

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)

Notification No. 59/2017-Customs

New Delhi, the 30th June, 2017

G.S.R. (E).— In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 52/2003-Customs, dated the 31st March, 2003, published in the Gazette of India, Extraordinary, vide number G.S.R. 274 (E), dated the 31st March, 2003 herein after referred to as the said notification , namely:-

2. In the said notification, -

(a) in the opening paragraph, -

(i) for the words “and the additional duty, if any, leviable thereon under section 3 of the said Customs Tariff Act”, the words “ and the additional duty, if any, leviable thereon under sub-sections (1), (3) and (5) of section 3 of the said Customs Tariff Act” shall be substituted;

(ii) after condition (2), the following shall be inserted, namely:-

“2A. The unit shall follow the procedure prescribed under rule 5 of the Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017, for import of goods.”;

(b) for the paragraph 3, the following paragraph shall be substituted, namely:-

“3. Notwithstanding anything contained in this notification, the exemption from the whole of duty of Customs leviable thereon under First Schedule to the Customs Tariff Act, 1975 (51 of 1975), shall not apply to inputs which on importation into India or procurement, are used for the purpose of manufacture of finished goods [other than falling under Fourth Schedule of Central Excise Act, 1944 (1 of 1944)] or services and such finished goods and services, (including by-products, rejects, waste and scrap arising in the course of production, manufacture, processing or packaging of such goods) are supplied in Domestic Tariff Area in accordance with the Foreign Trade Policy, on payment of applicable Goods and Service Tax leviable thereon, or are in stock at the time of exit from the scheme in accordance with the Foreign Trade Policy and in case of waste and scrap within SION or within norms fixed by the

Norms Committee or norms as approved by the Board of Approval the exemption in respect of goods imported or procured under this notification would continue to be admissible:

Provided that, in case such finished goods (including by-products, rejects, waste and scrap) including those falling under Fourth Schedule of the Central Excise Act, 1944 (1 of 1944) or services are cleared to the warehouse appointed or registered under notification of the Government of India in the Ministry of Finance (Department of Revenue) No 26/98-Central Excise (NT) dated the 15th July, 1998 or No. 46/2001-Central Excise (NT) dated the 26th July, 2001 or cleared to the warehouse authorised to carry out manufacturing process or other operation under section 65 of the Customs Act, 1962, and under the Manufacture and Other Operations in Warehouse Regulation or cleared to organisations which are entitled for duty free import of such goods in terms of the following exemption notifications:-

- (i) No. 106/58-Customs dated the 29th March, 1958;
- (ii) No. 152/94-Customs dated the 13th July, 1994;
- (iii) No. 39/96-Customs dated the 23rd July, 1996;
- (iv) No. 50/96-Customs dated 23rd July, 1996;
- (v) No. 84/97-Customs dated the 11th November, 1997;

issued by Ministry of Finance in pursuance to clause (e) of paragraph 6.9 of the Foreign Trade Policy, without payment of duty, the exemption in respect of goods imported or procured under this notification would continue to be admissible:

Provided further that where finished goods (including rejects, waste, scrap, remnants and by-products) are either non excisable or such finished goods (including rejects, waste, scrap, remnants and by-products) other than goods falling under heading/tariff item 8901, 8902 0010, 8905 10 00 or 8906 if imported, are leviable to nil rate of duty of customs specified under First Schedule to the Customs Tariff Act, 1975 and nil additional duty leviable under section 3 of the said Customs Tariff Act, read with exemption notification in this regard, if any, no exemption in respect of inputs utilised for the purpose of manufacture of such finished goods (including rejects, waste, scrap, remnants and by-products) shall be available under this notification:

Provided also that the Software Technology Park (STP) unit and the Electronic Hardware Technology Park (EHTP) unit engaged in manufacture of electronic hardware and software in integrated manner, shall be allowed to sell software, data entry and conversion, data processing, data analysis, control data management or rendering of call centre services through data communication link and or tele-communication link subject to such conditions as may be specified by Commissioner of Customs:

Provided also that goods, which have been repaired, reconditioned, re-engineered shall not be allowed to be sold in the Domestic Tariff Area.

Explanation.- For the purpose of this paragraph, on payment of whole of duty of Customs leviable thereon under the First Schedule to the Customs Tariff Act 1975 availed as exemption, under this notification, on the inputs utilised for the purpose of manufacture of finished goods [other than falling under Fourth Schedule of Central Excise Act, 1944 (1 of 1944)] before clearance of such finished goods (including by-products, rejects, waste and scrap arising in the course of production, manufacture, processing or packaging of such goods) or services on payment of applicable, Goods and Service Tax leviable thereon, in Domestic Tariff Area or as are in stock at the time of exit, it shall be treated as if no exemption was availed under this notification”;

(c) after paragraph 11A, the following paragraph shall be inserted, namely:-

“11B. In the notification, the word “duty” wherever appear shall mean duties of customs as specified in First Schedule to the Customs Tariff Act, 1975 and the additional duty, if any, leviable thereon under sub-sections (1), (3) and (5) of section 3 of the said Act or applicable excise duty, as the case may be, for the purpose of this notification”.

3. This notification shall come into force with effect from the 1st July-2017.

[F.No.DGEP/SEZ/09/2017]

(Dharmvir Sharma)

Under Secretary to the Government of India

Note. - The principal notification No. 52/2003-Customs, dated the 31st March, 2003 was published in the Gazette of India, Extraordinary, vide number G.S.R. 274 (E), dated the 31st March, 2003 and last amended by notification No. 44/2016-Customs, dated the 29th July, 2016 published vide S.O. 2566 (E), dated the 29th July, 2016.