

**C. ANNUAL ADVANCE LICENCE :****GENERAL EXEMPTION NO. 17****Exemption to goods when imported against an Advance Licence for Annual Requirement:  
[Notfn. No. 94/04-Cus. dt. 10.9.2004 as amended by 46/05,77/05 and 97/05]**

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 4.1.10 of the Foreign Trade 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 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 by the Licensing Authority;

(2) that the said licence is issued for an export product group, specifying the Cost Insurance Freight Value of import permitted against it and the Free on Board 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 Foreign Trade 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 Part-1 of the said certificate, as given in the Schedule to this notification, 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 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 the quantity and value of imports;

(6) that the imports and exports undertaken through seaports at Mumbai, Kolkata, Cochin, Magdalla, Kakinada, Kandla Mangalore, Marmagoa, Chennai, Nhava Sheva, Paradeep, Pipavav, Sikka, Tuticorin, Visakhapatnam, Dahej, Mundhra, Nagapattinam, Okha, Bedi (including Rozi-Jamnagar), Muldwarka and Porbander or through any of the airports at Ahmedabad, Bangalore, Bhubaneswar, Mumbai, Kolkata, Coimbatore, Delhi, Hyderabad, Jaipur, Chennai, Srinagar,

Trivandrum, Varanasi, Nagpur, Cochin, Rajasansi (Amritsar) and Lucknow (Amausi) 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, Bhilwara, Pondicherry, Garhi Harsaru, Bhatinda, Dappar (Dera Bassi), Chheharata (Amritsar), Karur, Miraj, Rewari, Bhusawal, Jamshedpur, Surajpur, Dadri, Tuticorin, Kundli, Bhadohi and Raipur or through the Land Customs Station at Ranaghat, Singhabad, Raxaul, Jogbani, Nautanva (Sonauli), Petrapole, Mahadipur, Nepalganj Road, Dawki, Agartala, Sutarkhandi and Amritsar Rail Cargo 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 Foreign Trade Policy would be allowed;

(8) that the export obligation is discharged within the period as specified in the said licence or within such extended period as may be granted by the Licensing Authority by exporting resultant products manufactured in India and in respect of which facility under rule 18 or sub-rule (2) of rule 19 of the Central Excise Rules, 2002 has not been availed. 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 Part 2 of the Schedule to this notification, of the said certificate by the proper officer:

Provided that an Annual Advance Intermediate Licence holder shall discharge export obligation by supplying the resultant product to the ultimate exporter in terms of Para 4.1.3 of the Foreign Trade 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 utilization 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;

Provided further that where the Bond filed under condition (4) against the said licence 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 for processing under actual user condition after complying the central excise procedure relating to Job work.

(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).

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 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 authorized by him to grant a licence under the said Act;

(iii) "Materials" means –

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

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

(c) 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.

## THE SCHEDULE

### PART – 1

#### (IMPORT)

#### FORM

### ACTUAL USER DUTY EXEMPTION ENTITLEMENT CERTIFICATE

(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.

### PART – B

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



(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<br>(i) Basic<br>(ii) Additional<br>(iii) Others |
|---------|--|---|---|
| 1       | 2  | 3   | 4   |

| Amount of | (i) Duty<br>(ii) Interest | Particulars of duty paying documents | Signature of the<br>Customs Officer |
|-----------|---------------------------|--------------------------------------|-------------------------------------|
| 5         |                           | 6                                    | 7                                   |

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

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

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

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 :

**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.

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

**PART – E**  
Resultant products

| Sl.No. | Item of Import | Quality | Technical-Characteristics |
|--------|----------------|---------|---------------------------|
| 1      | 2              | 3       | 4                         |

| Quantity | CIF Value in Indian Rs./ in equivalent to US \$ | S.No. of the resultant products in part E<br>(to be filled at the time of export) |
|----------|---|---|
| 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 | F OB 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.No.in Part-C | Description | Quantity exported | FOB value in Rs./in equivalent to 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 and Rule 19 (2) 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 Accounts**

I have examined the applicant firm's actual imports and exports as given above and find them as correct.

Signature  
Seal  
Membership No.

**GENERAL EXEMPTION NO. 17A**

**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].**

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 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 and Porbander or through any of the airports at Ahmedabad, Bangalore, Bhubaneshwar, Mumbai, Kolkata, Coimbatore, Delhi, Hyderabad, Jaipur, Madras, Srinagar, Trivandrum, Varanasi, Nagpur, Cochin, Rajasansi (Amritsar) and Lucknow (Amausi) 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 and Raipur or through the Land Customs Station at Ranaghat, Singhabad, Raxaul, Jogbani, Nautanva (Sonauli), Petrapole, Mahadipur, Nepalganj Road, Dawki, Agartala, Sutarkhandi and Amritsar Rail Cargo 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 (herein-after 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).

*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.

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**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>   |              |                |    | Signature of the Customs Officer with Name, Designation and Seal |
|-----------|--|--------------|----------------|----|--|
|           | 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 |    |  |
| 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<br>(i) Basic<br>(ii) Additional<br>(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 :

**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. | 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

**GENERAL EXEMPTION NO. 18**

**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 and 63/04.]**

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 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**.

**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.

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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**  
**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.<br>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  |
|-----------|--|--|----------------|--|
| 1         | 2  | 3  | 4              | 5  |
|           |  |  |                |  |
| CIF Value | <u>Duty leviable but for exemption</u><br>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<br>(i) Basic<br>(ii) Additional<br>(iii) Others |
|--------|---|---|---|
| 1      | 2   | 3   | 4   |

| Amount of<br>(i) Duty<br>(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 .....

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.

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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. | Sl.No. of the resultant product in Part B | Name of the Customs 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 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                                    |
|       |                 |             |                   |                                      |

- I/we hereby declare that information given in this statement is correct.
- 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.

**GENERAL EXEMPTION NO. 19****Exemption from Anti-dumping duty to imports against Annual advance licence when utilised in discharge of export obligation.**

[Notifn. No.75/99-Cus. dt.11.6.1999].

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 articles imported into India, against an **Annual Advance Licence from whole of the anti-dumping duty** leviable thereon under section 9A of the Customs Tariff Act, 1975 (51 of 1975), subject to the condition that the exempt articles shall not be disposed of or utilised in any manner except for utilisation in discharge of export obligation in accordance with the said

Annual Advance Licence.

**Explanation -** In this notification, "Annual Advance Licence" means, an annual advance licence issued in terms of paragraph 7.4A of the Export and Import Policy 1997 - 2002 published vide notification of the Government of India in Ministry of Commerce No. 1 (RE-99)/1997-2002, dated the 31st March, 1999, as amended from time to time.