

GENERAL EXEMPTION NO.113**Exemption to goods when imported into India against a duty credit scrip issued under the Status Holders Incentive Scheme in accordance with paragraph 3.16 of the Foreign Trade Policy:**

[Notifn. No. 104/09-Cus., dt.14.9.2009 as amended by 123/09, 92/10, 93/10, 44/11, 7/12, 37/12, 40/12, 42/12, 44/12, 50/12, 4/13, 20/13, 24/13, 29/13, 5/15, 23/15, 36/16, 52/16, 54/16, 8/17, 26/17, 3/18, 25/2020 dt. 21.05.2020]

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 -

(i) capital goods; and

(ii) components and spares and parts, for capital goods imported earlier,

when imported into India against a duty credit scrip issued under the Status Holders Incentive Scheme in accordance with paragraph 3.16 of the Foreign Trade Policy (hereinafter referred to as the said scrip),

(a) from the whole of the duty of customs leviable thereon under the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), and

(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, 1975,

subject to the following conditions, namely :-

(1) that the said scrip has been issued by the licensing Authority to a status holder against exports of the products of the sectors, namely, leather (excluding finished leather), textiles and jute, handicrafts, engineering (excluding iron and steel, non-ferrous metals in primary or intermediate forms, automobiles and two-wheelers, nuclear reactors and parts and ships, boats and floating structures), plastic and basic chemicals (excluding pharma products) made during 2009-10, 2010-11, 2011-12 or 2012-13 or against exports of the products mentioned below made during 2010-11, 2011-12 or 2012-13 namely:-

(a) the following chemical and allied products (other than bulk minerals, granite or stones, processed minerals, cement, clinkers and asbestos):-

(i) rubber products covered under headings 4001 to 4010 and 4014 to 4017 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975);

(ii) paints, varnishes and allied products covered under headings 3208, 3209 and 3210 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975);

(iii) glass and glassware covered under Chapter 70 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975);

(iv) plywood and allied products covered under Chapter 44 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975);

(v) ceramics or refractories covered under Chapter 69 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975);

(vi) paper, paper boards and paper products covered under Chapter 48 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975);

(vii) books, publications and printings covered under Chapter 49 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975);

- (viii) animal by-products covered under headings 35030030, 05069099, 05079010, 05079020, 05079050, 23011010, 23011090, 96062910, and 96063010 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975);
 - (ix) ossein and gelatine covered under headings 05061039 and 35030020 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975);
 - (x) graphite products covered under headings 3801, 85451100 and 85451900 and explosives covered under headings 3601, 3602 and 3603 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975);
 - (xi) products covered under headings 3201, 32029010, 32030010, 3604, 3605, & 38021000 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975);
- (b) electronic products.
- (c) sports goods and toys covered under Chapter 95 and headings 420321, 650610 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975);
- (d) following engineering products covered under Chapter 72 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975):-
- (i) iron and steel
 - (ii) pipes and tubes
 - (iii) ferro alloys

Provided that the exports specified in the Table annexed to the notification shall not be considered for computation of entitlement under the scheme.

Provided that the exports of the products of the above said sectors, made during 2009-10 and 2010-11 shall only be considered for entitlement under the scheme:

(2) that the said scrip has not been issued in violation of the condition contained in the sub-paragraph (5) of paragraph 2 of notification No.101 of 2009-Customs, dated the 11th September, 2009 or sub-paragraph (4) of paragraph 2 of notification No.102 of 2009-Customs, dated the 11th September, 2009 or the second proviso to sub-paragraph (1) of paragraph 2 of notification No. 05 of 2013-Customs, dated the 18th February, 2013 or sub-paragraph (3) of paragraph 2 of notification No. 22 of 2013-Customs, dated the 18th April, 2013 or first proviso to sub-paragraph (1) of paragraph 2 of notification No. 23 of 2013-Customs, dated the 18th April, 2013 as the case may be.

Provided further that the said scrip has not been issued in violation of the condition contained in Para 2(4) of notification No. 102/09-Cus dated the 11th September, 2009 pertaining to Zero Duty EPCG scheme or Para 2(5) of notification No.101/09-Cus. dated the 11th September, 2009 pertaining to Zero Duty EPCG scheme for Common Service Providers, as the case may be.

Provided further that, the exports specified in the Table annexed to the notification shall not be considered for computation of entitlement under the scheme;

(3) 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 No. 33 of 2012-Central Excise, dated the 9th July, 2012, shall debit the duties leviable on the goods, but for this exemption;

(4) that the said scrip shall be non-transferable and shall be used for import of capital goods relating to the sectors specified in condition (1):

Provided that the capital goods specified in appendix 37B of the Hand Book of Procedures volume 1 shall not be allowed for import:

Provided further that the import of components and spares and parts against the said scrip shall be allowed only -

- (i) in respect of capital goods imported earlier,
- (ii) in respect of capital goods imported relating to the sectors specified in condition (1), and
- (iii) upto ten *per cent.* of the duty credit amount in the said scrip originally issued:

Provided also that the said scrip shall be transferable amongst the status holders subject to the condition that the transferee status holder is a manufacturer and such transfer is endorsed by the Regional Authority, during the period of validity of the said scrip, mentioning the sectors for which the transferee has manufacturing facility and for which the transfer is granted:

Provided also that the transfer of the said scrip shall be allowed within the group company as defined in para 9.28 of the Foreign Trade Policy, if the said group company is a manufacturer and such transfer is endorsed by the Regional Authority during the period of validity of the said scrip, mentioning the sectors for which the transferee has manufacturing facility and for which the transfer is granted

Provided also that upon such transfer, the validity of the said scrip shall remain unchanged.

(5) that the capital goods imported against the said scrip shall be subject to actual user condition and the importer at the time of clearance of the said capital goods, shall furnish an undertaking to this effect to the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, that in case of non compliance of the said condition, he shall pay on demand an amount equal to the duty leviable, but for the exemption contained herein together with interest at the rate of fifteen percent per annum from the date of clearance of the said materials;

(5A) that the components and spares and parts, for capital goods imported earlier, imported against the said scrip shall be meant for use in the capital goods already imported and subject to actual user condition and the importer at the time of clearance of the said components and spares and parts, shall furnish an undertaking to this effect to the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, that in case of non compliance of the said condition, he shall pay on demand an amount equal to the duty leviable, but for the exemption contained herein together with interest at the rate of fifteen percent per annum from the date of clearance of the said materials.

(6) that the imports and exports are undertaken through seaports at Bedi (including Rozi-Jamnagar), Chennai, Cochin, Dahej, Dhamra, Dharamtar, Dighi, Gopalpur, Haldia (Haldia Dock Complex of Kolkata Port), Hazira (Surat), Kakinada, Kandla, Kattupalli (Tamil Nadu), Kolkata, Krishnapatnam and Ennore (Tamil Nadu) and Karaikal (Union territory of Puducherry), Magdalla, Mangalore, Marmagoa, Muldwarka, Mumbai, Mundhra, Nagapattinam, Nhava Sheva, Okha, Paradeep, Pipavav, Porbander, Sikka, Tuticorin, Visakhapatnam and Vadinar or through any of the airports at Ahmedabad, Bangalore, Bhubaneswar, Calicut, Chennai, Cochin, Coimbatore, Dabolim (Goa), Delhi, Hyderabad, Indore, Jaipur, Kolkata, Lucknow (Amausi), Mumbai, Nagpur, Rajasansi (Amritsar), Srinagar, Trivandrum, Varanasi and Visakhapatnam or through any of the Inland Container Depots at Agra, Ahmedabad, Anaparthi (Andhra Pradesh), Babarpur, Bangalore, Bhadohi, Bhatinda, Bhilwara, Bhiwadi, Bhusawal, Chheharata (Amritsar), Coimbatore, Dadri, Dappar (Dera Bassi), Daulatabad (Wanjarwadi and Maliwada), Delhi, Dighi (Pune), Durgapur (Export Promotion Industrial Park), Faridabad, Garhi Harsaru, Gauhati, Marrisalem Village in Taluk of Edlapadu, District Guntur and Tondiarpet (TNPM),

Chennai and Irungattukottai, SIPCOT Industrial Park, Kattrambakkam Village, Sriperumbudur Taluk, Kanchipuram District, Tamil Nadu and Melapakkam Village (Arakkonam Taluk, Vellore District), Hosur (Tamil Nadu), Nattakkam Village (Kottayam Taluk and District), Kalinganagar and Tumb Village (Taluka Umbergaon, District Valsad), Hyderabad, Jaipur, Jalandhar, Jamshedpur, Jodhpur, Kanpur, Karur, Kota, Kundli, Loni (District Ghaziabad), Ludhiana, Madurai, Malanpur, Mandideep (District Raisen), Miraj, Moradabad, Nagpur, Nasik, Pimpri (Pune), Pitampur (Indore), Pondicherry, Raipur, Rewari, Rudrapur (Nainital), Salem, Singanalur, Surat, Surajpur, Tirupur, Tuticorin, Udaipur, Vadodara, Varanasi, , Waluj (Aurangabad) 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) (Tamil Nadu) and Marrisalem Village in Taluk of Edlapadu, District Guntur or through the Land Customs Station at Agartala, Amritsar Rail Cargo, Attari Road, Changrabandha, Dawki, Ghojadanga, Hilli, Jogbani, Mahadipur, Nepalganj Road, Nautanva (Sonauli), Petrapole, Ranaghat, Raxaul, Singhabad and Sutarkhandi 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 with in the jurisdiction , by special order, or by a Public Notice, and subject to such conditions as may be specified by him, permits import and export from any other seaport/airport/inland container depot or through any land customs station;

(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 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.

Table

S.No.	Description
(1)	(2)
1.	EOUs / EHTPs / BTPs who are availing direct tax benefits or exemption
2.	Export of imported goods covered under para 2.35 of the FTP .
3.	Exports through transshipment, meaning thereby that exports originating in third country but transhipped through India
4.	Deemed exports
5	Exports made by Special Economic Zone units or Special Economic Zone products exported through Domestic Tariff Area units
6	Export of items, which are restricted or prohibited for export under Schedule-2 of Export Policy in ITC (HS).
7	The exports made by the Status Holders during a particular year, if benefits are availed under Technology Upgradation Fund scheme (TUFS) of Ministry of Textiles in that year.

Explanation, - For the purposes of this notification,-

(i) “Capital goods” means any plant, machinery, equipment or accessories required for manufacture or production, either directly or indirectly, of goods or for rendering services, including those required for replacement, modernization, technological up gradation or expansion. It also includes packaging machinery and equipment, refractories for initial lining, refrigeration equipment, power generating sets, machine tools, catalysts for initial charge, equipment and instruments for testing, research and development, quality and pollution

control. Capital goods may be for use in manufacturing, mining, agriculture, aquaculture, animal husbandry, floriculture, horticulture, pisciculture, poultry, sericulture and viticulture as well as for use in services sector.

(ia) “Component” means one of the parts of a sub-assembly or assembly of which a manufactured product is made up and into which it may be resolved and it includes an accessory or attachment to another component.

(ib) “Spares” means a part or a sub-assembly or assembly for substitution, that is ready to replace an identical or similar part or sub-assembly or assembly and it includes a component or an accessory.

(ic) “Part” means an element of a sub-assembly or assembly not normally useful by itself, and not amenable to further disassembly for maintenance purposes which may be a component, spare or an accessory.

(ii) “Foreign Trade Policy” means the Foreign Trade Policy 2009-2014, published by the Government of India in the Ministry of Commerce and Industry vide notification No.01/2009-14, dated the 27th August, 2009, as amended from time to time.

(iii) “Licensing Authority or 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 a licence under the said Act.

