

Summary of changes in customs rates

Budget 2022

Customs

- Increase in customs duty rates to encourage domestic manufacturing

Description of goods	Up to 1 February 2022	From 2 February 2022
Imitation jewellery	20%	20% or INR 400/kg, whichever is higher
Artificial kidney	Nil	Applicable rate
Raw materials, parts or accessories for manufacturing artificial kidney	Nil	Applicable rate
Goods used in manufacturing static converters of automatic data processing machines: PCBA, transformer, battery, and copper enameled wires	Nil	Applicable rate
Specified goods for public mobile radio trunked service and its parts	Nil	Applicable rate
C-block compressors and crankshafts used in manufacturing refrigerator compressors	5%	7.5%
Over-load protector and positive thermal coefficient used in manufacturing refrigerator compressors	5%	10%
Sodium cyanide	7.5%	10%
Parts of electronic toys for manufacturing electronic toys	15%	25%

Customs

- Increase in customs duty rates to encourage domestic manufacturing

Description of goods	Up to 31 March 2022	From 1 April 2022
Single or multiple loudspeakers, whether or not mounted in their enclosures	15%	20%
Headphones and earphones, whether or not combined with a microphone, and sets consisting of a microphone and one or more loudspeakers	15%	20%
Solar cell (other than those exclusively used with specified goods)	Nil	25%
Solar module (other than those exclusively used with specified goods)	Nil	40%
Capital goods for synthetic fibre/yarn, such as spindles, yarn guides, ballon control rings, and travellers	5%	Applicable rate
Effluent treatment unit with a biopaq reactor, activated sludge process, activated carbon, ultra filtration osonisation facilities	5%	Applicable rate

Customs

- Increase in customs duty rates to encourage domestic manufacturing

Description of goods	Up to 31 March 2022	From 1 April 2022
Transformers, reactors, circuit breakers, etc.	7.5%	Applicable rate
Goods imported by a manufacturer-supplier for manufacturing and supplying machinery and equipment to a power generation plant (other than a captive power generation plant)	5%	Applicable rate
Specified goods for setting up crude petroleum refinery, such as utility systems, water treatment systems, air handling systems, and boilers.	5%	Applicable rate
Kits and their parts required for the conversion of motor-spirit or diesel driven vehicles into those driven on compressed natural gas or propane or liquefied petroleum gas	5%	Applicable rate
X-ray machines	7.5%	10%

Customs

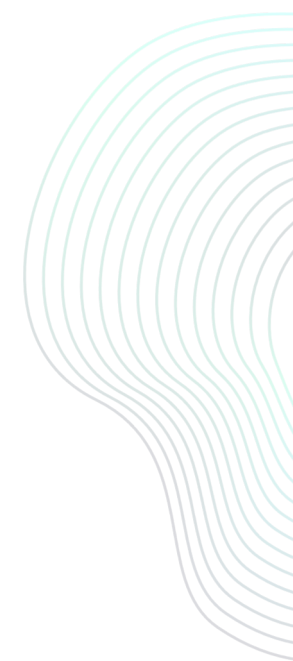
- Reduction in customs duty rates on inputs required for domestic manufacturing

Description of goods	Up to 1 February 2022	From 2 February 2022
Fuel oil	5%	2.5%
Camera lens for use in manufacturing a camera module for cellular mobile phone	10%/15%	2.5%
Specified parts for use in manufacturing transformers for chargers/adapters	10%/15%	5%
Copper/aluminium-based copper clad laminate for use in manufacturing PCB/MCPCB	5%/7.5%	Nil
S. G. ingot castings used in manufacturing plastic processing machinery	10%	7.5%
Ball screw and linear motion guide used in manufacturing plastic processing machinery	7.5%	5%

Customs

• Validity of customs duty concessions

- **Sunset of customs duty concessions rate on 31 March 2023**
 - Equipment, instruments, raw materials, components, pilot plants, and computer software used in R&D projects
 - Machinery/components for initial setting up of power generation project machinery, equipment, apparatus, components, and appliances for initial setting up of a fuel cell-based system for power generation
 - Specified drugs and medicines supplied free of cost to patients
 - Goods relating to defence and internal security forces
 - Machinery for the garment sector, technical textiles, woolen machinery items, non-woven textiles, denim fabrics, shuttle-less looms, etc.
 - Singeing, yarn drying, and knitting machines
 - Permanent magnets for manufacturing PM synchronous generators above 500kw for use in wind-operated electricity generators
- Parts of wind-operated electricity generators that include special bearings, gear boxes, yaw components, and wind turbine controllers
- Specified goods for setting up a crude petroleum refinery, including refinery process units, all types of hydrogen generation, recovery and purification plants, and effluent solids/liquids/gaseous processing
- Specified goods, such as air blast dust removing and automatic drying machines, designed for use in the leather or footwear industry
- Machinery for the industrial preparation or manufacturing of food or drink
- **Sunset of customs duty concessions rate on 31 March 2024**
 - Capital goods used by IT/electronics industry (subject to conditions)
 - Raw materials and parts for use in manufacturing electronic items



Customs

- PMP for wrist wearable devices (commonly known as smart watches) to promote indigenous manufacturing

S. No.	CTH	Commodity	From	To			
				2022-23	2023-24	2024-25	April 2025 onwards
The following parts (s. no. 1 to 7) used for manufacturing wearable devices fall under tariff item 8517 62 90 of the customs tariff:							
1.	8517 79 10	Printed circuit board assembly	NIL	NIL	10%	15%	15%
2.	8544	Charging cable	10%	NIL	5%	10%	15%
3.	39, 73, 85	Specified parts of wearable devices	Per CTH	NIL	5%	10%	15%
4.	8507 60 00/ 8507 80 00	Battery	15%	NIL	5%	10%	15%
5.	8517 79 90	Display assembly	NIL	NIL	NIL	5%	10%
6.	8501	Vibrator motor	10%	10%	10%	10%	10%
7.	Any chapter	Parts, sub-parts, and raw materials for use in manufacturing the s. no. 1 to 6 above	Per CTH	NIL	NIL	NIL	NIL
8.	8517 62 90	Wrist wearable devices	20%	20%	20%	20%	20%

Note: IGCR conditions shall apply for the items in s. no. 1 to 7 above.

Customs

- PMP for hearable devices to promote indigenous manufacturing

S. No.	CTH	Commodity	From	To	2022-23	2023-24	2024-25	April 2025 onwards
The following parts (s. no. 1 to 6) used for manufacturing hearable devices fall under sub-headings 8518 21, 8518 22, 8518 29, or 8518 30 of the customs tariff:								
1.	8518 90 00	PCBA for hearable devices	10%	NIL	10%	15%	15%	
2.	8544	USB cable	10%	15%	15%	15%	15%	
3.	73, 74, 85	Specified parts of hearable devices	Per CTH	NIL	5%	10%	15%	
4.	8507 60 00/ 8507 80 00	Battery	15%	NIL	5%	10%	15%	
5.	8518 90 00	Speaker assembly (pre-assembled speaker driver with protective mesh, but not including PCBA or battery)	10%	NIL	NIL	5%	10%	
6.	Any chapter	Parts, sub-parts, and raw materials used in manufacturing s.no. 1, 3, 4, and 5 above	Per CTH	NIL	NIL	NIL	NIL	
7.	8518 21, 8518 22, 8518 29 and 8518 30	Hearable devices	15%	20%	20%	20%	20%	

Note: IGCR conditions shall apply for the items in s. no. 1 to 6 above.

Customs

- PMP for smart meters to promote indigenous manufacturing

S. No.	CTH	Commodity	From	To			
				2022-23	2023-24	2024-25	April 2025 onwards
The following parts (s. no. 1 to 6) used for manufacturing smart meters fall under tariff item 9028 30 10 of the customs tariff:							
1.	9028 90 10	Assembled/populated PCB for smart meters	7.5%	20%	20%	20%	20%
2.	8517 69 90	Communication module	10%	NIL	NIL	5%	10%
3.	8536 49 00	Relay	10%	5%	10%	10%	15%
4.	8517 71 00	Antenna	NIL	NIL	NIL	5%	10%
5.	8524 11 00/ 8524 91 00	LCD and backlight for LCD	15%	NIL	5%	10%	10%
6.	8506 50 00	Battery	10%	NIL	5%	10%	10%
7.	Any chapter	Parts, sub-parts, and raw materials used in manufacturing s. no. 1 to 6 above	Per CTH	NIL	NIL	NIL	NIL
8.	9028 30 10	Smart meters	15%	25%	25%	25%	25%

Note: IGCR conditions shall apply for the items in s. no. 1 to 7 above.

Customs

• Tariff changes

• SWS levy rationalisation and clarification

- Levy of social welfare surcharge has been rationalised on a few textile and fabric products
- Social welfare surcharge payable would be nil in cases where the aggregate of customs duties (which form the base for computation of SWS) is zero even though SWS has not been exempted. This has been done to overcome the judgement pronounced by the Supreme Court in the matter of Unicorn Industries vs. Union of India

• Revocation of anti-dumping duty on specified steel products

- Anti-dumping levy has been revoked on import of the following goods:
 - Straight length bars and rods of alloy steel originating in or exported from China
 - High-speed steel of non-cobalt grade originating in, or exported from Brazil, China, and Germany.
 - Flat rolled product of steel, plated or coated with alloy of aluminum and zinc originating in, or exported from China, Vietnam, and Korea Republic

AIDC and health cess levy rationalisation

- Various notifications have been amended to provide exemption of AIDC and health cess, besides the applicable BCD, to remove ambiguity.

Tariff changes to align with HSN 2022 complementary changes

- Amendments have been proposed to align the Indian tariff with the complementary amendments to the HS 2022 published by WCO. These complementary amendments include minor changes across chapters in the tariff, with an aim to bring greater clarity. Further, new tariff entries are introduced by accommodating requests from different ministries and departments.

Customs

- **Other changes**

- **Rescission of obsolete notifications**

- About 17 notifications have been rescinded; some of these have become obsolete or redundant; for some, their validity had expired.

- **Clarification**

- It has been clarified that for an EV kit to be
- eligible for duty benefits available to a CKD form of an EV (including commercial, passenger, and two-wheeled electric vehicles), each individual component in the kit need not be in a disassembled form.
- Further, it has been clarified that even if some
- components are missing in the EV kit, the benefit of a concessional rate of duty available to CKD/SKD kits would still be available (provided that the kit as presented has the essential character of an EV).

