

Finance Act 1994

Chapter 4 - Indirect Taxes

Section 60 - Amendment of Act 52 of 1962

In the Customs Act, 1962 (hereinafter referred to as the Customs Act),-

(1) for section 20, the following section shall be substituted, namely:-

'20.Re-importation of goods.- If goods are imported into India after exportation therefrom, such goods shall be liable to duty and be subject to all the conditions and restrictions, if any, to which goods of the like kind and value are liable or subject, on the importation thereof;

Provided that if such importation (other than importation of goods exported in bond or of goods produced or manufactured in a free trade zone) takes place within three years after the exportation of such goods and it is shown to the satisfaction of the Assistant Collector of Customs that the goods are the same which were exported, the goods may be admitted-

(a) in any case where at the time of exportation of the goods, drawback of any customs or excise duty levied by the Union or both was allowed, on payment of customs duty equal to the amount of such drawback;

(b) in any case where at the time of exportation of the goods, drawback of any excise duty levied by a State was allowed, on payment of customs duty equal to such excise duty leviable at the time and place of importation of goods;

(c) in any other case, without payment of duty;--

Provided further that if the Central Government is satisfied that it is necessary in the public interest so to do, it may, by order in each case, extend the aforesaid period of three years for such further period as it may deem fit.

Explanation I.- Where in respect of any goods produced or manufactured in a free trade zone, any duty leviable under this sub-section is leviable at different rates, then, such duty shall be leviable at the highest of those rates.

Explanation II,- For the purposes of this section, "free trade zone" has the same meaning as in Explanation 2 to sub-section (1) of section 3 of the Central Excises and Salt Act, 1944,;

(2) In section 23, for sub-section (2), the following sub-section shall be substituted, namely:-

"(2) The owner of any imported goods may, at any time before an order for clearance of goods for home consumption under section 47 or an order for permitting the deposit of goods in a warehouse under section 60 has been made, relinquish his title to the goods and thereupon he shall not be liable to pay the duty thereon.";

(3) In section 59, In sub-section (1), the words, brackets and letter "clause (a) of" shall be omitted;

(4) section 59A shall be omitted;

(5) in sections 60, 72 and 73, the words, figures and letter "or section 59A" shall be omitted;

(6) for section 61, the following section shall be substituted, namely:-

'61.Period for which goods may remain warehoused.- (1) Any warehoused goods may be left in the warehouse in which they are deposited or in any warehouse to which they may be removed,-

(a) in the case of capital goods intended for use in any hundred per cent.export oriented undertaking, till the expiry of five years; and

(b) in the case of any other goods, till the expiry of one year,

after the date on which the proper officer has made an order under section 60 permitting the deposit of the goods in a warehouse:

Provided that-

(i) in the case of any goods which are not likely to deteriorate, the period specified in sub-section (1) may, on sufficient cause being shown be extended by the Collector of Customs for a period not exceeding six months and by the Principal Collector of Customs for such further period as he may deem fit;

(ii) in the case of any goods referred to in clause (b), if they are likely to deteriorate, the aforesaid period of one year may be reduced by the Collector of Customs to such shorter period as he may deem fit:

Provided further that when the licence for any private warehouse is cancelled, the owner of any goods warehoused therein shall, within seven days from the date on which notice of such cancellation is given or within such extended period as the proper officer may allow, remove the goods from such warehouse to another warehouse or clear them for home consumption or exportation.

(2) Where any warehoused goods remain in a warehouse beyond the period specified in sub-section (1) by reason of extension of the aforesaid period or otherwise, interest at such rate as is specified in section 47 shall be payable, on the amount of duty payable at the time of clearance of the goods in accordance with the provisions of section 15 on the warehoused goods, for the period from the expiry of the said warehousing period till the date of payment of duty on the warehoused goods:

Provided that the Board may, if it considers it necessary so to do in the public interest, by order and under circumstances of an exceptional nature, to be specified in such order, waive the whole or part of any interest payable under this section in respect of any warehoused goods:

Provided further the Board may, if it is satisfied that it is necessary so to do in the public interest, by notification in the Official Gazette, specify the class of goods in respect of which no interest shall be charged under this section.

Explanation.- For the purposes of this section, "hundred per cent.export oriented undertaking" has the same meaning as in Explanation 2 to sub-section (1) of section 3 of the Central Excises and Salt Act, 1944.(1 of 1944.)'.

Section 61 - Amendment of Act 51 of 1975

The Customs Tariff Act, 1975 (hereinafter referred to as the Customs Tariff Act) shall be amended in the manner specified in the Second Schedule.

Section 62 to 63 - Excise

Section 62 - Amendment of Act 5 of 1986

The Central Excise Tariff Act, 1985 (hereinafter referred to as the Central Excise Tariff Act),-

(a) shall be amended in the manner specified in the Third Schedule; and

(b) shall, with effect from such date as the Central Government may, by notification in the Official Gazette, appoint, be also amended in the manner specified in the Fourth Schedule.

Section 63 - Amendment of Act 58 of 1957

In the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (hereinafter referred to as the Additional Duties of Excise Act),-

(a) in section 3, for sub-section (3), the following sub-section shall be substituted, namely:-

"(3) The provisions of the Central Excise and Salt Act, 1944 (1 of 1944) and the rules made thereunder, including those relating to refunds, exemptions from duty, offences and penalties, shall, so far as may be, apply in relation to levy and collection of the additional duties as they apply in relation to the levy and collection of the duties of excise on the goods specified in sub-section (1).";

(b) the First Schedule shall be amended in the manner specified in the Fifth Schedule.