

GENERAL EXEMPTION NO. 55**Exemption to Raw materials etc. for manufacture of specified goods for supply to a hundred per cent export oriented undertaking or free trade zone -**

[Notfn. No. 101/93-Cus., dt. 16.3.1993 (supersedes 162/90) as amended by Notfn. No. 136/93,157/93,183/93, 105/94, 127/94, 101/95, 33/97, 26/17]

In exercise of the the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962) and in supersession of the notification of the Government of India, in the Ministry of Finance, (Department of Revenue), No. 162/90-Cus dated the 30th March, 1990, the Central Government, being satisfied that it is necessary in the Public Interest so to do, hereby exempts **materials required for the manufacture of the goods specified in the Table hereto annexed (hereinafter referred to as final products)** when imported into India by a manufacturer of the final products **for supply to a hundred percent export oriented undertaking or a unit within a free trade zone, from the whole of the duty of Customs** leviable thereon under 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:-

- (1) that the importer has been granted necessary **import licence or release order on the canalising agency** by the Licencing Authority before 31st March, 1994 for the import or release of materials for the aforesaid purpose, and the same is produced at the time of clearance for debit by the proper officer of the Customs;
- (2) that the import licence contains the endorsements specifying, inter-alia-
 - (a) the description quantity, and the value of materials allowed to be imported under the said licence;
 - (b) the description and quantity of materials allowed to be imported duty free; and
 - (c) the description and quantity of final products to be manufactured out of, or with, the imported materials;
- (3) the importer furnishes proof of having executed a bond in such form and for such sum as may be specified by the said Licensing Authority, binding himself to fulfil the obligations and conditions stipulated in this notification;
- (4) the importer makes a declaration at the time of clearance of imported materials before the Assistant Commissioner of Customs that he shall 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;
- (5) that the importer produces evidence to the satisfaction of the said Licensing Authority, for the purpose of discharging the liability in respect of customs duty as well as for discharging the obligations against the said licence;
- (6) that the exempt materials are utilised for the manufacture of final products for supply

to a hundred percent export oriented undertaking or a unit within a free trade zone and that no portion of such materials shall be loaned, transferred, sold or disposed of in any other manner:

Provided that where obligations under the licence have been fully discharged, sale proceeds realised and bond executed in terms of condition (3) redeemed by the Licensing Authority, the importer may if the benefit of input stage credit under rule 56A or rule 57A of Central Excise Rules, 1944 has not been availed in respect of final products manufactured, transfer the imported materials to any other person.

Provided further that no such transfer of materials imported against a licence issued after 31st March, 1993 shall be made after discharge of export obligation, realisation of sale proceeds and redemption of bond by the licencing Authority and such materials may be used by the importer for manufacture of any other goods.

Provided also that no loan, transfer, sale or disposal of Acetic Anhydride shall be made and the same shall be utilised by the importer in his own factory or in the factory of any other manufacturer as approved by the Licencing Authority.

2. Where benefit of this notification is sought by a person other than the licensee, such benefit shall be allowed against the licence only if it bears endorsement of transferability by the Licensing Authority.

Provided that no such endorsement of transferability shall be made by the Licensing Authority-

- (a) unless obligations against the licence have been discharged, sale proceed realised and th bond executed by the importer in terms of condition (3) redeemed; and
- (b) where benefit of input stage credit under rule 56A or rule 57A of Central Excise Rules, 1944 has been obtained.
- (c) where licence has been issued after 31st March, 1993.

Provided futher that benefit of this notification shall not be allowed to a transferee of licence for import of Acetic Anhydride except where the 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.

TABLE

S.No.	Description
(1)	(2)
(1)	Corrugated cartons.
(2)	Tin Containers.
(3)	Plastic extruded/moulded/fabricated products.
(4)	Multilayer laminated collapsible tubes.
(5)	Circular diamond saw fitted with segments.
(6)	Segments of circular diamond saw.

- (7) Acetate Cigarette filter rods.
- (8) Any other item as may be specified by a Public Notice issued in pursuance of the provision of Export and Import Policy, 1st April 1997 - 31st March 2002, published by the Government of India under the Ministry of Commerce Not. No. 1/1997-2002 dated the 31st March, 1997 as amended from time to time.

Explanation - In this notification -

- (i) "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.
- (ii) "free trade zone" and "hundred per cent export-oriented undertaking" have the same meanings as in Explanation 2 to sub-section (1) of section 3 of the Central Excise and Salt Act, 1944 (1 of 1944);
- (iii) "Materials" means -
 - (a) raw materials, components, intermediates, consumables, and parts required for the manufacture of final products;
Provided that nothing contained in this notification shall apply to import of Acetic Anhydride against licence issued after 24th November, 1993, except where such licences have been issued with the approval of Advance Licencing Committee in the office of the Director General of Foreign Trade.
 - (b) spares, including 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 supplied along with the final products so manufactured; and
 - (c) packing materials required for the packing of final products to be supplied.

