

**J. SPECIAL ECONOMIC ZONES :****GENERAL EXEMPTION NO. 43****Exemption from SAD to goods produced & manufactured in SEZ units:**

[Notfn. No. 114/03-Cus. dt. 22.7.2003 as amended by Notfn. Nos. 130/03, 152/03, 170/03, 181/03, 46/04, 51/04 and 59/04].

In exercise of the powers conferred by sub-section (1) of section 3A of the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the said Act), the Central Government, having regard to the maximum sales tax, local tax or any other charges for the time being leviable on the like goods on their sale or purchase in India, hereby specify the rate of special additional duty as nil in respect of goods produced and manufactured by a special economic zone unit and brought to any other place in India for the purpose of sale:

Provided that such exemption shall be applicable if such goods, when sold in domestic tariff area, are not exempted by the State Government from payment of sales tax.

2. This notification shall come into force on the 11th day of May, 2004.

**Explanation 1-** For removal of doubts, it is hereby clarified that the benefit under this notification shall not be available in respect of goods transferred by a special economic zone unit to its unit in domestic tariff area on stock transfer basis.

**Explanation 2-** For the purposes of this notification, the expression "manufacture" with its grammatical variation has the same meaning as assigned to it under clause (f) of section 2 of the Central Excise Act, 1944 (1 of 1944).

**GENERAL EXEMPTION NO. 43A****Exemption to all goods produced or manufactured in a Special Economic Zone and brought to any other place in India in accordance with the provisions of the Foreign Trade Policy 2004-2009:**

[Notfn. No. 45/05-Cus., dt. 16.5.2005 as amended by 16/07, 19/07].

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 all goods produced or manufactured in a special economic zone and brought to any other place in India in accordance with the provisions of the special Economic Zones Act, 2005 (28 of 2005) and the Special Economic Zones Rules, 2006, from the whole of the additional duty of customs leviable thereon under sub-section (5) of section 3 of the Customs Tariff Act, 1975 (51 of 1975):

Provided that no such exemption shall be applicable if such goods, when sold in domestic tariff area, are exempted by the State Government from payment of sales tax or value added tax.

*Explanation.*- For the purposes of this notification, “special economic zone” means the special economic zones notified by the Government of India, under section 4 of the Special Economic Zones Act, 2005 (28 of 2005).