

O. DUTY CREDIT ENTITLEMENT CERTIFICATE SCHEME:**GENERAL EXEMPTION NO. 59**

Exemption to goods imported against a Duty Free Credit entitlement Certificate by a status holder:
 [Notfn. No. 53/03-Cus. dt. 1.4.2003 as amended by Notfn. Nos. 84/03, 63/04, 46/05, 77/05, 97/05, 41/06, 117/06, 63/07, 116/07, 63/08, 19/09, 105/09, 123/09, 93/10, 37/12, 40/12, 50/12, 4/13, 20/13, 5/15, 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 , -

- (i) the goods specified in para 3.7.2.1(vi) of the Export Import Policy and in serial number 509 of notification number 21/2002-Customs dated 1.3.2002, in case they are imported by the status holders of marine sector;
- (ii) the goods specified in para 3.7.2.1(vi) of the export Import Policy in case they are imported by the status holders of other sectors;

when imported into India against a Duty Credit Entitlement Certificate (here inafter referred to as the said certificate) issued under paragraph 3.7.2.1(vi) of the Export and Import Policy “

- (a) from the **whole of the duty of customs** leviable thereon under the First Schedule to the Customs Tariff Act 1975 (51 of 1975);
 - (b) from the **whole of the additional duty** leviable thereon under sub-sections (1), (3) and (5) of section 3 of the said Customs Tariff Act; and
 - (c) from the **whole of the special additional duty** of customs leviable thereon under section 3A of said Customs Tariff Act, subject to the following conditions, namely
- (1) that the said certificate has been issued by the licensing authority to a status holder specified in para 3.7.2 of the Export and Import Policy;
 - (2) that the said certificate and goods imported against it shall not be transferred or sold:

Provided that where the goods are imported by a merchant exporter having supporting manufacturer(s) whose name and address is specified on the license, the said goods may be utilised by the said supporting manufacturer(s).

- (3) that in respect of capital goods a certificate from the Assistant Commissioner of Customs or Deputy Commissioner of Customs having jurisdiction over the importer's factory or premises or an independent Chartered Engineer, as the case may be, is produced confirming installation and use of the capital goods in the importer's factory or premises, within six months from the date of imports or within such extended period as the said Assistant Commissioner of Customs or Deputy Commissioner of Customs at the port of registration of the said certificate may allow:

Provided that where the capital goods are imported by a merchant exporter having supporting manufacturers, the capital goods may be installed in the factory or premises of the said supporting manufacturers;

- (4) that the said certificate shall be produced before the proper officer of customs at the time of clearance for debit of the duties leviable on the goods but for this exemption:

Provided that exemptions from duty shall not be admissible if there is insufficient credit in the said license for debiting the duties leviable on the goods but for this exemption;

- (5) that the imports against the said certificate are undertaken through sea ports at Mumbai, Kolkata, Cochin, Magdalla, Kakinada, Kandla, Mangalore, Marmagoa, Madras, Nhava Sheva, Paradeep, Pipavav, Sikka, Tuticorin, Visakhapatnam, Dahej, Nagapattinam, Mundhra, Okha, Bedi (including Rozi-Jamnagar), Muldwarka, Porbander, Dharamtar, Vadinar and Haldia (Halida Dock Complex of Kolkata Port), Krishnapatnam and Ennore (Tamil Nadu), Karaikal (Union territory of Puducherry) and Kattupalli (Tamil Nadu) or through any of the airports at Ahmedabad, Bangalore, Bhubaneswar, Mumbai, Kolkata, Coimbatore, Delhi, Hyderabad, Jaipur, Madras, Srinagar, Trivandrum, Varanasi, Nagpur, Cochin, Rajasansi (Amritsar), Lucknow (Amausi), Indore and Dabolim (Goa), Visakhapatnam and Calicut 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), Malanpur, Waluj (Aurangabad), Anaparthi (Andhra Pradesh), Salem, Singanalur, Jodhpur, Kota, Udaipur, Ahmedabad, Talegoan (District Pune), Dhannad Rau (District Indore), Kheda (Pithampur, District Dhar), Patli (Gurgaon), Irugur Village (Tamil Nadu), Thudiyalur (Tamil Nadu), Chettipalayam (Tamil Nadu) and Veerapandi (Tamil Nadu), Marripalem Village in Taluk of Edlapadu, District Guntur and Tondiarpet (TNPM), Chennai and Irungattukottai, SIPCOT Industrial Park, Kattrambakkam Village, Sriperumbudur Taluk, Kanchipuram District, Tamil Nadu, Bhiwadi, Madurai, Bhilwara, Pondicherry, Garhi Harsaru, Bhatinda, Dappar (Dera Bassi), Chheharata (Amritsar), Karur, Miraj, Rewari, Bhusawal, Jamshedpur, Surajpur, Dadri, Tuticorin, Kundli, Bhadohi, Raipur, Mandideep (District Raisen), Durgapur (Export Promotion Industrial Park), Babarpur, Loni (District Gaziabad) and Melapakkam Village (Arakkonam Taluk, Vellore District) or through the Land Customs Stations at Ranaghat, Singhabad, Raxaul, Jogbani, Nautanva (Sonauli), Petrapole, Mahadipur, Nepalganj Road, Dawki, Agartala, Sutarkhandi, Amritsar Rail Cargo, Attari Road, Hilli, Ghojadanga and Changrabandha or Special Economic Zone as specified in the notification issued under section 76A of the Customs Act, 1962 (52 of 1962).
- (6) 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.
- (7) that the importer shall be entitled to avail of the 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 certificate.

Explanation :- In this notification,-

- (i) "Capital Goods" has the same meaning as assigned to it in paragraph 9.10 of the Export and Import Policy,-
- (ii) "goods" means,-
- (a) capital Goods;
- (b) office equipment (including Computer systems, Software, Fax/ machine, Telephone); and
- (c) raw materials, components, intermediates, consumables and parts other than agricultural and dairy products;

- (iii) “Export and Import Policy” means the Export and Import Policy 2002-2007, published by the Government of India in the Ministry of Commerce and Industry vide notification No.1(RE:2003), dated the 31st March 2003 as amended from time to time;
- (iv) “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 license under the said Act.

