



Income Tax Department

Ministry of Finance, Government of India

THE SECOND SCHEDULE

(See section 12)

THE FOURTH SCHEDULE

[See section 2(d) and 2(f)(ii)]

General Rules for the interpretation of this Schedule

Classification of goods in this Schedule shall be governed by the following principles:

1. The titles of Sections, Chapters and Sub-Chapters are provided for ease of reference only; for legal purposes, classification shall be determined according to the terms of the headings and any relative Sections or Chapter Notes and, provided such headings or Notes do not otherwise require, according to the following provisions.
2. Any reference in a heading—
 - (a) to an article shall be taken to include a reference to that article incomplete or unfinished, provided that, as presented, the incomplete or unfinished article has the essential character of the complete or finished article. It shall also be taken to include a reference to that article complete or finished (or falling to be classified as complete or finished by virtue of this rule), presented unassembled or disassembled;
 - (b) to a material or substance shall be taken to include a reference to mixtures or combinations of that material or substance with other materials or substances. Any reference to goods of a given material or substance shall be taken to include a reference to goods consisting wholly or partly of such material or substance. The classification of goods consisting of more than one material or substance shall be according to the principles of rule 3.
3. When by application of clause (b) of rule 2 or for any other reason, goods are, *prima facie*, classifiable under two or more headings, classification shall be effected as follows:—
 - (a) the heading which provides the most specific description shall be preferred to headings providing a more general description. However, when two or more headings each refer to part only of the materials or substances contained in mixed or composite goods or to part only of the items in a set put up for retail sale, those headings are to be regarded as equally specific in relation to those goods, even if one of them gives a more complete or precise description of the goods;
 - (b) mixtures, composite goods consisting of different materials or made up of different components, and goods put up in sets for retail sale, which cannot be classified by reference to clause (a), shall be classified as if they consisted of the material or component which gives them their essential character, insofar as this criterion is applicable;
 - (c) when goods cannot be classified by reference to clause (a) or clause (b), they shall be classified under the heading which occurs last in numerical order among those which equally merit consideration.
4. Goods which cannot be classified in accordance with the above rules shall be classified under the heading appropriate to the goods to which they are most akin.
5. For legal purposes, the classification of goods in the sub-headings of a heading shall be determined according to the terms of those sub-headings and any related sub-heading Notes and, *mutatis mutandis*, to the above rules, on the understanding that only sub-headings at the same level are comparable. For the purposes of this rule, the relative Chapter Notes also apply, unless the context otherwise requires.

General Explanatory Notes

1. Where in column (2) of this Schedule, the description of an article or group of articles under a heading is preceded by "-", the said article or group of articles shall be taken to be a sub-classification of the article or group of articles covered by the said heading. Where, however, the description of an article or group of articles is preceded by "--", the said article or group of articles shall be taken to be a sub-classification of the immediately preceding description of the article or group of articles which has "-". Where the description of an article or group of articles is preceded by "---" or "----", the said article or group of articles shall be taken to be a sub-classification of the immediately preceding description of the article or group of articles which has "-" or "--".
2. The abbreviation "%" in column (4) of this Schedule, in relation to the rate of duty, indicates that the duty on the goods to which the entry relates shall be charged on the basis of the value of the goods fixed, defined or deemed to be, as the case may be, under or in sub-section (2), read with sub-section (3) of section 3 or section 4 or section 4A of the Central Excise Act, 1944 (1 of 1944), the duty being equal to such percentage of the value as is indicated in that column.

Additional Notes

In this Schedule,—

- (1) The expression,—
 - (a) "heading", in respect of goods, means a description in list of tariff provisions accompanied by a four-digit number and includes all sub-headings of tariff items the first four-digits of which correspond to that number;
 - (b) "sub-heading", in respect of goods, means a description in the list of tariff provisions accompanied by a six-digit number and includes all tariff items the first six-digits of which correspond to that number;
 - (c) "tariff item" means a description of goods in the list of tariff provisions accompanying either eight-digit number and the rate of the duty of excise, or eight-digit number with blank in the column of the rate of duty;
- (2) The list of tariff provisions is divided into Sections, Chapters and Sub-Chapters;
- (3) In column (3), the standard unit of quantity is specified for each tariff item to facilitate the collection, comparison and analysis of trade statistics;
- (4) "....." against any goods denotes that Central Excise duty under this Schedule is not leviable on such goods.

List of Abbreviations used

Abbreviations	For
1. kg.	Kilogram
2. Tu	Thousand in number

SECTION IV

TOBACCO AND MANUFACTURED TOBACCO SUBSTITUTES

Note



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In this Section, the expression "unit container" means a container, whether large or small (for example, tin, can, box, jar, bottle, bag or carton, drum, barrel or canister) designed to hold a predetermined quantity or number.

Chapter 24

TOBACCO AND MANUFACTURED TOBACCO SUBSTITUTES

NOTES

1. In this Chapter, "brand name" means a brand name, whether registered or not, that is to say, a name or a mark, such as a symbol, monogram, label, signature invented words or any writing which is used in relation to a product, for the purpose of indicating, or so as to indicate, a connection in the course of trade between the product and some person using such name or mark with or without any indication of the identity of that person.

2. In relation to products of heading 2401 or 2402 or 2403, labelling or relabelling of containers or repacking from bulk packs to retail packs or the adoption of any other treatment to render the product marketable to the consumer, shall amount to "manufacture".

3. In this Chapter, "Pan masala containing tobacco", commonly known as "gutkha" or by any other name, included in tariff item 2403 99 90, means any preparation containing betel-nuts and tobacco and any one or more of the following ingredients, namely:—

- (i) lime; and
- (ii) kattha(catechu),

whether or not containing any other ingredients, such as cardamom, copra and menthol.

SUB-HEADING NOTE

For the purposes of sub-heading 2403 11, the expression "water pipe tobacco" means tobacco intended for smoking in a water pipe and which consists of a mixture of tobacco and glycerol, whether or not containing aromatic oils and extracts, molasses or sugar, and whether or not flavoured with fruit. However, tobacco-free products intended for smoking in a water pipe are excluded from this sub-heading.

SUPPLEMENTARY NOTES

For the purposes of this Chapter:

- (1) "tobacco" means any form of tobacco, whether cured or uncured and whether manufactured or not, and includes the leaf, stalks and stems of the tobacco plant, but does not include any part of a tobacco plant while still attached to the earth.
- (2) "cut-tobacco" means the prepared or processed cut-to-size tobacco which is generally blended or moisturised to a desired extent for use in the manufacture of machine-rolled cigarettes.
- (3) "smoking mixtures for pipes and cigarettes" of sub-heading 2403 10 does not cover "Gudaku".

Tariff item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
2401	Unmanufactured Tobacco; Tobacco Refuse		
2401 10	- Tobacco, not stemmed or stripped :		
2401 10 10	--- Flue cured virginia tobacco	kg.	64%
2401 10 20	--- Sun cured country (natu) tobacco	kg.	64%
2401 10 30	--- Sun cured virginia tobacco	kg.	64%
2401 10 40	--- Burley tobacco	kg.	64%
2401 10 50	--- Tobacco for manufacture of biris, not stemmed	kg.	64%
2401 10 60	--- Tobacco for manufacture of chewing tobacco	kg.	64%
2401 10 70	--- Tobacco for manufacture of cigar and cheroot	kg.	64%
2401 10 80	--- Tobacco for manufacture of hookah tobacco	kg.	64%
2401 10 90	--- Other	kg.	64%
2401 20	- Tobacco, partly or wholly stemmed or stripped :		
2401 20 10	--- Flue cured virginia tobacco	kg.	64%
2401 20 20	--- Sun cured country (natu) tobacco	kg.	64%
2401 20 30	--- Sun cured virginia tobacco	kg.	64%
2401 20 40	--- Burley tobacco	kg.	64%
2401 20 50	--- Tobacco for manufacture of biris	kg.	64%
2401 20 60	--- Tobacco for manufacture of chewing tobacco	kg.	64%
2401 20 70	--- Tobacco for manufacture of cigar and cheroot	kg.	64%
2401 20 80	--- Tobacco for manufacture of hookah tobacco	kg.	64%
2401 20 90	--- Other	kg.	64%
2401 30 00	- Tobacco refuse	kg.	50%
2402	Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes		
2402 10	- Cigars, cheroots and cigarillos, containing tobacco:		



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2402 10 10	---	Cigar and cheroots	Tu	12.5% or Rs. 4006 per thousand, whichever is higher
2402 10 20	---	Cigarillos	Tu	12.5% or Rs. 4006 per thousand, whichever is higher
2402 20	-	<i>Cigarettes, containing tobacco:</i>		
2402 20 10	---	Other than filter cigarettes, of length not exceeding 65 millimetres	Tu	Rs. 1280 per thousand
2402 20 20	---	Other than filter cigarettes, of length exceeding 65 millimetres but not exceeding 70 millimetres	Tu	Rs. 2335 per thousand
2402 20 30	---	Filter cigarettes of length (including the length of the filter, the length of filter being 11 millimetres or its actual length, whichever is more) not exceeding 65 millimetres	Tu	Rs. 1280 per thousand
2402 20 40	---	Filter cigarettes of length (including the length of the filter, the length of filter being 11 millimetres or its actual length, whichever is more) exceeding 65 millimetres but not exceeding 70 millimetres	Tu	Rs. 1740 per thousand
2402 20 50	---	Filter cigarettes of length (including the length of the filter, the length of filter being 11 millimetres or its actual length, whichever is more) exceeding 70 millimetres but not exceeding 75 millimetres	Tu	Rs. 2335 per thousand
2402 20 90	---	Other	Tu	Rs. 3375 per thousand
2402 90	-	<i>Other:</i>		
2402 90 10	---	Cigarettes of tobacco substitutes	Tu	Rs. 3375 per thousand
2402 90 20	---	Cigarillos of tobacco substitutes	Tu	12.5 % or Rs. 4006 per thousand whichever is higher
2402 90 90	---	Other	Tu	12.5% or Rs. 4006 per thousand whichever is higher
2403		Other manufactured tobacco and manufactured tobacco substitutes; "Homogenised" or "Reconstituted" tobacco; Tobacco extracts and essences		
	-	<i>Smoking tobacco, whether or not containing tobacco substitute in any proportion;</i>		
2403 11	--	<i>Water pipe tobacco specified in Sub-heading Note to this Chapter:</i>		
2403 11 10	---	Hukkah or gudaku tobacco	kg.	60%
2403 11 90	---	Other	kg.	60%
2403 19	--	<i>Other</i>		
2403 19 10	---	Smoking mixtures for pipes and cigarettes		
	---	Biris:	kg.	360%
2403 19 21	----	Other than paper rolled biris, manufactured without the aid of machine	Tu	Rs. 12 per thousand
2403 19 29	----	Other	Tu	Rs. 80 per thousand
2403 19 90	---	Other		
	-	<i>Other:</i>	kg.	40%
2403 91 00	--	"Homogenised" or "reconstituted" tobacco	kg.	60%
2403 99	--	<i>Other:</i>		
2403 99 10	---	Chewing tobacco	kg.	81%
2403 99 20	---	Preparations containing chewing tobacco	kg.	60%
2403 99 30	---	Jarda scented tobacco	kg.	81%
2403 99 40	---	Snuff	kg.	60%
2403 99 50	---	Preparations containing snuff	kg.	60%
2403 99 60	---	Tobacco extracts and essence	kg.	60%
2403 99 70	---	Cut-tobacco	kg.	Rs. 70 per kg.
2403 99 90	---	Other	kg.	81%

SECTION V

MINERAL PRODUCTS

CHAPTER 27

MINERAL FUELS, MINERAL OILS AND PRODUCTS OF THEIR DISTILLATION; BITUMINOUS SUBSTANCES; MINERAL WAXES

NOTES

- References in heading 2710 to "petroleum oils and oils obtained from bituminous minerals" include not only petroleum oils and oils obtained from bituminous minerals, but also similar oils, as well as those consisting mainly of mixed unsaturated hydrocarbons, obtained by any process, provided that the weight of the non-aromatic constituents exceeds that of the aromatic constituents.



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However, the references do not include liquid synthetic polyolefins of which less than 60% by volume distils at 300°C, after conversion to 1,013 millibars when a reduced-pressure distillation method is used.

- In relation to lubricating oils and lubricating preparations of heading 2710, labelling or relabelling of containers or repacking from bulk packs to retail packs or the adoption of any other treatment to render the product marketable to the consumer, shall amount to "manufacture".
- In relation to natural gas falling under heading 2711, the process of compression of natural gas (even if it does not involve liquefaction), for the purpose of marketing it as Compressed Natural Gas (CNG), for use as a fuel or for any other purpose, shall amount to "manufacture".

SUB-HEADING NOTE

For the purposes of sub-heading 2710 12, "light oils and preparations" are those of which 90% or more by volume (including losses) distil at 210°C (ASTM D 86 method).

SUPPLEMENTARY NOTES

In this Chapter, the following expressions have the meanings hereby assigned to them:—

- "motor spirit" means any hydrocarbon oil (excluding crude mineral oil) which has its flash point below 25°C and which either by itself or in admixture with any other substance, is suitable for use as fuel in spark ignition engines. "Special boiling point spirits (tariff items 2710 12 11, 2710 12 12 and 2710 12 13)" means light oils, as defined in sub-heading Note 4, not containing any anti-knock preparations, and with a difference of not more than 60°C between the temperatures at which 5% and 90% by volume (including losses) distil;
- "natural gasoline liquid (NGL)" is a low-boiling liquid petroleum product extracted from Natural Gas;
- "aviation turbine fuel (ATF)" means any hydrocarbon oil conforming to the Indian Standards Specification of Bureau of Indian Standards IS : 1571:1992:2000;
- "high speed diesel (HSD)" means any hydrocarbon oil conforming to the Indian Standards Specification of Bureau of Indian Standards IS: 1460:2000;
- for the purposes of these additional notes, the tests prescribed have the meaning hereby assigned to them:—
 - "Flash Point" shall be determined in accordance with the test prescribed in this behalf in the rules made under the Petroleum Act, 1934 (30 of 1934);
 - "Smoke Point" shall be determined in the apparatus known as the Smoke Point Lamp in the manner indicated in the Indian Standards Institution Specification IS: 1448 (p. 31)-1967 for the time being in force;
 - "Final Boiling Point" shall be determined in the manner indicated in the Indian Standards Institution Specification IS: 1448 (p.18)-1967 for the time being in force;
 - "Carbon Residue" shall be determined in the apparatus known as Ramsbottom Carbon Residue Apparatus in the manner indicated in the Indian Standards Institution Specification IS: 1448 (p. 8)-1967 for the time being in force;
 - "Colour Comparison Test" shall be done in the following manner, namely:—
 - first prepare a five per cent. weight by volume solution of Potassium Iodine (analytical reagent quality) in distilled water;
 - to this, add Iodine (analytical reagent quality) in requisite amount to prepare an exactly 0.04 normal Iodine solution;
 - thereafter, compare the colour of the mineral oil under test with the Iodine solution so prepared.

Tariff item	Description of goods	Unit	Rate of Duty
(1)	(2)	(3)	(4)
2709	Petroleum oils and oils obtained from bituminous minerals, crude.	Kg.	.....
2709 10 00	- Petroleum oils and oils obtained from bituminous minerals	Kg.	.....
2709 20 00	- Petroleum crude		Nil
2710	Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing by weight 70% or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations; waste oils		
	- <i>Petroleum oils and oils obtained from bituminous minerals (other than crude) and preparations not elsewhere specified or included, containing by weight 70% or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations, other than those containing biodiesel and other than waste oil</i>		
2710 12	-- <i>Light oils and preparations:</i>		
	--- <i>Motor spirit (Commonly known as petrol):</i>		
2710 12 11	---- Special boiling point spirits (other than benzene, toluol) with nominal boiling point range 55-115 °C	Kg.	14%+Rs. 15.00 per litre
2710 12 12	---- Special boiling point spirits (other than benzene, toluene and toluol) with nominal boiling point range 63-70 °C	Kg.	14%+Rs. 15.00 per litre
2710 12 13	---- Other Special boiling points spirits (other than benzene, benzol, toluene and toluol)	Kg.	14%+Rs. 15.00 per litre
2710 12 19	---- Other	Kg.	14%+Rs. 15.00 per litre
2710 12 20	--- Natural gasoline Liquid	Kg.	14%+Rs. 15.00 per litre



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2710 12 90	--- Other	Kg.	14%+Rs. 15.00 per litre
2710 19	-- Other:		
2710 19 10	--- Superior Kerosene oil (SKO)	Kg.
2710 19 20	--- Aviation turbine Fuel (ATF)	Kg.	14%
2710 19 30	--- High speed diesel (HSD)	Kg.	14%+Rs. 15.00 per litre
2710 19 40	--- Light Diesel oil (LDO)	Kg.	.....
2710 19 50	--- Fuel oil	Kg.	.....
2710 19 60	--- Base oil	Kg.	.....
2710 19 70	--- Jute batching oil and textile oil	Kg.	.....
2710 19 80	--- Lubricating oil	Kg.	.....
2710 19 90	--- Other	Kg.	.....
	- Waste oil:		.....
2710 20 00	Petroleum oils and oils obtained from bituminous minerals (other than crude) and preparations not elsewhere specified or included, containing by weight 70% or more of petroleum oils or of oil obtained from bituminous minerals, these oils being the basic constituents of the preparations, containing biodiesel, other than waste oils	Kg.	.....
2710 91 00	-- Containing Polychlorinated biphenyls (PCBs), polychlorinated terphenyls (PCTs) or polybrominated biphenyls (PBBs)	Kg.	.....
2710 99 00	-- Other	Kg.	.....
2711	Petroleum gases and other gaseous hydrocarbons		
	- Liquefied:		
2711 11 00	-- Natural gas	Kg.	14%
2711 12 00	-- Propane	Kg.	.....
2711 13 00	-- Butane	Kg.	.....
2711 14 00	-- Ethylene, propylene, butylene and butadiene	Kg.	.....
2711 19 00	-- Other	Kg.
	- In gaseous state:		
2711 21 00	-- Natural gas	Kg.	14%
2711 29 00	-- Other	Kg.

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