

Notification No. 87/2004-Customs

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 directs that each of the notifications of the Government of India in the Ministry of Finance (Department of Revenue), specified in column (2) of the Table hereto annexed shall be amended or further amended, as the case may be, in the manner specified in the corresponding entry in column (3) of the said Table. **Table**

Sr. No.	Notification No. and date	Amendment
(1)	(2)	(3)
1.	41/99- Customs, dated the 28 th April, 1999	<p>In the said notification,-</p> <p>(i) for the opening paragraph, the following paragraphs shall be substituted, namely:-</p> <p>" 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 exempts the goods -</p> <p>(a) as specified in Annexure -I to this notification.-</p> <p>(i) upto one per cent. of the Free On Board (FOB) value of preceding financial year of the export of plain or studded Jewellery made of gold or platinum, when imported by the exporter of such gold jewellery or platinum jewellery;</p> <p>(ii) upto two per cent. of the Free On Board (FOB) value of preceding financial year of the export of Jewellery made of silver imported by the exporter of such silver jewellery;</p> <p>(b) as specified in Annexure -II to this notification upto one per cent. of the Free On Board (FOB) value of preceding financial year of the export of cut and polished diamonds when imported by the manufacturer and exporter of such cut and polished diamonds,</p> <p>when imported into India against the Replenishment Licences referred to in para 4.80 of Handbook of Procedures, Volume I, 1st September, 2004 -31st March, 2009 published by the Government of India in the Ministry of Commerce and Industry vide Public Notice No. 1/2004-09, dated the 31st August, 2004 as amended from time to time, from-</p> <p>(i) the whole of the duty of customs leviable thereon which is specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975);</p> <p>(ii) the whole of the additional duty leviable thereon under section 3 of the said Customs Tariff Act:</p> <p>Provided that goods imported under this notification are used for the manufacture of gold, silver or platinum jewellery or the cut and polished diamonds, as the case may be, for exports by the holders of the said Replenishment Licences."</p>
2.	42/99- Customs, dated the 28 th April, 1999.	<p>In the said notification,-</p> <p>(a) in the opening paragraph, for the letters and word "EXIM Policy", the words " Foreign Trade Policy" shall be substituted;</p> <p>(b)for condition (i), the following condition shall be substituted, namely:-</p> <p>" (i) the importer, in case of cut and polished diamonds, shall have any status of Star Export House as categorized in para 3.5.2 of the Foreign Trade Policy and in respect of the goods imported, the importer is the actual user within the meaning of para 9.5 of the Foreign Trade Policy ;";</p> <p>(c)in <i>Explanation</i> ,-</p> <p>(i) for clause (i) the following clause shall be substituted, namely:-</p> <p>' (i) "Foreign Trade Policy" means the Foreign Trade Policy, 1st September, 2004- 31st March, 2009 published by the Government of India in the Ministry of Commerce and Industry vide notification No.1/2004-09, dated the 31stAugust, 2004, as amended from time to time.' ;</p> <p>(ii) (ii) for clause (ii), the following clause shall be substituted, namely :-</p> <p>' (ii) " Handbook of Procedures Volume -I" means the Handbook of Procedures Volume I published by the Government of India, in the Ministry of Commerce and Industry vide Public Notice No. 1/2004-09, dated the 31stAugust, 2004;'</p>

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(1)	(2)	(3)
3	56/2000- Customs, dated the 5 th May, 2000	<p>In the said notification,-</p> <p>(a) for the words " Export and Import Policy" wherever they occur, the words "Foreign Trade Policy" shall be substituted;</p> <p>(b) in <i>Explanation</i>, -</p> <p style="padding-left: 40px;">(i)for clause (a), the following clause shall be substituted, namely:-</p> <p style="padding-left: 40px;">' (a) "Foreign Trade Policy" means the Foreign Trade Policy, 1st September, 2004- 31st March, 2009" published by the Government of India in the Ministry of Commerce and Industry <i>vide</i> notification No. 1/2004-09, dated the 31stAugust, 2004, as amended from time to time;';</p> <p style="padding-left: 40px;">(ii) in clause (b), for the words, letters and figures " Public Notice No. 1/2002-07, dated 31st March, 2002", the words, letters and figures "Public Notice No. 1/2004-09, dated the 31st August, 2004" shall be substituted.</p> <p style="padding-left: 40px;">(iii) for clause (d), the following clause shall be substituted, namely:-</p> <p style="padding-left: 40px;">' (d) "status holder" means the exporter recognized as one star export house, two star export house, three star export house, four star export house and five star export house by the Director General of Foreign Trade.'</p>
4.	57/2000- Customs, dated the 8 th May, 2000.	<p>In the said notification,-</p> <p>(a) for the words " Export and Import Policy" wherever they occur, the words "Foreign Trade Policy" shall be substituted;</p> <p>(b) in the clause (a), for the words and figures "Paragraph 4.49 of the Export and Import Policy", the words and figures "paragraph 4.4.9 of the Foreign Trade Policy" shall be substituted;</p> <p>(c) in <i>Explanation</i>,-</p> <p style="padding-left: 40px;">(i) for clause (a), the following clause shall be substituted, namely:-</p> <p style="padding-left: 40px;">'(a) "Foreign Trade Policy" means the Foreign Trade Policy, 1st September, 2004-31st March, 2009 published by the Government of India in the Ministry of Commerce and Industry <i>vide</i> notification No. 1/2004-09, dated the 31stAugust, 2004, as amended from time to time;';</p> <p style="padding-left: 40px;">(ii) in clause (b), for the words, letters and figures " Public Notice No. 1/2002-07, dated 31st March, 2002", the words, letters and figures "Public Notice No. 1/2004-09, dated the 31st August, 2004" shall be substituted.</p>
5.	55/2001- Customs, dated the 16 th May, 2001	<p>In the said notification, -</p> <p>(a) for the words " Export and Import Policy" or "Export & Import Policy", as the case may be, wherever they occur, the words " Foreign Trade Policy" shall be substituted;</p> <p>(b) for <i>Explanation</i>, the following <i>Explanation</i> shall be substituted, namely:-</p> <p style="padding-left: 40px;"><i>Explanation</i>.- For the purpose of this notification, "Foreign Trade Policy" means the Foreign Trade Policy, 1stSeptember, 2004- 31st March, 2009" published by the Government of India in the Ministry of Commerce and Industry <i>vide</i> notification No. 1/2004-09, dated the 31st August, 2004, as amended from time to time.'</p>
6.	60/2002- Customs, dated the 7 th June, 2002	<p>In the said notification,-</p> <p>(a) for the words " Export and Import Policy", wherever they occur, the words " Foreign Trade Policy" shall be substituted;</p> <p>(b) for the <i>Explanation</i>, the following <i>Explanation</i> shall be substituted, namely:-</p> <p style="padding-left: 40px;"><i>Explanation</i>.- For the purpose of this notification, "Foreign Trade Policy" means the Foreign Trade Policy, 1stSeptember, 2004- 31st March, 2009 published by the Government of India in the Ministry of Commerce and Industry <i>vide</i> notification No. 1/2004-09, dated the 31st August, 2004, as amended from time to time.'</p>
7.	52/2003- Customs, dated the 31 st March, 2003	<p>In the said notification,-</p> <p>(a) for the words "Export and Import Policy", wherever they occur, the words " Foreign Trade Policy" shall be substituted;</p> <p>(b) in paragraph 3, for the first proviso, the following proviso shall be substituted, namely:-</p>

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(1)	(2)	(3)
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"Provided that where such finished goods (including rejects, waste, scrap, remnants and by-products) are either non excisable or such finished goods (including rejects, waste, scrap, remnant and by-products), if imported, are leviable to nil rate of duty of customs specified under First Schedule to the Customs Tariff Act, 1975 (51 of 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 utilized for the purpose of manufacture of such finished goods (including rejects, waste, scrap, remnant and by-products) shall be available under this notification.";

(c) in the paragraph 4, in proviso, for clause (a) and *Explanation*, the following shall be substituted, namely:-

" (a) such clearance or debonding of capital goods may be allowed on payment of duty on the depreciated value thereof and the rate in force on the date of debonding or clearance, as the case may be. The depreciation shall be allowed in straight line method as specified below, namely:-

(i) for computer and computer peripherals:

for every quarter in the first year	@ 10%
for every quarter in the second year	@ 8%
for every quarter in the third year	@ 5%
for every quarter in the fourth and fifth year	@ 1%

(ii) for capital goods other than computer and computer peripherals:

for every quarter in the first year	@ 4%
for every quarter in the second year	@ 3%
for every quarter in the third year	@ 3%
for every quarter in the fourth and fifth year	@ 2.5 %
and thereafter for every quarter	@ 2%

Explanation.- (1) For the purpose of computing rate of depreciation for any part of a quarter, a full such quarter shall be taken into account;

(2) there shall be no upper limit for such depreciation and depreciation upto 100% could be allowed;

(3) the depreciation shall be allowed from the date of commencement of commercial production of the unit or where such goods have been received after such commencement, from the date on which such goods have come into use for commercial production to the date of debonding or clearance, as the case may be." ;

(d) in the paragraph 9, for the words "subject to the condition that the donor unit undertakes to observe the procedure prescribed by the Deputy Commissioner of Customs or Assistant Commissioner of Customs having jurisdiction over the donor unit", the words "subject to the condition that the donee undertakes to observe the procedure prescribed by the Deputy Commissioner of Customs or Assistant Commissioner of Customs having jurisdiction over the donor unit", shall be substituted;

(e) in the paragraph 10,-

(a) for the portion beginning with the words and figures "to the extent of 1.5% of the ex-factory value" and ending with the words "Board of Approval" the following shall be inserted, namely:-

" up to 1.5 (one point five) percent. of Free on Board (FOB) value of manufactured goods exported out of India by the unit, which manufactured such goods during the preceding financial year";

(b) the following proviso shall be inserted at the end, namely:-

" Provided that the value of such spares and consumables shall not be taken into consideration for fulfillment of Net Foreign exchange Earnings (NFE), for availing Domestic Sale Entitlement as specified in paragraph 6.8 of the Foreign Trade Policy." ;

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

" 11A. Notwithstanding anything contained in this notification, if the said officer is satisfied that the unit, engaged in manufacture of textiles and textile articles, has left over textile fabric or textile material, he shall allow such unit to clear such unutilized left over textile fabric or textile material into Domestic Tariff Area on payment of duty on transaction value, as if the goods have been manufactured in the unit:

Provided that such clearance shall be allowed only where the said officer certifies that the textile fabric or textile material proposed to be cleared are left over, and such clearance do not exceed two per cent. of CIF value of the imported consignment or two per cent. of the quantity of the imported consignment to which this left over textile fabric or textile material relates, whichever is lower.";

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(1)	(2)	(3)
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(g) in *Explanation* occurring after paragraph 13,-

(a) for clause (iii), the following clause shall be substituted, namely:-

'(iii) "Foreign Trade Policy" means the Foreign Trade Policy, 1st September, 2004-31st March, 2009" published by the Government of India in the Ministry of Commerce and Industry vide notification No. 1/2004-09, dated the 31st August, 2004, as amended from time to time.;

(b) for clause (vi), the following clause shall be substituted, namely :-

"(vi) 'Handbook of Procedures, Volume I' means Handbook of Procedures, Volume I, 1st September, 2004 -31st March, 2009 published by the Government of India in the Ministry of Commerce and Industry vide Public Notice No. 1/2004-09, dated the 31st August, 2004 as amended from time to time.";

(h). In ANNEXURE-I, against Sr. No. 3, under the heading "Description of Goods", for the words " storage systems, special racks for storage, modular furniture, computer furniture.", the words "storage systems and parts thereof, special racks for storage and parts thereof, modular furniture and parts thereof, computer furniture and parts thereof," shall be substituted.

8.	113/2003- Customs, dated the 22 nd July, 2003	In the said notification, -
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(a) for the word " Export and Import Policy" wherever they occur, the words " Foreign Trade Policy" shall be substituted;

(b) in *Explanation*, for clause (i), the following clause shall be substituted, namely:-

' (i) "Foreign Trade Policy" means the Foreign Trade Policy, 1st September, 2004-31st March, 2009" published by the Government of India in the Ministry of Commerce and Industry vide notification No. 1/2004-09, dated the 31st August, 2004, as amended from time to time.'.

(i) "Foreign Trade Policy" means the Foreign Trade Policy, 1st September, 2004-31st March, 2009" published by the Government of India in the Ministry of Commerce and Industry vide notification No. 1/2004-09, dated the 31st August, 2004, as amended from time to time.'.

F. No.305/70/2004 -FTT(Pt.II

V.KEZO
Under Secretary to the Government of India

Note:

- Notification No. 41/99-Customs, dated the 28th April, 1999 was published vide G.S.R 289 (E), dated the 28th April, 1999 and was last amended by notification No. 64/2002-Cus, dated 24th June, 2002 [G.S.R. 445(E), dated the 24th June, 2002].
- Notification No. 42/99-Customs dated the 28th April, 1999 was published vide G.S.R. 290(E), dated the 28th April, 1999 and was last amended by notification No. 64/2002-Cus dated the 24th June, 2002 [G.S.R. 445(E), dated the 24th June, 2002].
- Notification No.56/2000-Customs, dated the 5th May 2000, was published vide G.S.R. 399(E), dated the 5th May 2000 and was last amended by notification No. No. 64/2002-Cus, dated the 24th June, 2002 [G.S.R. 445(E), dated the 24th June, 2002].
- Notification No. 57/2000-Customs, dated the 8th May, 2000, was published vide G.S.R. 413 (E), dated the 8th May, 2000 and was last amended by notification No. 64/2002-Cus, dated the 24th June, 2002 [G.S.R. 445(E), dated the 24th June, 2002]
- Notification No. 55/2001-Cus, dated the 16th May, 2001 was published vide G.S.R. 360(E), dated the 16th May, 2001 and was last amended by notification No. 64/2002-Cus, dated the 24th June, 2002 [G.S.R. 445(E), dated the 24th June, 2002]
- Notification No. 60/2002-Customs, dated the 7th June, 2002 was published vide G.S.R. 416 (E), dated the 7th June, 2002.
- Notification No. 52/2003-Customs, dated the 31st March, 2003 was published vide G.S.R 274(E), dated the 31st March, 2003 and was last amended by notification No.40/2004-Cus, dated the 26th February, 2004 [G.S.R.145(E), dated the 26th February, 2004].
- Notification No. 113/2003-Customs, dated the 22nd July, 2003 was published vide G.S.R 572 (E) dated the 22nd July, 2003 and was last amended by notification No. 58/2004-Cus dated the 30th April, 2004 [G.S.R.298(E), dated the 30th April, 2004].
