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Tax and Law Practitioners

Key Highlights of Union Budget 2023

Changes under Customs & Excise



CHANGES IN CUSTOMS

The Finance Minister has introduced the Finance Bill, 2023 in Lok Sabha today, that is February 1, 2023. Changes in Customs, Central Excise, GST law and rates have been proposed through the Finance Bill, 2023.

To prescribe effective rates of duty, following notifications are being issued:

	Notification /Circular Nos.	Date
Customs (Tariff)	02/2022-Customs to 12/2022-Customs	February 1, 2023
Central Excise (Tariff)	05/2023-Central Excise	February 1, 2023

Unless otherwise stated, all changes in rates of duty will take effect from the midnight of February 1, 2023/February 2, 2023. Amendments have been proposed through clauses 123 and 124 of the Finance Bill to the Customs Act, 1962, through clauses 125, 126 and 127 of the Finance Bill to the Customs Tariff Act, 1975 and through clause 153 of the Finance Bill to section 136 of the Finance Act, 2001.

The changes proposed through clause 126(a) and clause 153 have been given immediate effect through a declaration under the Provisional Collection of Taxes Act, 1931. The other changes proposed in the Finance Bill would come into effect upon its enactment on the date of assent of the Bill or from the date specified in the Finance Bill.

This document summarises the changes made/ proposed under the Customs Act, 1962 and Central Excise Act, 1973 – Section wise in comparative manner for easy digest.

A. Highlights of Important Changes in Customs Act, 1962:

I. Basic Customs Duty ("BCD") rate structure:

- (a) As part of rationalization of customs duty rate structure, the number of basic customs duty rates on goods, other than textiles and agriculture, is being reduced. As a result, there are changes in the rates of BCD as well as in the rates of AIDC and/ or SWS.
- (b) The BCD is being increased on styrene, vinyl chloride monomer, toys and parts of toys (other than parts of electronic toys), bicycles, automobiles in SKD and CBU form, Silver bar, Silver dore and naphtha.

- (c) The BCD and the AIDC /SWS rates are being re- calibrated while maintaining the existing incidence of customs duties on gold, gold dore, platinum, coal, peat and lignite. Similarly the BCD and AIDC on aircraft (other than those at Nil or 2.5%) & aircraft tyres (other than those at Nil) are being re-calibrated while maintaining the same incidence of duty. These

changes will also be effective from February 2, 2023 through the relevant notifications.

II. Duty Rate chages

1. Chemicals and petrochemicals:

- (a) The BCD on denatured ethyl alcohol is being reduced from 5% to Nil for use in the manufacture of industrial chemicals through IGCR route.
- (b) The BCD on acid grade fluorspar (containing by weight more than 97% of calcium fluoride) is being reduced from 5% to 2.5% .
- (c) The BCD on crude glycerin is being reduced from 7.5% to 2.5% for use in manufacture of epichlorohydrin through IGCR route.
- (d) The BCD on Naphtha is being increased from 1% to 2.5%.
- (e) The BCD on styrene is being increased from 2 % to 2.5%.
- (f) The BCD on Vinyl Chloride monomer is being increased from 2% to 2.5%.

2. Precious Metals

- (a) The import duty on Dore and bar of gold and platinum were enhanced in June and October 2022 respectively. While maintaining the existing incidence of import duty on these items, the BCD rate and AIDC rates are being recalibrated. The import duty on silver bar and silver Dore is however being enhanced. The changes are as follows:

Commodity	BCD		AIDC		SWS		Total duty
	From	To	From	To	From	To	
Gold Bars	12.50%	10 %	2.50%	5.00%	Nil	Nil	15%
Gold Dore	11.85%	10 %	2.50%	4.35%	Nil	Nil	14.35%
Platinum	12.50%	10%	1.50%	5.40%	1.40	Nil	15.40%
Silver Bar	7.50%	10%	2.50%	5.00%	0.75	Nil	15%

Silver Dore	6.10%	10%	2.50%	4.35%	0.61	Nil	14.35%
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- (b) The import duty on articles made of precious metals falling under CTH 7113 & 7114 is being increased from 22% to 25%. It is however being exempted from SWS.
- (c) The import duty on imitation jewellery classified under Heading 7117 is being increased from 22% or Rs. 400/kg, whichever is higher' to '25% or Rs. 600/kg, whichever is higher'. It is however being exempted from SWS.

3. Export Promotion

- (a) The BCD on 'seeds' for use in manufacture of rough lab grown diamond is being reduced to Nil subject to IGCR condition for a period of two years.
- (b) The BCD on certain ingredients/inputs for use in the manufacture of aquatic feed is being reduced subject to IGCR condition as follows:

Description of goods	From	To
Fish meal	15%	5%
Krill meal	15%	5%
Fish lipid oil	30%	15%
Algal Prime (flour)	30%	15%
Mineral and Vitamin Premixes	15%	5%

4. Electronic goods

- (a) The BCD on camera lens for camera module and input/sub parts for lens of camera module of mobile phone is being reduced from 2.5% to Nil subject to IGCR condition.

- (b) Exemption from BCD is being provided to specified chemicals/items for manufacture of Pre-calcined Ferrite Powder as is available for Ferrites (S. No 17 of Notification no 25/1999 -Customs).
- (c) Exemption from BCD is being provided to Palladium Tetra Amine Sulphate for manufacture of parts of connectors as is available for manufacture of connectors. (S.No 225 of Notification no 25/1999 -Customs).
- (d) The BCD on parts for manufacture of open cells of TV panels is being reduced from 5% to 2.5% subject to IGCR condition.

5. Electrical appliances

- (a) The BCD on electric kitchen chimney is being increased from 7.5% to 15% .
- (b) The BCD on heat coils for use in manufacture of electric kitchen chimney is being reduced from 20% to 15% subject to IGCR condition.

6. Automobiles

- (a) Exemption from BCD is being provided to vehicles, specified automobile parts/components, sub-systems and tyres, when imported by notified testing agencies for the purpose of testing and/ or certification , subject to specified conditions.
- (b) The BCD on vehicle (including electric vehicles) in Semi-Knocked Down (SKD) form is being increased from 30% to 35%. However it is being exempted from SWS
- (c) The BCD on vehicles in Completely-Built Unit (CBU) form is being increased from 60% to 70%. However it is being exempted from SWS.

7. Capital Goods

- (a) Customs duty exemption is being provided to import of specified capital goods and machinery required for manufacture of lithium-ion cells for batteries used in electric vehicles as is available for manufacture of lithium-ion cells for batteries used in mobile handsets.(S.No 69 of Notification no 25/2002 -Customs)

8. Others

- (a) The BCD on bicycles is being increased from 30% to 35%. However it is being exempted from SWS.
- (b) The BCD on toys and its parts is being increased from 60% to 70%. However it is being exempted from SWS . There are no changes to the effective rate on parts covered under S. No 591 of Notification No. 50/2017-Customs.
- (c) The BCD on aircraft (other than those at Nil or 2.5%) and aircraft tyres (other than those at Nil) is being reduced from 3% to 2.5% but they will attract AIDC of 0.5%.
- (d) The BCD on coal, peat and lignite is being increased to 2.5% but these are being exempted from AIDC.
- (e) The BCD on compounded rubber is being increased from 10% to '25% or Rs. 30/kg whichever is lower'.
- (f) The BCD on pecan nuts is being reduced from 100% to 30%. The SWS exemption is being withdrawn.
- (g) The BCD on Warm blood horse imported by sports person of outstanding eminence for training purpose for equestrian sports is being reduced from 30% to Nil subject to conditions.

9. Social welfare surcharge (SWS)

The following goods are being exempted from levy of Social Welfare Surcharge in order to maintain the total effective duty owing to rationalization of basic customs duty rate structure:

1.	Silver (HSN 7106), Gold (HSN 7108) & Imitation Jewellery (HSN 7117)
2.	Platinum (HSN 7110) other than rhodium and goods covered under S. Nos. 415(a) and 415A of the Table annexed to the notification No. 50/2017-Customs, dated the June 30, 2017, published in the Gazette of India vide number G.S.R. 785(E), dated the June 30, 2017.

3	All goods falling under HSN 7113, other than the goods covered under S. Nos. 356, 357 and 364C of the Table in the notification No. 50/2017-Customs, dated June 30, 2017, published in the Gazette of India vide number G.S.R. 785(E), dated the June 30, 2017.
4.	All goods falling under HSN 7114, other than the goods covered under S. Nos. 356 and 357 of the Table in the notification No. 50/2017-Customs, dated the June 30, 2017, published in the Gazette of India vide number G.S.R. 785(E), dated the June 30, 2017.
5	Bicycles (HSN 8712 00 10)
6	Motor vehicle including electrically operated vehicles falling under HSN 8703 covered under S. No. 526 (1)(b), 526 (2)(b), 526A(1)(b) and 526A(2)(b) of the Table in Notification No. 50/2017-Customs dated the June 30, 2017, published in the Gazette of India vide no G.S.R. 785(E) dated the June 30, 2017.
7	Aeroplane and other aircrafts falling under tariff items 8802 2000, 8802 3000 and 8802 4000 covered under S. No. 543 A of the Table in Notification No. 50/2017-Customs dated the June 30, 2017, published in the Gazette of India vide no G.S.R. 785(E) dated the June 30, 2017.
8	Toys and parts of toys (HSN 9503) other than goods covered under S. No. 591 of the Table annexed to Notification No. 50/2017-Customs dated June 30, 2017

The following notifications are being rescinded on account of being redundant owing to BCD rate structure rationalization:

1	No. 13/2021-Customs, dated the February 1, 2021, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 71(E), dated the February 1, 2021
2	No. 34/2022-Customs, dated the June 30, 2022, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 487(E), dated the June 30, 2022

Note: Description of entries is indicative, notification may be referred for complete description.

10. Agriculture Infrastructure and Development Cess (AIDC)

(a) AIDC rate changes (with changes to the effective rate of customs duty)

S.No	Commodity	From	To
1.	Silver bar	2.5%	5%
2.	Silver Dore	2.5%	4.35%

Note: Description of entries is indicative, notification may be referred for complete description.

(b) Changes to AIDC (without any change to the effective rate of customs duty)

S. No	Commodity	From	To
1.	Coal, peat, lignite	1.5%	Nil
2.	New pneumatic tyres, of rubber , of a kind used on aircraft as mentioned in Entry 280 A of Notification No. 50/2017-Cus	Nil	0.5%
3.	Gold bar	2.5%	5%
4.	Gold Dore	2.5%	4.35%
5.	Platinum other than rhodium and goods covered under S. Nos. 415(a) and 415A of the Table in notification No. 50/2017-Customs, dated the 30th June, 2017.	1.5%	5.4%
6.	Aero planes and other aircraft covered under S.No. 543A of Notification No. 50/2017-Cus	Nil	0.5%

Note: Description of entries is indicative, notification may be referred for complete description.

11. Review of Exemptions

Out of 196 exemptions, 146 exemptions are being extended for a period of one year i.e. up to March 31, 2024 for the purpose of undertaking review. Of the remaining, a few are being extended for five years, two years and one year while some exemption entries are being discontinued with effect from March 31, 2023.

The details of exemption entries/ notifications extended by five years, two years and one year are as follows:

S. No	S.No.in Notificatio n No 50/2017- cus/ Notificatio n No	Commodity	From	To
Extended by five years upto March 31, 2028				
1.	S. No 609 of 50/2017- Customs	Used bonafide personal and household effects of a deceased person		
2.	33/2017- Customs	Exemption to import/reimport of challenge cups and trophies won by a unit of Defence Force or its members.		
3.	41/2017- Customs	Exemption to import of cups, trophies to be awarded to winning teams in international tournament /world cup to be held in India.		
4.	146/94- Customs	Exemption to import of specified sports goods imported by National Sports Federation or by a Sports person of outstanding eminence for training.		
5.	90/2009- Customs	Exemption to imports from Antarctica of goods used for or related to Indian Antarctic Expedition or Indian Polar Science Programme.		
Extended by two years upto March 31, 2025				

1.	168	Specific inputs and sub-parts for use in manufacture of telecommunication grade optical fibre or optical fibre cables	Nil	Nil
2.	341	Preform of silica for use in the manufacture of telecommunication grade optical fibres or optical fibre cables	5%	5%
3.	341A	Inputs for manufacture of Preform of silica	Nil	Nil
4.	405, 406	Raw materials and parts for manufacture of Wind operated electricity generators, including permanent magnets for manufacture of PM synchronous generators above 500KW for use in wind operated electricity operators	5%	5%
5.	559	Raw material and parts (including Dredger) for use in the manufacture of ships/vessels	Nil	Nil
6.	166	Specified Drugs, medicines, diagnostics kits	5%	5%
7.	167	Lifesaving drugs etc	Nil	Nil
Extended by one year upto March 31, 2024				
1.	368	Ferrous waste and scrap	Nil	Nil
2.	374,375	Raw materials for use in manufacture of CRGO steel	Nil	Nil
3.	527A	Lithium-ion cell for use in the manufacture of battery or battery pack of cellular mobile phone	5%	5%
4.	527B	Lithium-ion cell for use in the manufacture of battery or battery pack of electrically operated	5%	5%

		vehicle (EVs) or hybrid motor vehicle		
5.	237	Specified inputs for use in the manufacture of EVA sheet or back sheets which are used in the manufacture of solar cell or modules	Nil	Nil
6.	340	Solar tempered glass for use in the manufacture of solar cell or solar module	Nil	Nil

Note: Description of entries is indicative, notification may be referred for complete description.

B. Legislative changes in the Customs Act, 1962, Customs Tariff Act, 1975 and Rules made thereunder:

I. Amendment in Customs Act, 1962:

- (i) Section 25 of the Customs Act is being amended to insert a Proviso to subsection (4A) to provide that the validity of two years shall not apply to exemption notifications issued in relation to multilateral or bilateral trade agreements; obligations under international agreements, treaties, conventions; UN agencies, diplomats, international organizations; privileges of constitutional authorities; schemes under Foreign Trade Policy or other Central Government schemes having a validity of more than two years; re-imports, temporary imports, goods imported as gifts or personal baggage; any duty of customs imposed under any law in force including integrated tax leviable under sub-section 7 of Section 3 of the Customs Tariff Act, 1975, other than under Section 12 of the Customs Act;
- (ii) Section 127 C of the Customs Act is being amended to insert sub section (6) to specify a time limit of 9 months from the date of application, for disposal of the application filed before the Settlement Commission.

II. Amendments in Customs Tariff Act, 1975

- (i). Sections 9, 9A, 9 C of the Customs Tariff Act are being amended to clearly amplify the intent and scope of these provisions. They are also being validated retrospectively with effect from January 1, 1995.

- (ii). The First Schedule to the Customs Tariff Act, 1975 is being amended to introduce new tariff lines or modify existing tariff lines. The proposed changes are in chapter 3, chapter 4, chapter 9, chapter 10, chapter 12, chapter 13, chapter 19, chapter 27, chapter 29, chapter 31, chapter 38, chapter 39, chapter 48, chapter 52, chapter 54, chapter 57, chapter 61, chapter 62, chapter 63, chapter 69, chapter 71, chapter 84, chapter 85, and chapter 87. Changes which does not involve change in rate of duty would come into effect from May 1, 2023.
- (iii). The General explanatory note to the General Rules for interpretation of the Schedule is being amended to carry out some changes which inter alia, include changes to align the abbreviations and the tariff with complementary amendments to the HS 22. These changes would come into effect from May 1, 2023.
- (iv). The First Schedule to the Customs Tariff Act, 1975 is also being amended to modify the tariff rates on certain tariff items as part of rationalization of customs duty rate structure.

Wherever there are increase in duty rates, they would come into effect from February 2, 2023 and the others would come into effect from the date of assent of the Bill.

- (v). The Second Schedule is being amended to align the entries under heading 1202 with that of the First Schedule. These changes would come into effect from May 1, 2023.

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A. Proposed Amendments in the Customs Act, 1962 ("the Customs Act")

Current provisions	Proposed provisions	Effect of changes made
Clause 123 - Section – 25 (Power to grant exemption from duty)		
(4A) Where any exemption is granted subject to any condition under sub-section (1), such exemption shall, unless otherwise specified or varied or rescinded, be valid up to 31st day of March falling immediately after two years from the date of such grant or variation: Provided that in respect of any such exemption in force as on the date on which the Finance Bill, 2021 receives the assent of the President, the said period of two years shall be reckoned from the 1st day of February, 2021;	<i>Provided further that nothing contained in this subsection shall apply to any such exemption granted to, or in relation to,—</i> <i>(a) any multilateral or bilateral trade agreement;</i> <i>(b) obligations under international agreements, treaties, conventions or such other obligations including with respect to United Nations agencies, diplomats and international organisations;</i> <i>(c) privileges of constitutional authorities;</i> <i>(d) schemes under the Foreign Trade Policy;</i> <i>(e) the Central Government schemes having validity of more than two years;</i> <i>(f) re-imports, temporary imports, goods imported as gifts or personal baggage;</i> <i>(g) any duty of customs under any law for the time being in force, including integrated tax leviable under sub-section (7) of section 3 of the Customs Tariff Act, 1975, other than</i>	Section 25 of the Customs Act is being amended to insert a Proviso to subsection (4A) to provide that the validity of two years shall not apply to exemption notifications issued in relation to multilateral or bilateral trade agreements; obligations under international agreements, treaties, conventions; UN agencies, diplomats, international organizations; privileges of constitutional authorities; schemes under Foreign Trade Policy or other Central Government schemes having a validity of more than two years; re-imports, temporary imports, goods imported as gifts or personal baggage; any duty of customs imposed under any law in force including integrated tax leviable under sub-section 7 of Section 3 of the Customs Tariff Act, 1975, other than under Section 12 of the Customs Act.

	<i>duty of customs leviable under section 12.</i>	
Clause 124 - Section – 127C (Procedure on receipt of application under section 127B)		
	<i>“(8A) The order under sub-section (5) shall be passed within a period of nine months from the last day of the month in which the application under section 127B is made, and if, no order is passed within the said period, the settlement proceedings shall abate, and the adjudicating authority before whom the proceeding at the time of making the application was pending shall dispose of the application in accordance with the provisions of this Act as if no application under the said section had been made:</i> <i>Provided that the period specified under this sub-section may, for reasons to be recorded in writing, be extended by the Settlement Commission for a further period not exceeding three months.</i> <i>Provided further that in respect of any application pending under sub-section (5) as on the date on which the Finance Bill, 2023 receives the assent of the President, the said period of nine months shall be reckoned from the date on which the said Finance Bill receives the assent of the President.”.</i>	Section 127 C of the Customs Act is being amended to insert sub section (8A) to specify a time limit of 9 months from the date of application, for disposal of the application filed before the Settlement Commission.

B. Proposed Amendments in the Customs Tariff Act, 1975 (“the Customs Tariff Act”)

Current provisions	Proposed provisions	Effect of changes made
Clause 125 (i) - Section – 9 (Countervailing duty on subsidized articles)		
<i>(6) The countervailing duty imposed under this section shall, unless revoked earlier, cease to have effect on the expiry up to five years from the date of such imposition :</i> <i>Provided that if the Central Government, in a review, is of the opinion that the cessation of such duty is likely to lead to continuation or recurrence of subsidization and injury, it may, from time to time, extend the period of such imposition for a further period of five years and such further period shall commence from the date of order of such extension :</i> <i>Provided further that where a review initiated before the expiry of the aforesaid period of five years has not come to a conclusion before such expiry, the countervailing duty may continue to remain in force pending the outcome of such a review for a further period not exceeding one year.</i> <i>Provided also that if the said duty is revoked temporarily, the period of such revocation shall not exceed one year at a time</i>	<i>(6) The countervailing duty imposed under this section shall, unless revoked earlier, cease to have effect on the expiry up to five years from the date of such imposition :</i> <i>Provided that if the Central Government, in a review on consideration of a review is of the opinion that the cessation of such duty is likely to lead to continuation or recurrence of subsidization and injury, it may, from time to time, extend the period of such imposition for a further period of five years and such further period shall commence from the date of order of such extension :</i> <i>Provided further that where a review initiated before the expiry of the aforesaid period of five years has not come to a conclusion before such expiry, the countervailing duty may continue to remain in force pending the outcome of such a review for a further period not exceeding one year.</i> <i>Provided also that if the said duty is revoked temporarily, the period of such</i>	Section 9 (6) of the Customs Tariff Act, 1975 is being amended to remove the ambiguity and clarify that determination and review for countervailing duty refers to determination and review of countervailing duty in a manner prescribed by rules under the Custom Tariff Act. The amendment is being validated retrospectively with effect from January 1, 1995.

	<i>revocation shall not exceed one year at a time</i>	
<i>(7) The amount of any such subsidy as referred to in sub-section (1) or sub-section (2) shall, from time to time, be ascertained and determined by the Central Government, after such inquiry as it may consider necessary and the Central Government may, by notification in the Official Gazette, make rules for the identification of such article and for the assessment and collection of any countervailing duty imposed upon the importation thereof under this section.</i>	<i>(7) The amount of any such subsidy as referred to in sub-section (1) or sub-section (2) shall, from time to time, be ascertained and determined by the Central Government, after such inquiry as it may consider necessary and the Central Government may, by notification in the Official Gazette, make rules for the identification of such article and for the assessment and collection of any countervailing duty imposed upon the importation thereof under this section.</i>	Section 9 (7) of the Customs Tariff Act is being amended to omit the word 'and determined' to clearly amplify the intent and scope of this provision. The amendment is being validated retrospectively with effect from January 1, 1995.
Clause 125 (ii) - Section – 9 A (Anti-dumping duty on dumped articles)		
<i>(5) The anti-dumping duty imposed under this section shall, unless revoked earlier, cease to have effect on the expiry of five years from the date of such imposition :</i> <i>Provided that if the Central Government, in a review, is of the opinion that the cessation of such duty is likely to lead to continuation or recurrence of dumping and injury, it may, from time to time, extend the period of such imposition for a further period 9[up to five years] and such further period shall commence from the date of order of such extension :</i>	<i>(5) The anti-dumping duty imposed under this section shall, unless revoked earlier, cease to have effect on the expiry of five years from the date of such imposition :</i> <i>Provided that if the Central Government, in a review, on consideration of a review is of the opinion that the cessation of such duty is likely to lead to continuation or recurrence of dumping and injury, it may, from time to time, extend the period of such imposition for a further period 9[up to five years] and such further period shall</i>	Section 9 A (5) of the Customs Tariff Act is amended to remove the ambiguity and clarify that determination and review for anti-dumping duty refers to determination and review in a manner prescribed by rules under the Custom Tariff Act. The amendment is being validated retrospectively with effect from January 1, 1995.

<i>Provided further that where a review initiated before the expiry of the aforesaid period of five years has not come to a conclusion before such expiry, the anti-dumping duty may continue to remain in force pending the outcome of such a review for a further period not exceeding one year.</i> <i>Provided also that if the said duty is revoked temporarily, the period of such revocation shall not exceed one year at a time</i>	<i>commence from the date of order of such extension :</i> <i>Provided further that where a review initiated before the expiry of the aforesaid period of five years has not come to a conclusion before such expiry, the anti-dumping duty may continue to remain in force pending the outcome of such a review for a further period not exceeding one year.</i> <i>Provided also that if the said duty is revoked temporarily, the period of such revocation shall not exceed one year at a time</i>	
<i>(6) The margin of dumping as referred to in sub-section (1) or sub-section (2) shall, from time to time, be ascertained and determined by the Central Government, after such inquiry as it may consider necessary and the Central Government may, by notification in the Official Gazette, make rules for the purposes of this section, and without prejudice to the generality of the foregoing, such rules may provide for the manner in which articles liable for any anti-dumping duty under this section may be identified, and for the manner in which the export price and the normal value of, and the margin of dumping in relation to, such articles may be determined and for the</i>	<i>(6) The margin of dumping as referred to in sub-section (1) or sub-section (2) shall, from time to time, be ascertained and determined by the Central Government, after such inquiry as it may consider necessary and the Central Government may, by notification in the Official Gazette, make rules for the purposes of this section, and without prejudice to the generality of the foregoing, such rules may provide for the manner in which articles liable for any anti-dumping duty under this section may be identified, and for the manner in which the export price and the normal value of, and the margin of dumping in relation to, such articles may be determined</i>	Section 9 A (6) of the Customs Tariff Act is being amended to omit the word 'and determined' to clearly amplify the intent and scope of this provision. The amendment is being validated retrospectively with effect from January 1, 1995.

<i>assessment and collection of such anti-dumping duty.</i>	<i>and for the assessment and collection of such anti-dumping duty.</i>	
Clause 125 (iii) - Section – 9 C (Appeal)		
<i>(1) An appeal against the order of determination or review thereof shall lie to the Customs, Excise and Service Tax Appellate Tribunal constituted under section 129 of the Customs Act, 1962 (52 of 1962.) (hereinafter referred to as the Appellate Tribunal), in respect of the existence, degree and effect of-</i> <i>(i) any subsidy or dumping in relation to import of any article; or</i> <i>(ii) import of any article into India in such increased quantities and under such condition so as to cause or threatening to cause serious injury to domestic industry requiring imposition of safeguard duty in relation to import of that article.</i>	<i>(1) An appeal against the order of determination or review thereof shall lie to the Customs, Excise and Service Tax Appellate Tribunal constituted under section 129 of the Customs Act, 1962 (52 of 1962.) (hereinafter referred to as the Appellate Tribunal), in respect of the existence, degree and effect of-</i> <i>(i) any subsidy or dumping in relation to import of any article; or</i> <i>(ii) import of any article into India in such increased quantities and under such condition so as to cause or threatening to cause serious injury to domestic industry requiring imposition of safeguard duty in relation to import of that article.</i>	Section 9 C (1) of the Customs Tariff Act is amended to omit the word 'order of' to remove ambiguity and clarify that appeals under this section lie against the determination or review thereof made by an authority in a manner as specified by rules notified under Sections 8 B, 9, 9A and 9B of the Custom Tariff Act. The amendment is being validated retrospectively with effect from January 1, 1995.
<i>(2) Every appeal under this section shall be filed within ninety days of the date of order under appeal :</i> <i>Provided that the Appellate Tribunal may entertain any appeal after the expiry of the said period of ninety days, if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal in time.</i>	<i>(2) Every appeal under this section shall be filed within ninety days of the date of order— determination or review under appeal :</i> <i>Provided that the Appellate Tribunal may entertain any appeal after the expiry of the said period of ninety days, if it is satisfied that the appellant was prevented by</i>	Section 9 C (2) of the Customs Tariff Act is amended to remove ambiguity and clarify that appeals under this section lie against the determination or review thereof made by an authority in a manner as specified by rules notified under Sections 8 B, 9, 9A and 9B of the Custom Tariff Act. The amendment is being

	<i>sufficient cause from filing the appeal in time.</i>	validated retrospectively with effect from January 1, 1995.
<i>(3) The Appellate Tribunal may, after giving the parties to the appeal, an opportunity of being heard, pass such orders thereon as it thinks fit, confirming, modifying or annulling the order appealed against.</i>	<i>(3) The Appellate Tribunal may, after giving the parties to the appeal, an opportunity of being heard, pass such orders determination or review thereon as it thinks fit, confirming, modifying or annulling the order determination or review appealed against.</i>	Section 9 C (3) of the Customs Tariff Act is being amended to remove ambiguity and clarify that appeals under this section lie against the determination or review thereof made by an authority in a manner as specified by rules notified under Sections 8 B, 9, 9A and 9B of the Custom Tariff Act. The amendment is being validated retrospectively with effect from January 1, 1995.
<i>(5) Every appeal under sub-section (1) shall be heard by a Special Bench constituted by the President of the Appellate Tribunal for hearing such appeals and such Bench shall consist of the President and not less than two members and shall include one judicial member and one technical member.</i>	<i>Explanation.—For the purposes of this section, “determination” or “review” means the determination or review done in such manner as may be specified in the rules made under sections 8B, 9, 9A and 9B.</i>	Explanation has been inserted after Section 9 C (5) of the Customs Tariff Act to provide the meaning of determination or review thereof. The amendment is being validated retrospectively with effect from January 1, 1995.

Clause 126 -AMENDMENTS IN FIRST SCHEDULE TO THE CUSTOMS TARIFF ACT, 1975

In the Customs Tariff Act, the First Schedule shall—

- (a) be amended in the manner specified in the Second Schedule to the Finance Bill 2023 to increase the tariff rates on certain tariff items with effect from February 2, 2023.
- (b) be amended in the following manner specified in Third Schedule to the Finance Bill 2023:

- to modify the tariff rates on certain tariff items as part of rationalization of customs duty rate structure with effect from the date of assent to the Finance Bill 2023.
- to exclude solar power plant/solar power project from the purview of Project Imports under heading 9801 with effect from the date of assent to the Finance Bill 2023.

(c) also be amended in the manner specified in the Fourth Schedule to the Finance Bill, 2023 to align the abbreviations and the tariff with complementary amendments to the HS 22. The amendment will come into effect from May 1, 2023.

Clause 127-AMENDMENTS IN SECOND SCHEDULE TO THE CUSTOMS TARIFF ACT, 1975

In the Customs Tariff Act, the Second Schedule shall—

- (a) be amended in the manner specified in the Fifth Schedule of the Finance Bill 2023 to align the entries under heading 1202 with that of the First Schedule of the Customs Tariff Act, 1975. The amendment will come into effect from May 1, 2023.

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C. Gist of Various Customs and Central Excise Notifications

Following are the gist of the notifications which makes amendment in Customs Tariff with effect from midnight of February 1, 2023.

Customs		
S. No.	Notification No.	Description
1.	02/2023-Customs dated February 1, 2023	Seeks to further amend notification No. 50/2017-Customs, dated the June 30, 2017, so as to revise/provide exemption(s) on the specified goods.
2.	03/2023-Customs dated February 1, 2023	Seeks to further amend notification No. 11/2021- Customs dated February 1, 2021, so as to levy/exempt Agriculture and Infrastructure Development Cess (AIDC) on certain items.
3.	04/2023-Customs dated February 1, 2023	Seeks to further amend notification No. 11/2018-Customs, dated February 2, 2018, to revise/provide Social Welfare Surcharge (SWS) exemption(s) on specified goods.
4.	05/2023-Customs dated February 1, 2023	Seeks to rescind notification No. 13/2021-Customs and 34/2022-Customs, related to Social Welfare Surcharge (SWS).
5.	06/2023-Customs dated February 1, 2023	Seeks to further amend notification No. 25/1999- Customs, 25/2002-Customs and 57/2017-Customs related to certain electronic items.
6.	07/2023-Customs dated February 1, 2023	Seeks to further amend notification No. 230/86- Customs related to Project Import Regulations.
7.	08/2023-Customs dated February 1, 2023	Seeks to further amend notification No. 22/2022- Customs regarding India-UAE Comprehensive Economic Partnership Agreement.
8.	09/2023-Customs dated February 1, 2023	Seeks to further amend notification No. 57/2000- Customs which exempts gold, silver and platinum imported under specified schemes.
9.	10/2023-Customs dated February 1, 2023	Seeks to further amend notification No. 146/94- Customs, dated the July 13, 1994 to extend the exemption benefit to Warm blood horse for equestrian sports and extend the validity of said notification up to the March 31, 2028.

10.	11/2023-Customs dated February 1, 2023	Seeks to amend the notification Nos. 90/2009- Customs, dated the September 7, 2009, 33/2017- Customs, dated the June 30, 2017, and 41/2017- Customs, dated the 30 June, 2017 to extend the validity of said notifications up to the March 31, 2028
11.	12/2023-Customs dated February 1, 2023	Seeks to amend 32 notifications in order to provide a specific end date for these notifications.

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CHANGES IN CENTRAL EXCISE**D. Proposed changes in the Central Excise Act, 1944 (“the Central Excise Act”)**

Following are the gist of the Notification which made amendment in the Central Excise Tariff with effect from February 2, 2023, unless otherwise specified:

Central Excise		
S. No.	Notification No.	Description
1.	05/2023-Central Excise dated February 1, 2023	Seeks to exempt Compressed Natural Gas (CNG) from so much of the duty of excise leviable on amount of GST paid on Biogas or Compressed Biogas which is blended with CNG.

Clause 153-Amendments in the Schedule VII of the Finance Act, 2001 (NCCD SCHEDULE)

The Seventh Schedule of the Finance Act, 2001, is being amended w.e.f. February 2, 2023¹ to revise the NCCD rates on specified cigarettes under HS 2402 as detailed below:

Tariff item	Description	Unit	NCCD rates (in Rs. Per thousand)	
			From	To
(1)	(2)	(3)	(4)	(5)
2402 20 10	Other than filter igarettes, of length not exceeding 65 millimetres	Tu	200	230
2402 20 20	Other than filter cigarettes, of length exceeding 65 millimetres but not exceeding 70 millimetres	Tu	250	290
2402 20 30	Filter cigarettes of length (including the length of the filter, the length of filter being 11 millimetres or its actual length, whichever is more) not exceeding 65	Tu	440	510

¹ Will come into effect immediately through a declaration under the Provisional Collection of Taxes Act, 1931.

	millimetres			
2402 20 40	Filter cigarettes of length (including the length of the filter, the length of filter being 11 millimetres or its actual length, whichever is more) exceeding 65 millimetres but not exceeding 70 millimetres	Tu	440	510
2402 20 50	Filter cigarettes of length (including the length of the filter, the length of filter being 11 millimetres or its actual length, whichever is more) exceeding 70 millimetres but not exceeding 75 millimetres	Tu	545	630
2402 20 90	Other	Tu	735	850
2402 90 10	Cigarettes of tobacco substitutes	Tu	600	690

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Thank You

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About us:

A2Z Taxcorp LLP is a boutique Indirect Tax firm having its offices at New Delhi and Guwahati specializing in GST, Central Excise, Custom, Service Tax, VAT, DGFT, Foreign Trade Policy, SEZ, EOU, Export – Import Laws, Free Trade Policy, etc. It is a professionally managed firm having a team of experienced and distinguished Chartered Accountants, Company Secretary, Lawyers, Corporate Financial Advisors and Tax consultants to provide various services like litigation and representation, transaction advisory, diagnostic reviews/ health checks, audit defense & protection, retainership & compliance, configuration of tax efficient business model etc. Its clientele consists mainly of Foreign MNC, large/mid-sized Indian companies which includes exporters, FMCG, consumer durables, automobiles, aerated beverages, ceramic tiles, real-estate, hospitality, etc.

Thanks & Best Regards,

Bimal Jain

FCA, FCS, LLB, B. Com (Hons)

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