

P. SAMPLES FOR EXECUTING OR SECURING EXPORT ORDERS:**GENERAL EXEMPTION NO. 51**

Exemption to Commercial samples and advertising materials and price lists imported in accordance with the International Convention drawn up at Geneva on 7.11.1952 and for export order.

[Notfn. No. 154/94-Cus. dt. 13.7.1994 as amended by Notfn. Nos. 100/95, 101/95, 75/97, 86/99 28/03, 50/05].

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 goods (hereinafter referred to as the said goods) of the description specified in column (2) of the Table hereto annexed and falling within the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), when imported into India, from the **whole of the duty of customs** leviable thereon which is specified in the said Schedule and from the **whole of the additional duty** leviable thereon under section 3 of the second mentioned Act subject to the conditions, if any, laid down in the corresponding entry in column (3) thereof.

TABLE

S.No.	Description of goods	Conditions
1	2	3
1.	Samples	The samples are exempt from import duties under and in accordance with the International Convention to facilitate the importation of Commercial Samples and Advertising material drawn up at Geneva and dated the 7th day of November, 1952.
2.	Price Lists	The price lists are supplied free of charge and are exempt from import duties under and in accordance with the Convention mentioned against S.No. 1 above.
3.	Commercial samples	(i) The said goods have been imported as personal baggage by bona fide commercial travellers or businessmen or imported by post or by air; (ii) The importer produces his Import Export Code Number at the time of importation; (iii) The said goods are clearly marked as samples; (iv) The import of the said goods does not exceed Rs.60,000 in

value or 15 units in number, within a period of twelve months; and

Provided that where the samples relating to gem and jewellery industry are imported by exporters of gem and jewellery, the import of said sample shall not exceed value of Rs. 3,00,000 (Three lakhs) or 0.25% of average value of three immediately preceding years exports whichever is lower, and such samples shall not exceed 15 units in number, within a period of twelve months subject to the condition that the importer produces a certificate from the Gem and Jewellery Export Promotion Council certifying the value of export made during three immediately preceding years and also the value and quantity of goods already imported under this notification during the last twelve months.

- (v) The importer at the time of importation-
- (A) declares that -
- (a) the samples have been imported into India solely for the purpose of being shown in India for the guidance of exporters for securing or executing an export order;
- (b) the total import value of sample does not exceed Rs 3,00,000 (Three lakhs) or 0.25% of average value of three immediately preceding years exports whichever is lower, in the case the sample is related to gem and jewellery industry imported by exporter of gem and jewellery, as the case may be and Rs 60,000 (Sixty Thousand) in case of any other import of commercial samples and such sample shall not exceed 15 units in number, within a period of last twelve months; and.
- (B) Produces an undertaking to the Assistant Commissioner of

- Customs or Dy. Commissioner of Customs to pay the duty leviable on the said goods but for the exemption contained herein, if the declaration under clause (A) if found to be false.
4. Prototypes of engineering goods imported as samples for executing or for use in connection with securing export orders
- (i) The importer produces a certificate from the Export Promotion Council concerned with the particular export or the Trade Development Authority to the effect that the samples are required for executing or for use in connection with securing export orders;
 - (ii) where the value of a sample does not exceed Rupees ten thousand the same shall be rendered useless as merchandise by any suitable process and where this is not possible they are re-exported within a period of nine months of import or such extended period as may be allowed by the Asstt. Commissioner of Customs or Dy. Commissioner of Customs;
 - (iii) where the value of a sample exceeds Rupees ten thousand the same shall be re-exported within a period of nine months of import or such extended period as may be allowed by the Assistant Collector of Customs or Dy. Commissioner of Customs and the importer shall execute a bond in such form and for such sum and with such surety as may be prescribed by the Assistant Commissioner of Customs, or Dy. Commissioner of Customs for the purpose of enforcing conditions (ii) and (iii), as the case may be.
 - (iv) the said goods have been imported by post or in an aircraft or by or by courier service;
5. Bona fide commercial samples and prototypes
- (i) the value of the said samples or prototypes does not exceed rupees ten thousand, and

- (iii) the said goods have been supplied free of charge.

Explanation:- For the purposes of condition (ii), postal charges or the air-freight shall not be taken into account for determining the value limit of rupees five thousand.

GENERAL EXEMPTION NO. 51A

Exemption to goods when imported to India against a duty credit certificate issued under the Target Plus Scheme:

[Notfn. No. 32/05-Cus., dt.8.4.2005 as amended by Notfn. No.46/05, 77/05 and 97/05].

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 goods when imported into India against a duty credit certificate issued under the Target Plus Scheme in accordance with paragraph 3.7 of the Foreign Trade Policy (hereinafter referred to as the said certificate) from, -

- (a) the whole of the duty of customs leviable thereon under the First Schedule to the Customs Tariff Act 1975 (51 of 1975); and
 - (b) the whole of the additional duty leviable thereon under section 3 of the said Customs Tariff Act,-
subject to the following conditions, namely :-
- (1) that the benefit under this notification shall be available only in respect of duty credit certificate issued under the said Scheme to a Star Export House on the basis of incremental growth in FOB value of exports made during the financial year 2004-05 over the exports made during the financial year 2003-04;
 - (2) that the said certificate has been issued to a Star Export House by the licensing authority and it is produced before the proper officer of customs at the time of clearance for debit of the duties leviable on the goods, but for this exemption:

Provided that exemption from duty shall not be admissible if there is insufficient credit in the said certificate for debiting the duties leviable on the goods, but for this exemption;

- (3) that the said certificate and goods imported against it shall not be transferred or sold:

Provided that where the goods are imported by a merchant exporter having supporting manufacturer(s) whose name and address is specified on the said certificate, the said goods may be utilised by the said supporting manufacturer(s);

- (4) that in respect of capital goods, office equipment and professional equipment, a certificate from jurisdictional Deputy Commissioner of Central Excise or Assistant Commissioner of Central Excise, as the case may be, is produced confirming installation and use of goods in the importer's factory or premises within six months from the date of import or within such extended period as the Deputy Commissioner of Customs or Assistant Commissioner of Customs may allow :

Provided that in respect of units which are not registered with the central excise, the said installation certificate may be issued by an independent Chartered Engineer;

Provided further that where the capital goods, office equipment and professional equipment, are imported by a merchant exporter having supporting manufacturer(s), the goods may be installed in the factory or premises of the said supporting manufacturer(s);

- (5) that the imports against the said certificate are undertaken through sea ports at Mumbai, Sikkim, Kolkata, Cochin, Magdalla, Kakinada, Kandla, Mangalore, Marmagoa, Chennai, Nhava Sheva, Paradeep, Pipavav, Sikka, Tuticorin, Visakhapatnam, Dahej, Mundhra, Nagapattinam, Okha, Bedi including Rogi-Jamnagar, Muldwarka and Porbander or through any of the airports at Ahmedabad, Bangalore, Bhubaneswar, Mumbai, Kolkata, Coimbatore, Delhi, Hyderabad, Jaipur, Chennai, Srinagar, ~~Trivandrum, Varanasi, Nagpur, Cochin, Rajasansi (Amritsar)~~ Lucknow (Amausi) or through any of the Inland Container Depots at Agra, Bangalore, Coimbatore, Delhi, Faridabad, Gauhati, Guntur, Hyderabad, Jaipur, Jalandhar, Kanpur, Ludhiana, Moradabad, Nagpur, Pimpri (Pune), Pitampur (Indore), Surat, Tirupur, Varanasi, Nasik, Rudrapur (Nainital), Dighi (Pune), Vadodara, Daulatabad (Wanjarwadi and Maliwada), Waluj (Aurangabad), Anaparthi (Andhra Pradesh), Salem, Malanpur, Singanalur, Jodhpur, Kota, Udaipur, Ahmedabad, Bhiwadi, Madurai, Bhilwara, Pondicherry, Garhi Harsaru, Bhatinda, Dappar (Dera Bassi), Chheharata (Amritsar), Karur, Miraj, Rewari, Bhusawal, Jamshedpur, Surajpur, Dadri, Tuticoin, Kundli, Bhadohi and Raipur or through the Land Customs Station at Ranaghat, Singhabad, Raxaul, Jogbani, Nautanva (Sonauli), Petrapole, Mahadipur, Nepalganj Road, Dawki, Agartala, Sutarkhandi and Amritsar Rail Cargo or Special Economic Zones as specified in the notification issued under Section 76A of the said Customs Act;
- (6) that where the importer does not claim exemption from the additional duty of customs leviable under section 3 of the said Customs Tariff Act, he shall be deemed not to have availed the exemption from the said duty for the purpose of calculation of the said additional duty of customs.
- (7) that the importer shall be entitled to avail of the drawback or CENVAT credit of additional duty leviable under section 3 of the said Customs Tariff Act against the amount debited in the said certificate.
2. The following categories of exports shall not be counted for calculation of export performance or for computation of entitlement under the scheme -
- (i) export of imported goods covered under para 2.35 of the Foreign Trade Policy or exports made through transshipment;
 - (ii) export turnover of units operating under SEZ/EOU/EHTP/STP/BTP; Schemes or products manufactured by them and exported through DTA units;
 - (iii) deemed exports (even when payments are received in Free Foreign Exchange and payment is made from EEFC account);
 - (iv) service exports;
 - (v) exports of rough, uncut and semi-polished diamonds and other precious stones
 - (vi) exports of gold, silver, platinum and other precious metals in any form, including plain and studded jewellery;
 - (vii) Export performance made by one exporter on behalf of another exporter.

3. The Target Plus Scheme may be re-notified for subsequent years with such modifications as are necessary.

Explanation, - In this notification -

- (i) "goods" means any inputs, capital goods including spares, office equipment, professional equipment, office furniture, and agricultural products listed in Chapters 1 to 24 of the First Schedule to said Customs Tariff Act as may be notified by DGFT from time to time, which are freely importable under the Foreign Trade Policy;
- (ii) "capital goods" has the same meaning as assigned to it in paragraph 9.12 of the Foreign Trade Policy;
- (iii) "Foreign Trade Policy" means the Foreign Trade Policy 2004-2009, published by the Government of India in the Ministry of Commerce and Industry vide notification No.1/2004, dated the 31st August, 2004 as amended from time to time;
- (iv) "licensing authority" means the Director General of Foreign Trade appointed under section 6 of the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992) or an officer authorised by him to grant a license under the said Act.