

| B. | Amendments affecting rates of BCD [Clause 109(a) of the Finance Bill, 2017] | Rate of Duty | |
|----|---|--------------|-----|
| | | From | To |
| | Commodity | | |
| 1. | Cashew nut, roasted, salted or roasted and salted | 30% | 45% |
| 2. | RO membrane element for household type filters | 7.5% | 10% |

The amendments involving increase in the duty rates will come into effect immediately owing to a declaration under the Provisional Collection of Taxes Act, 1931.

IV. AMENDMENT IN THE SECOND SCHEDULE TO THE CUSTOMS TARIFF ACT, 1975 [Clause 110 of the Finance Bill, 2017]

| S. No. | Amendment | Rate of Duty | |
|--------|--|--------------|-----|
| | Amendments affecting rates of Export duty | From | To |
| | Ores and concentrates | | |
| 1. | Other aluminum ores and concentrates | Nil | 30% |

The above amendment involving increase in the duty rate will come into effect immediately owing to a declaration under the Provisional Collection of Taxes Act, 1931.

V. OTHER PROPOSALS INVOLVING CHANGES IN BCD, CVD, SAD AND EXPORT DUTY RATES

| S. No. | Commodity | BCD/Excise/CV duty/SAD/Export Duty | |
|-----------|---|------------------------------------|-------------------|
| A. | Ores and Concentrates | From | To |
| 1. | Other aluminium ores, including laterite | Export Duty - Nil | Export Duty - 15% |
| B. | Mineral fuels and Mineral oils | | |
| 2. | Liquefied Natural Gas | BCD - 5% | BCD - 2.5% |
| C. | Chemicals & Petrochemicals | | |
| 3. | o-Xylene | BCD - 2.5% | BCD - Nil |
| 4. | Medium Quality Terephthalic Acid (MTA) & Qualified Terephthalic Acid (QTA) | BCD - 7.5% | BCD - 5% |
| 5. | 2-Ethyl Anthraquinone [29146990] for use in manufacture of hydrogen peroxide, subject to actual user condition | BCD - 7.5% | BCD - 2.5% |
| 6. | Clay 2 Powder (Alumax) for use in ceramic substrate for catalytic convertors, subject to actual user condition | BCD - 7.5% | BCD - 5% |
| 7. | Vinyl Polyethylene Glycol (VPEG) for use in manufacture of Poly Carboxylate Ether, subject to actual user condition | BCD - 10% | BCD - 7.5% |
| D. | Textiles | | |
| 8. | Nylon mono filament yarn for use in monofilament long line system for Tuna fishing, subject to certain specified conditions | BCD - 7.5% | BCD - 5% |

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| E. | Finished Leather, Footwear and Other Leather Products | | |
| 9. | Vegetable tanning extracts, namely Wattle extract and Myrobalan fruit Extract | BCD - 7.5% | BCD - 2.5% |
| 10. | 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 export | 3% of FOB value of said goods exported during the preceding financial year | 5% of FOB value of said goods exported during the preceding financial year |
| F. | Metals | | |
| 11. | Co-polymer coated MS tapes / stainless steel tapes for manufacture of telecommunication grade optical fibres or optical fibre cables, subject to actual user condition | BCD - Nil | BCD - 10% |
| 12. | Nickel | BCD - 2.5% | BCD - Nil |
| 13. | MgO coated cold rolled steel coils [7225 19 90] for use in manufacture of CRGO steel, subject to actual user condition | BCD - 10% | BCD - 5% |
| 14. | Hot Rolled Coils [7208], when imported for use in manufacture of welded tubes and pipes falling under heading 7305 or 7306, subject to actual user condition | BCD - 12.5% | BCD - 10% |
| G. | Capital Goods | | |
| 15. | Ball screws, linear motion guides and CNC systems for use in manufacture of all CNC machine tools, subject to actual user condition | Ball screws and liner motion guides BCD - 7.5% CNC systems BCD - 10% | BCD - 2.5% |
| H. | Electronics / Hardware | | |
| 16. | Populated Printed Circuit Boards (PCBs) for the manufacture of mobile phones, subject to actual user condition | SAD - Nil | SAD - 2% |
| I. | Renewable Energy | | |
| 17. | Solar tempered glass for use in the manufacture of solar cells/panels/modules subject to actual user condition | BCD - 5% | BCD - Nil |
| 18. | Parts/raw materials for manufacture of solar tempered glass for use in solar photovoltaic cells/modules, solar power generating equipment or systems, flat plate solar collector, solar photovoltaic module and panel for water pumping and other applications, subject to actual user condition | CVD - 12.5% | CVD - 6% |
| 19. | Resin and catalyst for manufacture of cast components for Wind Operated Energy Generators [WOEG], subject to actual user condition | BCD - 7.5% CVD - 12.5% SAD - 4% | BCD - 5% CVD - Nil SAD - Nil |
| 20. | All items of machinery required for fuel cell based power generating systems to be set up in the country or for demonstration purposes, subject to certain specified conditions | BCD - 10%/7.5% CVD - 12.5% | BCD - 5% CVD - 6% |

| | | | |
|-----|---|-------------------------------|----------------------|
| 21. | All items of machinery required for balance of systems operating on biogas/ bio-methane/ by-product hydrogen, subject to certain specified conditions | BCD - 10%/7.5% CVD - 12.5% | BCD - 5% CVD - 6% |
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| J. Miscellaneous | | | |
| 22. | Membrane Sheet and Tricot / Spacer for use in manufacture of RO membrane element for household type filters, subject to actual user condition | CVD - 12.5% | CVD - 6% |
| 23. | All parts for manufacture of LED lights or fixtures, including LED lamps, subject to actual user condition | Applicable BCD, CVD | BCD - 5% CVD - 6% |
| 24. | All inputs for use in the manufacture of LED Driver and MCPCB for LED lights or fixtures, including LED lamps, subject to actual user condition | Applicable BCD | 5% |
| 25. | De-minimis customs duties exemption limit for goods imported through parcels, packets and letters | Duty payable not exceeding Rs.100 per consignment | CIF value not exceeding Rs.1000 per consignment |
| 26. | Miniaturized POS card reader for m-POS (not including mobile phones, or tablet computers), micro ATM as per standards version 1.5.1, Finger Print Reader / Scanner or Iris Scanner | Applicable BCD, CVD SAD | BCD - Nil CVD - Nil SAD - Nil |
| 27. | Parts and components for manufacture of miniaturized POS card reader for m-POS (not including mobile phones, or tablet computers), micro ATM as per standards version 1.5.1, Finger Print Reader / Scanner or Iris Scanner, subject to actual user condition | Applicable BCD, CVD SAD | BCD - Nil CVD - Nil SAD - Nil |
| 28 | Silver medallion, silver coins having silver content not below 99.9%, semi- manufactured form of silver and articles of silver | CVD - Nil | CVD - 12.5% |
| 29 | Goods imported for petroleum and coal bed methane operations by availing of the benefit of notification No.12/2012- Customs, dated 17.03.2012 [S. No.357A] no longer required for the said purpose are being allowed to be disposed of on payment of applicable customs duties or excise duty, on the depreciated value calculated as per straight line method (subject to depreciated value not being less than 30% of the original value) of such goods. | | |

II. AMENDMENTS IN THE FIRST SCHEDULE TO THE CENTRAL EXCISE TARIFF ACT, 1985 [Clause 118 of the Finance Bill, 2017]

| S. No. | Amendment | Rate of Duty | |
|-----------|---|--|--|
| | | From | To |
| | Amendments involving change in the rate of Basic Excise Duty | | |
| | Commodity | | |
| 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 |

The amendments involving change in the duty rates will come into effect immediately owing to a declaration under the Provisional Collection of Taxes Act, 1931.

III. OTHER PROPOSALS INVOLVING CHANGES IN EXCISE DUTY RATES:

| S. No. | Commodity | From | To |
|-----------|---|--------------------|--------------------|
| | Amendments involving change in the rate of Additional Excise duty under Finance Act, 2005 | | |
| B. | Pan Masala | | |
| 6. | Pan Masala | 6% | 9% |
| C. | Tobacco and Tobacco Products | | |
| 7. | Unmanufactured tobacco | 4.2% | 8.3% |
| | Amendments involving change in the rate of Basic Excise Duty | | |
| 8. | Paper rolled biris - handmade | Rs.21 per thousand | Rs.28 per thousand |
| 9. | Paper rolled biris - machine made | Rs.21 per thousand | Rs.78 per thousand |
| D. | Renewable Energy | | |
| 10. | Solar tempered glass for use in solar photovoltaic cells/modules, solar power generating equipment or systems, flat plate solar collector, solar photovoltaic module and panel for water pumping and other applications, subject to actual user condition | Nil | 6% |
| 11. | Parts/raw materials for manufacture of solar tempered glass for use in solar photovoltaic cells/modules, solar power generating equipment or systems, flat plate solar collector, solar photovoltaic module and panel for water pumping | 12.5% | 6% |

| | | | |
|-----------|---|-----------------|---|
| | and other applications, subject to actual user condition | | |
| 12. | Resin and catalyst for manufacture of cast components for Wind Operated Energy Generators [WOEG], subject to actual user Condition | 12.5% | Nil |
| 13. | All items of machinery required for fuel cell based power generating systems to be set up in the country or for demonstration purposes | 12.5% | 6% |
| 14. | All items of machinery required for balance of systems operating on biogas/ bio-methane/ by-product hydrogen | 12.5% | 6% |
| E. | Miscellaneous | | |
| 15. | Membrane Sheet and Tricot / Spacer for use in manufacture of RO membrane element for household type filters, subject to actual user condition | 12.5% | 6% |
| 17. | All parts for manufacture of LED lights or fixtures, including LED lamps, subject to actual user condition | Applicable duty | 6% |
| 18. | Miniaturized POS card reader for m-POS (not including mobile phones, or tablet computers), micro ATM as per standards version 1.5.1, Finger Print Reader / Scanner or Iris Scanner | Applicable duty | Nil |
| 19. | Parts and components for manufacture of miniaturized POS card reader for m-POS (not including mobile phones, or tablet computers), micro ATM as per standards version 1.5.1, Finger Print Reader / Scanner or Iris Scanner, subject to actual user Condition | Applicable duty | Nil |
| 20. | a. Waste and scrap of precious metals or metals clad with precious metals arising in course of manufacture of goods falling in Chapter 71 b. Strips, wires, sheets, plates and foils of silver c. Articles of silver jewellery, other than those studded with diamond, ruby, emerald or sapphire d. Silver coin of purity 99.9% and above, bearing a brand name when manufactured from silver on which appropriate duty of customs or excise has been paid | Nil | Nil, subject to the condition that no credit of duty paid on inputs or input services or capital goods has been availed by manufacturer of such goods |

IV. AMENDMENTS IN THE CENTRAL EXCISE RULES, 2002 AND THE CENVAT CREDIT RULES, 2004

| S. No. | Amendment |
|--------|---|
| 1 | Sub-rule (2) is being inserted in rule 21 of Central Excise Rules, 2002 so as to provide for a time limit of three months [further extendable by 6 months] for granting remission of duty under the said rule 21 read with section 5 of the Central Excise Act, 1944. |

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|---|--|
| 2 | Sub-rule (4) is being inserted in rule 10 of CENVAT Credit Rules, 2004 so as to provide for a time limit of three months [further extendable by 6 months] for approval of requests regarding transfer of CENVAT credit on shifting, sale, merger, etc. of the factory. |
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V. RETROSPECTIVE AMENDMENT

| S. No. | Amendment | Clause of the Finance Bill 2016 |
|--------|--|---------------------------------|
| 1. | To retrospectively [that is with effect from 01.01.2017] specify a tariff rate of excise duty of 12.5% [as against present tariff rate of 27%] on motor vehicles for transport of more than 13 persons falling under tariff items 8702 90 21 to 8702 90 29 of the First Schedule to the Central Excise Tariff Act, 1985. | [119] |

VI. AMENDMENT IN THE SEVENTH SCHEDULE TO THE FINANCE ACT, 2005 (Clause 146 of the Finance Bill, 2017)

| S. No. | Amendment | Rate of duty | |
|-----------|--|---------------------|---------------------|
| | | From | To |
| | Amendments involving change in the rate of Additional Excise duty | | |
| | Commodity | | |
| 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% |

The amendments involving change in the duty rates will come into effect immediately owing to a declaration under the Provisional Collection of Taxes Act, 1931.

SERVICE TAX

| A. | Legislative changes | Existing | Proposed |
|-----------|---|-----------------|-----------------|
| 1. | The Negative List entry in respect of “services by way of carrying out any process amounting to manufacture or production of goods excluding alcoholic liquor for human consumption”, is proposed to be omitted. However, the same entry is being placed in exemption notification No. 25/2012-Service Tax dated 20 th June, 2012. Consequently, the definition of ‘process amounting to manufacture’ [clause (40) section 65B] is also proposed to be omitted from the Finance Act, 1994 and is being incorporated in the general exemption notification. <i>(Clauses 120 & 121 of the Bill refers)</i> | Nil | Nil |
| 2. | Service tax exemption to taxable services provided or agreed to be provided by the Army, Naval and Air Force Group Insurance Funds by way of life insurance to members of the Army, Navy and Air Force under the Group Insurance Schemes of the Central Government, is being made effective from 10 th day of September, 2004, the date when services of life insurance became taxable <i>(Clause 127 of the Bill refers)</i> . | 14% | Nil |
| 3. | Benefit of the exemption notification No. 41/2016-ST dated 22.09.2016 is being extended with effect from 1.6.2007, the date when the services of renting of immovable property became taxable. Notification No.41/2016-ST dated 22.09.2016, exempts one time upfront amount (called as premium, salami, cost, price, development charges or by whatever name) payable for grant of long-term lease of industrial plots (30 years or more) by State Government industrial development corporations/undertakings to industrial units from Service Tax <i>(Clause 127 of the Bill refers)</i> . | 14% | Nil |
| 4. | Rule 2 A of Service Tax (Determination of Value) Rules, 2006 is being amended with effect from 01.07.2010 so as to make it clear that value of service portion in execution of works contract involving transfer of goods and land or undivided share of land, as the case may be, shall not include value of property in such land or undivided share of land <i>(Clause 128 of the Bill refers)</i> . | 4.2% | 4.2% |

| C. | New Exemptions | | |
|----|---|-----|-----|
| 1. | Services provided or agreed to be provided by the Army, Naval and Air Force Group Insurance Funds by way of life insurance to members of the Army, Navy and Air Force under the Group Insurance Schemes of the Central Government is being exempted from service tax from 2 nd February, 2017. | 14% | Nil |
| 2. | The exemption vide S. No. 9B of notification No. 25/2012-ST dated 20.06.2012, is being amended so as to omit the word “residential” appearing in the notification. The exemption remains the same in all other respects. S. No. 9B of notification No. 25/2012-ST exempts services provided by Indian Institutes of Management (IIMs) by way of two year full time residential Post Graduate Programmes (PGP) in Management for the Post Graduate Diploma in Management (PGDM), to which admissions are made on the basis of the Common Admission Test (CAT), conducted by IIM. | 14% | Nil |
| 3. | Under the Regional Connectivity Scheme (RCS), exemption from service tax is being provided in respect of the amount of viability gap funding (VGF) payable to the selected airline operator for the services of transport of passengers, with or without accompanied belongings, by air, embarking from or terminating in a Regional Connectivity Scheme (RCS) airport, for a period of one year from the date of commencement of operations of the Regional Connectivity Scheme (RCS) airport as notified by Ministry of Civil Aviation. | 14% | Nil |