

## GENERAL EXEMPTION NO.48

**15% or 25% Customs duty & Nil additional duty on Capital Goods when imported by an importer under the (EPCG) scheme - EXIM Policy 1992-97.**

[Notfn. No. 160/92-Cus., dt. 20.4.1992 as amended by 306/92,124/93, 101/95, 108/95, 46/13, 26/17]

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 capital goods, when imported into India by an importer specified in column (2) of the Table hereto annexed from so much of the **duty of customs** leviable thereon which is specified in the First Schedule to 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** and the **whole of the additional duty** leviable thereon under sub-section (1), (3) and (5) of section 3 of the said Customs Tariff Act, subject to the following conditions, namely:-

- (i) the capital goods imported are covered by a valid licence issued on or before 30th April, 1995 under the Export Promotion Capital Goods (EPCG) Scheme in terms of the Export and Import Policy (hereinafter referred to as the Policy) and the said licence is produced for debit at the time of clearance.
  - (ii) the importer, at the time of clearance, shall produce to the Assistant Commissioner of Customs or Deputy Commissioner of Customs a certificate from the licensing authority for having executed a bond under paragraph 45 of the Policy and
  - (iii) the importer at the time of clearance of the said capital goods shall make a declaration before the Assistant Commissioner of Customs, in such form as he may specify, binding himself to pay on demand an amount equal to the duty leviable on such capital goods but for the exemption contained herein in respect of which the conditions specified in column (2) of the Table have not been complied with.
  - \* (iv) where the licensing authority grants and extension of the period for fulfilment of export obligation or regularisation of shortfall in export obligation not exceeding 5% of such export obligation, in terms of, and subject to satisfaction of such conditions as may be specified in Public Notice of the Government of India in the Ministry of Commerce in this regard, the said period of fulfilment of export obligation may be extended, but shall in no case be extended beyond the 31st March, 2002, and the said short fall in export obligation condoned by the Assistant Commissioner of Customs or the Deputy Commissioner of Customs, as the case may be.
  - (v) Where the Licensing Authority, in respect of a licence-holder unit affected by the earthquake which took place in the State of Gujarat in the month of January, 2001 grants extension of the period for fulfilment of export obligation, in terms of, and subject to the satisfaction of such condition as may be specified in a Public Notice of the Government of India in the Ministry of Commerce and Industry in this regard, the said period of fulfilment of export obligation may be extended and be deemed to have been extended beyond the 31st day of March, 2002, but shall in no case be extended beyond the 31st day of March, 2004. (*Condition No.V inserted by Sec. 119 (1) of the Finance Bill, 2003 w.e.f. 20.4.1992*).
2. In a case of default in export obligation, when the duty on goods is paid to regularise the default, the

amount of interest paid by the importer shall not exceed the amount of duty if such regularisation has been dealt in terms of Public Notice of the Government of India in the Ministry of Commerce No. 22 (RE-2013)/2009-2014 dated the 12th August, 2013.

TABLE

S.No.	Description of importer	Rate of duty
1	2	3
1.	Importer undertaking an export obligation equivalent to <b>three times the CIF value</b> of the said capital goods over a period of <b>four years</b> under paragraph 38 of the Policy	25% ad. valorem
2.	Importer undertaking an export obligation equivalent to <b>four times the CIF value</b> of the said capital goods over a period of <b>five years</b> under paragraph 38 of the Policy	15% ad valorem

**Explanation.-** In this notification,-

- (1) “capital goods” means any plant, machinery, equipment or accessories required by an importer for-
- (a) manufacture or production of goods and includes packaging machinery and equipment, refractories, refrigeration equipments, power generating sets, machine tools, catalysts for initial charge required for and imported alongwith capital equipments, equipments and instruments for testing, research and development, quality and pollution control;
- (b) use in manufacturing, mining, agriculture, aquaculture, animal husbandry, floriculture, horticulture, pisciculture, poultry and sericulture; and includes spare parts required for the maintenance of such capital goods not exceeding 10% of CIF value of the capital goods actually imported;
- (ii) “Export and Import Policy” means the Export and Import Policy, 1 April 1992-31 March 1997 published vide Public Notice of the Government of India in the Ministry of Commerce, No.1-ITC(PN) 92-97, dated the 31st March, 1992, as amended from time to time;
- (iii) “Licensing Authority” means an authority competent to grant a licence under the Import (Control) Orders, 1955, made under the Imports and Exports (Control) Act, 1947 (18 of 1947), or the Director General of Foreign Trade appointed under the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992) or an officer authorised by him to grant a licence under the said Act;
- (iv) “CIF Value” in relation to second hand capital goods, means CIF value of the corresponding new capital goods as may be determined by the Licencing Authority.  
\*inserted (w.e.f. 20.4.1992) by serial No.2 of the Eighth Schedule read with section 115 of the Finance Act, 2001.