

**GENERAL EXEMPTION 218**

**Exemption to materials imported into India against an Advance Authorisation issued in terms of paragraph 4.03 read with paragraph 4.18 (i) of the Foreign Trade Policy meant for export of a prohibited item in terms of paragraph 4.05 of the Handbook of Procedures:**

**[Notifn. No. 22/2015-Cus., dt. 1.04.2015 as amended by 26/17, 79/17, 35/18, 66/18, 8/19, 18/2020]**

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 materials imported into India against an Advance Authorisation issued in terms of paragraph 4.03 read with paragraph 4.18 (i) of the Foreign Trade Policy meant for export of a prohibited item in terms of paragraph 4.05 of the Handbook of Procedures (hereinafter referred to as the said authorisation) from the whole of the duty of customs leviable thereon which is specified in the First Schedule to the Customs Tariff Act, 1975 (51 to 1975) (hereinafter referred to as Customs Tariff Act) and from the whole of the additional duty leviable thereon under sub-sections (1), (3) and (5) of section 3, integrated tax leviable thereon under sub-section (7) of section 3, the Goods and services tax compensation cess leviable thereon under sub-section (9) of section 3, safeguard duty leviable thereon under section 8B, countervailing duty leviable thereon under section 9 and anti-dumping duty leviable thereon under section 9A of the said Customs Tariff Act, subject to the following conditions, namely :-

- (i) that the said authorisation, issued by the Regional Authority, is produced before the proper officer of customs at the time of clearance for debit;
- (ii) that the said authorisation bears the name and address of the importer, the description and other specifications of the imported material and the description, quantity and value of exports of the resultant product;
- (iii) that the imported material corresponds to the description and other specifications, where applicable, mentioned in the said authorisation and the value and quantity thereof are within the limits specified in the said authorisation;
- (iv) that the export is made subject to pre-import condition under notified Standard Input Output Norms (SION) or under prior fixation of norms in terms of Para 4.06 of Handbook of Procedures;
- (v) 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, as the case may be, binding himself to pay on demand an amount equal to the duty leviable, but for the exemption contained herein, on the imported materials in respect of which the conditions specified in this notification are not complied with, together with interest at the rate of fifteen per cent. per annum from the date of clearance of the said materials;
- (vi) that the imports under the said authorisation and the subsequent exports for fulfilling the export obligation are undertaken only through the seaports or airports or Inland Container Depots or Land Customs Stations which are specified in the Table below:-

**Table**

S.No.	EDI- enabled Port/ ICD/LCS	Located at
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1.	Seaport	Bedi (including Rozi-Jamnagar), Chennai, Cochin, Dahej, Kakinada, Kandla, Kattupalli (Tamil Nadu), Kolkata, Krishnapatnam, Ennore (Tamil Nadu), Karaikal (Union territory of Puducherry), Magdalla, Mangalore, Marmagoa, Mumbai, Mundra, Nagapattinam, Nhava Sheva, Paradeep, Pipavav, Tuticorin, Visakhapatnam
2.	Airport	Ahmedabad, Bengaluru, Calicut, Chennai, Cochin, Coimbatore, Delhi, Hyderabad, Indore, Jaipur, Kolkata, Mumbai, Trivandrum, Visakhapatnam
3.	Inland Container Depot	Agra, Ahmedabad, Melpakkam Village (Arakkonam Taluk, Vellore District), Bengaluru, Bhilwara, Bhiwadi, Bhusawal, Chettipalayam (Tamil Nadu), Chheharata (Amritsar), Coimbatore, Dadri, Daulatabad (Maliwada), Delhi, Dighi (Pune), Durgapur (Export Promotion Industrial Park), Faridabad, Garhi Harsaru, Gauhati, Hyderabad, Irugur Village (Tamil Nadu), Irungattukottai (SIPCOT Industrial Park, Kattrambakkam Village, Sriperumbudur Taluk, Kanchipuram District, Tamil Nadu), Jaipur, Jalandhar, Jodhpur, Kanpur, Karur, Kota, Loni (District Ghaziabad), Ludhiana, Mandideep (District Raisen), Marrisalem Village (in Edlapadu Taluk of District Guntur), Miraj, Moradabad, Nagpur, Nasik, Patli (Gurgaon), Pitampur (Indore), Raipur, Rewari, Talegaon (District Pune), Tirupur, Tuticorin, Vadodara, Waluj (Aurangabad).
4.	Land Customs Station	Jogbani, Petrapole, Raxaul

(vii) that the export obligation as specified in the said authorisation (both in value and quantity terms) is discharged within ninety days from the date of clearance of imported materials by exporting the resultant product (specified in the said authorisation),-

- a) which is manufactured in India using the material imported against the said authorisation; and
- b) in respect of which the facility under rule 18 (rebate of duty paid on materials used in manufacture) or sub-rule (2) of rule 19 of the Central Excise Rules, 2002 has not been availed;

(viii) that the Authorisation Holder fulfills the export obligation, including the stipulated value addition;

(ix) that nothing contained in the provisions of Para 4.49 of Handbook of Procedures shall be applicable in relation to the said authorisation;

(x) that at the time of export the authorisation holder gives an undertaking to the effect that the resultant product, being exported against the said authorisation, which is otherwise prohibited for export, has been manufactured from the material already imported under the said authorisation and the said undertaking contains the details of the imports and exports made under the said authorisation;

(xi) that the said authorisation shall not be transferred and the imported material shall be subject to actual user condition and shall not be sold or transferred for any purpose, or by any means, including job work;

(xii) that the importer produces evidence of discharge of the export obligation to the satisfaction of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, within a period of sixty days of the expiry of period allowed for fulfillment of export obligation, or within such extended period as the said Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may

be, may allow.

(xiii) that the exemption from integrated tax and the goods and services tax compensation cess leviable thereon under sub-section (7) and sub-section (9) of section 3 of the said Customs Tariff Act shall be available to goods imported up to the 31st March, 2021.

2. Where the materials are found defective or unfit for use, the said materials may be re-exported back to the foreign supplier within thirty days from the date of clearance of the said material or such extended period, not exceeding a further period of thirty days, as the Commissioner of Customs may allow:

Provided that at the time of re-export the materials are identified to the satisfaction of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, as the materials which were imported.

Explanation. - For the purpose of this notification, -

(I) "Foreign Trade Policy" means the Foreign Trade Policy, 2015-2020, published by the Government of India in the Ministry of Commerce and Industry vide notification No. 01/2015-2020, dated the 1st April 2015 as amended from time to time;

(II) "Handbook of Procedures" means the Handbook of Procedures 2015-20 published by the Government of India in the Ministry of Commerce and Industry vide public notice No. 01/2015-2020, dated the 1st April 2015 as amended from time to time;

(III) "Manufacture" has the same meaning as assigned to it in paragraph 9.31 of the Foreign Trade Policy;

(IV) "Materials" means raw materials, consumables, fuel and packaging materials required for manufacturing of the resultant product;

(V) "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 authorized by him to grant an authorisation including a duty credit scrip under the said Act.

