

GENERAL EXEMPTION NO. 3

Exemption to materials imported under Duty Exemption Entitlement certificate issued in respect of the value, quantity, description, quality and technical characteristics -

[Notfn. No.51/00-Cus. dt.27.4.2000, 120/00, as amended by Notfn. Nos.30./01, 122/01, 113/02, 125/02,84/03, 97/03, 63/04, 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 in terms of paragraph 7.2 of the Export and Import Policy 1997-2002 notified by the Government No. 1/1997-2002, dated the 31st March, 2000 (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-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:-

**Substituted vide sec.139 of Finance Act, 2016 (w.e.f 27.4.2000)*

- (i) that the materials imported are covered by 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;
- (ii) 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 Assistant Commissioner of Customs or Deputy 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, together with interest at the rate of fifteen percent per annum from the date of clearance of the said materials;
(As per Sec.120(1) of the Finance Bill, 2003 the rate of fifteen per cent is applicable w.e.f. 27.4.2000)
Provided that the bond shall not be necessary in respect of imports made after the discharge of export obligation in full.
- (iii) that the said licence and the said certificate are produced before the proper officer of customs at the time of clearance for debit;
- (iv) that the imports and exports are undertaken through sea ports at Mumbai, Calcutta, Cochin, Megdalla, Kakinada, Kandla, Mangalore, Marmagoa, Madras, Nhava Sheva, Paradeep, Pipavav, Sikka, Tuticorin, Visakhapatnam, Dehej, Nagapattinam Okha, Mundra, Jamnagar and Muldwarka or through any of the airports at Ahmedabad, Bangalore, Bhubaneswar, Mumbai, Calcutta, Coimbatore, Delhi, Hyderabad, Jaipur, Madras, Srinagar, Trivandrum, Varansi, Nagpur and Cochin or through any of the Inland Container Depots at Agra, Bangalore, Coimbatore, Delhi, Faridabad, Gauhati, Guntur, Hyderabad, Jaipur, Jalandhar, Kanpur, Ludhiana, Moradabad, Nagpur, Pimpri (Pune), Pitampur (Indore), Surat, Tirupur, Varanasi, Nasik, Rudrapur (Nainital), Dighi (Pune), Vadodara, Daulatabad, (Wanjarwadi and Maliwada), Waluj (Aurangabad), Anaparthi (Andhra Pradesh), Salem, Malanpur, Singanalur, Jodhpur, Kota, Udaipur, Ahmedabad, Bhiwadi, Madurai, Bhilwara, Pondichery, Garhi Harsaru, Bhatinda, Dappar (Dera Bassi), Chheharata (Amritsar), Karur, Miraj,

Rewari, Bhusawal, Jamshedpur, Surajpur and Dadri or through the land Customs Station at Ranaghat, Singhabad, Raxaul, Jogbani, Nautanva(Sonauli), Petrapole and Mahadipur.

Provided that the Commissioner or Customs may by special order and subject to such conditions as may be specified by him, permit import and export through any other Seaport, Airport, or Inland Container Depot or through the Land Customs Station.

- (v) that the export obligation is discharged within the period specified in the said certificate or within such extended period as may be granted by the Licensing Authority by exporting resultant products manufactured in India which are specified in Part 'E' of the said certificate (hereinafter referred to as resultant products) and in respect of which facility under 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;
- (vi) that the importer produces evidence of discharge of export obligation to the satisfaction of the Assistant Commissioner of Customs or Deputy Commissioner of Customs within a period of 30 days of the expiry of period allowed for fulfillment of export obligation, or within such extended period as the said Assistant Commissioner of Customs or Deputy Commissioner of Customs may allow;
- (vii) that the said licence and the materials shall not be transferred or sold;
- (viii) that in relation to an Advance Licence issued to a merchant Exporter, -
 - (a) the name and address of the supporting manufacturer is specified in the said licence and the said certificate and the bond required to be executed by the importer in terms of condition (ii) shall be executed jointly by the Merchant Exporter and the supporting manufacturer binding themselves jointly and severally to comply with the conditions specified in this notification and
 - (b) exempt materials are utilised in the factory of such supporting manufacturer for discharge of export obligation by the said merchant exporter.

2. Where the goods are found defective or unfit for use, the said goods may be re-exported back to the foreign supplier within 3 years from the date of payment of duty on the importation thereof;

Provided at that the time of re-export the goods are identified to the satisfaction of the Assistant Commissioner of Customs or Deputy Commissioner of Customs as the goods which were imported

3. 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 an advance license issued for, -
 - (a) export of goods, or
 - (b) supply of intermediate goods for use in resultant product;
- (ii) "Export Import Policy" means the Export and Import Policy 1977-2002, published vide notification of the Government of India in the Ministry of Commerce No. (RE-99)/1977-

- 2002 dated the 31st march, 2000;
- (iii) "Licensing 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 a licence under the said Act.
- (iv) "Materials" means -
 - (a) raw materials, components, intermediates, consumables, catalysts, computer software and parts required for manufacture of resultant product and which are incorporated in the said resultant product specified in Part E of the said certificate;
 - (b) mandatory spares within a value limit of 10% of the value of the licence which are required to be exported alongwith the resultant product;
 - (c) fuel, oil and catalysts required for manufacture of resultant product; and
 - (d) packing materials required for packaging of resultant product.

THE SCHEDULE
DUTY EXEMPTION ENTITLEMENT CERTIFICATE
 Part - 1
(Import)

(This consists of pages)

Sl. No. (IMP)

Date of issue

Port of registration

Issued to

Materials imported against licence No. (name and full address of the licensee) dated issued by to the above licence and covered by the list of materials specified in list (a) of 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. Customs, dated the April, 2000.

The importer shall discharge the export obligation in terms of the said notification within months from the date of issue of licence

A bond with security/surety in terms of the said notification shall be executed before clearance of the goods from the Customs.

Signature
 Seal of licensing authority
 Date _____

PART - A

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

PART - B

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

PART - C

LIST OF MATERIAL OF IMPORT

(a) MATERIALS TO BE IMPORTED UNDER THIS CERTIFICATE

Sl. No.	Item of Import	Quality	Technical Characteristics
1	2	3	4

Quantity	CIF Value in Indian Rs. and equivalent US \$	S.No. of the resultant products in Part E
5	6	7

(b) OTHER IMPORTED MATERIALS TO BE USED IN EXPORT PRODUCT

Sl. No.	Description	Quantity	Value
1	2	3	4

PART - D

PARTICULARS OF IMPORT OF MATERIALS

Sl.No.	No. of the materials in part - C	Bill of Entry No. date and Custom House of Import	Description. and Net	Quantity weight
1	2	3	4	5

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CIF Value	<u>Duty leviable but for exemption</u> 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	Amount of duty	Signature of the Customer Officer with Name, Designation and Seal
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6	7	8	9	10
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(For Part E and F, Please see part 2)

PART-G

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

Sl.No.	Sl. No. in Part D under which the import of the materials has been entered	Description, quantity and value of materials on which duty paid	Rate of duty leviable (i) Basic (ii) Additional	Additional Duty paid on import
1	2	3	4	5

Amount of (i) Duty difference (ii) Interest	Particulars of duty	Signature of the Customs Officer paying documents.
6	7	8

DUTY EXEMPTION ENTITLEMENT CERTIFICATE

Part - 2

II. Exports

(This consists of pages)

Sl. No. (EXP)

Date of issue

Port of Registration

Issued to

..... (Name and full address of
..... the licensee)

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Materials imported against licence No. dated issued by to the above licensee and covered by the list of materials specified in list (a) of Part 'C' of this certificate would be eligible for exemption from Basic Customs Duty subject to the conditions specified in the notification of the Government of India Ministry of Finance, Department of Revenue No. 51/00 - Customs, dated the 27th April, 2000.

The licensee shall discharge the export obligation in terms of the said notification within months from the date of issue of licence

A Bond with security/surety in terms of the said notification shall be executed before clearance of the goods from the Customs.

Signature
Seal of licensing authority
Date _____

PART - A

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

PART - B

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

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

PART - E
Resultant Products

Sl. No.	Description	Quality	Technical Characteristics
1	2	3	4

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Quantity	FOB Value in Indian Rs./ US \$	S.No. of the materials in Part C
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5

6

7

PART - F
PARTICULARS OF EXPORTS/SUPPLY

Sl.No.	Sl.No. of the resultant product in part E	Name of the Custom House of Shipment	Shipping Bill No. & Date	Name of the Vessel and outward entry of the vessel.
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1

2

3

4

5

Quantity	Net weight of product	Description as per the Shipping Bill	FOB Value in Rs./US\$	Signature of Customs Officer with name, designation and seal & remarks if any.
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6

7

8

9

10

PART - H

Statement of Imports and Exports made

Type of Licence

Licence No.

Date

Details of Imports made

Sl. No.	Sl. No. of Part C	Description	Quantity Imported	CIF Value In Rs./In
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equivalent US \$

1	2	3	4	5
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Details of Exports made

Sl.No.	Sl.No. in Part E	Description	Quantity Exported	F.O.B. Value In Rs./In equivalent US \$
1	2	3	4	5

1. I/We hereby declare that the information given in this statement is correct.
2. I/We hereby declare that no benefit under *Rule 18 or rule 19 of the Central Excise (No.2) Rules, 2001 has been availed in respect of exports made under this DEEC.

Signature _____
 Name of the signatory _____
 Designation _____
 Full Address _____

Certificate of Chartered Accountant/Cost Accountant

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

Signature _____
 Seal _____
 Membership No. _____

*Corrigendum vide F.No.605/187/2001-DBK dt.22.10.01.

