

Exemption to specified goods (ITA bound exposition) of this Chapter. — See Notification No. 25/2005-Cus., dated 1-3-2005 under CHAPTER 85.

Exemption to import of domestic refrigerators, deep freezers and air conditioners etc. on bona fide transfer of residence. — See Notification No. 137/90-Cus., dated 20-3-1990 under CHAPTER 98.

Exemption to telematic infrastructural equipments imported for being used for the export of software under the Software Technology Parks 100% EOS. — See Notification No. 153/93-Cus., dated 13-8-1993 under CHAPTER 85.

Exemption to capital goods imported for use in IT/Electronic Industry. — See Notification No. 25/2002-Cus., dated 1-3-2002 under GENERAL EXEMPTION No. 181.

Exemption from additional duty of Customs to specified goods of Chapters 68, 82, 84, 85 and 90 for use in manufacture of information technology goods like semi-conductors, displays, solar cell, photovoltaics and micro & nano technology products, etc. — See Notification No. 90/2007-Cus., dated 26-7-2007 under GENERAL EXEMPTION NO. 184.

Exemption to temporary import of leased machinery, equipment & tools. - In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), and in supersession of the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 27/2002-Customs, dated the 1st March, 2002 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R. 124(E), dated the 1st March, 2002 except as respects things done or omitted to be done before such supersession, the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts goods of the description specified in column (1) of the Table annexed hereto, from the payment of so much of the customs duty leviable thereon under First Schedule to the Customs Tariff Act, 1975 (51 of 1975) as specified in column (3) of the said Table and from the whole of the integrated tax leviable thereon under sub-section (7) of section 3 of the Customs Tariff Act, 1975 subject to the limitations and conditions specified in column (2) thereof, namely :-

TABLE

Description of goods	Limitations and conditions	Extent of exemption
(1)	(2)	(3)
Machinery, equipment or tools, falling under Chapters 84, 85, 90 or any other Chapter of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).	<ol style="list-style-type: none"> (1) the goods have been taken on lease by the importer for use after import; (2) the importer makes a declaration at the time of import that the goods are being imported temporarily for execution of a contract; (3) the import of such machinery, equipment or tools is covered under item (b) of clause 1 or item (f) of clause 5 of Schedule II of the Central Goods and Services Tax Act, 2017; (4) the said goods are re-exported within three months of the date of such import or within such extended period not exceeding 18 months from the date of said import, as the Assistant Commissioner of Customs or the Deputy Commissioner of Customs, as the case may be, may allow; (5) where the Assistant Commissioner of Customs or the Deputy Commissioner of Customs, as the case may be, grants extension of the aforesaid period for re-export, the importer shall pay the difference between the duty payable under the relevant clause in column (3) and the duty already paid at the time of their import; (6) the importer executes a bond, with a bank guarantee, undertaking - 	<p>In the case of-</p> <ol style="list-style-type: none"> (i) goods which are re-exported within three months of the date of import, so much of the duty of customs as is in excess of the amount calculated at the rate of five per cent.; (ii) goods which are re-exported after three months, but within six months, of the date of import, so much of the duty of customs as is in excess of the amount calculated at the rate of fifteen per cent.; (iii) goods which are re-exported after six months, but within nine months, of the date of import, so much of the duty of customs as is in excess of the amount calculated at the rate of twenty-five per cent.; (iv) goods which are re-exported after nine months, but within twelve months, of the date of import, so much of the duty of customs as is in excess of the amount calculated at the rate of thirty per cent.; (v) goods which are re-exported after twelve months, but within fifteen months, of the date of import, so much of the duty of customs as is in excess of the amount calculated at the rate of thirty-five per cent.;

	<p>(a) to pay integrated tax leviable under sub-section (1) of section 5 of the Integrated Goods and Services Tax Act, 2017 on supply of service covered by items 1(b) or 5(f) of Schedule II of the Central Goods and Services Tax Act, 2017;</p> <p>(b) to re-export the said goods within three months of the date of import or within the aforesaid extended period;</p> <p>(c) to produce the goods before the Assistant Commissioner of Customs or the Deputy Commissioner of Customs for identification before re-export;</p> <p>(d) to pay the balance of customs duty, along with interest, at the rate fixed by notification issued under section 28AA of the Customs Act, 1962, for the period starting from the date of import of the said goods and ending with the date on which the duty is paid in full, if the re-export does not take place within the stipulated period; and</p> <p>(e) to pay on demand an amount equal to the integrated tax along with applicable interest payable on the said goods but for the exemption under this notification in the event of violation of any of the above conditions.</p>	<p>(vi) goods which are re-exported after fifteen months, but within eighteen months, of the date of import, so much of the duty of customs as is in excess of the amount calculated at the rate of forty per cent.,</p> <p>of the aggregate of the duties of customs, which would be leviable under the Customs Act, 1962 read with any notification for the time being in force in respect of the duty so chargeable.</p>
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Note : The goods imported under this concession shall not be eligible for drawback under sub-section (2) of section 74 of the Customs Act, 1962.

[Notification No. 72/2017-Cus., dated 16-8-2017]

DEPARTMENTAL CLARIFICATIONS / CASE LAW

Accessory means either devices which add to effectiveness or convenience of the machine or non-essential devices added to principal body of the machine which enhance convenient working of the machine - Chapters 84, 85, 87 and 90 of Customs Tariff Act, 1975. — *Sree Bhawani Cotton Mills Ltd. v. Additional Collector* — 2000 (125) E.L.T. 13 (Cal.).

Aerobridges are, classifiable under Heading 84.28 of Customs Tariff Act, 1975 as 'other lifting, handling, loading or unloading machinery' — *Airport Authority of India v. Commissioner* — 2006 (201) E.L.T. 506 (Tri. - Del.). *This order was affirmed by the Supreme Court as reported in 2015 (325) E.L.T. 823 (S.C.).*

Agriculture Knapsack Sprayer which can be carried on the back and can be operated either by hand or through a battery, is classifiable under Heading 8424 of Customs Tariff Act, 1975. — *In Re : Ravi Masand* — 2019 (31) G.S.T.L. 305 (A.A.R. - GST).

Agricultural machinery parts - Bar connection, square pipe and mechanical ram are classifiable as parts of agricultural machinery under Heading 8432 *ibid* by virtue of Note 2 of Section XV *ibid*. — *Commissioner v. Maschio Gaspardo India P. Ltd.* — 2016 (332) E.L.T. 153 (Tri. - Mumbai).

Agricultural Machinery parts - Parts imported though designed as parts of agricultural machinery and use in said agricultural machinery i.e. rotavator, tiller are classifiable in their independent entry in Customs Tariff by virtue of Notes of Sections XV and XVI of Customs Tariff Act, 1975. — *Commissioner v. Maschio Gaspardo India P. Ltd.* — 2016 (332) E.L.T. 153 (Tri. - Mumbai).

Agricultural/Horticultural machines. - Paddle wheel aerators and parts thereof for use in aquaculture is classifiable under Heading 8436 of Customs Tariff and not under Heading 8479 *ibid*. — *Suyog Agro Poultry Products P. Ltd. v. Commissioner* — 2016 (335) E.L.T. 350 (Tri. - Chennai).

Air-conditioner is an apparatus regulating humidity of air and temperature by condensation and comprising of motor driven fan also. — *Hotel Leela Venture Ltd. v. Commissioner* — 2007 (214) E.L.T. 206 (Tri. - Mumbai). *This order was approved by Supreme Court in 2009 (234) E.L.T. 389 (S.C.).*