



सीमाशुल्क अग्रिम विनिर्णय प्राधिकरण
Customs Authority for Advance Rulings
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F. No. CAAR/CUS/APPL/98/2025-O/o-Commr-CAAR-Mumbai Date of issuance: 16.01.2026

Addendum-cum-Corrigendum to Advance Ruling No. CAAR/MUM/ARC/68/2025-26
dated 03.09.2025

In the matter of:

Tata Electronics System Solutions Private Limited
(IEC No. AACCW1483C)

An Advance Ruling bearing **Ruling No. CAAR/MUM/ARC/68/2025-26** dated **03.09.2025** was pronounced by this Authority in the case of **Tata Electronics System Solutions Private Limited**, on the question relating to **applicability of Notification No. 57/2017-Cus dt 30.06.2017 (commonly referred to as the IGCR Notification)** in respect of inputs or parts imported for the manufacture of cellular mobile phones, which get scrapped during the manufacturing process, under the Manufacture and Other Operations in Warehouse (MOOWR) Scheme, under the Customs Act, 1962.

Subsequent to the issuance of the above Advance Ruling, the applicant filed a request for issuance of a corrigendum vide their letter dated 15.10.2025 for rectification of said advance ruling to provide a better clarity with respect to the scope and practical applicability of Section 65(2) of the Customs Act and IGCR Notification in context of the Company's business facts. In this regard, personal hearing was granted to the applicant on 25.11.2025. In PH, they relied upon circular no. 26/2024-Customs dated 21.11.2024, FAQ query to question no. 17 dated 27.10.2020 and CAAR, New Delhi ruling dated 04.06.2024 in the matter of M/s. Samsung Noida Display Pvt. Ltd. which were already placed on record and due discussion were made in the earlier ruling no. CAAR/MUM/ARC/68/2025-26 dated 03.09.2025. They contended that inputs or parts imported for use in manufacturing of cellular mobile phones which get scrapped during the manufacturing process are eligible for benefit of notification no. 57/2017.

In order to place the complete position/clarification on record, the same is being incorporated through this Addendum as **Para 6.3.8.1**.

6.3.8.1 From the above facts, provisions and rules, it is clear that MOOWR scheme deals with waste or refuse whereas IGCR deals with unutilized or defective goods. There is no provision of waste or refuse under IGCR. For clear understanding, comparison of both schemes is as follow:

| Comparison of MOOWR provisions and IGCR provisions in respect of the clearance of scrap/waste | | | |
|--|-----------------|--------------|-------------|
| Sr. No. | Criteria | MOOWR | IGCR |
| | | | |



| | | | |
|---|--|--|--|
| 1 | Legal Provisions governing the schemes | Section 65 of the Customs Act, 1962 | Section 25(1) of the Customs Act, 1962 |
| 2 | Beneficial application of the provisions | Duty Deferment | Concessional rate of duty applicable with respect to any notification which provides the observance of IGCR Rules |
| 3 | Subject goods involved in the schemes: a. Waste or refuse b. unutilized or defective goods imported as such. | If the whole or any part of the goods resulting from said operations are exported, import duty shall be remitted on the quantity of the warehoused goods contained in so much of the waste or refuse as has arisen from the operations carried on in relation to the goods exported. Provided that such waste or refuse is either destroyed or duty is paid on such waste or refuse as if it had been imported into India in that form, [Section 65(2)(a)] | Importer has an <u>option to re-export unutilized or defective goods, so imported</u> , or clear the same for home consumption, within the stipulated time given in the notification or as provided in Rule 10(1) of IGCR Rules, 2022. Provided that the value of such goods for re-export shall not be less than the value of the said goods at the time of import |
| 4 | On the waste or refuse and imported but unutilized or defective goods for home consumption | if the whole or any part of the goods resulting from such operations are cleared from the warehouse for home consumption, import duty shall be charged on the quantity of the warehoused goods contained in so much of the waste or refuse as has arisen from the operations carried on in relation to the goods cleared for home consumption | The importer who intends to clear unutilized or defective goods, so imported, for home consumption shall have an option of voluntary payment of applicable duty along with the interest. [Rule 10(3) of IGCR Rules] |
| 5 | Scope of provision | Waste or refuse as has arisen from the operation carried on | Goods which are unutilised or defective, so imported. |

From the above table it is clear that the wordings used in both of the provisions are on different footings. They are not one and the same. As regards to MOOWR scheme, the statute provides the word “waste or refuse” whereas IGCR provides the word “unutilized or defective, so imported”. MOOWR scheme clearly provides the provisions for waste or refuse which has been arisen from operation in relation to the goods exported or cleared for home consumption under section 65 (2) of the Customs Act, 1962 whereas on conjoint reading of Rule 10(1), 10(2) and 10(3) of IGCR Rules, 2022 it is clear that IGCR only applicable to the unutilized or defective goods, so imported. This provision is absolute in clear terms. The reason for non-exportation of the goods is essentially due to either non-utilisation or found defective on importation as such.

The Board's circular no. 26/2024- Customs, dated 21.11.2024, clarified that the MOOWR unit may avail IGCR exemption along with duty deferment under MOOWR simultaneously, provided that the importer undertakes to comply with the ~~additional conditions~~



prescribed in the Concessional Notification and IGCR Rules therein including time-limit etc., in addition to MOOWR stipulations for those goods while supplying goods from its premises. It is clear that importer has to comply all conditions of MOOWR, IGCR and Concessional Notification independently.

From the above, it is evident that goods/inputs or parts imported for use in manufacturing of cellular mobile phone which results into scrap during the manufacturing process are explicitly not including the beneficial provisions under the notification no. 57/2017-Customs dated 30.06.2017 as the waste or refuse generated under MOOWR scheme are to be disposed of in accordance of Section 65(2) of the Customs Act, 1962 and unutilized (in any way) or defective goods, so imported are to be dealt in accordance to Rule 10 of the IGCR Rules, 2022. Importer has to fulfil the conditions mentioned in both schemes separately. The FAQ question no. 17 and the circular relied upon by the application endorse the very specific objectives of the schemes in as much as both provides that a unit operating under section 65 of the Customs Act, 1962 can avail any other benefit, if the scheme allows; and subject to compliance with the prescribed conditions under the MOOWR Scheme, concessional notification and IGCR Rules, 2022.

Further, **Para 7** of Advance Ruling No. **CAAR/MUM/ARC/68/2025-26 dated 03.09.2025** may be read as:

In view of the above facts and circumstances of the case, I reach to conclusion that inputs or parts imported for use in manufacturing of cellular mobile phone under the Manufacturer and Other Operations in Warehouse (MOOWR) Scheme, may avail IGCR exemption along with duty deferment under MOOWR simultaneously, subject to strict compliance with the additional conditions prescribed in the Concessional Notification and IGCR Rules therein including time-limit etc., in addition to fulfilment of requirements under MOOWR Scheme. The answer to the question raised by the applicant is as follow:

Question: Whether benefit of notification no. 57/2017-Customs dated 30.06.2017 (as amended) shall be available in respect of inputs or parts imported for use in manufacturing of cellular mobile phone which results into scrap during the manufacturing process?

Answer: No, importer is not eligible for exemption benefit from Customs duty under notification no. 57/2017 dated 30.06.2017 on unutilized or defective goods, so imported. Such unutilised or defective goods (so imported) may be cleared for home consumption on voluntary payment of applicable duty and interest in terms of rule 10 (3) of IGCR Rules, 2022. However, waste or refuse generated during the manufacturing process in a MOOWR unit shall be dealt with in accordance to Section 65(2) of the Customs Act, 1962 read with Rule 10 (1), 10(2) and 10(3) of IGCR Rules, 2022 and MOOWR regulations.

Since, the errors are apparent on the face of record and do not affect the substantive finding of the ruling, the same requires clarification in terms of regulation no. 22 of the Customs Authority for Advance Ruling Regulations, 2021 (as amended).

Except to the extent of the corrections stated above, **all other findings, observations, and conclusions recorded in Advance Ruling No. CAAR/MUM/ARC/68/2025-26 dated 03.09.2025 shall remain unchanged and shall continue to hold good.**



This Addendum cum Corrigendum shall be **treated as an integral part of the Advance Ruling No. CAAR/MUM/ARC/68/2025-26 dated 03.09.2025.**

The application is disposed of in above terms.

*Yashwant
16/11/26*

(Prabhat K. Rameshwaram)

Commissioner of Customs
Customs Authority for Advance Ruling, Mumbai



This copy is certified to be a true copy of the ruling and is sent to:

1. M/s. Tata Electronics System Solutions Private Limited
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A handwritten signature in blue ink, appearing to read 'For Vivek Dwivedi'.

(Vivek Dwivedi)
Dy. Commissioner & Secretary
Customs Authority for Advance Rulings,
Mumbai

