

GENERAL EXEMPTION NO. 56

Telematic infrastructural equipments, when imported into India for being used for the export of software out of India under the Software Technology Parks Hundred Per cent Export Oriented Scheme.

[Notfn. No. 153/93-Cus., dt. 13.8.1993 as amended by Notfn. Nos. 101/95, 33/97, 55/99, 71/00 and 5/07, 1/17, 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 the **telematic infrastructural equipments** (hereinafter referred to as the said goods) as specified in the Annexure to this Notification, when imported into India for being used for the **export of software out of India under the Software Technology Parks Hundred Percent Export Oriented Scheme from the whole of the customs duty leviable** thereon under the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) and the **additional duty** if any leviable thereon under sub-section (1), (3) and (5) of section 3 of the second mentioned Act subject to the following conditions, namely:-

- (i) the importer (hereinafter referred to as the Infrastructure Service Provider or the ISP) shall produce a certificate to the Assistant Commissioner or the Deputy Commissioner of Customs from the concerned Director of the Software Technology Parks Society set up by the Government of India, Department of Electronics, to the effect that the said imported goods are to be installed or used in the premises of the ISP and that the importer of such goods has been authorised by the said Inter-Ministerial Standing Committee for Hundred Percent Export Oriented Units in the Electronics Hardware Technology Parks (EHTP) and Software Technology Parks (STP) appointed by the notification of the Government of India in the Ministry of Industry, Department of Industrial Development No. S.O. 117(E), dated the 22nd February, 1993;
- (ii) the goods shall only be used for the purpose of export of software by the STP Units located in the premises of the ISP;
- (iii) the ISP executes a bond before the Assistant Commissioner or the Deputy Commissioner of Customs binding himself to,
 - (a) install the said goods in his premises and use them in connection with the export of software by the STP Units located in the premises;
 - (b) not to remove the said goods from the premises without the approval of Assistant Commissioner or Deputy Commissioner of Customs;
 - (c) pay on demand, an amount equal to the duty leviable on the said goods as are not proved to the satisfaction of the Assistant Commissioner or Deputy Commissioner of Customs to have been used for the purposes for which the said goods were imported; and
 - (d) follow the procedure as may be prescribed by the Assistant Commissioner or Deputy Commissioner of Customs for the receipt, storage, use and removal of the goods;
- (iv) subject to the permission being granted by the Director of the Software Technology Park, the Assistant Commissioner or Deputy Commissioner of Customs, may allow an ISP to re-export the said goods;
- (v) without prejudice to any other provision contained in this notification, the Assistant Commissioner of Customs or Deputy Commissioner of Customs may, in accordance with the Foreign Trade Policy, allow the ISP to clear the goods specified in the Annexure to this notification on payment of duty on

the depreciated value thereof and at the rate in force on the date of clearance. The depreciation shall be allowed in straight line method as specified below, namely: -

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 the 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 period of depreciation shall be calculated:
 - i. from the date of commencement of operations, as certified by the Director of the Software Technology Park, to the date of clearance of the goods; or
 - ii. where such goods have been received in an operational ISP premises, from date of their installation as certified by the Director of the Software Technology Park, by a STP unit, to the date of clearance.

ANNEXURE

I. TELECOMMUNICATION TRANSMISSION EQUIPMENT

1. Network/Transmission Surveillance System
2. Multi Access Radio Telephone System
3. Shared Radio System (Analog and digital)
4. Sub system of above telecommunication transmission equipment viz. Antenna, Power Supply, Feeder Cables, Dulexing, Modulator, Demodulator, Equilish and Power Amplifier.

IA. TERRESTRIAL TRANSMISSION EQUIPMENT

1. Point to Point Radio System.

II. SATELLITE COMMUNICATION EQUIPMENT

1. High Power Amplifier
2. Solid State Power Amplifier
3. Low Noise Amplifier
4. Ground Communication Equipment
5. Up/Down Converter
6. Modulator/Demodulator
7. Antenna System
8. TDMA/DSI
9. Master Earth Station
10. Micro Earth Station
11. Radio Network Terminal
12. Interfacility Link
13. Pilot Receivers
14. Radio Frequency Terminal (RFT)
15. Framing Unit
16. Switches
17. Interface and rate converters.

18. Data Hubs (active and passive).
19. Software/firmware for any of the above.

III DATA COMMUNICATION EQUIPMENT

1. Concentrator
2. Controller/System Controller
3. Data Modem
4. Data Multiplexer
5. Front End Processor
6. Protocol Converter
7. Integrated Voice Data Terminal
8. Packet Assembler/Disassembler and Packet Switch
9. Network management Centre
10. Software/Firmware for any of above
11. Direct Access Cross-Connect System (DCAS)
12. Digital Cross-Connect System (DCCS)
13. Routers
14. Data Switches.

IV AUTOMATIC DATA PROCESSING MACHINES AND UNITS FOR THE TELEMATIC EQUIPMENT AT I TO III ABOVE

1. Analog or hybrid Automatic Data Processing Machines
2. Digital Automatic Data Processing Machine
3. Input/Output Units
4. Storage Units
5. Memory
6. Video Conferencing Equipment

V OTHER ITEMS

1. Uninterrupted Power Supply System (UPS)
2. Captive Power Plant including captive generating sets and transformers of capacity commensurate with the actual requirement of the unit and recommended by the concerned Director of the Software Technology Park Society set up by the Government of India, Department of Electronics
3. Servo Control System
4. Central Air Conditioning equipments, Air Conditioning System
5. Private Automotive Branch Exchange
6. Fax Machine
7. Video Projection System
8. Security System
9. Computer Furniture
10. Tool, Kits and spares for the goods specified at number 1 to 9 above.

