

## GENERAL EXEMPTION NO. 16

**Exemption to materials Imported Against Quantity Based Advance Licence -**

[Notfn. No. 204/92-Cus., dt. 19.5.1992 as amended by Notfn. Nos. 248/92, 290/92, 99/93, 139/93, 159/93, 183/93, 105/94, 136/94, 180/94, 82/95, 101/95, 32/98, 46/13, 26/17].

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 materials imported into India, against an **Advance Licence issued on or before 31st March, 1995** (hereinafter referred to as the said licence) from the **whole of the duty of customs** leviable thereon which is specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) and from the **whole of the additional duty** leviable thereon under sub-section (1), (3) and (5) of section 3 of the said Customs Tariff Act, subject to the following conditions, namely:-

(i) that the materials imported are covered by a Quantity Based Duty Exemption Entitlement Certificate (hereinafter referred to as the said certificate), issued by the Licensing authority in the form specified in the Schedule annexed to this notification, in respect of the value, quantity, description, quality and technical characteristics :

Provided that where quantity allowed for a particular description of materials cannot be imported within the specified value under the said Certificate, the Commissioner of Customs may allow adjustment of individual value within the total value;

(ii) that the importer at the time of clearance of the imported materials -

- (a) produces proof of having executed a bond or a legal undertaking before the Licensing Authority concerned, for complying with the conditions of this notification; and
- (b) makes a declaration before the Assistant Commissioner of Customs binding himself to pay on demand an amount equal to the duty leviable but for the exemption, on the imported materials in respect of which the conditions specified in this notification have not been complied with;

Provided that a bond or a legal undertaking and the declaration shall not be necessary in respect of imports made after discharge of export obligation in full, as evidence by endorsement of Licensing Authority in the said Certificate;

(iii) that the said licence and the said certificate is produced before the proper officer of customs at the time of clearance of imported goods out of customs control:

Provided that no such imported materials shall be permitted clearance under this notification unless a debit entry has been made, in the said licence and the said certificate, by the proper officer of customs;

(iv) that the imports and exports are undertaken from sea ports at Bombay, Calcutta, Cochin, Kandla, Mangalore, Marmgoa, Madras, Nhava Sheva, Paradeep, Tuticorin and Visakhapatnam, or through any of the airports at Ahmedabad, Bangalore, Bombay, Calcutta, Delhi, Jaipur, Varanasi, Srinagar, Trivandrum, Hyderabad and Madras or through any of the Inland Container Depots at Bangalore, Coimbatore, Delhi, New Gauhati Goods Shed, Moradabad, Ludhiana and Hyderabad;

Provided that the Commissioner of Customs may by special order and subject to such conditions as may be specified by him permit imports and exports from any other sea port, airport, land customs station or inland container depots;

(v) that the export obligations is discharged, within the period specified in the said certificate or within such extended period as may be granted by the Licencing Authority or the Director General of Foreign Trade,

by exporting goods manufactured in India in respect of which facility under rule 191A or 191B as in force immediately before the 1st October, 1994, or rule 12(1)(b) or rule 13(1)(b) of the Central Excise Rules, 1944, has not been availed in respect of materials permitted under the said licence, except the benefit under notification of the Government of India in the Ministry of Finance (Department of Revenue) No.49/94-CE-NT dated the 22nd September, 1994;

"(vi)(a) that the facility of sale or transfer of materials or transfer of the said licence shall not be available in respect of those materials which are permitted for import under the said licence and for which the credit of Central Excise duty or Additional Customs duty has been availed under Rule 56A or Rule 57A of the Central Excise Rules, 1944; and

(b) the facility provided in sub-para (a) above shall be applicable only to a manufacturer exporter or to an exporter who has declared a supporting manufacturer and the name of the supporting manufacturer so declared appears on the said licence."

(vii) exempt materials shall not be disposed of or utilised in any manner, except for utilisation in discharge of export obligation, before the export obligation under the said licence has been discharged in full and export proceeds realised;

Provided that the materials imported against an Advance Intermediate Licence issued after 31st March, 1993, shall not be disposed of after the discharge of export obligation and realisation of sale proceeds and such materials may be utilised by the importer for manufacture of any other goods.

Provided that Acetic Anhydride in respect of which the benefit of this notification is claimed shall be utilised by the importer in his own factory or in the factory of any other manufacturer indicated in the said certificate even after discharge of export obligation and realisation of export proceeds;

(viii) where benefit of the notification is sought by a person other than licensee, such benefit shall be allowed against the said licence and the said certificate only if it bears endorsement of transferability of the Licensing Authority.

Provided that no such endorsement of transferability shall be made by the Licensing Authority on Advance Intermediate Licences issued after 31st march, 1993.

Provided that benefit of this notification shall not be allowed to a transferee of the licence for import of Acetic Anhydride except where licence is endorsed for transferability before 24th November, 1993, and is transferred to an actual user who undertakes to use the Acetic Anhydride in his own factory;

2. In a case of default in export obligation, when the duty on goods is paid to regularise the default, the amount of interest paid by the importer shall not exceed the amount of duty if such regularisation has been dealt in terms of Public Notice of the Government of India in the Ministry of Commerce No. 22 (RE-2013)/2009-2014 dated the 12th August, 2013.

**Explanation:-** In this notification,-

(i) "Advance Licence" means a Quantity Based Advance Licence issued in terms of para 50, Advance Intermediate Licence issued under para 55 or Quantity based Advance Licence issued under para 72 of the Export and Import Policy April 1992 - March, 1997.

(ii) "Export and Import Policy April, 1992 - March 1977" means the Export and Import Policy 1 April 1992 - March 1997 published vide Public Notice of the Government of India in the Ministry of Commerce No. 1-ITC(PN)/92-97, dated the 31st March, 1992 as amended from time to time.

(iii) "Licensing Authority" means an authority competent to grant a licence under Imports (Control) Order, 1955 made under the Imports and Exports (Control) Act, 1947 (18 of 1947).

(iv) "Materials" means -

(a) raw materials, components, intermediates, consumables, computer software and parts required for manufacture of export product; or in case of a Quantity based Advance Intermediate Licence, for manufacture and supply to holder of a Special Imprest Licence for producing final goods referred to in sub-clause (b), (c) and (d) of clause (iii) of the *Explanation*, in the notification of the Government of India in the Ministry of Finance (Department of Revenue) No.128/94-Customs, dated the 10th June, 1994:

Provided that nothing contained in this notification shall apply to import of Acetic Anhydride against licences issued after 24th November, 1993, except where such licences have been issued with the approval of Advance Licensing Committee in the office of the Director General of Foreign Trade;

(b) spares and mandatory spares, within a value limit of 5% of the value of the licence issued upto the 31st March, 1993, which are required to be exported along with the export product; and

(c) packaging materials required for packing of export product.

**THE SCHEDULE**  
**QUANTITY BASED DUTY EXEMPTION ENTITLEMENT CERTIFICATE**  
**PART - 1**  
**(IMPORT)**

(This consists \_\_\_\_\_ of pages)

Serial No. \_\_\_\_\_ (IMP)

Date of issue \_\_\_\_\_

Port of registration: \_\_\_\_\_

Issued to

\_\_\_\_\_  
 \_\_\_\_\_

(name and full address of the licensee)

Materials imported against Advance Licence No. \_\_\_\_\_ dated the \_\_\_\_\_ issued by \_\_\_\_\_ to the above importer and covered by the list of materials specified under Part 'C' of this Certificate would be eligible for exemption from duty subject to the conditions specified in the notification of the Government of India in the Department of Revenue No.204/92-Customs dated the 19th May, 1992.

The importer shall make the exports in terms of the said notification within ..... months from the date of issue of licence.

A bond/legal undertaking in terms of condition (b) of the said notification for Rs. \_\_\_\_\_ shall be executed with \_\_\_\_\_ (Licensing authority), before the clearance of the goods from the Customs.

Signature  
Sealing of licensing authority  
Date:

Bond(s)/legal undertaking(s) executed on \_\_\_\_\_ for Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_) and registered under S.No. \_\_\_\_\_ with this office.

It has been verified that the export obligations has been discharged in full. Therefore requirement of Bond/Legal undertaking waived.

(Strike off inapplicable portion)

Signature  
Seal of licensing authority  
Date:

**PART A**

Names and addresses of factories where the resultant products for exports are manufactured.

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**PART B**

Names and addresses of the factories where the ancillaries to the resultant products for exports are manufactured.

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**PART C  
LIST OF ITEMS OF IMPORT**

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Sl.No.	Item of Import	Quantity	Technical characteristics	Quantity	CIF Value in Indian Rs. & inequivalent US \$	S.No. of the resultant products in Part E
1	2	3	4	5	6	7

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**PART D**  
**PARTICULARS OF IMPORTS OF MATERIALS**

S.No.	S.No. of the materials in Part C	Bill of Entry No. and date and name of the Custom House of import	Description	Quantity and net weight	CIF Value
1	2	3	4	5	6

**Duty leviable but for exemption**

Heading No. of the First Schedule to the Customs Tariff Act, 1975 and Heading No. in the Schedule to the Central Excise Tariff Act, 1985 for levy of additional duty.	Rate of duty (i) Basic (ii) Additional (iii) Auxiliary	Amount of duty	Signature of the Customs Officer with designation and seal
7	8	9	10

**(Part E & F figures in the Export Part of this DEEC)**

**PART G**

Duties paid on materials in respect of which the conditions of the said notification are not complied with

S.No.	S.No. in Part D under which the import of the materials has been entered	Descriptions quantity and value of materials on which duty is paid	Rate of duty leviable i) Basic ii) Additional iii) Auxiliary	Amount of i) duty ii) Interest	Particulars of duty paying documents	Signature of the Customs Officer
1	2	3	4	5	6	7

**QUANTITY BASED DUTY EXEMPTION ENTITLEMENT CERTIFICATE**

**PART-2**

**(EXPORT)**

(This consists of .....pages)

Sl.No..... (EXP)

Date of issue .....

Port of Registration .....

Issued to

.....  
.....

(name and full address of the licensee)

Materials imported against Licence No. .... dated ..... issued by ..... to the above importer and covered by the list of materials specified under part 'C' of this certificate would be eligible for exemption from customs duties subject to the conditions specified in the notification of the Government of India, Ministry of Finance, Department of Revenue No. 204/92-Customs, dated the 19th May, 1992.

The importer shall make the exports in terms of the said Notification within ..... months from the date of clearances of issue of licence.

A Bond/Legal Undertaking, in terms of the said Notification, for Rs. .... shall be executed with ..... (licensing authority), before clearances of the goods from the customs.

Signature  
Seal of licensing authority  
Date

Bond/Legal under- taking executed on ..... for Rs. ....  
(Rs. .... ) and registered under Sl.No. .... with this office.

It has been verified that the export obligation has been discharged in full. Therefore requirement of Bond/ Legal undertaking is waived.  
(Strike off inapplicable portion)

Signature  
Seal of licensing authority  
Date

**PART - A**

Names and addresses of the factories where the resultant products for export are manufactured

(1)	(2)

**PART - B**

Names and address of factories where the ancillaries to the resultant products for export are manufactured.

.....  
 .....

**(Part C and D figures in the Imports of Part of this DEEC)**

**PART - E  
 RESULTANT PRODUCTS**

Sl.No.	Description	Quality	Technical characteristics
1	2	3	4
Quantity	FOB Value in Rs./US\$	S.No. of the materials in Part-C	
5	6	7	

**PART - F  
 PARTICULARS OF EXPORTS**

Sl.No.	Sl.No. of the resultant product in art E	Name of the Customs House of Shipment	Shipping Bill No. and Date	Name of the vessel and outward entry of the vessel
1	2	3	4	5
Quantity	Net weight of the export product	Description as per the Shippin Bill	FOB value in Rs./US \$	Signature of Customs Officer with name, designation and seal & remarks if any
6	7	8	9	10

**PART - H  
 Statement of Imports and Exports/Supply Made**

Type of Licence: ..... Licence No. .... Date: .....  
 .....  
 .....

**Details of Imports Made**

Sl.No.	Sl.No. of part C	Description	Quantity Imported	C.I.F. Value In Rs./In Equivalent US \$
1	2	3	4	5

**Details of Exports Made**

Sl.No.	Sl.No. of part E	Description	Quantity Exported	C.I.F. Value In Rs./In Equivalent US \$
1	2	3	4	5

1. I/We hereby declare that information given in this statement are correct.
2. I/We hereby declare that no benefit under rule 191A/191B of Central Excise Rules, 1944 has been availed of in respect of exports made under this DEEC.
3. I/We hereby declare that no benefit, under rule 191A/rule 191B, as in force immediately before the 1st October, 1994, or rule 12(1)(b) or rule 13(1)(b) of the Central Excise Rules, 1944, except for the benefit under notification No.49/94-CE-NT dated 22nd September, 1994 has been availed in respect of exports made under this DEEC.

- i) \_\_\_\_\_
  - ii) \_\_\_\_\_
  - iii) \_\_\_\_\_
- (details of inputs to be given for which credit obtained)

Signature  
Name of the signatory  
Designation  
Full Address

**Certified by Chartered Accountant/Cost Accountant**

I have examined that applicant firm's actual imports and exports as given above and find them in correct.

Signature  
Seal  
Membership No.



**PART - I**  
**Endorsement of Transferability**

We have discharged the prescribed export obligation and the sale proceeds have been realized in full. We request that the licence and the DEEC may please be made transferrable.

DEEC is made transferrable

Signature  
Name of the signatory  
Designation  
Full Address

Signature  
Seal of licensing authority  
Date

