

LKS UPDATE

An e-update to clients from Lakshmikumaran & Sridharan

2 FEBRUARY 2023

INDIRECT TAX

Budget 2023

Update in Electronics Industry

UPDATE NO. 13 OF 2023



Lakshmikumaran
& Sridharan
attorneys

exceeding expectations
SINCE 1985





NOTABLE CHANGES

- Substitution/Amendment in *Tariff Heading 8517* – Information Technology Agreement, 1996 motivated
- Expansion in the scope of *Tariff Heading 8524*
 - Separate tariff items have been added for flat panel display modules for certain categories of ADPM, mobile phones, television sets/LCDs, and residual categories for others.
- Scope of exemption widened to include *capital goods used for manufacturing the batteries* for electrically operated vehicles
- Reduction in the customs duty rate on *components used in the manufacture of open-cell of TV panels*
- Reduction in effective customs duty on *camera lens and sub-parts/inputs* used in the manufacture of mobile phone camera module

CHANGES IN EFFECTIVE TARIFF RATE

S. No.	Tariff Heading	Description	From	To
Rate Change w.e.f. 02.02.2023				
1.	8414 60 00	Hoods (<i>Electrical Chimney</i>) having a maximum horizontal side not exceeding 120 cm	75% (Tariff)	15% (Tariff)
2.	25, 28, 32, 39, 40, 69, 73, 85	Goods mentioned at Column (3) of S. No. 17, List A of Notification No. 25/1999-Cus dated 28.02.1999 when imported for manufacture of Ferrites and Pre-calcined Ferrite Powder	Nil (Except for manufacture of pre-calcined ferrite powder)	Nil [S. No. 17, List A, Notification No. 25/1999-Cus dated 28.02.1999]
3.	Chap 84 and Chap 85	Goods mentioned in Column (2) of S. No. 69 of Notification No. 25/2002-Cus dated 01.03.2002 when imported for Lithium Ion Cell for use in the manufacture of Battery of Mobile Hand Sets or Battery of Electrically Operated Vehicles	Nil [Except for manufacture of Electrically Operated Vehicles]	Nil [S. No. 69 of Notification No. 25/2002-Cus dated 01.03.2002]

S. No.	Tariff Heading	Description	From	To
Rate Change w.e.f. 02.02.2023				
4.	8516 80 00	Heat Coil for use in the manufacture of Electric Kitchen Chimneys falling under CTI 8414 60 00	20%	15% (Condition No. 9, IGCRS) [S. No. 498AA of Notification No. 50/2017-Cus dated 30.06.2017]
5.	8529	The following goods for use in the manufacture of Open cell of Liquid Crystal Display (LCD) and Light Emitting Diode (LED) TV panels of heading 8524, namely: - (i) Chip on Film; (ii) Printed Circuit Board Assembly (PCBA); (iii) Cell (glass board/substrate).	5%	2.5% (Condition No. 9, IGCRS) [S. No. 515B of Notification No. 50/2017- Cus dated 30.06.2017]
6.	39, 40, 58, 70, 72, 73, 83, 84, 85, 87, 90	Vehicles, automobile parts/ components, sub-systems and tyres specified in List 36, when imported by testing agencies specified in List 37, for the purpose of testing and/or certification	Variable Rates as per Chapter	Nil (Condition No. 113) [S. No. 532A of Notification No. 50/2017-Cus dated 30.06.2017]
7.	Any Chapter	Camera lens and its inputs/ parts for use in manufacture of camera module of cellular mobile phone	2.5% (S. No. 6B, Notification No. 57/2017-Cus dated 30.06.2017)	Nil (S. No. 6BA, Notification No. 57/2017-Cus dated 30.06.2017)

LOCATIONS

NEW DELHI

5 Link Road, Jangpura Extension,
New Delhi 110 014

PHONE: 011-4129 9800

B-6/10, Safdarjung Enclave,
New Delhi 110 029

PHONE: 011-4129 9900

E-MAIL: Lsdel@lakshmisri.com

MUMBAI

2nd Floor, CNERGY IT Park,
Old Standard Mill,

Appa Saheb Marathe Marg,
Prabhadevi,

Mumbai 400 025

PHONE: 022-2439 2500

E-MAIL: Lsbom@lakshmisri.com

CHENNAI

2, Wallace Garden, 2nd Street,
Chennai 600 006

PHONE: 044-2833 4700

E-MAIL: Lsmads@lakshmisri.com

BENGALURU

World Trade Center,
No. 404-406, 4th Floor, South Wing,
Brigade Gateway Campus,

No. 26/1 Dr. Rajkumar Road,
Malleswaram West,

Bengaluru 560 055

PHONE: 080-4933 1800

E-MAIL: Lsblr@lakshmisri.com

HYDERABAD

'Hastigiri', 5-9-163, Chapel Road,
Opp. Methodist Church, Nampally,
Hyderabad 500 001

PHONE: 040-2323 4924

E-MAIL: Lshyd@lakshmisri.com

AHMEDABAD

B-334, SAKAR-VII,

Nehru Bridge Corner, Ashram Road,
Ahmedabad 380 009

PHONE: 079-4001 4500

E-MAIL: Lsahd@lakshmisri.com

PUNE

607-609, Nucleus,
1 Church Road, Camp

Pune 411 001

PHONE: 020-6680 1900

E-MAIL: Lspune@lakshmisri.com

KOLKATA

2nd Floor, Kanak Building,
41, Chowringhee Road,

Kolkata 700 071

PHONE: 033-4005 5570

E-MAIL: Lskolkata@lakshmisri.com

CHANDIGARH

SCO No. 59, 1st Floor,
Sector 26, Madhya Marg,
Chandigarh 160 026,

PHONE: 0172-492 1700

E-MAIL: Lschd@lakshmisri.com

GURUGRAM

OS2 & OS3, 5th Floor,
Corporate Office Tower,
AMBIENCE Island, Sector 25-A,
Gurugram 122 001

PHONE: 0124-477 1300

E-MAIL: Lsgurgaon@lakshmisri.com

PRAYAGRAJ

3/1A/3, (Opp. Auto Sales)

Colvin Road, Lohia Marg,

Prayagraj 211 001

PHONE: 0532-242 1037/242 0359

E-MAIL: Lsallahabad@lakshmisri.com

KOCHI

1st Floor, PDR Bhavan,

Palliyil Lane, Foreshore Road,

Ernakulam, Kochi 682016

PHONE: 0484-486 9018/486 7852

E-MAIL: Lskochi@lakshmisri.com

JAIPUR

2nd Floor (Front side),

Unique Destination, Tonk Road,

Near Laxmi Mandir Cinema Crossing,

Jaipur, Rajasthan 302 015

PHONE: 0141-456 1200

E-MAIL: Lsjaipur@lakshmisri.com

NAGPUR

1st Floor, HRM Design Space,

90-A, Next to Ram Mandir,

Ramnagar, Nagpur 440033

PHONE: 0712-2959038/2959048

E-MAIL: Lsnagpur@lakshmisri.com

www.lakshmisri.com

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**Lakshmikumaran
& Sridharan**
attorneys

exceeding expectations
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