

Custom Duty: Union Budget 2020-21 (Electronics Chapter 84 & 85)

S.No	Item	HS Codes	Previous BCD (%)	Revised BCD (%)	Custom Notification
1.	Vibrator Motor / Ringer for use in manufacture of cellular mobile phones	85177090	NIL	10 (Applicable from 1/04/2020)	Vide Custom Notification 02/2020 dated 02.02.2020 (Amending the principal notification No.57/2017-Customs, dated 30.06.2017 by inserting S.No 5C and deleting S.No 6, item (vi)).
2.	Inputs, parts, sub-parts for use in manufacture of items mentioned at S.No 1 above	Any Chapter	Applicable	NIL (Applicable from 1/04/2020)	Vide Custom Notification 02/2020 dated 02.02.2020 (Amending the principal notification No.57/2017-Customs, dated 30.06.2017 by inserting S.No 5C and deleting S.No 6).
3.	PCBA's for the manufacture of mobile Phones	85177010	10	20 (Applicable from 1/04/2020)	20% vide Finance Bill, Clause-115 (a) 10% upto 31 st March - Amending the principal notification No.57/2017-Customs, dated 30.06.2017 by inserting S.No 21). Note: All PCBA in 85177010 at 20% now for manufacture of all goods heading 8517 which covers telecom goods besides mobiles.
4	Display Assembly for use in manufacture of cellular mobile phones	85177090	NIL	10 (Applicable from 1/10/2020)	Vide Custom Notification 02/2020 dated 02.02.2020. (Amending the principal notification No.57/2017-Customs, dated 30.06.2017 by inserting S.No 5D).
5	Inputs, parts, sub-parts for use in manufacture of items mentioned at S.No 4 above	Any Chapter	Applicable	NIL (Applicable from 1/10/2020)	Vide Custom Notification 02/2020 dated 02.02.2020. (Amending the principal notification No.57/2017-Customs, dated 30.06.2017 by inserting S.No 5D).

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6	Touch Panel/ Cover Glass Assembly for use in manufacture of cellular mobile phones	85177090	NIL	10 Applicable from 1/10/2020	Vide Custom Notification 02/2020 dated 02.02.2020. (Amending the principal notification No.57/2017-Customs, dated 30.06.2017 by inserting S.No 5E)
7	Inputs, parts, sub-parts for use in manufacture of items mentioned at S.No 6 above	Any Chapter	Applicable	NIL Applicable from 1/10/2020	Vide Custom Notification 02/2020 dated 02.02.2020. (Amending the principal notification No.57/2017-Customs, dated 30.06.2017 by inserting S.No 5E).
8	Fingerprint reader/Scanner for Mobile Phones	8517 7090	NIL	15	Vide Custom Notification 02/2020 dated 02.02.2020. Amending the notification No.50/2017-Customs, dated 30.06.2017 by amending item (ii) in S.No 468 as “Fingerprint reader/ Scanner other than Fingerprint reader/ Scanner used in manufacturing of mobile phones”). Note: Fingerprint reader/ Scanner for uses other than mobile phones such as POS devices etc. continues at zero.
9	Inputs/ parts for Fingerprint reader/Scanner	Any Chapter	NIL	NIL	Vide Custom Notification 02/2020 dated 02.02.2020 (Amending the principal notification No.57/2017-Customs, dated 30.06.2017 by inserting (xxxi) in S.No 7).

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10	Specified parts of Microphone – (Microphone Cartridge; Microphone Holder; Microphone Grill; and Microphone Body)	8518	Applicable	NIL (exempted subject to actual user condition)	Vide Custom Notification 01/2020 dated 02.02.2020. (Amending the notification No.50/2017-Customs, dated 30.06.2017 by amending S.No 489B by exempting parts – Microphone Cartridge, Microphone Holder, Microphone Grill, Microphone Body).
11	Headphones & Earphones	85183000	Applicable	15	Vide Custom Notification 02/2020 dated 02.02.2020 (Amending the principal notification No.57/2017-Customs, dated 30.06.2017 S.No 18 as “All goods other than the following parts of cellular mobile phones, namely: (i) Microphone; and (ii) Receiver”. <i>Note: Till now, only headsets of cellular mobile phone falling under tariff item 8518 30 00 were attracting 15% BCD. Now, all items of tariff item 8518 30 00 shall attract 15% BCD.</i>
12	Chargers/Power Adapters [except those covered in Information Technology Agreement-I]	850440	Applicable-NIL/10%/15%	20	Vide Finance Bill, Clause-115 (b) All goods other than Charger/ Adaptor falling under sub-heading 8504 40 continues at 10% vide Notification 02/2020 dated 02.02.2020 and amending the notification No.50/2017-Customs, dated 30.06.2017 by amending S.No 13 as “All goods other than charger or power adapter”.
13	Open Cells of television sets	85299030	Exempted	Exemption extended	Vide Finance Bill, Clause-115 (b) Vide Custom Notification 10/2020 dated 02.02.2020 HS code 8529 9090 has accordingly split to create a new HS code for open cell 85299030. Consequential amendments in other notifications including FTA are also being done to maintain existing BCD exemptions on Open cell of television set vide notification No. 10/2020, dated the 2nd February, 2020.

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14	Micro Fuse Base , Sub-miniature Fuse base and Micro Fuse Cover, Sub-miniature Fuse cover for use in the manufacture of Micro Fuse and Sub-Miniature Fuse, subject to actual user condition.	8538	5	NIL	Vide Custom Notification 05/2020 dated 02.02.2020 (Amending, the principal notification No.25/99-Customs, dated 28.02.1999, S. No. 190, inserting “Micro Fuse Base, Sub-Miniature Fuse Base, Micro Fuse Cover, Sub-Miniature Fuse Cover”.
15	Inputs for manufacturing of Connectors (HS 85369090) : Poly Ester LCP	3907 9990	5	NIL	Vide Custom Notification 05/2020 dated 02.02.2020 (Amending, the principal notification No.25/99-Customs, dated 28.02.1999, S. No. 225, inserting Poly Ester LCP (HS 39079990) along with 3908 90 90 Liquid Crystal Polymer (LCP).
16	Colour television picture tubes for use in the manufacture of cathode ray televisions	854011	NIL	10	Vide Custom Notification 05/2020 dated 02.02.2020 (Amending the notification No.50/2017-Customs, dated 30.06.2017 by omitting S.No 515).
17	MP3/MP4/MPEG4 Players with or without radio or video reception	Applicable	5	10	Vide Custom Notification 01/2020 dated 02.02.2020. (Amending the notification No.50/2017-Customs, dated 30.06.2017 by omitting S.No 474).
18	All goods (DC Motors & AC Motors) (except HS Codes: 85016470, 85016480)	8501	7.5%	10%	Vide Custom Notification 01/2020 dated 02.02.2020. (Amending the notification No.50/2017-Customs, dated 30.06.2017 by omitting S.No 486).

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19	Parts for the manufacture of Printers falling under sub-heading 8443 32 except 8443 9951, 8443 9952 (ink Cartridge) and 8443 9953 (Ink spray nozzle)	8443 32	Exempted	Exemption extended	<p>Vide Custom Notification 01/2020 dated 02.02.2020.</p> <p>(Amending the notification No.50/2017-Customs, dated 30.06.2017 by omitting S.No 459).</p> <p>Exemption extended as provision already under notification 24/2005 dated 01.03.2005 under S.No 2A to 2F).</p>
20	Copper & Articles thereof for the manufacture of ITA-1 Items (as mentioned under Cust. Notif.no. 24/2005 and 25/2005)	Chap. 74	NIL	7.5	<p>Vide Custom Notification 07/2020 dated 02.02.2020 and 06/2020 dated 02.02.2020.</p> <p>Amending notification No. 24/2005-Customs, dated the 1st March, 2005 so as to exclude copper and articles thereof from the exemption provided to raw materials use for manufacturing of ITA goods specified therein the notification. Amending notification No. 25/2005-Customs, dated the 1st March, 2005 so as to exclude copper and articles thereof from the exemption provided to raw materials use for manufacturing of ITA goods specified therein the notification.</p>
21	Calendared Plastic sheet for the manufacture of Smart Cards (HSC 8523)	39201099	NIL	5	<p>Vide Custom Notification 01/2020 dated 02.02.2020.</p>
22	Parts, Components and accessories for the manufacture of Broadband Modem	85176230	NIL	NIL*	<p>Vide Custom Notification 01/2020 dated 02.02.2020.</p> <p>(Amending the principal notification No.50/2017-Customs, dated 30.06.2017, S.No 506)</p> <p><i>*(Only PCBA's & Chargers/Adapters are excluded thereby imposing 10% BCD on them)</i></p>

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23	Parts, Components and accessories for the manufacture of Routers <i>(OTHER than PCBA's & Chargers & Adapters)</i>	85176290	NIL	NIL*	Vide Custom Notification 01/2020 dated 02.02.2020 (Amending the principal notification No.50/2017-Customs, dated 30.06.2017, S.No 507). <i>*(Only PCBA's & Chargers/Adapters are excluded thereby imposing 10% BCD on them)</i>
24	Parts, Components and accessories for the manufacture of Set Top Boxes for Internet <i>(OTHER than PCBA's & Chargers & Adapters)</i>	85176960	NIL	NIL*	Vide Custom Notification 01/2020 dated 02.02.2020. (Amending the principal notification No.50/2017-Customs, dated 30.06.2017, S.No 508). <i>*(Only PCBA's & Chargers/Adapters are excluded thereby imposing 10% BCD on them)</i>
25	Parts, Components and accessories for the manufacture of Reception apparatus for TV's	85287100	NIL	NIL*	Vide Custom Notification 01/2020 dated 02.02.2020 (Amending the principal notification No.50/2017-Customs, dated 30.06.2017, S.No 510). <i>*(Only PCBA's & Chargers/Adapters are excluded thereby imposing 10% BCD on them)</i>
26	PCBA's of following goods, namely:- (a) Base station; (b) Optical transport equipment; (c) Combination of one or more of Packet Optical Transport Product or Switch (POTP or POTS); (d) Optical Transport Network (OTN) etc.	Applicable	Applicable	10	Vide Custom Notification 02/2020 dated 02.02.2020.

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27	Inputs/ goods required for manufacture of Optical disk drives(ODD), namely:- (i) Pick up assembly (ii) Digital signature procession integrated circuit etc.	84 or any other Chapter	NIL	Applicable	Vide Custom Notification 01/2020 dated 02.02.2020. (Amending the notification No.50/2017-Customs, dated 30.06.2017 by omitting S.No 447).
28	CD –Writers	8471	Exempted	Exemption extended	Vide Custom Notification 01/2020 dated 02.02.2020. (Amending the notification No.50/2017-Customs, dated 30.06.2017 by omitting S.No 465). Exemption extended as provision already under notification 24/2005 dated 01.03.2005 under S.No 8).
29	Parts & Assemblies for Electric Vehicles	Applicable	NIL	15 to 40	Vide Custom Notification 01/2020 dated 02.02.2020.
30	Water Heaters, Dryers, Smoothing Iron, Coffee/Tea maker, toaster etc.	8506	10	20	Vide Finance Bill, Clause-115 (a)
31	Compressors of Refrigerators	84143000	10	12.5	Vide Finance Bill, Clause-115 (a)
32	Compressors of AC's	84148011	10	12.5	Vide Finance Bill, Clause-115 (a)
33	Gold Metal	Chap. 71	NIL	Applicable	Vide Custom Notification 05/2020 dated 02.02.2020. Amending notification No. 25/99-Customs dated 28th February. 1999 so as to withdraw BCD exemption on Gold used in manufacture of semi-conductor devices or light emitting diode.

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34	Solar Cells (Not Assembled)	85414011	NIL	20	Tariff rate increased vide Custom Notification 01/2020 dated 02.02.2020 , Finance Bill, Clause-115 (b). Note: Solar Cells, whether or not assembled in modules classified under 8541 4011 attract NIL BCD and exemption continues.
35	Solar Cells (Assembled in module or made up into panel)	85414012	NIL	20	Tariff rate increased vide Custom Notification 01/2020 dated 02.02.2020 Finance Bill, Clause-115 (b). Note: Solar Cells, whether or not assembled in modules classified under 8541 4011 attract NIL BCD and exemption continues.
36	Food Grinders & mixers (except parts under 8509 9000)	8509	10	20	Vide Finance Bill, Clause-115 (a)
37	Social Surcharge (SWS) Welfare	All chapters of 84, 85 and 90	Exemption from SWS on specified items of Chapter 85 under entries at S. No. 1, 11, 13, 14, 17, 21 to 45 and 51 of the.	Entire Chapters 84, 85 and 90 will now be liable to SWS at the rate of 10% of BCD	The exemption from SWS on the said items of Chapter 85 is being withdrawn by omitting said entries. [Notification No. 11/2018-Customs, dated 2nd February, 2018, as amended vide notification No.9 /2020, dated 2nd February, 2020 refers]. Consequently, all items of Chapter 85 will attract SWS at the rate of 10% of BCD payable. Note: The immediate impact is that mobile phones are charged 2% more duty on imports. PMP final product goods will also attract SWS ranging from 1% to 1.5%. Further, IGST is attracted on SWS. Thus, mobile will face another 0.2% as IGST. Last, SWS is zero where Basic Duty is zero.
