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GOVERNMENT OF INDIA
MINISTRY OF COMMERCE

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PUBLIC NOTICE NO. 41 (RE-98)/1997-2002

NEW DELHI: 16th September, 1998

In exercise of powers conferred under paragraph 4.11 of the Export and Import Policy, 1997-2002, as notified in the Gazette of India extraordinary, Part-II- Section 3 – Sub- section (ii) vide S.O No. 283(E) dated 31.3.97, the Director General of Foreign Trade hereby makes following amendment in the Handbook of Procedures (Vol.1) (RE-98), 1997-2002:

1. The following shall be added as paragraph 7.4 (f) after paragraph 7.4(e):

"The eligible exporters of Electronic products shall have the option to avail the Special Advance Licensing Scheme for export of electronics products as given in Appendix 53. "

2. The Annexure to this Public Notice shall be numbered as Appendix 53.

This issues in public interest.

(N.L.Lakhanpal)

Director General of Foreign Trade

Copy to all concerned,

By orders etc.

(Ajay Sahai)

Dy.Director General of Foreign Trade

(File No. PRU/AS/97098/special package)

Appendix 53

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SPECIAL ADVANCE LICENSING SCHEME FOR EXPORT OF ELECTRONICS PRODUCTS.

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1. Eligibility:

The manufacturer exporters registered with the Central Excise Authorities and Electronic and Software Export Promotion Council having export performance/ domestic production in preceeding three licensing year will be eligible to apply under this scheme.

2. Entitlement

The eligible exporter shall be entitled for Advance licence on production programme basis upto 150% of the average FOB value in the preceeding three years. The new exporter, without having any export performance, would also be entitled to the Advance licence upto 50% of the average domestic production in the proceeding three years or upto Rs. 50 lakhs whichever is higher. The licensing authorities may grant, on application of the exporter, further licences under production program to the extent exports have been completed.

3. Scheme

- a. An eligible exporter may apply for the grant of Advance licence under the scheme.
- b. Such licenses shall be issued with positive value addition.
- c. The imports under the scheme shall precede exports and such licenses shall be issued with Actual User non transferable condition.
- d. Domestic sale of import material/ inputs shall not be allowed except of scrap upto the specified limits fixed for wastage.
- e. The Advance licence will be issued by the regional licensing authorities on the declaration of the applicant

regarding the description of inputs as well as its quantity. The technical specification of the inputs shall not be specified in the licenses. However, the details of the technical specification would be furnished by the importer to the Customs in the Bill of Entry and DEEC (Imports) at the time of clearance of the goods.

- f. The licence holder shall execute necessary BG/LUT with the Customs before importing the material or procuring from Private Bonded Warehouse.
- g. The licence holder shall enter the details in the DEEC (Imports) and present the same to the Customs for certification of the goods imported.
- h. The Designated officer of the Deptt. of Electronics will verify the relevance/usability of the inputs in the export product as well as the quantity required. The designated officer of the Deptt. of Electronics shall also verify the actual utilisation of the inputs in the product exported as well as the wastage in respect of export products covered under standard Input Output Norms, the utilisation of inputs imported would be determined in accordance with such pre existing Standard Input Output Norms and where such norms do not exist, as per the determination of the designated officer of the Deptt. of Electronics.
- i. The certification by the designated officer of the Deptt. of Electronics shall be accepted by Customs for logging of DEEC books and thereafter by DGFT for issuance of No objection certificate for discharge of BG/ LUT by Customs authority.

- j. The exporter shall furnish the details of imports and exports made to the designated officer of the Deptt. of Electronics on 6 monthly basis in the prescribed form.
 - k. The facility of sourcing inputs from Private Bonded Warehouse under paragraph 5.15 of Exim Policy will also be applicable.
3. The exempt material which remain unutilised after the expiry of export obligation period, shall be liable for payment of Customs duty together with 24% interest per annum and surrender of SIL equivalent to 5 times the CIF value of such excess imports, if the imported inputs is under the negative list of imports.
4. The other provisions of the duty exemption schemes given in Chapter 7 of Policy and procedure shall mutatis-mutandis apply to the extent that they are not inconsistent with this scheme.