



Major Rehaul in the Customs Exemption Notifications

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The Finance Minister in the 2021-22 Union Budget had announced that the Government proposes to review 400 exemption notifications. The exemption on more than 150 items, currently exempted under Notifications Nos. 14/2006-Customs dated 01.03.2006, 26/2011-Customs dated 01.03.2011 and 50/2017-Customs dated 30.06.2017 could be axed.

The **Telecom, Information Technology, Wind Power, Textiles and Pharmaceuticals** are a few of the affected sectors.

Affected Sector	Goods under Review
Telecom	Machinery, electrical equipment, other instruments, and their parts for use in assembly, testing, marking, and packaging of semiconductor chips , except populated Printed Circuit Boards
	Parts, components, and accessories used in manufacture of broadband modem, routers, or set-top box other than populated printed circuit boards, charger or power adapter, Sub-parts.
	Parts or components for use in manufacture of populated Printed Circuit Board of broadband modem, set -top box for gaining access to internet, digital Video Recorder (DVR)/Network Video Recorder (NVR), CCTV Camera/IP Camera, reception apparatus for television but not designed to incorporate a video display, sub-parts for use in the manufacture of the parts or components in item (a) above
	Parts of Set -top Box , such as Tuner, RF modulator, Remote control unit, SMPS power board, IR module.
Information Technology	Populated Printed Circuit Boards, transformers, parts of transformers and other goods, SMF Battery, Enameled copper wire used in the manufacture of static converters for automatic data processing machines and units thereof.
	Machinery, electrical equipment, other instruments, and their parts except populated Printed Circuit Boards for use in fabrication of semiconductor wafer and Liquid Crystal Display (LCD)

	<p>Deflection components for use in color monitors for computers or for use in PCBs of color monitors for computers</p> <p>Stepper Motors for use in the manufacture of Automatic data processing machines and units thereof, magnetic, or optical readers, machines for transcribing data to data media in coded forms and machines for processing of such data.</p> <p>Recorded magnetic tapes and floppy diskettes, imported by the University Grants Commission for use in Computers</p>
Textile Sector	<p>Nylon 66 filament Polyester yarn-Anti Static Filament Aramid Flame Retardant Fibre Para- aramid Fibre Nylon Staple Fibre Nylon Anti-Static Staple Fibre Modacrylic Fibre Flame Retardant Viscose Rayon Fibre Hydrophilic Non-Woven, Hydrophobic Nonwoven, imported for use in the manufacture of Adult Diapers Samples of hand knotted carpets Polyester tyre cord fabric Pile fabrics for the manufacture of toys</p> <p>Machinery and equipment for use in textiles industry or for use in man-made or synthetic fibre or yarn industry - Sewing Machines, Garment Washing Machines, Fusing Machine, Multicolor roto gravure printing machine, twisting machines, warp knotting system, circulating blower, drying tower, extruders, spindles, and others.</p> <p>Parts for manufacture of above machines.</p>
Pharmaceuticals	<p>Drugs, medicines, diagnostic kits, equipment, lifesaving drugs/ medicines including their salt and esters and diagnostic test kits, bulk drugs used in the manufacture of life saving drugs and other drugs: - Tocilizumab, Influenza Vaccine, Dopamine, Aprotinin, Rotavirus vaccine, Cyanamide, Hepatitis Immunoglobulin, Rabies Immunoglobulin of equine origin, sodium arsenate, and others.</p> <p>Raw materials intermediates and consumables supplied by the UNICEF for the manufacture of DTP vaccines</p> <p>Maltol, for use in the manufacture of deferiprone</p> <p>Alkyl esters of long chain fatty acids obtained from vegetable oils, commonly known as biodiesels</p> <p>o-Xylene</p> <p>p-Xylene</p> <p>Artificial kidney</p>

	Raw materials, parts, or accessories for use in manufacture of artificial kidney
	All types of contraceptives
	Disposable sterilized dialyzer and micro barrier of artificial kidney
	Raw materials parts or accessories for use in the manufacture of disposable sterilized dialyzers and micro barrier of artificial kidney
	Goods for use in pharmaceutical and biotechnology sector, imported for research and development purposes, by an importer or a research and development wing registered with the Department of Scientific and Industrial Research, in the Ministry of Science and Technology of the Government of India.
Power Sector	Transformers, reactors, circuit breakers, Isolators and various other products required for use in high voltage power transmission project
	All goods, for renovation or modernization of a power generation plant (other than captive power generation plant)
	All goods, imported by a manufacturer - supplier for the manufacture and supply of machinery and equipment to a power generation plant (other than captive power generation plant)
	Geothermal ground source heat pumps
	Wind operated electrical generators upto 30 KW Wind operated battery chargers upto 30 KW Parts of wind operated electricity generators, for the manufacture or maintenance of wind operated electricity generators such as special bearings, gear box, yaw components, wind turbine controllers and parts thereof, Blades for rotor of wind operated electricity generators, for the manufacture or maintenance of wind operated electricity operators, parts etc. Raw materials for manufacture of blades, parts, sub parts of blades. Permanent magnets for manufacture of PM synchronous generators above 500 kw for use in wind operated electricity generators
	Goods for renovation or modernization of a power generation plant other than for a captive power plant Goods for supply of machinery and equipment to a power generation plant
	Geothermal ground source heat pumps
Others	Machinery or equipment for effluent treatment plant for leather industry or for handloom sector or handicraft sector

Suggestions of stakeholders, trade and industry are invited and can be filled by August 10, 2021, on the My Gov Innovate India site:

<https://innovateindia.mygov.in/suggestions-for-review-of-customs-duty-exemptions/>

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