



## Tax Insights

30 January 2024

### Government notifies extension of specified exemption notifications and specific exemptions for customs duty up to 30 September 2024

#### In brief

Under the Finance Act, 2021, the conditional exemption from customs duty extended through notifications was to have a two-year tenure unless extended. Subsequently, a periodic review was undertaken by the government in consultation with the trade and other ministries to rescind certain notifications or to notify the end date for the withdrawal of the exemption.

However, certain notifications and exemptions that were to lapse on 31 March 2024 now stand extended by the government till 30 September 2024<sup>1</sup>.

#### In detail

Exemptions including the specific notifications extended are detailed below.

#### Specific exemptions mentioned in Notification No. 50/2017-Customs dated 30 June 2017

Sl. No.	Serial No.	Relating to
1	237	Specified goods for use in the manufacture of Ethylene Vinyl Acetate (EVA) sheets or backsheets, which are used to manufacture solar photovoltaic cells or modules
2	340	Solar tempered glass or solar tempered (anti-reflective coated) glass for use in the manufacture of solar cells or panels or modules
3	368	Ferrous waste and scrap; remelting scrap ingots of iron or steel
4	374	Magnesium Oxide (MgO) coated cold rolled steel coils for use in the manufacture of cold rolled grain oriented steel (CRGO) covered under tariff item 7225 11 00
5	375	Specified goods to manufacture CRGO steel covered under tariff item 7225 11 00

<sup>1</sup> Notification No. 6 and 7/2024-Customs dated 29 January 2024

Sl. No.	Serial No.	Relating to
6	403	Parts and raw materials to manufacture goods to be supplied in connection with off-shore oil exploration or exploitation
7	479	The following goods, namely, (1) Mono or bi-polar membrane electrolyzers and parts thereof including secondary brine purification components, jumper switches, filtering elements for hydrogen filters and any other machinery, required for – (i) modernisation by using membrane cell technology, of an existing caustic soda unit or caustic potash unit; or (ii) capacity expansion of an existing caustic soda unit or caustic potash unit using membrane cell technology; or (iii) setting up a new caustic soda unit or caustic potash unit using membrane cell technology. (2) Membrane and parts thereof to replace worn out membranes in an industrial plant based on membrane cell technology. (3) Parts, other than those mentioned in point (2) above, required for a caustic soda unit or caustic potash unit using membrane cell technology.
8	527A	Lithium-ion cell for use in the manufacture of battery or battery pack of a cellular mobile phone
9	527B	Lithium-ion cell for use in the manufacture of battery or battery pack of an electrically operated vehicle or a hybrid motor vehicle

Certain specific exemptions as listed in the second proviso of Notification No. 50/2017-Customs dated 30 June 2017 also stands extended till 30 September 2024. Some of the illustrative exemptions are mentioned below.

Sl. No.	Serial No.	Relating to
1	133	Gold ores and concentrates for use in the manufacture of gold
2	422	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)
3	446	Parts and components for manufacture of tunnel boring machines
4	471	All parts for use in the manufacture of Light Emitting Diode (LED) lights or fixtures including LED lamps
5	472	All inputs for use in the manufacture of LED driver or Metal Core Printed Circuit Board (MCPCB) for LED lights and fixtures or LED lamps
6	495	Batteries for electrically operated vehicles, including two and three wheeled electric motor vehicles
7	510	Parts, components and accessories for use in manufacture of reception apparatus for television but not designed to incorporate a video display covered under tariff item 8528 71 00, other than specified items
8	512	Parts, components and accessories except Lithium-ion cell and Printed Circuit Board Assembly (PCBA), for use in manufacture of Lithium-ion battery and battery pack.

Sl. No.	Serial No.	Relating to
		Also, sub-parts for use in manufacture of items mentioned above.
9	534	Parts of gliders or simulators of aircrafts (excluding rubber tyres and tubes of gliders)
10	581	Portable x-ray machine or system

### Specific exemption notifications

Sl. No.	Notification No.	Date	Subject of notification
1	Notification No. 16-Customs	23 January 1965	Exemption for goods exported for display in showrooms of Government of India
2	Notification No. 80-Customs	29 August 1970	Exemption for articles and component parts as replacement of defective articles imported earlier as private personal property
3	Notification No. 46/74-Customs	25 May 1974	Exemption for pedagogic materials imported by educational institutions, etc.
4	Notification No. 248-Customs	2 August 1976	Exemption for specified goods imported by post on an approval or on return basis
5	Notification No. 207/89-Customs	17 July 1989	Exemption for foodstuffs and provisions by foreign nationals
6	Notification No. 134/94-Customs	22 June 1994	Exemption for goods imported for carrying out repairs etc.
7	Notification No. 147/94-Customs	13 July 1994	Exemption for firearms and ammunition when imported as a personal baggage or gift by a 'renowned shooter'
8	Notification No. 148/94-Customs	13 July 1994	Exemption for specified goods imported by charitable organisations, Red Cross Society and Cooperative for American Relief Everywhere (CARE)
9	Notification No. 151/94-Customs	13 July 1994	Exemption for aircraft equipment, engine and spare parts, specified catering and ground equipment, aircraft fuel and lubricating oils by Indian Air Lines, Indian Air Force and United Arab Airlines
10	Notification No. 152/94-Customs	13 July 1994	Exemption for imports for handicapped persons, charitable or social welfare purposes, and research or educational programmes
11	Notification No. 153/94-Customs	13 July 1994	Exemption for goods of foreign origin for repairs and returns, theatrical equipment, pontoons, and photographic filming, sound recording and radio equipment etc.
12	Notification No. 39/96-Customs	23 July 1996	Exemption for specified goods imported by Defence, Coast Guard, Department of Revenue, police forces, HAL, specified ordnance factories and for ATVP, IGMDP, SAMYUKTA, LCAP, ANGRAHA, DIVYA DRISHTI and DHANUSH programmes

Sl. No.	Notification No.	Date	Subject of notification
13	Notification No. 50/96-Customs	23 July 1996	Exemption for specified equipment, instruments, raw materials, components, pilot plant and computer software when imported for R&D projects
14	Notification No. 51/96-Customs	23 July 1996	Exemption for research equipment imported by public funded research institutions, a university of an Indian Institute of Technology, Indian Institute of Science, Bangalore, regional engineering colleges, non-commercial institutions etc.
15	Notification No. 25/98-Customs	2 June 1998	Effective rate of duty on goods specified in Chapters 70, 84, 85 or 90 of the Information Technology Agreement
16	Notification No. 25/99-Customs	28 February 1998	Concessional rate of duty on goods imported to manufacture excisable goods in electronics or IT sector
17	Notification No. 97/99-Customs	21 July 1999	Exemption for gold bars imported by an authorised bank
18	Notification No. 25/2002-Customs	1 March 2002	Exemption for capital goods used by the IT or Electronics industry, subject to the actual user condition
19	Notification No. 113/2003-Customs	22 July 2003	Castor oil cake — manufactured from indigenous castor oil seeds in plant and machinery in a special economic zone (SEZ)
20	Notification No. 30/2004-Customs	28 January 2004	Exemption for second-hand computers and computer peripherals received as donations by specified agencies
21	Notification No. 45/2005-Customs	16 May 2005	Exemption for all goods produced or manufactured in an SEZ and brought to any other place in India in accordance with the provisions of the Foreign Trade Policy 2004-2009
22	Notification No. 81/2005-Customs	8 September 2005	Exemption for specified goods required for an initial setting up of a power generation project using non-conventional materials
23	Notification No. 102/2007-Customs	14 September 2007	Exemption granted to additional customs duty on imported goods
24	Notification No. 26/2011-Customs	1 March 2011	Exemption for a work of art imported for exhibition in a public museum or national institution
25	Notification No. 23/2016-Customs	1 March 2016	Aircraft parts imported for repair or overhaul and for exports – Standard Exchange Scheme
26	Notification No. 05/2017-Customs	2 February 2017	Exemption for all items of machinery including instruments, apparatus and appliances, transmission and auxiliary equipment for an initial setting up of a fuel cell-based system for generation of power, demonstration purposes or a balance of systems

Sl. No.	Notification No.	Date	Subject of notification
			operating on biogas or bio-methane or by-product hydrogen
27	Notification No. 16/2017-Customs	20 April 2017	Exemption for goods covered under Chapter 30 of the first Schedule of Customs tariff Act, 1975, for supply under patient assistance programmes run by specified pharmaceutical companies
28	Notification No. 29/2017-Customs	30 June 2017	Exemption for specimens, models, wall pictures and diagrams for instructional purposes
29	Notification No. 30/2017-Customs	30 June 2017	Exemption for motion pictures, music and gaming software
30	Notification No. 32/2017-Customs	30 June 2017	Exemption for works of art and books, being antiques of an age exceeding one hundred years
31	Notification No. 37/2017-Customs	30 June 2017	Exemption for imports relating to defence and internal security forces
32	Notification No. 49/2017-Customs	30 June 2017	Exemption for Special Additional Duty on specified goods of fourth Schedule of the Central Excise Act, 1944

### The takeaways

With the extension of the sunset clause for specific exemptions including notifications, the trade can enjoy the benefits for some more time till the government reviews these exemptions in detail for relevance and future requirements *vis-à-vis* future trade and economic objectives.

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