



# CHANGES IN CUSTOMS DUTY RATES FOR CHEMICAL AND PHARMACEUTICAL PRODUCTS AFTER BUDGET 2023-24

**Union Budget 2023-24**

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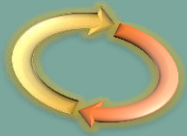
**Saurabh Dixit**  
Advocate

# MAJOR CHANGES IN CUSTOMS DUTY RATES FOR CHEMICAL AND PHARMACEUTICAL PRODUCTS



- ❑ *Budget 2023-24 is the first budget in Amrit Kaal.*
- ❑ *The budget has proposed to reduce the number of basic custom duty rates on goods.*
- ❑ *As a result, there are minor changes in the basic custom duties, cesses and surcharges on some items. Basic custom duty on products like denatured ethyl alcohol , acid grade fluorspar, crude glycerin etc are reduced.*
- ❑ *This changes will support and facilitate our endeavor for energy transition and to make the domestic industry competitive.*

# MAJOR CHANGES IN CUSTOMS DUTY RATES FOR CHEMICAL AND PHARMACEUTICAL PRODUCTS



Changes in BCD rate-New Effective Rates:-

<u>Tariff Item</u>	<u>Commodity</u>	<u>(%) Before</u>	<u>(%) Now</u>	<u>Sr. No. in 50/2017</u>
1520 00 00	Crude glycerin for <u>use in manufacture of Epichlorohydrin</u>	7.5	2.5*	81 A
2207 20 00	Denatured ethyl alcohol for <u>use in manufacture of industrial chemicals</u>	5	Nil*	104 B
2529 22 00	Acid grade fluorspar containing by weight more than 97% of calcium fluoride	5	2.5	132 A
2710	Naphtha	1	2.5	141

\*Condition 9 applicable

# MAJOR CHANGES IN CUSTOMS DUTY RATES FOR CHEMICAL AND PHARMACEUTICAL PRODUCTS



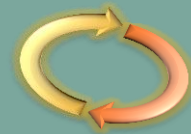
## Changes in BCD rate-New Effective Rates:-

<u>Tariff Item</u>	<u>Commodity</u>	<u>(%) Before</u>	<u>(%) Now</u>	<u>Sr. No. in 50/2017</u>
28,29,30 or 38	<u>The following goods, namely :</u> <u>(A)Drugs, medicines, diagnostic kits or equipment specified in List 3</u> <u>(B)Bulk drugs used in the manufacture of drugs or medicines at (A) **</u>	5 5	5* 5*	166

\*BCD rate on this item would operate through the Tariff and consequently said entry shall be omitted from 31.03.2025.

\*\*Condition 9 applicable

# MAJOR CHANGES IN CUSTOMS DUTY RATES FOR CHEMICAL AND PHARMACEUTICAL PRODUCTS



Changes in BCD rate-New Effective Rates:-

<u>Tariff Item</u>	<u>Commodity</u>	<u>(%) Before</u>	<u>(%) Now</u>	<u>Sr. No. in 50/2017</u>
28,29,30 or 38	<p><u>The following goods, namely :</u></p> <p><u>(A)Lifesaving drugs/medicines including their salts and esters and diagnostic test kits specified in List 4.</u></p> <p><u>(B)Bulk drugs used in the manufacture of life saving drugs or medicines at (A).</u></p> <p><u>(C)*****</u></p> <p><u>(D)Bulk drugs used in the manufacture of:</u></p> <p><u>i. Poliomyelitis Vaccine (Inactivated and live)</u></p> <p><u>ii. Monocomponent insulins</u></p>	Nil	Nil*	167
		Nil	Nil*#	
		Nil	Nil*#	
		Nil	Nil*#	

\*BCD rate on this item would operate through the Tariff and consequently said entry shall be omitted from 31.03.2025.

#Condition 9 applicable

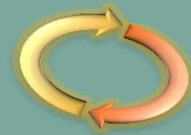
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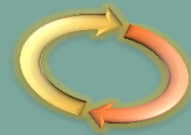
## Changes in BCD rate-New Effective Rates:-

<u>Tariff Item</u>	<u>Commodity</u>	<u>(%) Before</u>	<u>(%) Now</u>	<u>Sr. No. in 50/2017</u>
28,29,3 2,39, 54,56,7 0,72 or 90	The following goods, namely:- A) Goods specified in List 5, for the manufacture of telecommunication grade optical fibres or optical fibre cables; B) Fibre reinforced plastic rods (FRP),for the manufacture of telecommunication grade optical fibres or optical fibre cables; C) Goods specified in List 6 for manufacture of telecommunication grade FRP	Nil Nil Nil	Nil*# Nil*# Nil*#	168

**\*BCD rate on this item would operate through the Tariff and consequently said entry shall be omitted from 31.03.2025.**

**#Condition 9 applicable**

# MAJOR CHANGES IN CUSTOMS DUTY RATES FOR CHEMICAL AND PHARMACEUTICAL PRODUCTS



## Changes in BCD rate-New Effective Rates:-

<u>Tariff Item</u>	<u>Commodity</u>	<u>(%) Before</u>	<u>(%) Now</u>	<u>Sr. No. in 50/2017</u>
3208, 3815, 3901, or 3920	The following goods for use in the manufacture of EVA (Ethylene Vinyl Acetate) sheets or backsheet, which are used in the manufacture of solar photovoltaic cells or modules, namely:- (i) EVA resin; (ii) EVA masterbatch; (iii) Poly ethylene terephthalate (PET) film; (iv) Poly vinyl fluoride (PVF); (v) Poly vinyl di-fluoride (PVDF); (vi) Adhesive resin; and (vii) Adhesive hardner	Nil	Nil*#	237

\* BCD rate on this item would operate through the Tariff and consequently said entry shall be omitted from 31.03.2024.

#Condition 9 and 22 applicable

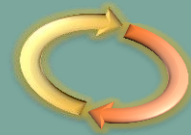
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# MAJOR CHANGES IN CUSTOMS DUTY RATES FOR CHEMICAL AND PHARMACEUTICAL PRODUCTS



## Changes in BCD rate-New Effective Rates:-

<u>Tariff Item</u>	<u>Commodity</u>	<u>(%) Before</u>	<u>(%) Now</u>	<u>Sr. No. in 50/2017</u>
Any Chapter	The following goods for the manufacture of Preform of Silica, namely: - (i) Refrigerated Helium Liquid (2804); (ii) Germanium Tetra Chloride (2812); (iii) Silica tetra chloride (2812); (iv) Silica tube (7002); (v) Silica Rods (7002)	Nil	Nil*	341 A

\*BCD rate on this item would operate through the Tariff and consequently said entry shall be omitted from 31.03.25.

\*\*BCD rate on this item would operate through the Tariff and consequently said entry shall be omitted from 01.02.25.

# Condition 9 applicable

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# MAJOR CHANGES IN CUSTOMS DUTY RATES FOR CHEMICAL AND PHARMACEUTICAL PRODUCTS



## Changes in the First Schedule of the Custom Tariff Act:-

<u>Tariff Item</u>	<u>Commodity</u>	<u>(%) Before</u>	<u>(%) Now</u>	<u>Sr. No. in 50/2017</u>
2902 50 00	Styrene	2	2.5	197
2903 21 00	Vinly Chloride Monomer	2	2.5	199

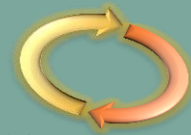
# MAJOR CHANGES IN CUSTOMS DUTY RATES FOR CHEMICAL AND PHARMACEUTICAL PRODUCTS



Conditional exemptions entries in Notification no 50/2017-Customs extended for one year, i.e. upto 31.3.2024 to be taken up for review this year:-

<u>Chapter</u>	<u>Sr. No. of Notification</u>	<u>Description</u>
2844	183	Medical use fission Molybdenum-99 (Mo-99) for use in manufacture of radio pharmaceutical
2852 or 3822	184	Pharmaceutical Reference Standard
29, 30, 35, 38 or 39	188	Specified goods for manufacture of ELISA Kits
2914 61 00, 2914 69 90	204	Anthraquinone or 2-Ethyl Anthraquinone, for use in manufacture of Hydrogen Peroxide

# MAJOR CHANGES IN CUSTOMS DUTY RATES FOR CHEMICAL AND PHARMACEUTICAL PRODUCTS



Conditional exemptions entries in Notification no 50/2017-Customs extended for one year, i.e. upto 31.3.2024 to be taken up for review this year:-

<u>Chapter</u>	<u>Sr. No. of Notification</u>	<u>Description</u>
30	212A	Medicines/drugs/vaccines supplied free by United Nations International Children's Emergency Fund (UNICEF), Red Cross or an International Organization
30 or any other Chapter	213	Drugs and materials
32099090	238	Organic or inorganic coating material for manufacture of electrical steel

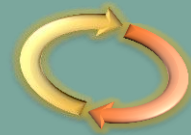
# MAJOR CHANGES IN CUSTOMS DUTY RATES FOR CHEMICAL AND PHARMACEUTICAL PRODUCTS



Conditional exemptions entries in Notification no 50/2017-Customs extended for one year, i.e. upto 31.3.2024 to be taken up for review this year:-

<u>Chapter</u>	<u>Sr. No. of Notification</u>	<u>Description</u>
Any Chapter	569	Ostomy products, its accessories and parts required for manufacture of such medical equipment

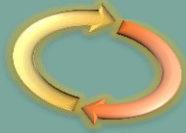
# MAJOR CHANGES IN CUSTOMS DUTY RATES FOR CHEMICAL AND PHARMACEUTICAL PRODUCTS



Standalone Customs exemption notifications extended for one year, upto 31.3.2024 to be taken up for review this year:-

<u>Sr. No.</u>	<u>Sr. No. of Notification</u>	<u>Description</u>
1	16/2017- Customs	Exemption to specified drugs & medicines supplied free of cost to patients under Patient Assistance program of Pharma Companies

# MAJOR CHANGES IN CUSTOMS DUTY RATES FOR CHEMICAL AND PHARMACEUTICAL PRODUCTS



Conditional /unconditional exemption entries in notification no 50/2017-customs being discontinued with effect from 31.3.2023.:-

<u>Chapter</u>	<u>Notification No.50/2017</u>	<u>Commodity</u>	<u>From %</u>	<u>To %</u>
28, 29, 32, 39, 54, 56, 70, 72 or 90	168	Specific inputs and sub-parts for use in manufacture of telecommunication grade optical fibre or optical fibre cables	Nil	Nil
28, 29, 30 or 38	166	Specified Drugs, medicines, diagnostics kits	5	5
28, 29, 30 or 38	167	Lifesaving drugs etc	Nil	Nil

# MAJOR CHANGES IN CUSTOMS DUTY RATES FOR CHEMICAL AND PHARMACEUTICAL PRODUCTS



Certain entries has been added in Chapter 29:-

<u>Tariff Item</u>	<u>Commodity</u>	<u>Standard Rate of Duty</u>
2916 20 20	--- Bifenthrin (ISO)	7.5%
2924 29 70	--- Pretilachlor (ISO)	7.5%
2930 20	- Thiocarbamates and dithiocarbamates:	
2930 20 10	-- Cartap Hydrochloride (ISO)	7.5%
2930 20 90	--- Other	7.5%
2930 90 92	---- Acephate (ISO)	7.5%

# MAJOR CHANGES IN CUSTOMS DUTY RATES FOR CHEMICAL AND PHARMACEUTICAL PRODUCTS



Certain entries has been added in Chapter 29:-

<u>Tariff Item</u>	<u>Commodity</u>	<u>Standard Rate of Duty</u>
2931 49 30	--- Glyphosate (ISO)	7.5%
2932 99 20	--- Emamectin Ebnzoate (ISO)	7.5%
2933 29 60	--- Imidacloprid (ISO)	7.5%
2933 39 17	---- Chlorantraniliprole (ISO)	7.5%
2933 39 21	---- Acetamiprid (ISO)	7.5%



# MAJOR CHANGES IN CUSTOMS DUTY RATES FOR CHEMICAL AND PHARMACEUTICAL PRODUCTS



Certain entries has been added in Chapter 29:-

<u>Tariff Item</u>	<u>Commodity</u>	<u>Standard Rate of Duty</u>
2933 39 22	---- Imazethapyr (ISO)	7.5%
2933 39 29	---- Other	7.5%
2933 59 50	--- Bispyribac-Sodium (ISO)	7.5%
2933 99 20	--- Carbendazim (ISO)	7.5%
2934 99 30	--- Buprofezin (ISO)	7.5%

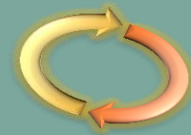
# MAJOR CHANGES IN CUSTOMS DUTY RATES FOR CHEMICAL AND PHARMACEUTICAL PRODUCTS



Certain entries has been added in Chapter 29:-

<u>Tariff Item</u>	<u>Commodity</u>	<u>Standard Rate of Duty</u>
2935 50	- Other perfluorooctane sulphonamides:	
2935 50 10	--- Flubendiamide (ISO)	7.5%
2935 50 90	--- Other	7.5%

# MAJOR CHANGES IN CUSTOMS DUTY RATES FOR CHEMICAL AND PHARMACEUTICAL PRODUCTS



## Supplementary Note has been added in Chapter 31:-

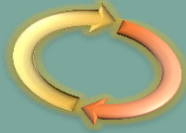
(i) after Note 6, the following Supplementary Note shall be inserted, namely:—

### **“Supplementary Note :**

(1) In this Chapter, reference to any standard of the Bureau of Indian Standards refers to the last published version of that standard.

Illustration : IS 1459 refers to IS 1459: 2018 and not to IS 1459: 1974.”;

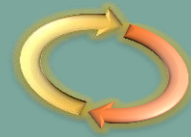
# MAJOR CHANGES IN CUSTOMS DUTY RATES FOR CHEMICAL AND PHARMACEUTICAL PRODUCTS



Certain entries has been added in Chapter 32:-

<u>Tariff Item</u>	<u>Commodity</u>	<u>Standard Rate of Duty</u>
3102 10	- Urea, whether or not in aqueous solution :	
3102 10 10	--- Fertilizer grade, conforming to Standard IS 5406	10%
3102 10 90	--- Others	10%

# MAJOR CHANGES IN CUSTOMS DUTY RATES FOR CHEMICAL AND PHARMACEUTICAL PRODUCTS



## Supplementary Note has been added in Chapter 38:-

(i) after Sub-heading Note 4, the following Supplementary Notes shall be inserted, namely:—

“Supplementary Notes:

*1. Tariff item 3808 91 41 covers one of the following goods of sub-heading 3808 91 : Acephate (ISO) conforming to IS-12915; Cartap Hydrochloride (ISO) conforming to IS-14159; Imidachloprid (ISO) conforming to IS-15443; Acetamiprid (ISO) conforming to IS-15981.*

*2. Tariff item 3808 91 42 covers one of the following goods of sub-heading 3808 91 with content by mass greater than 90% : Chlorentraniliprole (ISO); Buprofezin (ISO); Flubendiamide (ISO); Imamectin Benzoate (ISO).*

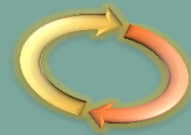
# MAJOR CHANGES IN CUSTOMS DUTY RATES FOR CHEMICAL AND PHARMACEUTICAL PRODUCTS



## Supplementary Note has been added in Chapter 38:-

3. *Tariff item 3808 91 51 covers only mixtures and preparations of goods of sub-heading 3808 91, containing one or more of the following : Acephate (ISO) conforming to IS-12916; Cartap Hydrochloride (ISO) conforming to IS-14183; Imidachloprid (ISO) conforming to IS-15335; Acetamiprid (ISO) conforming to IS-16328.*
4. *Tariff item 3808 91 52 covers only mixtures and preparations of goods of sub-heading 3808 91 with content by mass greater than 90%, containing one or more of the following : Chlorentraniliprole (ISO); Buprofezin (ISO); Flubendiamide (ISO); Imamectin Benzoate (ISO).*
5. *Tariff item 3808 92 60 covers one of the following goods of sub-heading 3808 92 : Carbendazim (ISO) conforming to IS-8445.*
6. *Tariff item 3808 92 70 covers only mixtures and preparations of goods of sub-heading 3808 92, containing one or more of the following : Carbendazim (ISO) conforming to IS-8446.*

# MAJOR CHANGES IN CUSTOMS DUTY RATES FOR CHEMICAL AND PHARMACEUTICAL PRODUCTS



## Supplementary Note has been added in Chapter 38:-

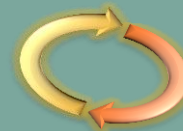
7. *Tariff item 3808 93 61 covers one of the following goods of sub-heading 3808 93 : Pretilachlor (ISO) conforming to IS-15158; Glyphosate (ISO) conforming to IS-12502.*

8. *Tariff item 3808 93 62 covers one of the following goods of sub-heading 3808 93 with content by mass greater than 90% : Bispyribac sodium (ISO); Imazethapyr (ISO).*

9. *Tariff item 3808 93 71 covers only mixtures and preparations of goods of sub-heading 3808 93, containing one or more of the following : Pretilachlor (ISO) conforming to IS-15160.*

10. *Tariff item 3808 93 72 covers only mixtures and preparations of goods of sub-heading 3808 93 with content by mass greater than 90%, containing one or more of the following : Bispyribac sodium (ISO); Imazethapyr (ISO).”;*

# MAJOR CHANGES IN CUSTOMS DUTY RATES FOR CHEMICAL AND PHARMACEUTICAL PRODUCTS

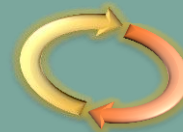


Certain entries has been added in Chapter 38:-

<u>Tariff Item</u>	<u>Commodity</u>	<u>Standard Rate of Duty</u>
3808 91 41	Goods specified in Supplementary Note 1 to this Chapter	10%
3808 91 42	Goods specified in Supplementary Note 2 to this Chapter	10%
3808 91 51	Goods specified in Supplementary Note 3 to this Chapter	10%
3808 91 52	Goods specified in Supplementary Note 4 to this Chapter	10%
3808 92 60	Goods specified in Supplementary Note 5 to this Chapter	10%
3808 92 70	Goods specified in Supplementary Note 6 to this Chapter	10%



# MAJOR CHANGES IN CUSTOMS DUTY RATES FOR CHEMICAL AND PHARMACEUTICAL PRODUCTS



Certain entries has been added in Chapter 38:-

<u>Tariff Item</u>	<u>Commodity</u>	<u>Standard Rate of Duty</u>
3808 93 61	Goods specified in Supplementary Note 7 to this Chapter	10%
3808 93 62	Goods specified in Supplementary Note 8 to this Chapter	10%
3808 93 71	Goods specified in Supplementary Note 9 to this Chapter	10%
3808 93 72	Goods specified in Supplementary Note 10 to this Chapter	10%

# THANK YOU

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