

## GENERAL EXEMPTION NO. 6

**Exemption to materials imported against Advance Licence issued after 1.4.1997**

[Notifn. No.31/97-Cus. dt. 1.4.1997 as amended by Notifn. Nos.95/97, 10/98, 49/99, 121/99, 52/00,120/00,30/01,122/01,113/02,125/02. 84/03, 97/03, 63/04, 46/13]

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 issued on or after 1st April, 1997** (hereinafter referred to as the said licence), from the **whole of the duty of customs** leviable thereon which is specified in First Schedule to the Customs Tariff Act, 1975 (51 of 1975) subject to the following conditions, namely:-

- (i) that the materials imported are covered by a Duty Exemption Entitlement Certificate (hereinafter referred to as the said certificate), issued by Licensing Authority on or after 1st April, 1997 in the form specified in the Schedule annexed to this notification, in respect of the value, quantity, description, quality and technical characteristics;
- (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 on the imported materials but for the exemption contained herein, in respect of which the conditions specified in this notification have not been complied with together with interest at the rate of 15% per annum from the date of clearance of the materials: *(As per Sec. 120(1) of Finance Act, 2003 the rate of 15% is applicable w.e.f. 1.4.1997)*

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

- (iii) that the said licence and the said certificate are produced before proper officer of Customs at the time of clearance of imported materials for debit;
- (iv) that the imports and exports are undertaken through the sea ports at Mumbai, Calcutta, Cochin, Magdalla, Kakinada, Kandla, Mangalore, Mormagoa, Madras, Nhava Sheva, Paradeep, Pipavay, Sikka, Tuticorin and Visakhapatnam, Dahej, Nagapattinam, Okha, Mundra, Jamnagar and Muldwarka or through any of the airports at Ahmedabad, Bangalore, Bhubaneswar, 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 Seaport, Airport, or Inland

Container Depot or through the Land Customs Station.

- (v) that the export obligation is discharged within the period specified in the said certificate or within such extended period as may be granted by the Licensing Authority or the Director General of Foreign Trade, by exporting Resultant products manufactured in India which are specified in Part E of the said certificate (hereinafter referred to as Resultant products) and the said certificate together with evidence of discharge of export obligation to the satisfaction of the Assistant Commissioner of Customs or Deputy Commissioner of Customs is produced within 30 days of 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:

Provided that an Advance Intermediate Licence holder may discharge export obligation by supplying the Resultant products to ultimate exporter in terms of paragraph 7.5 of the Export and Import Policy;

- (vi) that exempt materials shall not be disposed of or utilised in any manner, except for utilisation in discharge of export obligation, before the export obligation under the said licence has been discharged in full;

Provided that Acetic Anhydride, Ephedrine and Pseudoephedrine, Vitamins, Pen-G and their derivatives in respect of which the benefit of this notification is claimed shall be utilised by the importer in his own factory or in the factory of any other manufacturer indicated in the said certificate even after discharge of export obligation;

- (vii) that where benefit of this notification is sought by a person other than the licensee, such benefit shall be allowed against the said licence and the said certificate only if it bears endorsement of transferability by the Licensing Authority:

Provided that benefit of this notification shall not allowed to a transferee of the licence for import of Acetic Anhydride, Ephedrine and Pseudoephedrine.

Where the goods are found defective or unfit for use, the said goods may be re-exported back to the foreign supplier within 3 years from the date of payment of duty on the importation thereof.

Provided that at the time of re-export the goods are identified to the satisfaction of the Assistant Commissioner of Customs or Deputy Commissioner of Customs as the goods which were imported.

3. 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) “*Advance Licence*” means an Advance Licence issued in terms of paragraph 7.3 and an Advance Intermediate Licence issued under paragraph 7.5 of the Export and Import Policy.
- (ii) “Export and Import Policy” means the Export and Import Policy 1 April, 1997 - 31 March, 2002 published vide notification of the Government of India in the Ministry of Commerce No. 1/1997-2002 dated the 31st March, 1997.

(iii) "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;

(iv) "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

Provided that the benefit of this notification shall apply to import of Acetic Anhydride, Ephedrine and Pseudophedrine only against licences issued with the approval of Advance Licensing Committee in the office of the Director General of Foreign Trade;

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

(c) Packaging materials required for packing of Resultant product.

**THE SCHEDULE  
DUTY EXEMPTION ENTITLEMENT CERTIFICATE  
I 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 and covered by the list of materials specified list(a) of part 'C' of this Certificate would be eligible for exemption from duty of Custom specified in the first schedule to the Customs Tariff Act 1975 (51 of 1975) subject to the conditions specified in the notification of the Government of India, Ministry of Finance (Department of Revenue), No. /97-Customs, dated the , 1997.

The importer shall discharge the export obligation in terms of the said Notification within ..... months from the date of issue of licence.

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

Signature  
Seal of licensing authority  
Date

**Part - A**

**Names and addresses of the factories where the resultant products are manufactured.**

.....

**Part - B**

**Names and addresses of factories where the ancillaries to the resultant products are manufactured**

**Part - C****List of Materials of Import**

(a) Materials to be imported under this certificate

Sl.No.	Material of import	Quality	Technical Characteristics
1	2	3	4

Quantity	CIF Value in indian Rs. and in equivalent US \$	S.No. of the resultant products in Part E
5	6	7

(b) Other imported materials to be used in export product

S.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	Duty leviable but for exemption 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	Signature of Amount of duty	Customs Officer with Name, Designation, and Seal.
6	7	8	9	10

(Part E & 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
1	2	3	4

Additional Duty paid on import	Amount of (i) Duty Difference (ii) Interest	Particulars of duty paying documents.	Signature of the Customs Officer
5	6	7	8

**DUTY EXEMPTION ENTITLEMENT CERTIFICATE  
II EXPORT**

(This consists of ..... pages)

Sl.No ..... (EXP)

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 licencee and covered by the list of materials specified in list (a) of part 'C' of this certificate would be eligible for exemption from Basic Customs duty subject to the conditions specified in the notification of the Government of India, Ministry of Finance, Department of Revenue No..... /97-Customs dated the ....., 1997.

The licencee shall discharge the export obligation in terms of the said Notification within ..... months from the date of licence.

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

Signature  
Seal of licencing authority  
Date

**Part - A**

**Names and addresses of the factories where the resultant product are manufactured.**

\_\_\_\_\_  
\_\_\_\_\_

**Part - B**

**Names and addresses of factories where the ancillaries to the resultant products are manufactured.**

\_\_\_\_\_  
\_\_\_\_\_

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

**Part - E  
RESULTANT PRODUCTS**

Sl. No.	Description	Quality tics	Technical Characteris
1	2	3	4

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

**PART - F  
PARTICULARS OF EXPORTS/SUPPLY**

Sl. No.	Sl. No. of the resultant product in Part E	Name of the Customs House of Shipment	Shipping Bill No. & 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 remarks if any.
6	7	8	9	10

**PART - H  
Statement of Imports and Exports/Supply made**

Type of licence	Licence No.	Date
.....	.....	.....
.....	.....	.....

**Details of Imports made**

Sl. No.	Sl.No. of part C	Description	Quantity Imported	C.I.F. value in Rs./ In equivalent US \$
1	2	3	4	5

**Details of Exports made**

Sl. No.	Sl. No. in Part E	Description	Quantity exported	F.O.B. value in Rs. In equivalent US \$
1	2	3	4	5

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

Signature \_\_\_\_\_  
 Name of the signatory \_\_\_\_\_  
 Designation \_\_\_\_\_  
 Full Address \_\_\_\_\_

**Certificate by 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. \_\_\_\_\_

**PART -I**

**Endorsement of Transferability**

We have discharged the prescribed export obligation. We request that the licence and the DEEC may please be made transferrable.

Signature.....  
 Name of the Signatory .....  
 Designation .....  
 Full address.....

DEEC is made transferable

Signature.....  
 Seal of licensing authority.....  
 Date.....

