

GENERAL EXEMPTION 208**Exemption to materials imported into India :****[Notifn. No.1/14-Cus., dt. 17.1.2014 as amended by 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 Authorisation issued in terms of paragraph 4.1.3 of the Foreign Trade Policy meant for export of a prohibited item in terms of paragraph 4.4.1 (b) of the Handbook of Procedures Volume 1 (hereinafter referred to as the said authorisation) from the whole of the duty of customs leviable thereon which is specified in the First Schedule to the Customs Tariff Act, 1975 (51 to 1975) and from the whole of the additional duty leviable thereon under sub-sections (1), (3) and (5) of section 3, safeguard duty leviable thereon under Section 8B, and anti-dumping duty leviable thereon under Section 9A of the said Customs Tariff Act, subject to the following conditions, namely:-

- (i) that the said authorisation, issued by the Regional Authority, is produced before the proper officer of customs at the time of clearance for debit;
- (ii) that the said authorisation bears the name and address of the importer, the description and other specifications of the imported material and the description, quantity and value of exports of the resultant product;
- (iii) that the imported material corresponds to the description and other specifications, where applicable, mentioned in the said authorisation and the value and quantity thereof are within the limits specified in the said authorization;
- (iv) that the export is made subject to pre-import condition under notified Standard Input Output Norms (SION) or under prior fixation of norms in terms of Para 4.4.2 of Handbook of Procedures Volume 1;
- (v) that the importer at the time of clearance of the imported materials executes a bond with such surety or security and in such form and for such sum as may be specified by the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, binding himself to pay on demand an amount equal to the duty leviable, but for the exemption contained herein, on the imported materials in respect of which the conditions specified in this notification are not complied with, together with interest at the rate of fifteen percent. per annum from the date of clearance of the said materials:
- (vi) that the imports under the said authorisation and the subsequent exports for fulfilling the export obligation are undertaken only through the seaports or airports or Inland Container Depots or Land Customs Stations which are specified in the Table below:-

Table

S. No.	EDI- enabled Port/ ICD/LCS	Located at
1.	Seaport	Bedi (including Rozi-Jamnagar), Chennai, Cochin, Dahej, Kakinada, Kandla, Kolkata, Krishnapatnam, Ennore (Tamilnadu), Karaikal (Union territory of

		Puducherry), Magdalla, Mangalore, Marmagoa, Mumbai, Mundhra, Nagapattinam, Nhava Sheva, Paradeep, Pipavav, Tuticorin, Visakhapatnam
2.	Airport	Ahmedabad, Bangalore, Chennai, Cochin, Coimbatore, Delhi, Hyderabad, Indore, Jaipur, Kolkata, Mumbai, Trivandrum, Visakhapatnam
3.	Inland Container Depot Dadri,	Agra, Ahmedabad, Bangalore, Bhilwara, Bhiwadi, Bhusawal, Chettipalayam (Tamilnadu), Chheharata (Amritsar), Coimbatore, Daulatabad (Maliwada), Delhi, Dighi (Pune), Durgapur (Export Promotion Industrial Park), Faridabad, Garhi Harsaru, Gauhati, Hyderabad, Irugur Village (Tamilnadu), Irungattukottai (SIPCOT Industrial Park, Kattrambakkam Village, Sriperumbudur Taluk), Jaipur, Jalandhar, Jodhpur, Kanpur, Karur, Kattupalli Kota, Loni (District Ghaziabad), Ludhiana, Mandideep (District Raisen), Mrippalem Village (in Edlapadu Taluk of District Guntur), Miraj, Moradabad, Nagpur, Nasik, Patli (Gurgaon), Pithampur (Indore), Raipur, Rewari, Talegaon (District Pune), Tirupur, Tuticorin, Vadodara, Waluj (Aurangabad)
4.	Land Customs Station	Jogbani, Petrapole, Raxaul

(vii) that the export obligation as specified in the said authorisation (both in value and quantity terms) is discharged within ninety days from the date of clearance of imported materials by exporting the resultant product (specified in the said authorization),-

a) which is manufactured in India using the material imported against the said authorisation; and

b) in respect of which the facility under rule 18 (rebate of duty paid on materials used in manufacture) or sub-rule (2) of rule 19 of the Central Excise Rules, 2002 has not been availed;

(viii) that the Authorization Holder fulfills the export obligation, including the stipulated value addition;

(ix) that nothing contained in the provisions of Para 4.28 of Handbook of Procedures Volume 1 shall be applicable in relation to the said authorization;

(x) that at the time of export the authorisation holder gives an undertaking to the effect that the resultant product, being exported against the said authorization, which is otherwise prohibited for export, has been manufactured from the material already imported under the said authorisation and the said undertaking contains the details of the imports and exports made under the said authorisation;

(xi) that the said authorization shall not be transferred and the imported material shall be subject to actual user condition and shall not be sold or transferred for any purpose, or by any means, including job work;

(xii) that the importer produces evidence of discharge of the export obligation to the satisfaction of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, within a

period of sixty days of the expiry of period allowed for fulfillment of export obligation, or within such extended period as the said Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, may allow.

2. Where the materials are found defective or unfit for use, the said materials may be re-exported back to the foreign supplier within thirty days from the date of clearance of the said material or such extended period, not exceeding a further period of thirty days, as the Commissioner of Customs may allow:

Provided that at the time of re-export the materials are identified to the satisfaction of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, as the materials which were imported.

Explanation. - For the purpose of this notification, -

(i) "Foreign Trade Policy" means the Foreign Trade Policy 2009-2014 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii) vide notification of the Government of India in the Ministry of Commerce and Industry, Department of Commerce No. 1 (RE – 2012) /2009-2014 dated the 5th June, 2012 as amended from time to time;

(ii) "Handbook of Procedures Volume 1" means the Handbook of Procedures Volume 1, 2009-14, published in the Gazette of India, Extraordinary, Part I, Section 1 vide public notice of the Government of India in the Ministry of Commerce and Industry, Department of Commerce, No.01 (RE - 2012)/2009-2014, dated the 5th June, 2012 as amended from time to time;

(iii) "Manufacture" has the same meaning as assigned to it in paragraph 9.36 of the Foreign Trade Policy;

(iv) "Materials" means raw materials, consumables, fuel and packaging materials required for manufacturing of the resultant product;

(v) "Regional Authority" means the Director General of Foreign Trade appointed under section 6 of the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992) or an officer authorised by him to grant an authorisation including a duty credit scrip under the said Act.

