



सत्यमेव जयते

GOVERNMENT OF INDIA

**MEMORANDUM
EXPLAINING THE PROVISIONS
IN
THE FINANCE BILL, 2025**

(Clauses referred to are clauses in the Bill)

CUSTOMS

Note:

- (a) “Basic Customs Duty (BCD)” means the customs duty levied under the Customs Act, 1962.
- (b) “Agriculture Infrastructure and Development Cess (AIDC)” means a duty of customs that is levied under Section 124 of the Finance Act, 2021.
- (c) “Health Cess” means a duty of customs that is levied under Section 141 of the Finance Act, 2020.
- (d) “Social Welfare Surcharge (SWS)” means a duty of customs that is levied under Section 110 of the Finance Act, 2018.
- (e) Clause Nos. in square brackets [] indicate the relevant clause of the Finance Bill, 2025.
- (f) Amendments carried out through the Finance Bill, 2025, will come into effect on the date of its enactment or from 1st May 2025 or as may be specified.

I. AMENDMENTS TO THE CUSTOMS ACT, 1962

S. No.	Amendment	Clause of the Finance Bill, 2025
	These changes will come into effect from the date of enactment of the Finance Bill, 2025	
(i)	Insertion of new sub section in Section 18	
	a) A new sub-section (1B) is being inserted in Section 18 of the Customs Act, 1962 so as 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 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.	[87]
	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.	[87]
(ii)	Insertion of New Section	
	A new section 18A is being inserted after Section 18 of the Customs Act, 1962 for voluntary revision of entry post clearance so that the importers and exporters may revise any entry that is made in relation	[88]

	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 allowing payment of duty or treating the revised entry as a refund claim under section 27. It also provides for certain cases where this section will not apply.	
(iii)	Insertion of new Explanation in Section 27(1)	
	A new Explanation is being inserted in sub-section (1) of section 27 of the Customs Act, 1962, 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.	[89]
(iv)	Insertion of new clause in Explanation 1 of Section 28	
	A new clause is being inserted in Explanation 1 of section 28 of the Customs Act, 1962, wherein, the relevant date in the case where duty is paid under the revised entry under section 18A is the date of payment of duty or interest.	[90]
(v)	Insertion of new clause in Section 127A	
	A new clause is being inserted after clause (d) and (e) in section 127A of the Customs Act, 1962, to define Interim Board, Member of the Interim Board and pending applications.	[91]
(vi)	Insertion of new provisos in Section 127B	
	Two new provisos are being inserted after sub-section (5) in section 127B of the Customs Act, 1962 to provide end date for receipt of applications under this section.	[92]
(vii)	Insertion of new sub-section in Section 127C	
	A new sub-section is being inserted after sub-section (11) in section 127C of the Customs Act, 1962, providing time limit for extension by the interim board.	[93]
(viii)	Insertion of new sub-section in Section 127D	
	A new sub-section is being inserted after sub-section (2) in section 127D of the Customs Act, 1962, 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.	[94]

(ix)	Insertion of new sub-section in Section 127F	
	A new sub-section is being inserted after sub-section (4) in section 127F of the Customs Act, 1962, providing that the powers and functions of Settlement Commission shall be exercised or performed by the Interim Board.	[95]
(x)	Insertion of Proviso to Section 127G	
	A proviso to section 127G of the Customs Act, 1962 is being inserted providing that the powers and functions of Settlement Commission shall be exercised or performed by the Interim Board.	[96]
(xi)	Insertion of new sub section in Section 127H	
	A new sub-section is being inserted after sub-section (3) in section 127H of the Customs Act, 1962 providing that the powers and functions of Settlement Commission shall be exercised or performed by the Interim Board.	[97]

II. AMENDMENTS TO THE CUSTOMS TARIFF ACT, 1975

S. No.	Amendment to section	Clause of the Finance Bill, 2025
1.	<p>The First Schedule to the Customs Tariff Act, 1975 is proposed to be amended to, -</p> <ul style="list-style-type: none"> a) reduce the tariff rate from 25%, 30%, 35%,40% to 20% b) reduce the tariff rate from 150%, 125%,100% to 70% c) reduce the tariff rate on certain items d) tariffise effective rates in the Schedule e) create new tariff items based on process (parboiled, others) and on variety (rice recognized by Geographical Identification Registry, basmati, others) under sub-heading 1006 30 f) create new tariff items under ‘Makhana’ products (popped, flour and powder, others) and consequent re-numbering of existing entries under sub-heading 2008 19 g) 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 h) create new tariff items for identification of certain dual-use chemical for non-pesticidal use in chapter 28 	[98]

S. No.	Amendment to section	Clause of the Finance Bill, 2025
	i) 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 j) create new tariff items and supplementary notes for identification of certain technical-grade pesticides and certain goods covered by International Conventions in chapter 38 k) 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 l) changes in heading 8112 to align with WCO HS 2022 m) changes in sub-heading note 2 to chapter 85 to align with WCO HS 2022 [These changes will be effective from 1st May, 2025]	

[Objective:

A: To implement rationalisation of customs tariff structure and reduction of rate slabs

B: For better identification of goods; to align tariff lines with WCO classification]

III. AMENDMENTS TO DUTY RATES IN FIRST SCHEDULE TO THE CUSTOMS TARIFF ACT, 1975

A.	Increase in Tariff rate (to be effective from 02.02.2025) * [Clause 98 (a) of the Finance Bill, 2025]		Rate of Duty	
	<i>*Will come into effect immediately through a declaration under the Provisional Collection of Taxes Act, 2023</i>			
S. No.	Tariff item	Commodity	From	To
	Textile			
1.	6004 10 00 6004 90 00 6006 22 00 6006 31 00 6006 32 00 6006 33 00 6006 34 00 6006 42 00	Knitted Fabrics	20%/10%	20% or Rs115/kg, whichever is higher

	6006 90 00			
IT & Electronics sector				
2.	8528 59 00	Interactive Flat Panel Displays (Completely Built Units)	10%	20%
B.	Decrease in Tariff rate (to be effective from 01.05.2025 unless otherwise specified) * [Clause 98 (b) of the Finance Bill, 2025]		Rate of Duty	
	<i>Note: These changes will be effective from 2nd February, 2025 by issuance of notification.</i>			
S. No.	Heading, sub-heading, tariff item	Commodity	From	To
1.	25151100 2515 12	Marble and travertine, crude or roughly trimmed, merely cut into blocks, slabs and other	40%	20%
2.	2516 11 00 2516 12 00	Granite, crude or roughly trimmed, merely cut into blocks, slabs and other	40%	20%
3.	2933 59	Other compounds containing a pyrimidine ring (whether or not hydrogenated) or piperazine ring in the structure	10%	7.5%
4.	3302 10	Synthetic flavouring essences and mixtures of odoriferous substances of a kind used in food and drink industries	100%	20%
5.	3406	Candles, tapers and the like	25%	20%
6.	3822 90	Reference Materials	30%	10%
7.	3824 60	Sorbitol other than that of sub-heading 2905 44	30%	20%
8.	3920	Other, plates, sheets, films, foil and strip, of plastics, non-cellular and not reinforced, laminated, supported or similarly combined with other materials	25%	20%

9.	3921	Other plates, sheet, film, foil and strip of plastics	25%	20%
10.	6401	Waterproof Footwear with outer soles and Uppers of Rubber or of plastics, the uppers of which are neither fixed to the sole nor assembled by stitching, riveting, nailing, screwing, plugging or similar processes	35%	20%
11.	6402	Other footwear with outer soles and uppers of rubber or plastics	35%	20%
12.	6403	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather	35%	20%
13.	6404	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of textile materials	35%	20%
14.	6405	Other Footwear	35%	20%
15.	6802 10 00 6802 21 10 6802 21 20 6802 21 90 6802 23 10 6802 23 90 6802 29 00 6802 91 00 6802 92 00 6802 93 00	Worked monumental or building stone	40%	20%
16.	7113	Articles of Jewellery and parts thereof	25%	20%
17.	7114	Articles of goldsmiths' and silversmiths' ware's and parts thereof	25%	20%
18.	7404 00 12 7404 00 19	Copper Waste and Scrap	2.5%	Nil

	7404 00 22			
19.	8002	Tin Waste and Scrap	5%	Nil
20.	8101 97 00	Tungsten Waste and Scrap	5%	Nil
21.	8102 97 00	Molybdenum Waste and Scrap	5%	Nil
22.	8103 30 00	Tantalum Waste and Scrap	5%	Nil
23.	8105 30 00	Cobalt Waste and Scrap	5%	Nil
24.	8106 90 10	Waste and Scrap of Bismuth and Bismuth alloys	5%	Nil
25.	8109 31 00, 8109 39 00	Zirconium Waste and Scrap	10%	Nil
26.	8110 20 00	Antimony Waste and Scrap	2.5%	Nil
27.	8112 13 00	Beryllium Waste and Scrap	5%	Nil
28.	8112 41 20	Rhenium Waste and Scrap	10%	Nil
29.	8112 61 00	Cadmium Waste and Scrap	5%	Nil
30.	8541 42 00	Solar Cells	25%	20%
31.	8541 43 00 8541 49 00	Solar Module and Other semiconductor devices and photovoltaic cells	40%	20%
32.	8702	Motor vehicles for transport of 10 or more persons	40%	20%
33.	8703	Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading 8702)	125%	70%
34.	8704	Motor vehicles for transport of goods	40%	20%
35.	8711	Motorcycles and cycles fitted with an auxiliary motor with or without side-car	100%	70%
36.	8712 00 10	Bicycles	35%	20%

37.	8903	Yachts and other vessels for pleasure or sports; rowing boats and canoes	25%	20%
38.	9028 30 10	Electricity meters for alternating current (Smart meter)	25%	20%
39.	9401	Seats (other than those of headings 9402), whether or not convertible into beds, and parts thereof	25%	20%
40.	9403	Other furniture and parts thereof	25%	20%
41.	9404	Mattress supports, articles of bedding and similar furnishing etc.	25%	20%
42.	9405	Luminaries and lighting fittings including searchlights and spotlights and parts thereof etc.	25%	20%
43.	9503 00 91	Parts of electronic toys	70%	20%
44.	9802 00 00	Laboratory Chemicals	150%	70%
45.	9803 00 00	All dutiable articles, imported by a passenger or a member of a crew in his baggage	100%	70%
46.	9804 00 00	All dutiable goods imported for personal use.	35%	20%
C.	Tariff rate changes (without change in existing effective rate of duty) to be effective from 01.05.2025 unless otherwise specified [Clause 98 (b) of the Finance Bill, 2025]		Rate of Duty	
S. No.	Heading, sub-heading tariff item	Commodity	From	To
1.	1520 00 00	Glycerol Crude, glycerol waters, glycerol lye	30%	20%
2.	2603 00 00	Copper Ores and concentrates	2.5%	Nil
3.	2605 00 00	Cobalt Ores and concentrates	2.5%	Nil

4.	2609 00 00	Tin Ores and concentrates	2.5%	Nil
5.	2611 00 00	Tungsten Ores and concentrates	2.5%	Nil
6.	2613 00 00	Molybdenum Ores and concentrates	2.5%	Nil
7.	2615 10 00	Zirconium Ores and concentrates	2.5%	Nil
8.	2615 90 10	Vanadium Ores and concentrates	2.5%	Nil
9.	2615 90 20	Niobium or Tantalum Ores and concentrates	2.5%	Nil
10.	2617 10 00	Antimony Ores and Concentrates	2.5%	Nil
11.	2711 12 00	Liquefied Propane	15%	2.5%
12.	2711 13 00	Liquefied Butane	15%	2.5%
13.	27 11 19 10	LPG (for non-automotive purpose)	15%	5%
14.	2711 19 20	LPG (for automotive purpose)	15%	5%
15.	2711 19 90	Other liquified petroleum gas	15%	5%
16.	2809 20 10	Phosphoric Acid	20%	7.5%
17.	2810 00 20	Boric Acid	27.5%	7.5%
18.	3824 99 00	Other – Prepared Binders, chemical products and preparations of chemical or allied industries	17.5%	7.5%
19.	7210 12 10	OTS/MR type-flat rolled products of thickness less than 0.5 mm	27.5%	15%
20.	7210 12 90	Other flat rolled products of thickness less than 0.5 mm	27.5%	15%
21.	7219 12 00	Hot-rolled products in coils of thickness greater than or equal to 4.75 mm, but not exceeding 10 mm	22.5%	15%

22.	7219 13 00	Hot-rolled products in coils of thickness greater than or equal to 3 mm but less than 4.75 mm	22.5%	15%
23.	7219 21 90	Flat rolled products of stainless steel of width 600 mm or more - Other nickel chromium austenitic type	22.5%	15%
24.	7219 90 90	Flat rolled products of stainless steel of width 600 mm or more - Other sheets and plates	22.5%	15%
25.	7225 11 00	Flat-rolled products of other alloy steel - grain oriented, silicon electrical steel	20%	15%
26.	7307 29 00	Other tube or pipe fittings of stainless steel	25%	15%
27.	7307 99 90	Other fittings of iron or steel, non-galvanised	25%	15%
28.	7308 90 90	Other structure and parts of structures of iron and steel	25%	15%
29.	7310 29 90	Others-tanks and drums etc.	25%	15%
30.	7318 15 00	Other screws and bolts whether or with nuts or washers	25%	15%
31.	7318 16 00	Threaded nuts	25%	15%
32.	7318 29 90	Other non-threaded articles	25%	15%
33.	7320 90 90	Other springs and leaves of iron/steel	25%	15%
34.	7325 99 99	Other cast articles of iron or steel	25%	15%
35.	7326 19 90	Others - forged or stamped articles of iron or steel but not further worked	25%	15%
36.	7326 90 99	Miscellaneous other articles of iron/steel	25%	15%
37.	8001	Unwrought Tin	5%	Nil
38.	8101 94 00	Unwrought tungsten, including bars and rods obtained simply by sintering	5%	Nil
39.	8102 94 00	Unwrought molybdenum, including bars and rods obtained simply by sintering	5%	Nil

40.	8103 20	Unwrought tantalum, including bars and rods obtained simply by sintering, powders	5%	Nil
41.	8105 20 20	Cobalt, unwrought	5%	Nil
42.	8106 10 10	Bismuth, unwrought	5%	Nil
43.	8109 21 00	Unwrought zirconium, powders, containing less than 1 part hafnium to 500 parts zirconium by weight	10%	Nil
44.	8110 10 00	Unwrought antimony, powders	2.5%	Nil
45.	8112 12 00	Beryllium unwrought, powders	5%	Nil
46.	8112 31	Hafnium unwrought, waste and scrap, powders	10%	Nil
47.	8112 41 10	Rhenium unwrought	10%	Nil
48.	8112 69 10	Cadmium unwrought, Powders	5%	Nil
49.	8112 69 20	Cadmium, wrought	5%	Nil

IV. OTHER PROPOSALS INVOLVING CHANGES IN BASIC CUSTOMS DUTY RATES IN NOTIFICATIONS

A.		Changes in Basic Customs Duty (to be effective from 02.02.2025)			Rates of Duty	
S. No.	Chapter, Heading, sub-heading, tariff item	Commodity	From	To		
		Aquafarming & Marine Exports				
1.	0304 99 00	Frozen Fish Paste (Surimi) for use in manufacture of Surimi Analogue products, for export	30%	5%		
2.	2301 20	Fish Hydrolysate for use in manufacture of aquatic feed	15%	5%		
		Leather				
3.	4104 11 00 4104 19 00 4105 10 00 4106 21 00 4106 31 00 4106 91 00	Wet blue leather (hides and skins)	10%	Nil		

		Gems and Jewellery Sector		
4.	7113	Platinum Findings	25%	5%
		Metal Scrap & Lithium-Ion Battery Waste and Scrap		
5.	7802	Lead waste and scrap	5%	Nil
6.	7902	Zinc waste and scrap	5%	Nil
7.	8105 20 30	Cobalt powders	5%	Nil
8.	8549 13 00 8549 14 00 8549 19 00	Waste and scrap of Lithium-Ion Battery	5%	Nil
		IT and Electronics Sector		
9.	8517	Ethernet switches Carrier grade	20%	10%
10.	8524 8529	Open cell for Interactive Flat Panel Display Module with or without touch, Touch Glass Sheet and Touch Sensor PCB for the manufacture of the Interactive Flat Panel Display Module.	15%/10%	5%
11.	8529	Inputs and Parts of the Open Cells for use in the manufacture of Television Panels of LED/LCD TV.	2.5%	Nil
12.	Any chapter	Inputs or Parts/sub-parts for use in the manufacture of the Printed Circuit Board Assembly, Camera module and connectors of cellular mobile phones and inputs and raw materials for use in the manufacture of specified parts of cellular mobile phones i.e on Wired Headset, Microphone and Receiver, USB Cable and Fingerprint reader/Scanner of Cellular Mobile Phone.	2.5%	Nil
13.	Any chapter	Add 35 capital goods for use in the manufacture of lithium-ion battery of EVs and 28 capital goods for use in the manufacture of lithium-ion battery of mobile phones in the list of exempted capital goods	As applicable	Nil

14.	Any chapter	To amend entry S. No. 6D of Notification No. 57/2017-Customs and incorporate 'any chapter' in column (2) for goods used to manufacture mechanics of mobile phone	As applicable	10%
		Automobile		
15.	8702	Motor vehicles for transport of 10 or more persons	25%/40%	20%
16.	8703	Motor cars and other motor vehicles with CIF value more than US \$40,000 or with engine capacity more than 3000 cc for petrol run vehicles and more than 2500 cc for diesel run vehicles or with both	100%	70%
17.	8704	Motor vehicles for transport of goods	25%/40%	20%
18.	8711	Motor cycles with engine capacity not exceeding 1600cc in CBU form	50%	40%
19.	8711	Motor cycles with engine capacity not exceeding 1600cc in SKD form	25%	20%
20.	8711	Motor cycles with engine capacity not exceeding 1600cc in CKD form	15%	10%
21.	8711	Motor cycles with engine capacity of 1600cc and above in CBU form	50%	30%
22.	8711	Motor cycles with engine capacity of 1600cc and above in SKD form	25%	20%
23.	8711	Motor cycles with engine capacity of 1600cc and above in CKD form	15%	10%
		Toys		
24.	9503 00 91	Parts of electronic toys for manufacture of electronic toys	25%	20%

B.	Changes in Export Duty (To be effective from 2nd February, 2025)		Rate of Duty	
S. No.	Tariff item	Commodity	From	To
1.	4104 41 00 4104 49 00 4105 30 00 4106 22 00 4106 32 00 4106 92 00	Crust leather (hides and skins)	20%	Nil

V. AGRICULTURE INFRASTRUCTURE AND DEVELOPMENT CESS (AIDC)

Notification No. 11/2021 – Customs, dated 01.02.2021 is being amended to revise the AIDC rates on the following goods (w.e.f. 02.02.2025):

S. No.	Heading, sub-heading, tariff item	Commodity	Rate	
			From	To
1.	2515 11 00 2515 12	Marble and travertine, crude or roughly trimmed, merely cut into blocks, slabs and other	Nil	20%
2.	2516 11 00 2516 12 00	Granite, crude or roughly trimmed, merely cut into blocks, slabs and other	Nil	20%
3.	3406	Candles, Tapers and the like	Nil	7.5%
4.	3920 or 3921	PVC Flex Films, PVC Flex Sheets, PVC Flex Banner	Nil	7.5%
5.	6401	Waterproof Footwear with outer soles and Uppers of Rubber or Plastics	Nil	18.5%
6.	6402	Other Footwear With Outer Soles And Uppers of Rubber or Plastics	Nil	18.5%
7.	6403	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather	Nil	18.5%
8.	6404	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of textile materials	Nil	18.5%
9.	6405	Other Footwear	Nil	18.5%

10.	6802 10 00 6802 21 10 6802 21 20 6802 21 90 6802 91 00 6802 92 00	Marble Slab	Nil	20%
11.	7113	Platinum findings	Nil	1.4%
12.	8541 42 00	Solar Cells	Nil	7.5%
13.	8541 43 00 8541 49 00	Solar Module and Other semiconductor devices and photovoltaic cells	Nil	20%
14.	8702	Motor vehicles for transport of 10 or more persons	Nil	20%
15.	8702	Motor vehicles for transport of 10 or more persons when imported under S. No. 524 (1) (b) of the notification No. 50/2017-Customs	Nil	5%
16.	8702	Motor vehicles for transport of 10 or more persons when imported under S. No. 524 (2) of the notification No. 50/2017-Customs	Nil	20%
17.	8703	Used Motor vehicles	Nil	67.5%
18.	8703	Motor cars and other motor vehicles principally designed for the transport of persons in other than Completely Knocked Down and Semi Knocked Down form with CIF value exceeding USD 40,000	Nil	40%
19.	8704	Motor vehicles for transport of goods	Nil	20%
20.	8704	Motor vehicles for transport of goods when imported under S. No. 525 (1) (b) of the notification No. 50/2017- Customs	Nil	5%
21.	8704	Motor vehicles for transport of 10 or more persons when imported under S. No. 525 (2) of the notification No. 50/2017- Customs	Nil	20%
22.	8711	Used motorcycles and cycles fitted with an auxiliary motor with or without side-car	Nil	40%
23.	8712 00 10	Bicycles	Nil	15%
24.	8903	Yachts and other vessels for pleasure of sports	Nil	7.5%
25.	9028 30 10	Electricity meters for alternating current (Smart meter)	Nil	7.5%

26.	9401	Seats (other than those of headings 9402), whether or not convertible into beds, and parts thereof	Nil	5%
27.	9403	Other furniture and parts thereof	Nil	5%
28.	9404	Mattress supports, articles of bedding and similar furnishing etc.	Nil	5%
29.	9405	Luminaries and lighting fittings including searchlights and spotlights and parts thereof etc.	Nil	5%
30.	9503 00 91	Parts of electronic toys	Nil	20%
31.	9503 00 91	Parts of electronic toys for manufacture of electronic toys (<i>S. No. 591 of notification No. 50/2017-Customs dated 30.06.2017</i>)	Nil	7.5%
32.	9802 00 00	Laboratory Chemicals (other than those attracting 10% BCD for specified end use)	Nil	70%

VI. SOCIAL WELFARE SURCHARGE (SWS)

AMENDMENT TO NOTIFICATION NO. 11/2018 – CUSTOMS, DATED 02.02.2018 (w.e.f. 02.02.2025)

S. No.	Description
	Following goods are being exempted from levy of Social Welfare Surcharge
1.	Candles, tapers and the like
2.	PVC Flex Films including Flex Banner and PVC flex Sheets under headings 3920 or 3921
3.	Solar Cells
4.	Yachts and other vessels for pleasure of sports
5.	Electricity meters for alternating current (Smart meter)
6.	Seats (other than those of headings 9402), whether or not convertible into beds, and parts thereof
7.	Other furniture and parts thereof
8.	Mattress supports, articles of bedding and similar furnishing etc.
9.	Luminaries and lighting fittings including searchlights and spotlights and parts thereof etc.
10.	Parts of electronic toys
11.	Articles of gold/silver imported <i>vide</i> S. No. 356 and 357 of Notification No. 50/2017-customs dated 30.06.2017
12.	Waterproof Footwear with outer soles and Uppers of Rubber or Plastics
13.	Other Footwear with Outer Soles and Uppers of Rubber or Plastics

14.	Footwear with Outer Soles of Rubber, Plastics, Leather or Composition Leather and Uppers of Leather
15.	Footwear with Outer Soles of Rubber, Plastics, Leather or Composition Leather and Uppers of Textile Materials
16.	Other Footwear
17.	All dutiable goods imported for personal use and not exempted under any prohibition in respect of imports thereof under the Foreign Trade (Development and Regulations) (FTDR) Act, 1992.
18.	Solar Module and Other semiconductor devices and photovoltaic cells
19.	Motor vehicles for transport of 10 or more persons
20.	Motor vehicles for transport of goods
21.	Motor cars and other motor vehicles principally designed for the transport of persons in other than Completely Built Form with CIF value exceeding USD 40,000
22.	Motor cars and other motor vehicles which have been registered abroad before import into India i.e. Used Vehicles
23.	Used motorcycles and cycles fitted with an auxiliary motor with or without side-car
24.	Laboratory Chemicals under CTH 9802 00 00 (other than those attracting 10% BCD for specified end use)
25.	Dutiable articles imported by passenger or member of crew in his baggage classified under heading 9803

VII. Review of Customs duty Exemptions

A. Review of conditional exemption rates of BCD prescribed in notification No. 50/2017-Customs dated 30.6.2017:

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.

(1) The details of exemptions/concessional rates being extended with or without modifications:

S.No	Description	Entry No	End date
1	Ships and vessel 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

S.No	Description	Entry No	End date
3	Bulk drugs for manufacture of drugs or medicines <i>[A separate entry is being created for Drugs, medicines, diagnostic kits 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	Bulk drugs used in the manufacture of life saving drugs or medicines <i>[A separate entry is being created for Drugs, medicines, diagnostic kits 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 grade optical fibres or optical fibre cables	S. No. 168, S. No. 341, S. No. 341A	31.3.2027
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 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 also 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

Note: Description of entries is indicative. Notification may be referred to for complete description.

(2) The following entry is being allowed to lapse with effect from 01.04.2025:

S. No.	S. No. of 50/2017-Customs	Description
1.	489AA	Heat Coil for use in the manufacture of Electric Kitchen Chimneys falling under tariff item 84146000

(3) Other Changes in notification No. 50/2017 -Customs dated 30.6.2017

Certain entries are being modified as under:

S. No.	S. No. of 50/17-Cus	Brief Description
1.	257A	9 new groups of items such as sea shell, adhesive etc are being added to the list of duty free items for use in manufacture of handicrafts for export. The time period for export of the handicraft items is also being increased from 6 months to 1 year, further extended by another three months.
2.	539	BCD exemption is being extended to imports of ground installations for satellites and payloads and its spares and consumables of such installations.
3.	539A	BCD exemption is being provided on goods for use in the building of launch vehicles and launching of satellites

Note: Description of entries is indicative. Notification may be referred to for complete description.

B. Amendment of Notifications Nos. 16/2017-Customs dated 20.04.2017 and 153/94-Customs dated 13.07.1994

Notification No.	Brief Description
16/2017-customs dated 20.04.2017	The notification exempts specified drugs and medicines from the whole of the duty of customs leviable thereon subject to their being supplied free to cost to patients under Patient Assistance Programme (PAP) run by the pharmaceutical companies.

Notification No.	Brief Description
	37 new drugs and 13 patient assistance programmes are being added to the list
153/94-customs dated 13.07.1994	Currently, articles of foreign origin can be imported into India for maintenance, repair and overhauling subject to their export within six months extendable to 1 year. The duration for export in the case of railway goods imported for such purpose has been increased from 6 months to 1 year further extendable by 1 year

Note: *Description of entries is indicative. Notification may be referred to for complete description.*

VIII. Changes to IGCR (Import of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 2017

Rules 6 and 7 are being amended to increase the time limit for fulfilling end use from current six months to one year. Further, the importers will now have to file only a quarterly statement instead of monthly statement.

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.

I. AMENDMENTS IN THE CGST ACT, 2017:

S. No.	Amendment	Clause of the Finance Bill, 2025
1	Clause (61) of section 2 of the Central Goods and Services Tax Act 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.	[116]
2	Sub-clause (c) of clause (69) of section 2 is being amended to replace "municipal or local fund" with "municipal fund or local fund" and to insert an Explanation after the said sub-clause, 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.	[116]
3	A new clause (116A) is being inserted in section 2 to provide definition of Unique Identification Marking for implementation of Track and Trace Mechanism.	[116]
4	(i) Sub-section (4) of Section 12 relating to time of supply in respect of Vouchers is being deleted. (ii) Sub-section (4) of Section 13 relating to time of supply in respect of Vouchers is being deleted.	[117, 118]
5	Clause (d) of sub-section (5) of section 17 is being amended to substitute the words "plant or machinery" with words "plant and machinery". This amendment will be effective retrospectively from 1st July 2017, notwithstanding anything to the contrary contained in any judgment, decree or order of any court or any other authority.	[119]
6	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 said sub-sections of section 20 of Central Goods and Services Tax Act. The amendment will be effective from 1st April 2025.	[120]

S. No.	Amendment	Clause of the Finance Bill, 2025
7	Proviso to sub-section (2) of section 34 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.	[121]
8	Section 38(1) is being amended to omit the expression “auto generated” with respect to statement of input tax credit in the said sub-section.	[122]
9	Section 38(2) is being amended by omitting the expression “auto generated” with respect to statement of input tax credit in said sub-section and also to insert the expression “including” after the words “ <i>by the recipient</i> ” in clause (b) of said sub-section to make the said clause more inclusive.	[122]
10	Section 38(2) is being amended by inserting a new clause (c) in the said sub-section to provide for an enabling clause to prescribe other details to be made available in statement of input tax credit.	[122]
11	Section 39(1) is being amended so as to provide for an enabling clause to prescribe conditions and restriction for filing of return under the said sub-section.	[123]
12	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.	[124]
13	Section 112(8) is being 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.	[125]
14	New section 122B is being inserted to provide penalty for contraventions of provisions related to the Track and Trace Mechanism provided under section 148A.	[126]
15	New section 148A is being inserted to provide for an enabling mechanism for Track and Trace Mechanism for specified commodities.	[127]
16	Schedule III of CGST Act is being amended, w.e.f. 01.7.2017 by inserting a new clause (aa) in paragraph 8 of Schedule III of the Central Goods and Services Tax Act, 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.	[128]
17	It further seeks to amend Explanation 2 of Schedule III of the Central Goods and Services Tax Act, w.e.f. 01.07.2017 to clarify that the said explanation would be applicable in respect of clause (a) of paragraph 8 of the said Schedule.	[128]

S. No.	Amendment	Clause of the Finance Bill, 2025
18	It further seeks to amend Schedule III of CGST Act, w.e.f. 01.07.2017 by inserting Explanation 3 to define the terms ‘Special Economic Zone’, ‘Free Trade Warehousing Zone’ and ‘Domestic Tariff Area’, for the purpose of the proposed clause (aa) in paragraph 8 of said Schedule.	[128]
19	No refund of tax already paid will be available for the aforesaid activities or transactions referred to in clause 128.	[129]

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