

## GENERAL EXEMPTION NO.72

**Customs Tariff (Determination of Origin of Other Preferential Areas) Rules, 1977.**  
[Notfn. No.99/77-Cus., dt.1.7.1977 as amended by Notfn. Nos. 101/95].

The Central Government makes the following rules, namely-

1. **Short title and commencement-** (1) These rules may be called the Customs Tariff (Determination of origin of Other preferential Areas) Rules, 1977.  
(2) They shall come into force on the date of their publication in the Official Gazette.
2. **Application** - These rules shall apply to articles consigned from other preferential area.
3. **Definitions-** In these rules, unless the context otherwise requires -
  - (a) "Act" means the Customs Tariff Act, 1975 (51 of 1975)
  - (b) "Country" means a country or territory declared to be other preferential area.
  - (c) "Expenditure on material" means the cost of the manufacture of the material at the factory or works, including containers but excluding royalties;
  - (d) "factory or works cost" means the cost of production to the manufacturer at the factory or works and shall include the value of of containers and other forms of interior packing ordinarily sold with an article when it is sold in retail, but shall not include the manufacturers' or exporters' profit or the cost of exterior packing, carriage to port and other charges incidental to the export of the article subsequent to its manufacture;
  - (e) "other preferential area" means any country or territory declared to be other preferential area under sub-section (3) of section 4 of the Act;
  - (f) Words and expressions used in these rules and not defined but defined in the Customs Act, 1962 (52 of 1962), shall have the meanings, respectively assigned to them in that Act.
4. **Produce or manufacture of a country** - No article shall be deemed to be the produce or manufacture of a country unless the proper officer of Customs is satisfied:-
  - (a) that the article has been **consigned from such country**; and
  - (b) (i) Where the article is **unmanufactured**, that it has been **grown or produced** in such country.  
(ii) where the article is **manufactured**:-
    - (A) that it has been **wholly manufactured in such country from material produced in such country**; or
    - (B) that it has been **wholly manufactured in such country from unmanufactured materials**; or
    - (C) that it has been partially manufactured in such country and that the final process of manufacture has been performed in such country, and that the **expenditure on material produced and labour performed in such country in the manufacture of the article is, in the case of an article specified in the Schedule to these rules, not less than one-half, and in the case of other**

**article, not less than one-quarter,** of the factory or works cost of the article in its finished state:

Provided that where the articles are consigned from other preferential area the material produced and labour performed in any other preferential area may be reckoned as though it were material produced or labour performed in the preferential area from which the goods were consigned.

**Explanation** - For the purposes of clause (b) (ii) (C), the final process of manufacture shall not be deemed to have been performed in any country in which no process other than the process of mixing, bottling, labelling, packing into retail containers or the like have been performed, but where such process as aforesaid has been performed in the country in which the final process of manufacture has been performed, nothing herein shall render the cost of such process ineligible for inclusion in the computation of the fraction of the factory or works cost of the article in its finished state which represents expenditure on material produced and labour performed in that country.

5. **Imports by Post** - No Claim that articles are chargeable with a preferential rate of duty shall be considered by the Assistant Commissioner or Deputy Commissioner of Customs in respect of articles imported by post, unless at the time of arrival in India, such articles are covered by a declaration as to the country of origin entered in the Customs declaration form or (in the absence of such a form), on the wrapper of the package.

#### **SCHEDULE (See Rule 4)**

1. Sewing and Knitting Machines (and parts thereof) to be worked by manual labour or which require for their operation less than one quarter of one brake-horsepower.
2. Cycles (other than motor cycles) imported entire or in section and parts and accessories thereof, excluding rubber tyres and tubes.
3. Motor cars including taxi cabs and articles (other than rubber tyres and tubes) adapted for use exclusively as parts and accessories thereof.
4. Motor omni-buses; chassis of motor omni-buses, motor vans and motor lorries; and parts of mechanically propelled vehicle and accessories excluding rubber tyres and tubes.
5. Motor cycles and motor scooters and articles (other than rubber tyres and tubes) adapted for use as parts and accessories thereof.

