

**I. EXEMPTION NOTIFICATIONS FOR IMPORT OF GOODS UNDER VARIOUS EXPORT PROMOTION SCHEMES.**

**A. ADVANCE LICENCING SCHEME/(DEEC) SCHEME :**

**GENERAL EXEMPTION NO. 1**

**Exemption to goods when imported against an Advance Licence:**

[Notfn. No. 93/04-Cus. dt. 10.9.2004 as amended by 46/05, 77/05, 97/05, 43/06, 63/07, 116/07, 70/08, 86/08, 22/09, 19/09, 123/09, 93/10, 37/12, 40/12, 50/12, 4/13, 20/13, 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 or Advance Authorisation** issued in terms of paragraph 4.1.3 of the Foreign Trade Policy (hereinafter referred to as the said licence or 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 of 1975) and from the **whole of the additional duty, safeguard duty and anti-dumping duty** leviable thereon, respectively, under sub-sections (1), (3) and (5) of section 3, safeguard duty leviable thereon under section 8B and anti-dumping duty leviable thereon under section 9A of the said Customs Tariff Act, subject to the following conditions, namely :-

*\*Substituted vide sec.139 of Finance Act, 2016 (w.e.f 10.9.2004)*

(i) that the description, value and quantity of materials imported are covered by the said licence or authorisation and the said licence or authorisation is produced before the proper officer of customs at the time of clearance for debit;

(ii) that where import takes place after fulfilment of export obligation, the shipping bill number(s) and date(s) and quantity and FOB value of the resultant product are endorsed on the said licence :

Provided that where import takes place before fulfilment of export obligation, the quantity or FOB value of the resultant product to be exported are endorsed on the said licence or authorisation;

(iii) 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 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 bond shall not be necessary in respect of imports made after the discharge of export obligation in full;

(iv) that the imports and exports are undertaken through seaports at Mumbai, Kolkata, Cochin, Magdalla, Kakinada, Kandla Mangalore, Mormagoa, Chennai, Nhava Sheva, Paradeep, Pipavav, Sikka, Tuticorin, Visakhapatnam, Dahej, Mundhra, Nagapattinam, Okha, Bedi (including Rozi-Jamnagar), Muldwarka, Porbander, Dharamtar, Vadimar, Haldia (Halida Dock Complex of Kolkata Port) Krishnapatnam and Ennore (Tamilnadu), Karaikal (Union territory of Puducherry) and Kattupalli (Tamil Nadu) or through any of the airports at Ahmedabad, Bangalore, Bhubaneswar, Mumbai, Kolkata, Coimbatore, Delhi, Hyderabad, Jaipur, Chennai, Srinagar, Trivandrum, Varanasi, Nagpur, Cochin, Rajasansi (Amritsar) , Lucknow (Amausi), Indore and Dabolim (Goa) and Visakhapatnam 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), 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), 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, Anaparthi (Andhra Pradesh), Salem, Malanpur, Singanalur, Jodhpur, Kota, Udaipur, Ahmedabad, Bhiwadi, Madurai, Bhilwara, Pondicherry, Garhi Harsaru, 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, Ghoadanga 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 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;

(v) that the export obligation as specified in the said licence or authorisation (both in value and quantity terms) is discharged within the period specified in the said licence or authorisation or within such extended period as may be granted by the Licensing Authority or Regional Authority by exporting resultant products, manufactured in India which are specified in the said licence or authorisation and in respect of which facility under rule 18 \*(rebate of duty paid on materials used in the manufacture of resultant product) or sub-rule (2) of 19 of the Central Excise Rules, 2002 has not been availed :

Provided that an Advance Intermediate Licence holder shall discharge export obligation by supplying the resultant products to exporter in terms of Paragraph 4.1.3 (b) of the Foreign Trade Policy;

(vi) that the importer produces evidence of discharge of 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 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, as the case may be, may allow;

(vii) that the said licence or authorisation and the materials shall not be transferred or sold;

Provided further that where the Bond filed under condition (iii) against the said licence or authorisation has been redeemed by the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, the unutilised material may be transferred to any other manufacturer except to the unit availing the benefit of notifications 49/03-CE and 50/03-CE both dated 10.6.03, 32/99-CE dated 8.7.1999, 33/99-CE dated 8.7.1999, 8/04-CE dated 21.1.2004, 20/07-CE dated 25.4.2007, 56/02-CE dated 14.11.2002, 57/02-CE dated 14.11.2002, 71/03-CE dated 9.9.2003, 56/03-CE dated 25.6.2003, 39/01-CE dated 31.7.2001 for processing under actual user condition after complying the central excise procedure or the goods and services tax procedure relating to job work, as the case may be

\*Vide corrigendum F.No.605/50/2005-DBK, dated 17.5.2005.

(viii) that in relation to the said licence or authorisation issued to a merchant exporter,-

(a) the name and address of the supporting manufacturer is specified in the said licence and the bond required to be executed by the importer in terms of condition (iii) 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 for discharge of export obligation and the same shall not be transferred or sold or used for any other purpose by the said merchant exporter.

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

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.

3. Notwithstanding anything contained in this notification, the actual user condition specified in condition numbers (v) and (vii) shall not be applicable in respect of authorisation issued for import of raw sugar for imports made from the 17th February, 2009 till 30th September, 2009 and the export obligation may also be fulfilled by procuring white sugar from any other factory with effect from the 17th February, 2009.

4. 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* . – For the purposes of this notification,-

(i) “Foreign Trade Policy” means the Foreign Trade Policy 2004-2009 published vide notification of the Government of India in the Ministry of Commerce and Industry, No.1/2004 dated the 31st August, 2004 :

(ii) “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 authorized by him to grant a licence under the said Act;

(iii) “Materials” means -

(a) raw materials, components, intermediates, consumables, catalysts and parts which are required for manufacture of resultant product;

(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;

(c) fuel required for manufacture of resultant product; and

(d) packaging materials required for packing of resultant product;

(iv) “manufacture” has the same meaning as assigned to it in paragraph 9.37 of the Foreign Trade Policy.

