

# S.MURUGAPPAN

ADVOCATE, HIGH COURT

**ASSISTED BY:**

K.NANCY, B.COM., B.L. (HONS.),

M.S.HARSHA PRABHU, L.L.M.

**CONSULTANTS:**

GST, CUSTOMS, FOREIGN TRADE LAWS,  
FOREIGN EXCHANGE MANAGEMENT ACT.

## OPINION

1. **QUERIST:**

M/s. Sri Energy Valves Private Limited,  
SF No.115/4A, Vadugapatti Village, Illupur Taluk,  
Viralimalai,  
Pudukottai – 621 316.

2. **FACTS:**

The querist is a manufacturer and exporter of industrial valves as well as valve components. Their overseas customers would like to send defective valves for re-conditioning/repair work which are to be re-exported after completion of such re-conditioning/repair. It is stated that some of these valves may be of Indian origin and originally exported from India and in other cases, they could have been manufactured in other countries.

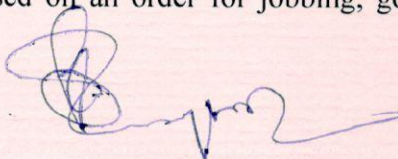
3. **QUERY:**

In the above context, the querist would like to know whether such valves can be imported without payment of duty for re-conditioning/repair and then re-exported.

4. **OPINION:**

- 4.1 Basically, there are four notifications which can be used for import of goods for repair/re-conditioning and their subsequent re-export.
- 4.2 Notification No.134/94-Customs dated 22.06.1994 covers various items that can be imported from abroad for repair/re-conditioning, re-engineering etc. One of the important conditions for availing benefit under this notification is that the repair/re-conditioning activity is to be undertaken in accordance with the provisions of Section 65 of Customs Act 1962. Or in other words, the above activity is to be carried on in a customs bonded facility. A copy of the above notification is attached as **Annexure-I**.
- 4.3 There is another Notification No.32/97-Customs dated 01.04.1997. This notification permits import of goods for jobbing for execution of an export order placed on the importer by a supplier of goods. If the re-conditioning involves replacement of parts/components, then, it may be possible to treat that activity as jobbing activity. A copy of this notification is attached as **Annexure-II** to this opinion. Subject to complying with the conditions stipulated in this notification, based on an order for jobbing, goods can be imported.

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A-2, Srivatsam, 58, Thirumalai Pillai Road, T.Nagar, Chennai – 600 017.

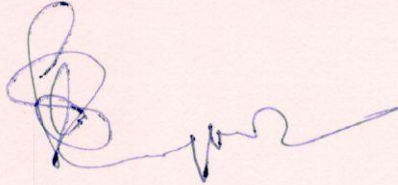
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- 4.4 As far as Indian origin goods are concerned, there are two notifications which can be utilised. Notification No.158/95-Customs dated 14.11.1995 permits re-import of Indian origin goods and parts thereof for repair/re-conditioning etc. A copy of this notification is attached as **Annexure-III** to this opinion. If the querist is able to comply with the conditions stipulated in the notification, then, the Indian origin valves can be imported for repair and re-export in terms of this notification.
- 4.5 The second notification is 45/2017-Customs dated 30.06.2017. A copy of this notification is attached as **Annexure-IV** to this opinion. In this case, subject to identification and re-payment of the drawback / re-payment of IGST claim etc. the goods can be brought inside the factory and then once they are received in the factory for further processing, they can be re-conditioned and then re-exported as fresh export consignments.
- 4.6 Depending upon the facts and whether the querist is able to comply with the terms of the notifications, then the benefit can be claimed based on these notifications for import of these valves for repair and re-export.



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**Disclaimer:-** The above opinion is provided based on the information and documents made available to us by the querist and further based on the laws and rules prevalent as on date and the understanding of such provisions by the author and is meant for the private use of the person to whom it is provided without assuming any liability for any consequential action taken based on the views expressed here.