the Central Excise Act, 1944:

Vide clause 101 of the Finance Bill, 2025, it is proposed to abolish the Customs, Central Excise and Service Tax Settlement Commission (CCESC for short) constituted under Section 32 of the Central Excise Act, 1944, with effect from 01.04.2025. The pending applications as of 31.03.2025 shall be dealt by the Interim Boards for Settlement. In this regard, the various amendments proposed to Chapter V of the said Act, are as under:

- 1) Section 31 is being amended to define “Interim Board for Settlement” and “pending application”.
- 2) A new Section 31A is being inserted to establish one or more Interim Boards for Settlement to process the pending applications. Further, it is being provided that every pending application shall be dealt by the Interim Board from the stage at which such pending application stood immediately before its constitution.
- 3) A proviso to sub-section (1) of Section 32 is being inserted to provide that CCESC shall cease to operate on or after 1st April, 2025.
- 4) Sections 32A, 32B, 32C and 32D are being amended by inserting a proviso in all these sections to provide that the provisions of these sections shall not apply on or after 1st April, 2025.
- 5) A proviso to sub-section (5) of Section 32E is being inserted to provide that no new application shall be made under this section on or after 1st April, 2025.
- 6) Section 32F is being amended to substitute the expression “Settlement Commission” with “Interim Board” so that the specified procedure on receipt of the application under section 32E shall apply to the Interim Boards. Additionally, a new sub-section is being introduced to allow the Interim Board, within three months of its constitution, to extend the time limit for disposing of pending applications by up to twelve months from its constitution, with reasons to be recorded in writing.
- 7) Sections 32G, 32-I, 32J, 32K, 32L, 32M, 32-O and 32P are being amended to provide that on and after 1st April, 2025, the powers and functions of the Settlement Commission under these sections shall be exercised by the Interim Boards.

C. SPECIAL PROVISION FOR EXEMPTION FROM SERVICE TAX IN CERTAIN CASES:

Services provided or agreed to be provided by insurance companies by way of reinsurance services under the Weather Based Crop Insurance Scheme (WBCIS) and the Modified National Agricultural Insurance Scheme (MNAIS) are proposed to be exempted from service tax retrospectively for the period commencing from 1st April, 2011 and ending with 30th June, 2017 *vide* Clause 130 of the Finance Bill, 2025.

REVIEW OF CUSTOMS DUTY CONDITIONAL EXEMPTIONS/ CONCESSIONAL
RATES

Notification No. 50/2017-Customs dated 30th June, 2017

A comprehensive review has been undertaken in respect of 25 conditional exemptions/concessional rate entries in Notification No. 50/2017-Customs dated 30th June, 2017 whose validity is expiring by 31.3.2025. After review, 24 entries are being continued for varying periods with modification in few entries and 1 entry is being lapsed. The changes are briefly summarised below with the end dates:

S.No	Description	Entry No	End date
1	Ships and vessels for breaking up	S. No. 555A	31.3.2035
2	Raw materials, components, consumables or parts, for use in the manufacture of ships/vessels	S. No. 559	31.3.2035
3	Drugs or medicines <i>[A separate entry is being created for Drugs, medicines, diagnostic kits or equipment specified in List 3 with modifications in the list]</i>	S. No. 166	31.3.2029
4	Bulk drugs used in the manufacture of polio vaccine and Monocomponent insulins	S. No. 166A	31.3.2029
5	Lifesaving drugs or medicines <i>[A separate entry is being created for Drugs, medicines, diagnostic kits or equipment specified in List 4 with modifications in the list]</i>	S. No. 167	31.3.2029
6	Drugs, Medicines or Food for Special Medical Purposes (FSMP) used for treatment of rare disease	S. No. 167A S. No. 607B	31.3.2029
7	Good specified in List 36 imported by testing agencies specified in List 37, for the purpose of testing and/or certification	S. No. 532A	31.3.2029
8	Crude Glycerin for use in manufacture of Epichlorohydrin	S. No. 81A	31.3.2027
9	Denatured ethyl alcohol for use in manufacture of industrial chemicals	S. No. 104B	31.3.2027
10	Fish meal for use in manufacture of aquatic feed	S. No. 104C	31.3.2027
11	Goods for the manufacture of telecommunication	S. No. 168,	31.3.2027

	grade optical fibres or optical fibre cables	S. No. 341, S. No. 341A	
12	Textile machinery (<i>with addition of two new machinery</i>)	S. No. 460 S. No. 460A S. No. 460B S. No. 460C S. No. 460D	31.3.2027
13	Parts and components for use in manufacturing of textile machineries	S. No. 460E	31.3.2027
14	Goods for use in the manufacture of open cell of LCD and LED TV panel	S. No. 515B	31.3.2027
15	Seeds for use in manufacturing of rough Lab-Grown Diamonds <i>[IGCR condition is being removed]</i>	S. No. 345B	31.3.2026
16	Parts of wind operated electricity generators, for the manufacture or the maintenance of wind operated electricity generators <i>[The entry has been modified]</i>	S. No. 405	31.3.2026
17	Permanent magnets for manufacture of PM synchronous generators above 500KW for use in wind operated electricity generators	S. No. 406	31.3.2026
18	Heat Coil for use in the manufacture of Electric Kitchen Chimneys falling under tariff item 84146000	S. No. 489AA	To lapse on 1.4.2025.

OTHER CHANGES IN CUSTOMS NOTIFICATIONS

1. Amendment to Notification No. 153/1994 – Customs dated 13.07.1994

Notification No. 153/94-Customs dated 13.07.1994 is being amended to extend the time limit from six months to one year, further extendable by one year in respect of railway goods classified under chapter 86. *[Notification No. 13/2025-Customs dated 1st February, 2025 refers]*

2. Amendment of Notification No. 50/2017– Customs dated 30.6.2017

- (i) The entry at S.No.257A is being amended to add 9 groups of items in the list of goods which can be imported duty free for use in the manufacture of handicrafts goods for exports. In addition the time period for export of goods is being extended from six months to one year which may be extended by jurisdictional Commissioner for a period of three months.
- (ii) The entry at S.No.539 is being amended to include ground installation for satellites including its spares and consumables.
- (iii) The entry at 539A is being amended to fully exempt goods used in the building of launch vehicles and launching of satellites

[Notification No. 5/2025-Customs dated 1st February, 2025 refers]

3. Amendment of Notification No. 16/2017-Customs dated 20.04.2017

Notification No. 16/2017-Customs dated 20.04.2017 is being amended to add 37 more drugs /medicines along with 13 new patient assistance programmes.

[Notification No. 9/2025-Customs dated 1st February, 2025 refers]

LEGISLATIVE CHANGES - GOODS AND SERVICES TAX

Note: (a) CGST Act means Central Goods and Services Tax Act, 2017

(b) Amendments carried out through the Finance Bill, 2025 will come into effect from the date when the same will be notified concurrently, unless specified otherwise, as far as possible, with the corresponding amendments to the similar Acts passed by the States & Union territories with legislature.

AMENDMENTS IN THE CGST ACT, 2017:

Vide Clauses 116 to 129, amendments have been proposed to the Central Goods and Services Tax Act, 2017. The changes are briefly summarised below:

1. Amendments in Section 2 of the CGST Act, 2017:

- (i) Clause (61) is being amended to explicitly provide for distribution of input tax credit by the Input Service Distributor in respect of inter-state supplies on which tax has to be paid on reverse charge basis, by inserting reference to sub-section (3) and sub-section (4) of Section 5 of Integrated Goods and Services Tax Act. This amendment will be effective from 1st April, 2025.
- (ii) Clause (69) (c) is being amended to insert an Explanation to provide for definitions of the terms 'Local Fund' and 'Municipal Fund' used in the definition of "local authority" under the said clause so as to clarify the scope of the said terms.
- (iii) A new clause (112A) is being inserted to provide definition of Unique Identification Marking for implementation of Track and Trace Mechanism

2. Amendments in Section 12 and 13 of the CGST Act, 2017

Sub-section (4) of Section 12 and sub-section (4) of Section 13 relating to time of supply in respect of Vouchers is being omitted.

3. Amendments in Section 17 of the CGST Act, 2017

Clause (d) of sub-section (5) is being amended to substitute the words "plant or machinery" with the words "plant and machinery" with effect from 1st July, 2017.

4. Amendments in Section 20 of the CGST Act, 2017

Section 20(1) and Section 20(2) are being amended to explicitly provide for distribution of input tax credit by the Input Service Distributor in respect of inter-state supplies, on which tax has to be paid on reverse charge basis, by inserting reference to sub-section (3) and sub-section (4) of Section 5 of Integrated Goods and Services Tax

Act in sub-section (1) of section 20. The amendment will be effective from 1st April, 2025.

5. Amendments in Section 34 of the CGST Act, 2017

The Proviso to sub-section (2) is being amended to explicitly provide for requirement of reversal of corresponding input tax credit in respect of a credit-note, if availed, by the registered recipient, for the purpose of reduction of tax liability of the supplier in respect of the said credit note.

6. Amendments in Section 38 of the CGST Act, 2017

- a) Section 38(1) is being amended to omit the expression "auto-generated".
- b) Section 38(2) is being amended to omit the expression "auto-generated" and to insert the expression "including" after the words "by the recipient" in clause (b) to make the said clause more inclusive
- c) Section 38(2) is also being amended to insert a new clause (c) to provide an enabling clause to prescribe other details to be made available in statement of input tax credit

7. Amendments in Section 39 of the CGST Act, 2017

Section 39(1) is being amended to provide an enabling clause to prescribe certain conditions and restriction for filing of return

8. Amendments in Section 107 and 112 of the CGST Act, 2017

- (i) Section 107(6) is being amended to provide for 10% mandatory pre-deposit of penalty amount for appeals before Appellate Authority in cases involving only demand of penalty without any demand for tax
- (ii) Section 112(8) is amended to provide for 10% mandatory pre-deposit of penalty amount for appeals before Appellate Tribunal in cases involving only demand of penalty without any demand for tax

9. Insertion of a new section 122B of the CGST Act, 2017

A new Section 122B is being inserted to provide penalties for contraventions of provisions related to the Track and Trace Mechanism provided under Section 148A

10. Insertion of a new Section 148A of the CGST Act, 2017

Section 148A is being inserted to provide for enabling mechanism for a Track and Trace Mechanism for specified commodities.

11. Amendments in Schedule III of the CGST Act, 2017

Schedule III is being amended, w.e.f. 01.7.2017 to, -

- (i) insert a new Entry (aa) in paragraph 8 to provide that the supply of goods warehoused in a Special Economic Zone or in a Free Trade Warehousing Zone to any person before clearance for exports or to the Domestic Tariff Area shall be treated neither as supply of goods nor as supply of services.
- (ii) Amend Explanation 2, w.e.f. 01.07.2017 to clarify that the said explanation would be applicable in respect of entry (a) of paragraph 8.
- (iii) Insert Explanation 3 to define the terms 'Special Economic Zone', 'Free Trade Warehousing Zone' and 'Domestic Tariff Area', for the purpose of the proposed entry (aa) in paragraph 8.
- (iv) To provide that no refund of tax already paid will be available for the transactions referred above
