

**GENERAL EXEMPTION NO. 83****Concessional rate of Customs duty on specified goods manufactured by SSI units of Nepal when imported into India.****[Notfn. No. 85/98-Cus., dt 5.11.1998 as amended by Notfn. No. 41/02,126/06**

In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962(52 of 1962) and in supersession of the notification of the Government of India, in the Ministry of Finance (Department of Revenue) No.3/97-Customs dated the 16th January, 1997, the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts goods of the description specified in the Annexure below (hereinafter referred to as the specified goods) upto the value of clearances specified in column (2) of the Table below, (hereinafter referred to as the said Table) from so much of the duty of customs leviable under section 3 of the Customs Tariff Act, 1975 (51 of 1975) as is in excess of the amount calculated at the rate specified in the corresponding entry in column (3) of the said Table when imported into India from Nepal.

**TABLE**

S.NO.	CLEARANCES	RATE OF DUTY
1.	First clearances upto an aggregate value not exceeding Indian rupees fifty lakh in a financial year.	Sixty per cent of normal rate of duty.
2.	Clearance upto an aggregate value not exceeding fifty lakh rupees immediately following the clearances specified against S.No.1 above during the same financial year.	Eighty per cent of the normal rate of duty.

Note: If any imports have taken place before the issue of this Notification under Notification No.3/97-Customs dated 16th January,1997, whether at nil rate or otherwise, or under any other notification, such imports shall be taken into account for computing the limit of fifty lakh rupees for S.No.1 above.

2. The exemption contained in this Notification shall be admissible to goods,-
  - i) **manufactured in Nepal by small scale units** which are eligible to be referred to as small scale units under the Nepal Industrial Policy of 5th December, 2001;
  - ii) imported into India; and
  - iii) Subject to a certificate, as appended to this notification, duly signed by an authorized signatory on behalf of His Majesty's Government of Nepal, which is to be produced at the time of import.
3. The exemption contained in this notification shall apply only subject to the following conditions, namely:-
  - (i) where a manufacturer clears the specified goods from one or more factories, the exemption in his case shall apply to the total value of clearances mentioned against each of the serial

numbers in the said Table, and not separately for each factory;

- (ii) where the specified goods are cleared by one or more manufacturers from a factory, the exemption shall apply to the total value of clearances mentioned against each of the serial numbers in the said Table and not separately for each manufacturer;
  - (iii) the aggregate value of clearances of all goods by a manufacturer from one or more factories, or from a factory by one or more manufacturers, has not exceeded Indian Rupees three hundred lakhs in the preceding financial year.
4. The exemption contained in this Notification shall not apply to specified goods, bearing a brand name or trade name (registered or not) of a person other than the said manufacturer in Nepal.
5. For the purpose of computing the aggregate value of clearances under this notification, the following clearances shall not be taken into account, namely:-
- (a) clearances which are chargeable to 'NIL' rate of duty leviable under section 3 of the Customs Tariff Act, 1975 (51 of 1975) or which are exempt from the whole of such duty under any other notification (not being a notification where exemption from the whole of such duty is granted based upon the value or quantity of clearances made in a financial year);
  - (b) clearances bearing a brand name or trade name (registered or not) of another person, which are ineligible for grant of exemption in terms of provisions of paragraph 3 of this Notification;
  - (c) clearances of specified goods which are used as inputs for further manufacture of any specified goods, within the factory of production of specified goods;
  - (d) clearances of strips of plastics used within the factory of production for weaving of fabrics or for manufacture of sacks or bags made of polymers of ethylene or propylene.

EXPLANATION:

- (i) For the purposes of this notification "value" shall mean the price declared in the invoice of the manufacturer or factory, in terms of Indian Rupee, as indicated in the certificate appended to this notification.
- (ii) "brand name" or "trade name" shall mean a brand name or trade name, whether registered or not, that is to say, a name or a mark, such as symbol, monogram label, signature or invented word or writing which is used in relation to such specified goods for the purpose of indicating or so as to indicate a connection in the course of trade between such specified goods and the person using such name or mark with or without any indication or the identity of that person.

Certificate for exports from Nepal for claiming concessional rate of Additional duties of Customs under the Treaty of Trade between His Majesty's Government of Nepal and the Government of India.

1. Goods consigned from (Exporter's business name, address)

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2. Goods consigned to (Consignee's name, address)
3. Means of transport and route
4. Number and date of invoice
5. Description of goods
6. Value of the goods (in Indian Rupees)
7. Item Number (HS Tariff heading No.)
8. Marks and number of packages
9. Gross weight or other quantity
10. Value of clearances (in Indian Rupees) by the manufacturing factories upto the date of invoice at Sr. No.4
11. Value of clearances in the preceding financial year.
12. Declaration by the exporter.

The undersigned hereby declares that the details furnished above are correct and that the goods specified herein are manufactured in Nepal.

Date &amp; Place

(Signature of Authorised Signatory)

**Certification**

- (i) The articles described in Invoice No..... dated ..... have been manufactured in Nepal at a factory situated at ..... (name of the place/district) by M/s. .... (name of the company).
- (ii) The articles involve manufacturing activity in Nepal and that the manufacturing activity consists of converting ..... (major inputs) into ..... (Output) through a process consisting of ..... (brief description of manufacturing process).
- (iii) The value of clearances effected (a) by a manufacturer from one or more factories or (b) from a factory by one or more manufacturers, in the preceding financial year did not exceed the equivalent of Indian Rupees 300 lakhs.
- (iv) The value of clearances including this consignment in respect of the Factory at Sl. No.(i) does not exceed the equivalent of Indian Rupees 50 lakhs/Indian Rupees 100 lakhs (delete whichever is not applicable).
- (v) That the goods satisfy all the conditions laid down in Notification. No. 85/98 - Cus. dated 5.11.1998.

For his Majesty's Government of Nepal  
(Signature & Stamp of Certifying Authority)

Place &amp; date

**ANNEXURE**

1.1 All goods specified in the Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) other than the following, namely:-

- (i) all goods falling under heading No.21.06 and sub-heading Nos.2101.10 and 2101.20;
- (ii) all goods falling under Chapter 24 of the said Schedule (other than unbranded chewing tobacco and preparations containing chewing tobacco, falling under Heading No.24.04 of the said Schedule);
- (iii) all goods falling under heading No.25.04;
- (iv) sandalwood oil, all goods falling under heading Nos.33.04 and 33.05 and sub-heading Nos.3307.10, 3307.20, 3307.31, 3307.39, 3307.50 and 3307.90;
- (v) all goods falling under heading No.36.05;
- (vi) all goods falling under heading Nos.37.01, 37.02, and sub-heading No.3703.10;
- (vii) strips of plastics intended for weaving of fabrics or sacks, polyurethane foam and articles or polyurethane foam; falling under Chapter 39;
- (viii) all goods falling under heading No.40.05 (except rubber solution or vulcanising solution), and sub-heading No.4006.10 and plates, sheets and strips falling under heading No.40.08, for resoling or repairing on retreading rubber tyres;
- (ix) all goods falling under Chapter 51 of the said Schedule other than those falling under sub-heading Nos.5105.30 and 5105.40 and Heading Nos.51.06, 51.07, 51.08, 51.09, 51.10 and 51.11 (except woven fabrics of wool falling under heading Nos.51.10 or 51.11) and under 51.12;
- (x) all goods falling under Chapter 52 of the said Schedule other than goods falling under Heading Nos.52.04;
- (xi) all goods falling under Chapter 53 of the said Schedule except goods falling under Heading Nos.53.01, 53.02, 53.04, 53.05, 53.08 (other than goods falling under sub-heading No.5308.14), 53.11 (other than woven fabrics of ramie);
- (xii) all goods falling under Chapter 54 of the said Schedule except goods; falling under Heading Nos.54.01;
- (xiii) all goods falling under Chapter 55 of the said Schedule except goods falling under Heading Nos.55.05, 55.08 and shoddy yarn manufactured from used or new rags falling under heading No.55.09 or 55.10;
- (xiv) all goods falling under Chapter 56 of the said Schedule except goods falling under Heading Nos.56.01, 56.02, 56.03, 56.04, 56.05 (other than of man-made filaments), 56.07 (other than of jute), 56.08 and 56.09;
- (xv) all goods falling under Chapter 57 of the said Schedule;
- (xvi) all goods falling under Chapter 58 of the said Schedule except goods falling under Heading Nos.58.03,

- 58.06, 58.07, 58.08, uncut grey (un-processed) woven weft pile fabrics of cotton manufactured from grey unprocessed cotton yarn falling under sub-heading No.5801.21, fabrics of cotton or man-made fibres falling under sub-heading No.5802.51, and unprocessed cotton terry towelling fabrics falling under sub-heading No.5802.21;
- (xvii) all goods falling under Chapter 59 of the said Schedule except goods falling under Heading Nos.59.01, 59.05, 59.06, 59.08, 59.09, 59.10, 59.11 and textile fabrics coated or laminated with preparations of low-density polyethylene;
  - (xviii) all goods falling under Chapter 60 of the said Schedule except goods falling under sub-heading No.6002.10 and fabrics of cotton man-made fibres not subjected to any process falling under heading Nos.60.01 or 60.02;
  - (xix) all goods falling under Chapter 61 of the said Schedule;
  - (xx) all goods falling under Chapter 62 of the said Schedule;
  - (xxi) Blankets of wool falling under Chapter 63 of the said Schedule;
  - (xxii) all goods falling under heading Nos.72.06, 72.07, 72.18, 72.24, cold rolled stainless steel pattis/pattas falling under Chapter 72; ingots and billets of non-alloy steel falling under sub-heading Nos.7206.90 and 7207.90 and hot re-rolled products of non-alloy steel, falling under sub-heading Nos.7211.11, 7211.19, 7211.30, 7211.52, 7211.59, 7211.60, 7211.92, 7211.99, 7213.90, 7214.90, 7215.90, 7216.10 and 7216.90, on which the duty of excise is paid under section 3A of the Central Excise Act, 1944 (1 of 1944);
  - (xxiii) all goods falling under heading, sub-heading Nos. 74.03, (excluding cast brass bars/rods of a length not exceeding 3 feet, and brass billets weighing upto 5 kilograms, falling under sub-heading No.7403.21, 7407.11, 7407.12, 7408.11, 7408.21, 74.09, copper circles, whether or not trimmed;
  - (xxiv) aluminium circles, whether or not trimmed, falling under Chapter 76;
  - (xxv) all goods falling under heading Nos.85 21, 85 28; other than input or output units, whether or not containing storage units in the same housing;
  - (xxvi) refrigerating and airconditioning appliances and machinery and parts and accessories thereof falling under Chapter 84, 85 or 90;
  - (xxvii) all goods falling under heading Nos.87.01, 87.02, 87.03, 87.04, 87.05, 87.06, and 87.11 (other than powered cycles and powered cycle rickshaw (powered cycle or powered rickshaw means a mechanically propelled cycle or, as the case may be, mechanically propelled cycle rickshaw), which may also be peddled, if any necessity arises for so doing);
  - (xxviii) all goods falling under heading Nos.91.01 or 91.02;
  - (xxix) all goods falling under sub-heading Nos.9605.10.

