

GENERAL EXEMPTION 219**Exemption to goods when imported into India against a duty credit scrip issued by the Regional Authority under the Merchandise Exports from India Scheme :****[Notifn. No. 24/2015-Cus., dt. 8.04.2015 as amended by 38/15, 26/17, 63/18, 14/2020]**

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 goods when imported into India against a duty credit scrip issued by the Regional Authority under the Merchandise Exports from India Scheme in accordance with paragraph 3.04 read with paragraph 3.05 of the Foreign Trade Policy (hereinafter referred to as the said scrip) from,-

(a) the whole of the duty of customs leviable thereon under the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as said Customs Tariff Act); and

(b) the whole of the additional duty leviable thereon under sub-sections (1), (3) and (5) of section 3 of the said Customs Tariff Act.

Provided that the said scrip, against which goods when imported into India are exempted from duties mentioned in clauses (a) and (b) above, may include duty credit provided under the 2% Additional Ad Hoc Incentive in terms of paragraph 3.25 of the Foreign Trade Policy

2. The exemption shall be subject to the following conditions, namely :-

(1) that the duty credit in the said scrip is issued -

(a) against exports of notified goods or products to notified markets as listed in Appendix 3B of Appendices and Aayat Niryat Forms of Foreign Trade Policy 2015-2020;

(b) against exports of goods or products made in terms of provisions of para 3.05 of Foreign Trade Policy 2015-2020;

Provided that the duty credit in the said scrip under the 2% Additional Ad Hoc Incentive shall be issued against export of following goods, namely:-

(i) Mobile phones, other than push button type; and

(ii) Mobile phones, push button type,

falling under HS Codes/tariff lines 85171211 and 85171219 respectively of ITC (HS) 2017 with let export order dates from the 1st January 2020 to the 31st March 2020.

(2) that the export categories or sectors specified in paragraph 3.06 of the Foreign Trade Policy and listed in Table annexed hereto shall not be counted for calculation of export performance or for computation of entitlement under the scheme;

(3) that the imports and exports are undertaken through the seaports, airports or through the inland container depots or through the land customs stations as mentioned in the Table 2 annexed to the Notification No. 16/2015- Customs dated 01.04.2015 or a Special Economic Zone notified under section 4 of the Special Economic Zones Act, 2005 (28 of 2005):

Provided that the Commissioner of Customs may within the jurisdiction, by special order, or by a Public Notice, and subject to such conditions as may be specified by him, permit import and export through any other

sea-port, airport, inland container depot or through any land customs station:

Provided further that the exports of notified goods or products transacted through e-commerce platform as listed in Appendix 3C of Appendices and Aayat Niryat Forms of Foreign Trade Policy 2015-2020 are undertaken either through international courier terminals or through such foreign post offices, as notified by the Central Government;

(4) that the said scrip is registered with the Customs Authority at the port of registration specified on the said scrip;

(5) that the said scrip is produced before the proper officer of customs at the time of clearance for debit of the duties leviable on the goods and the proper officer of customs taking into account the debits already made under this exemption and debits made under the notification Nos. 20/ 2015 - Central Excise, dated the 8th April, 2015 and 10/ 2015 -Service Tax, dated the 8th April, 2015, shall debit the duties leviable on the goods, but for this exemption;

(6) that the said scrip and goods imported against it shall be freely transferable;

(7) that where the importer does not claim exemption from the additional duty of customs leviable under sub-sections (1), (3) and (5) of section 3 of the said Customs Tariff Act, he shall be deemed not to have availed the exemption from the said duty for the purpose of calculation of the said additional duty of customs;

(8) that the importer shall be entitled to avail of the drawback of the duty of customs leviable under the First Schedule to the said Customs Tariff Act against the amount debited in the said scrip;

(9) that the importer shall be entitled to avail drawback or CENVAT credit of additional duty leviable under sub-sections (1), (3) and (5) of section 3 of the said Customs Tariff Act against the amount debited in the said scrip;

(10) that the benefit under this notification shall not be available to the items listed in Appendix 3A of Appendices and Aayat Niryat Forms of Foreign Trade Policy 2015-2020.

Explanation. - In this notification -

(I) "Capital goods" has the same meaning as assigned to it in paragraph 9.08 of the Foreign Trade Policy;

(II) "Foreign Trade Policy" means the Foreign Trade Policy, 2015-2020, published by the Government of India in the Ministry of Commerce and Industry notification number 01/2015-2020, dated the 1st April 2015 as amended from time to time;

(III) "Goods" means any inputs or goods including capital goods;

(IV) "ITC (HS)" has the same meaning as assigned to it in paragraph 9.27 of the Foreign Trade Policy;

(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.

Table

Export categories or sectors ineligible for duty credit scrip entitlement	
i	EOUs / EHTPs / BTPs /STPs who are availing direct tax benefits / exemption;
ii	Supplies made from DTA units to SEZ units;
iii	Export of imported goods covered under Para 2.46 of FTP;
iv	Exports through transshipment, meaning thereby that exports originating in third country but trans shipped through India;
v	Deemed Exports;
vi	SEZ/EOU/EHTP/BPT/FTWZ products exported through DTA units;
vii	Items, which are restricted for export under Schedule-2 of Export Policy in ITC (HS), unless specifically notified in Appendix 3B of Appendices and Aayat Niryat Forms of Foreign Trade Policy 2015-2020;
viii	Service Export;
ix	Red sanders and beach sand;
x	Export product which are subject to Minimum export price or export duty;
xi	Diamond, Gold, Silver, Platinum, other precious metal in any form including plain and studded jewellery and other precious and semi-precious stones;
xii	Ores and concentrates of all types and in all formations;
xiii	Cereals of all types;
xiv	Sugar of all types and all forms, unless specifically notified in Appendix 3B of Appendices and Aayat Niryat Forms of Foreign Trade Policy 2015-2020;
xv	Crude/ petroleum oil and crude/primary and base products of all types and all formulations;
xvi	Export of milk and milk products, unless specifically notified in Appendix 3B of Appendices and Aayat Niryat Forms of Foreign Trade Policy 2015-2020;
xvii	Export of Meat and Meat Products, unless specifically notified in Appendix 3B of Appendices and Aayat Niryat Forms of Foreign Trade Policy 2015-2020
xviii	Products wherein precious metal/diamond are used or Articles which are studded with precious stones; and
xix	Exports made by units in FTWZ.
xx	Items, which are prohibited for export under Schedule-2 of Export Policy in ITC (HS).
