



THE PLASTICS EXPORT
PROMOTION COUNCIL

दि प्लास्टिक एक्स्पॉर्ट प्रमोशन कौन्सिल
(भारत सरकार, वाणिज्य एवं उद्योग मंत्रालय, वाणिज्य विभाग द्वारा प्रायोजित)

THE PLASTICS EXPORT PROMOTION COUNCIL

(Sponsored By The Ministry Of Commerce & Industry, Deptt. Of Commerce, Government Of India)

Ref. No. : Plexh/Cir/760

17.03.2022

To,

All members of Plexconcil,

Dear Sir / Madam,

Subject:- Regarding Budget Proposal announced for the year 2022-23 in respect of Chemical sectors

This has reference to the announcement made in the Budget 2022-23 speech of Hon'ble Finance Minister in respect of review of income tax laws, customs exemptions and tariff simplification for Chemical Sector (as mentioned at Sl. 130, Sl. 146 and Sl. 151 of the budget speech 2022-23 as under :-

- Section 115BAB Taxation Laws :- In an effort to establish a globally competitive business environment for certain domestic companies, a concessional tax regime of 15 per cent tax was introduced by the government for newly incorporated domestic manufacturing companies.

Under Section 115BAB Taxation laws, the last date for commencement of manufacturing or production is extended by one year from March 31, 2023 to March 31, 2024.

- More than 350 customs exemption entries are proposed to be gradually phased out. These include exemption on certain agriculture produce, chemicals, fabrics, medical devices and drugs and medicines for which sufficient domestic capacity exists. Further, as a simplification measure, several concessional rates are being incorporated in the custom tariff schedule itself instead of prescribing them through various notifications.



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- Rationalization of Basic Custom Duty (BCD) rate on chemicals proposed in the budget 2022-23 is as under :

Sl.no.	HS code	Commodity	Custom duty earlier	Customs duty revised
1	2915 21 10	Acetic Acid	7.5%	5%
2	2905 11 00	Methyl Alcohol	5%	2.5%
3	2837 11 00	Sodium Cyanide	7.5%	10%

Members, please note that some of the budget announcement would only come into effect upon enactment of Finance Bill, 2022. Members may refer the budget notification available for download https://membership.plasticsepc.org/mails_images/20220317012422.pdf.

Concern members are requested to take note of change in BCD and taxation laws.

This is for your information.

Best regards

Bharti Parave

Asst. Director – Trade & Policy

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