

## GENERAL EXEMPTION NO. 19

**Exemption to specified goods imported against an Advance Licence/DEEC:**

[Notfn. No. 56 /03-Cus. dt. 1.4.2003 - as amended by 84/03, 97/03, 29/04, 63/04, 46/05, 77/05, 97/05, 41/06, 63/07, 116/07, 63/08, 19/09, 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 License for Annual Requirement** (hereinafter referred to as the said license), with Actual User Condition in terms of Paragraph 4.1.7A of the Export and Import Policy 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 of the said Customs Tariff Act, subject to the following conditions, namely,-

- (1) that the said licence shall be issued to a manufacturer exporter or merchant exporter holding Export House, Trading House, Star Trading House or Super Star Trading House Certificate issued by the Licensing Authority.
- (2) that the said licence is issued for an export product group specifying the Cost Insurance Freight Value (CIF value) of import permitted against it and the Free on Board Value (FOB value) of export obligation to be achieved. The said licence shall be valid for import of any input required for the manufacture of export product, which is covered under the said export product group specified in the Hand Book of Procedure Volume II of Export and Import Policy;
- (3) that an Actual User Duty Exemption Entitlement Certificate (hereinafter referred to as the said certificate) is issued to the holder of the said licence by the Licensing Authority in the form specified in the Schedule annexed to this notification. At the time of import, the full details of value, quantity, technical characteristics and other particulars, of the inputs imported against the said licence shall be entered in part 'C' of the said certificate by the proper officer;
- (4) 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 Deputy Commissioner of Customs or Assistant 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 per cent per annum from the date of clearance of the said materials:

Provided that the bond shall not be necessary in respect of imports made after the discharge of export obligation in full;

- (5) that the said licence and the said certificate are produced before the proper officer of customs at the time of clearance for debit;
- (6) that the imports and exports are undertaken through sea ports at Mumbai, Calcutta, Cochin, Magdalla, Kakinada, Kandla, Mangalore, Marmagoa, Madras, Nhava Sheva, Paradeep, Pipavav, Sikka, Tuticorin, Visakhapatnam, Dahej, Nagapattinam, Okha, Mundra, Bedi (including Rozi-Jamnagar), Muldwarka,

Porbander, Dharamtar, Vadimar and Haldia (Halida Dock Complex of Kolkata Port) and Krishnapatnam 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) 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, Garhi Harsaru, Bhilwara, Pondicherry, 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 and Loni (District Gaziabad) or through the Land Customs Station 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).

Provided that the Commissioner of Customs may by special order or a public notice and subject to such conditions as may be specified by him, permit import and export through any other sea port, airport, or Inland Container Depot or through a land customs station;

(7) that sourcing of the imported materials from Private Bonded Warehouses set up under paragraph 2.28 of the Export and Import Policy would be allowed;

(8) that the export obligation is discharged within eighteen months from the date of issue of the said licence or within such extended period as may be granted by the Licensing Authority by exporting resultant products manufactured in India. At the time of export, the full details of value, quantity, technical characteristics, and other particulars, of the resultant export product (hereinafter referred to as resultant product) shall be entered in part 'E' of the said certificate by the proper officer;

Provided that an Annual Advance Intermediate Licence holder shall discharge export obligation by supplying the resultant export product to the ultimate exporter in terms of Para 4.1.7A of the Export and Import Policy.

(9) that the importer produces evidence of discharge of export obligation to the satisfaction of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, within a period of 30 days of the expiry of period allowed for fulfilment of export obligation, or within such extended period as the said Deputy Commissioner of Customs or Assistant Commissioner of Customs, may allow;

(10) that the exempt materials shall not be disposed of or utilised in any manner except for utilisation in discharge of export obligation or for replenishment of such materials and the materials so replenished shall not be sold or transferred to any other person;

(11) that in relation to the said license issued to a manufacturer exporter or 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 (4) 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 in terms of condition (10).  
2. 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) "Export and Import Policy" means the Export and Import Policy 2002-2007, published vide notification of the Government of India in the Ministry of Commerce and Industry No. 1/2003, dated the 31<sup>st</sup> March, 2003, as amended from time to time;

(ii) "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;

(iii) "materials" means, -

(a) raw materials, components, intermediates, consumables, computer software and parts required for manufacture of resultant product specified in Part " E" of the said certificate by the proper officer;

(b) mandatory spares within a value limit of 10% of the value of the licence which are required to be exported along with the resultant product; and

(c) packaging materials required for packing of resultant product.

**THE SCHEDULE**  
**ACTUAL USER DUTY EXEMPTION ENTITLEMENT CERTIFICATE**  
**PART -1**  
**(IMPORT)**

(This consists of ..... Pages)Sl. No.....(IMP) Date of issue.....Port of Registration ..... Issued to..... (name and full address of the licensee).

Materials imported against licence No.....dated, .....issued by.....to the above licensee would be eligible for exemption from customs duties subject to the conditions specified in the notification of the Government of India, Ministry of Finance and Company Affairs, Department of Revenue No..... Customs, dated the.....

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

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**PART-B**  
Name and addresses of factories where the ancillaries to the Resultant products for export are manufactured.

**PART-C**  
**List of Materials 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 in products in part E		S. No. of the resultant equivalent to US \$
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 Customs House of import	Description	Quantity and Net weight	
1	2	3	4	5	
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 Customs Officer with Name, Designation and Seal
6	7	8	9	10	

**(Parts E and F figure in the Export Part of this DEEC)**

**PART –G**

Duties paid on materials in respect of which the conditions 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 (iii) Others
1	2	3	4

Amount of (i) Duty (ii) Interest	Particulars of duty paying documents	Signature of the Customs Officer
5	6	7

**ACTUAL USER DUTY EXEMPTION ENTITLEMENT CERTIFICATE  
PART-2 (Export)**

(EXPORT) (This consists of .....pages)

Sl. No.....(EXP) date of issue.....

Port of Registration.....

Issued to.....

..... (name *and* full address of the licensee).

Materials imported against Licence No.....dated..... issued by.....to the above licensee 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 .....

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

Signature  
Seal of licensing authority  
Date :

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**PART-A**

Name and addresses of the factories where the Resultant products for export are manufactured.

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**PART -B**

Name and addresses of factories where the ancillaries to the Resultant products for export are manufactured.

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

**PART -E**  
Resultant products

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

Quantity	FOB Value in Rs./US\$	Sl. No. of the materials in Part-C
5	6	7

**PART -F**  
Particulars of exports

Sl. No.	S. No. of the resultant product in Part-B	Name of the Custom House of Shipment	Shipping Bill No. and date	Name of the Vessel and outward entry of the vessel
1	2	3	4	5

Quantity	Net weight of the product	Description as per the Shipping Bill	FOB value in Rs./US \$	Signature of Customs Officer with name, designation and seal and remarks if any
6	7	8	9	10

**PART -H**

## Statement of imports and exports made

Details of Imports made :

S. No	S.No.of Part-C	Description	Quantity Imported	CIF Value in Rs./in equivalent to US\$
1	2	3	4	5

Details of Exports made :

S.No.	S. Number in Part-E	Description	Quantity exported	FOB Value in Rs./in equivalent US \$
1	2	3	4	5

1. I/We hereby declare that information given in this statement is correct.

2. I/We hereby declare that no benefit under rule \_\_\_\_\_ and Rule \_\_\_\_\_ of Central Excise Rules,2002 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

