



CENTRAL EXCISE & CUSTOMS

Budget Analysis 2017-18

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- **CHAPTER 38 and 39 : Chemical and Plastic Products**

Excise duty is being exempted from 12.5% on Catalyst (38159000) and Resin (39094090) for used in Manufacture of Cast component of wind operated electricity generator.

Excise duty on Membrane sheet and Tricot/shaper (39211900) use in Reverse Osmosis is reduced from 12.5 % to 6%.

- **CHAPTER 70 : Glass & Glassware**

Excise Duty exemption on Solar tempered glass used in manufacture of solar equipment's has been withdrawn and 6% concessional excise duty rate is imposed.

Excise duty is being reduced from 12.5% to 6% on parts/raw material used in manufacture of solar tempered glass.

- **CHAPTER 71 : Pearls and Precious Stones**

Excise duty was exempted on waste and scrap of precious metals or metals clad, strips, wires, sheets, plates and foils of silver, articles of silver jewellery, silver coins of purity 99.9% bearing a brand name .

Now Exemption is available subject to condition of non-availment of Cenvat Credit on inputs, CG and input services.

- **CHAPTER 84 to 85 : Machinery – Mechanical & Electrical/Electronic**

Excise duty is exempted on Micro ATMs, Fingerprints readers/Scanner, Iris Scanner and parts, component thereof.

Excise duty is exempted on miniaturized POS and parts, component thereof.

- **CHAPTER 87 : Motor Vehicles, Trailers, Tanks etc**

Tariff rate is reduced from 27% to 12.5%, effective duty continued @12.5%.

- **Miscellaneous:**

6% Excise duty is prescribed for all Machinery required for Fuel cell based system for generation of power.

6% Excise duty is prescribed for all Machinery required for balance of systems operating on bio gas/ bio methane / byproduct hydrogen.

6% Excise duty is prescribed for LED driver and Metal core printed circuit board for use in the manufacture of LED lights and fixtures or LED Lamps.

All concessional excise duty valid till 30th June 2017.



• CHAPTER 21 and 24 : Tobacco products

Amendments involving change in the duty rates
which will come into effect immediately

S. No.	Commodity	Rate of duty	
		From	To
A.	Tobacco and Tobacco Products		
1	Cigar and cheroots	12.5% or Rs. 3755 per thousand, whichever is higher	12.5% or Rs. 4006 per thousand, whichever is higher
2	Cigarillos	12.5% or Rs. 3755 per thousand, whichever is higher	12.5% or Rs. 4006 per thousand, whichever is higher
3	Cigarettes of tobacco substitutes	Rs. 3755 per thousand	Rs. 4006 per thousand
4	Cigarillos of tobacco substitutes	12.5% or Rs. 3755 per thousand, whichever is higher	12.5% or Rs. 4006 per thousand, whichever is higher
5	Others of tobacco substitutes	12.5% or Rs. 3755 per thousand, whichever is higher	12.5% or Rs. 4006 per thousand, whichever is higher



- CHAPTER 21 and 24 : Tobacco products**

Amendments involving change in the duty rates - Other

S. No.	Commodity	Rate of duty	
		From	To
A.	Tobacco and Tobacco Products		
1	Paper rolled biris – Handmade	Rs. 21 per thousand	Rs. 28 per thousand
2	Paper rolled biris – Machine made	Rs. 21 per thousand	Rs. 78 per thousand

CHAPTER 21 and 24 : Tobacco products

Amendments involving change in the duty rates which will come into effect immediately

S. No.	Commodity	Rate of duty	
		From	To
A.	Tobacco and Tobacco Products		
1	Non-filter Cigarettes of length not exceeding 65mm	Rs.215 per thousand	Rs.311 per thousand
2	Non-filter Cigarettes of length exceeding 65mm but not exceeding 70mm	Rs.370 per thousand	Rs.541 per thousand
3	Filter Cigarettes of length not exceeding 65mm	Rs.215 per thousand	Rs.311 per thousand
4	Filter Cigarettes of length exceeding 65mm but not exceeding 70mm	Rs.260 per thousand	Rs.386 per thousand
5	Filter Cigarettes of length exceeding 70mm but not exceeding 75mm	Rs.370 per thousand	Rs.541 per thousand
6	Other Cigarettes	Rs.560 per thousand	Rs.811 per thousand
7	Chewing tobacco (including filter khaini)	10%	12%
8	Jarda scented tobacco	10%	12%
9	Pan Masala containing Tobacco (Gutkha)	10%	12%



- CHAPTER 21 and 24 : Tobacco products**

Amendments involving change in the duty rates - Other

S. No.	Commodity	Rate of duty	
		From	To
A.	Pan Masala	6%	9%
B.	Tobacco and Tobacco Products		
1	Unmanufactured tobacco	4.20%	8.30%



- **CHAPTER 31 : Fertilizers**

Goods falling under chapter 3101 when used as fertilizer were exempt and now taxable @ 1%.



EOU can now import/procure indigenously inputs at concessional /NIL BCD, excise duty or CVD or SAD under IGCRD or Central Excise (Removal of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 2001 without following the procedures under the said goods.

Clarification is issued that exemption under section 5A will be applicable to goods manufactured in EOU and cleared in DTA and not applicable to inputs and RM procured (indigenously or imported).



CENTRAL EXCISE RULES, 2002 – Rule 21

Defined time frame to decide the remission of duty.

Now three months' time limit has been decided for granting remission of duty from the date of application.

The said period can also be extended up to 6 months by next higher authority only on sufficient cause being shown and reasons to be recorded in writing.



CENVAT CREDIT RULES, 2004 - Rule 6 (3D)

Explanation for reversal of Cenvat credit under rule 6 excludes value of services by way of extending deposits, Loans, Interest etc.

Proviso has been inserted to exclude banking company and a financial institution including a non-banking financial company from its ambit.



CENVAT CREDIT RULES, 2004 - Rule 10 (4)

New sub rule inserted to defined time frame of three months for approval of transfer of Cenvat credit by Principal Commissioner / Commissioner.

Further the time limit can be extended up to 6 months on sufficient cause being shown and reasons to be recorded in writing.



CUSTOMS - TAX RATES

CUSTOMS



CUSTOMS Tariff

- **CHAPTER 8 : Vegetables, Fruits, Nuts, Etc**
BCD rate on Cashew nut, roasted, salted or roasted and salted (20081910) is being increased from 30% to 45%
- **CHAPTER 27 : Mineral fuels, Mineral oils, etc**
BCD Rate on Liquefied Natural Gas – LNG (2711 1100) has been reduced to 2.5% from 5%
- **CHAPTER 28 : Inorganic chemicals, Components of Precious Metals**
BCD rate on “Clay 2 Powder (Alumax) 28182090 for use in ceramic substrate for catalytic convertors” has been decreased from 7.5% to 5%



CUSTOMS – TAX RATES

- **CHAPTER 29 : Organic Chemicals**

BCD rate for o-Xylene 29024100 has been reduced from 2.5% to Nil

BCD for Anthraquinone (29146100) or 2-Ethyl Anthraquinone (29146990) for use in manufacture of Hydrogen Peroxide has been reduced from 7.5% to 2.5%

BCD rate for Purified Terephthalic Acid (PTA), Medium Quality Terephthalic Acid (MTA) and Qualified Terephthalic Acid (QTA) (29173600) has been reduced from 7.5% to 2.5%

- **CHAPTER 32 : Dyes, Colors, Paints, etc**

BCD rate on “Wattle extract” (3201200) and Myrobalan Fruit Extract (3201 9020) has been reduced from 7.5% to 2.5%



CUSTOMS – TAX RATES

- **CHAPTER 34 : Soap and Organic surface actives, Waxes, etc**

BCD rate has been decreased from 10% to 7.5% for “Vinyl Polyethylene Glycol (3404200) for use in manufacture of Poly Carboxylate Ether”

- **CHAPTER 38 & 39 : Chemical and Plastic products**

BCD rate has been decreased from 7.5% to 5% for Catalyst (3815900) and Resin (3909 4090) for use in the manufacture of cast components of Wind Operated Electricity Generator.

SAD on Catalyst and Resin used as above is reduced from 4% from 0%



CUSTOMS – TAX RATES

- **CHAPTER 54 : Manmade filaments, textiles, etc**

BCD rate on “Monofilament yarn” (5404 1990) has been reduced from 7.5% to 5%

- **CHAPTER 70 : Glass & Glassware**

BCD rate has been decreased from 5% to NIL for “Solar tempered glass or solar tempered (anti-reflective coated) glass for use in manufacture of solar cells/panels/modules”

- **CHAPTER 71 : Pearls & Precious stones**

CVD is being charged @ 12.5% from NIL for Silver medallion, silver coins having content not below 99.9%, semi-manufactured from of silver and articles of silver



CUSTOMS – TAX RATES

- **CHAPTER 72 : Iron & Steel**

BCD rate on “Hot rolled coils (7208) for use in manufacture of welded tubes and pipes falling under heading 7305 or 7306” has been reduced from 12.5% to 10%

BCD rate on “Co-polymer coated MS tapes / stainless steel tapes for use in manufacture of telecommunication grade optical fibres or optical fibre cables” has been increased from NIL to 10%

BCD rate on “Magnesium Oxide (MgO) coated cold rolled steel coils 72251990 for use in manufacture of cold rolled grain oriented steel (CRGO) falling under 7225 11 00” has been reduced from 10% to 5%

- **CHAPTER 75 : Nickel & Articles thereof**

BCD rate has been decreased from 2.5% to NIL



CUSTOMS – TAX RATES

- **CHAPTER 84 : Machinery, Mechanical & electrical/Electronic**

BCD on Reverse Osmosis (RO) element for household type filters falling under tariff 84219900 is increased from 7.5% to 10%. However, all other goods falling under 84219900 will attract BCD @ 7.5%

BCD has been reduced from 7.5% to 2.5% subject to actual user condition Ball screws, Linear Motion Guides and CNC Systems for use in the manufacture of CNC Lathes (tariff items 8458 11 00, 8458 91 00), Machining Centres (tariff items 8457 10 10, 8457 10 20) or all types of CNC machine tools falling under headings 8456 to 8463”



CUSTOMS – TAX RATES

- **CHAPTER 84 : Machinery, Mechanical & electrical/Electronic**

Basic Custom Duty (BCD), CVD (by way of excise duty exemption) and consequently SAD are being exempted on miniaturized POS card reader for MPOS (other than Mobile phone or Tablet Computer)

Basic Custom Duty (BCD), CVD (by way of excise duty exemption) and consequently SAD are being exempted on Micro ATMs as per standards version 1.5.1, fingerprint reader/scanner, and Iris Scanner

- **Imports through Post :**

Criteria for availing duty exemption has been changed from duty base of Rs. 100 to CIF value not more than Rs. 1000/- per consignment



CUSTOMS – TAX RATES

- **Miscellaneous :**
- Goods imported for Petroleum & coal bed methane operations which are not required for said purpose can be disposed on payment of customs duties. Assessable value for the same can be arrived after reducing the original value maximum to the extent of 70%
- Limit of duty free import of eligible items for manufacture of leather footwear or synthetic footwear or other leather products for use in the manufacture of said goods for exports has been increased from 3% to 5% of FOB value of Exports.
- BCD rate on all parts used for manufacture of LED lights or fixtures for LED Lights have been reduced to 5%



CUSTOMS – TAX RATES

- **Miscellaneous :**
 - BCD has been reduced from 10% / 7.5% on all machinery for setting up of Fuel Cell Based system for generation of power
 - BCD has been reduced from 10% / 7.5% on all machinery for systems operating on biogas or bio methane product

- **CHAPTER 26 : Ore, Slag and Ash**

Tariff rate for Export duty levied on Other Aluminum ores and concentrates (26060090) is prescribed @ 30% and Effective rate is 15%

All goods, other than Other Aluminum ores and concentrates attract “Nil” export duty



Thank You

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