

**K. DUTY CREDIT ENTITLEMENT CERTIFICATE SCHEME:****GENERAL EXEMPTION NO. 44**

**Exemption to goods imported against a Duty Free Credit entitlement Certificate by a status holder: [Notfn. No. 53/03-Cus. dt. 1.4.2003 as amended by Notfn. Nos. 84/03, 63/04, 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 goods when imported into India against a **duty free entitlement credit certificate** (hereinafter referred to as the said certificate ) issued under paragraph 3.7.2.1 (vi) of the Export and Import Policy,-

- (a) from the **whole of the duty of customs** leviable thereon under the First Schedule to the Customs Tariff Act 1975 (51 of 1975);
  - (b) from the **whole of the additional duty** leviable thereon under sub-section (1) of section 3 of the said Customs Tariff Act; and
  - (c) from the **whole of the special additional duty** of customs leviable thereon under section 3A of said Customs Tariff Act, subject to the following conditions, namely
- (1) that the said certificate has been issued by the licensing authority to a status holder specified in para 3.7.2 of the Export and Import Policy;

- (2) that the said certificate and goods imported against it shall not be transferred or sold:

Provided that where the goods are imported by a merchant exporter having supporting manufacturer(s) whose name and address is specified on the license, the said goods may be utilised by the said supporting manufacturer(s).

- (3) that in respect of capital goods, a certificate from jurisdictional Deputy Commissioner of Central Excise, Assistant Commissioner of Central Excise or an independent Chartered Engineer, as the case may be, is produced confirming **installation and use of capital goods** in the importer's factory or premises, within the **six month** from the date of imports or within such extended period as the Deputy Commissioner of Customs or Assistant Commissioner of Customs may allow:

Provided that where the capital goods are imported by a merchant exporter having supporting manufacturer(s), the capital goods may be installed in the factory or premises of the said supporting manufacturer(s);

- (4) that the said certificate shall be produced before the proper officer of customs at the time of clearance for debit of the duties leviable on the goods but for this exemption:

Provided that exemptions from duty shall not be admissible if there is insufficient credit in the said license for debiting the duties leviable on the goods but for this exemption;

- (5) that the imports against the said certificate are undertaken through sea ports at Mumbai, Kolkata, Cochin, Magdalla, Kakinada, Kandla, Mangalore, Mormagoa, Madras, Nhava Sheva, Paradeep, Pipavav, Sikka, Tuticorin, Visakhapatnam, Dahej, Nagapattinam,

Mundhra, Okha, Bedi (including Rozi-Jamnagar), Muldwarka and Porbander or through any of the airports at Ahmedabad, Bangalore, Bhubaneswar, 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), Malanpur, Waluj (Aurangabad), Anaparthi (Andhra Pradesh), Salem, 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 Stations 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).

- (6) that where the importer does not claim exemption from the additional duty of customs leviable under section 3 of the said Customs Tariff Act, he shall be deemed not to have availed the exemption from the said duty for the purpose of calculation of the said additional duty of customs.
- (7) that the importer shall be entitled to avail of the drawback or CENVAT credit of additional duty leviable under section 3 of the said Customs Tariff Act, against the amount debited in the said certificate.

Explanation :- In this notification,-

- (i) "Capital Goods" has the same meaning as assigned to it in paragraph 9.10 of the Export and Import Policy,-
- (ii) "goods" means,-
- (a) capital Goods;
- (b) office equipment ( including Computer systems, Software, Fax/ machine, Telephone); and
- (c) raw materials, components, intermediates, consumables and parts other than agricultural and dairy products;
- (iii) "Export and Import Policy" means the Export and Import Policy 2002-2007, published by the Government of India in the Ministry of Commerce and Industry vide notification No.1(RE:2003), dated the 31<sup>st</sup> March 2003 as amended from time to time;
- (iv) "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 license under the said Act.

## GENERAL EXEMPTION NO. 45

**Exemption to goods imported against a Duty Free Credit entitlement Certificate issued to Service Providers:**

[Notfn. No. 54/03-Cus. dt. 1.4.2003 as amended by Notfn. Nos. 84/03, 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 **spares, office equipments and furniture, any capital goods, professional equipments and consumables but excluding agricultural and dairy products**, when imported into India against a **duty free service entitlement credit certificate** ( hereinafter referred to as the said certificate) issued under paragraph 3.8 of the Export and Import Policy, -

- (a) from the **whole of the duty of customs** leviable thereon under the First Schedule to the Customs Tariff Act 1975 (51 of 1975),
- (b) from the **whole of the additional duty** leviable thereon under sub-section (1) of section 3 of the said Customs Tariff Act, and
- (c) from the **whole of the special additional duty** of customs leviable thereon under section 3A of the said Customs Tariff Act,

subject to the following conditions, namely :-

- (1) that the said certificate has been issued to a service provider by the licensing authority and it is produced before the proper officer of customs at the time of clearance for debit of the duties leviable on the goods but for this exemption:

Provided that exemption from duty shall not be admissible if there is insufficient credit in the said certificate for debiting the duties leviable on the goods but for this exemption;

- (2) that the said certificate and goods imported against it shall not be transferred or sold;
- (3) in respect of any capital goods including professional equipments, or office equipments, as the case may be, a certificate from jurisdictional Deputy Commissioner of Central Excise, Assistant Commissioner of Central Excise or an independent Chartered Engineer, as the case may be, is produced confirming its **installation and use** in the importer's factory or premises, within **six months** from the date of imports or within such extended period as the said Deputy Commissioner of Customs or Assistant Commissioner of Customs may allow,
- (4) that the imports against the said certificate are undertaken through sea ports at Mumbai, Kolkata, Cochin, Magdalla, Kakinada, Kandla, Mangalore, Marmagoa, Madras, Nhava Sheva, Paradeep, Pipavav, Sikka, Tuticorin, Visakhapatnam, Dahej, Nagapattinam, Mundhra, Okha, Bedi (including Rozi-Jamnagar), Muldwarka and Porbander or through any of the airports at Ahmedabad, Bangalore, Bhubaneswar, 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), Malanpur, Waluj (Aurangabad), Anaparthi (Andhra Pradesh), Salem, 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 Stations 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).

Explanation :- In this notification , -

- (i) "Export and Import Policy" means the Export and Import Policy 2002-2007, published by the Government of India in the Ministry of Commerce and Industry vide notification No.1(RE:2002)/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 license under the said Act.

**L. SERVED FROM INDIA SCHEME:**

**GENERAL EXEMPTION NO. 45A**

**Exemption to specified goods when imported against a Served From India Scheme Certificate : [Notfn. No.92/04-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 goods, namely, -

- (i) in the case of hotel or stand alone restaurant, capital goods including spares, office equipment, professional equipment, office furniture, consumables, related to its main line of business and food items and alcoholic beverages but excluding other products classifiable in Chapters 1 to 24 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975);
- (ii) in the case of service provider other than hotel or stand alone restaurant, capital goods including spares, office equipment, professional equipment, office furniture and consumables, related to its main line of business,

when imported into India against a Served From India Scheme Certificate (hereinafter referred to as the said certificate) issued under paragraph 3.6.4 of the Foreign Trade Policy, from,-

- (1) the **whole of the duty of customs** leviable thereon under the First Schedule to the said Customs Tariff Act, 1975,
- (2) the **whole of the additional duty** leviable thereon under section 3 of the said Customs Tariff Act, 1975, and

subject to the following conditions, namely :-

- (i) that the said certificate has been issued to a service provider by the Licensing Authority and it is produced before the proper officer of customs at the time of clearance for debit of the duties leviable on the goods, but for this exemption:

Provided that exemption from duty shall not be admissible if there is insufficient credit in the said certificate for debiting the duties leviable on the goods, but for this exemption;

- (ii) that the said certificate and goods imported against it shall not be transferred or sold;

Provided that transfer of goods may be allowed subject to actual user condition within the group company or managed hotels as defined in paragraph 9.28 and paragraph 9.36 respectively of the Foreign Trade Policy, as the case may be.

- (iii) that in respect of capital goods, office equipment and professional equipment a certificate from jurisdictional Deputy Commissioner of Central Excise, Assistant Commissioner of Central Excise or an independent Chartered Engineer, as the case may be, is produced confirming installation and use of the goods in the importer's factory or premises, within six months from the date of imports or within such extended period as the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, may allow;
- (iv) that the imports against the said certificate are undertaken through sea ports 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 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).

Explanation - For the purposes of this notification ,-

- (i) "Capital goods" has the same meaning assigned to it in paragraph 9.12 of the Foreign Trade Policy;
- (ii) "Foreign Trade Policy" means the Foreign Trade Policy 2004-2009, published in the notification of the Government of India in the Ministry of Commerce and Industry, vide No.1/2004, dated the 31<sup>st</sup> August, 2004 ;
- (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.