

GENERAL EXEMPTION NO. 20

Exemption to Imports against an Annual advance Licence with actual user condition -
[Notifn. No.48/99-Cus. dt. 29.4.99 as amended by Notifn. Nos. 90/99, 121/99, 47/2000, 120/00, 30/01, 59/01, 122/01, 9/02, 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 for Annual Requirement** (hereinafter referred to as the said licence), **with Actual User Condition** in terms of paragraph 7.2 of the Export and Import Policy or annual Advance Licence (hereinafter referred to as the said licence), with Actual User Condition in terms of paragraph 7.4A of the Export and Import Policy 1998-99 notified by the Government of India in the Ministry of Commerce vide notification No.1(RE-99)/1997-2002, dated the 31st March, 1999 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:-

(i) 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.

(ia) 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;

(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 per cent per annum from the date of clearance of the said materials;

(As per Sec.120(1) of Finance Act, 2003, the rate of fifteen per cent is applicable w.e.f. 29.4.1999)

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, Magdalla, Kakinada, Kandla, Mangalore, Marmagoa, Madras, Nhava Sheva, Paradeep, Pipavav, Sikka, Tuticorin, Visakhapatnam, Dahej, Nagapattinam, Okha, Mundra, Jamnagar and Muldwarka or through any of the airports at Ahmedabad, Bangalore, Bhubaneshwar, Mumbai, Calcutta, Coimbatore, Delhi, Hyderabad, Jaipur,

Madras, Srinagar, Trivandrum, Varanasi, 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), Vadodra, Daulatabad (Wanjarwadi and Maliwada), Waluj (Aurangabad), Anaparthi (Andhra Pradesh), Salem, Malanpur, Singanalur, Jodhpur, Kota, Udaipur, Ahmedabad, Bhiwadi, Madurai, Bhilwada, Pondicherry, 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 of Customs may by special order 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;

(v) that the sourcing of the imported materials from private bonded warehouses set up under para 4.15 of the Export and Import Policy would be allowed;

(vi) 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 Intermediate Licence holder may discharge export obligation by supplying the resultant products to ultimate exporter holding Annual Advance Licence in terms of paragraph 7.3 (b) of the Export and Import Policy 1997-2002, notified by the Government of India in the Ministry of Commerce, vide notification No. 1(RE-00)/1997-2002 dated the 31st March, 2001;

(vii) 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 fulfilment of export obligation, or within such extended period as the said Assistant commissioner of Customs or Deputy Commissioner of Customs may allow:

(viii) 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 materials so replenished shall not be sold or transferred to any other person:

(ix) that in relation to the said licence issued to a Merchant Exporter holding Export House, Trading House, Star Trading House or Super Star Trading House Certificate,

- (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 in terms of condition (viii).

(x) This notification shall come into force on and from the **1st July, 1999**.

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 1997-2002, published vide notification of the Government of India in Ministry of Commerce No.1/1997-2002 dated the 31st March, 1997.

(ii) "Licencing 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 ten per cent of the value of the licence which are required to be exported alongwith the resultant product; and
- (c) packaging materials required for packing of resultant product.

(iv) Annual Advance Licence includes Annual Advance Licence for Intermediate Supply issued in terms of paragraph 7.3(b) of the Export and Import Policy 1997-2002, notified by the Government of India in the Ministry of Commerce, vide notification No.1(RE-00) 1997-2002 dated the 31st March, 2001.

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

(This consists of pages)

Sl.No. (IMP)

Date of Issue

Port of Registration

Issued to

..... (Name and full address

..... of the Licencee)

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 1999.

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.

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 equivalent to US \$	Sl. 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 Customs House of import	Description	Quantity and net weight
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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

*(Part 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)**

(This consists of pages)

Sl.No. (EXP)

Date of Issue

Port of Registration

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Issued to
 (Name and full address
 of the Licencee)

Materials imported against Licence No..... dated issued by to the above licencee 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 1999.

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
 Dated

PART - A

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

PART - B

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

(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.	Sl.No. of the resultant product in	Name of the Customs House	Shipping Bill No. and date	Name of the Vessel and
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Part B		of Shipment		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 US\$
1	2	3	4	5

Details of Exports made :

S.No.	S.No. 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 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.

