

CHAPTER 4

DUTY EXEMPTION / REMISSION SCHEME

- 4.1 Policy** Policy relating to Duty Exemption / Remission Scheme is prescribed in Chapter 4 of FTP.
- 4.2 General Provision** An application for grant of an Advance Authorisation / Advance Authorisation for Annual Requirement / DEPB / DFIA may be made by Registered office or Head office or a branch office or manufacturing unit of eligible exporter, to RA concerned.
- 4.3** Where applicant is branch office or manufacturing unit(s) of an exporter, it shall furnish self certified copy of valid RCMC where name of branch office or manufacturing unit is given.
- 4.4 Advance Authorisation** Where Standard Input Output Norms (SION) have been published, an application in ANF 4A, along with documents prescribed therein, shall be submitted to RA concerned.
- 4.4.1** In case of export of gold /silver / platinum jewellery and articles thereof, quantity, wastage and value addition norms shall be as prescribed in Chapter 4A of FTP and HBP v1.
- 4.4.2**
- (a) In case where norms have not been published, an application in ANF 4B, along with prescribed documents, shall be furnished to concerned Norms Committee (NC) at DGFT Headquarters for fixation of Norms.
 - (b) In such cases, original copy of application along with prescribed fee shall be filed with RA concerned and a self attested copy of same shall be filed with NC. Authorisation in such cases shall be issued by RA as per NC recommendation.
 - (c) NC shall also function as a recommendatory authority for SION. DGFT may notify such norms.
- 4.4.3** Applications, where Acetic Anhydride, Ephedrine and Pseudo-ephedrine is required as an input for import, shall be filed with RA concerned. Copies of such applications shall also be simultaneously endorsed to the Drug Controller of India, Nirman Bhawan, New Delhi, Narcotics Commissioner, Central Bureau of Narcotics, Gwalior and respective Zonal Director of Narcotics Control Bureau, alongwith a declaration that applicant will maintain prescribed records and also submit prescribed returns.

- 4.4.4** RA, while issuing Advance Authorisation for import of Acetic Anhydride, Ephedrine and Pseudo- ephedrine, shall endorse a condition that before effecting imports, NOC shall be obtained from Narcotics Commissioner of India, Central Bureau of Narcotics, Gwalior and shall also endorse a copy of Authorisation to Drug Controller, Nirman Bhawan, New Delhi and concerned Zonal Director of Narcotics Control Bureau.
- 4.4.5** Where import of meat and meat products of any kind including fresh, chilled and frozen meat, tissue or organs of poultry, pig, sheep, goat; egg & egg powder; milk & milk products; bovine, ovine and caprine embryos, ova or semen; and pet food products of animal origin has been sought as an input under Advance Authorisation, the RA, while issuing Advance Authorisation, shall endorse a condition that before effecting imports of any of these inputs, Sanitary Import Permit shall be obtained from the Department of Animal Husbandry, Dairying and Fisheries (DAHDF). RA shall also endorse a copy of authorisation to DAHDF, Krishi Bhawan, New Delhi.
- 4.5**
Advance Authorisation for applicants with multiple units Transfer of any duty free material imported or procured against Advance Authorisation from one unit of company to another for manufacturing purpose shall be done with prior intimation to jurisdictional Excise Authorities with a clear understanding that no benefit of CENVAT shall be claimed on such transferred inputs. However, such transfers shall not be allowed to units located in areas covered by Central Excise Notification No. 39/2003 and 50/2003 (i.e. Himachal Pradesh / Uttaranchal). In case of non-excisable company / products, units should maintain a proper record. However to avail facility, all such units should be available in IEC certificate and follow rules and regulation of Central Excise for job work. Large Taxpayer Units (LTUs) having multiple units, may not follow above job work procedure, after fulfillment of EO. Duty Free material imported or procured against Advance Authorization can be taken from the port directly to the project site of the project authority as per provisions stated in ANF 4 A and DoR guidelines.
- 4.6**
Advance Authorisation for Free of Cost and Paid Material For policy in paragraph 4.1.8, a specific endorsement shall be made on exchange control copy of Advance Authorisation disallowing remittances for material being supplied free of cost. All inputs imported shall be utilised in manufacturing of product except wastage.
- 4.7** a) RA may also issue Advance Authorisations, where SION are not fixed,

**Self Declared
Authorisations where
SION does not exist**

based on self declaration and an undertaking by applicant for a final adjustment as per Adhoc / SION fixed by NC. However, no Advance Authorisation shall be issued under this paragraph for import of following products:

- i. All vegetable / edible oils classified under Chapter - 15 and all types of oilseeds classified under Chapter - 12 of ITC (HS) book;
 - ii. All types of cereals classified under Chapter – 10 of ITC (HS) book;
 - iii. All spices other than light black pepper (light berries) having a duty of more than 30%, classified under Chapter-9 and 12 of ITC (HS) book;
 - iv. All types of fruits/ vegetables having a duty of more than 30%, classified under Chapter 7 and 8 of ITC (HS) book;
 - v. Horn, hoof and any other organ of animal;
 - vi. Honey;
 - vii. Rough Marble Blocks/ Slabs; and
 - viii. Rough Granite.
- b) For export of perfumes, perfumery compounds and various feed ingredients containing vitamins, no Authorisation shall be issued by RA under this para and applicants shall apply under Para 4.4.2 above to the NC. Where export and/or import of biotechnology items are involved, Authorisation under this paragraph shall be issued by RA only on submission of a “No Objection Certificate” from Department of Biotechnology.

**4.7.1
Entitlement**

- (a) CIF value of one or more such authorisations shall be maximum 500% of FOB and / or FOR value of preceding year's exports and / or supplies in case of status holders and Rs. 5 crore or 500% of the FOB and / or FOR value of preceding year exports and / or supply, whichever is more, for others.
- (b) However, in cases where NC has already ratified norms for same export and import products in respect of an authorization obtained under paragraph 4.7, such norms shall be valid for a period of two years reckoned from the date of ratification.
- (c) In such cases Authorisations shall be issued by RA concerned under "Adhoc Norms Fixed" category and application copies need not be forwarded to NC for fixation / ratification of norms. Where the application has already been forwarded before the ratification of Norms, the RA shall finalise the case as per the norms subsequently ratified by NC in a similar case.

(d) Authorisation holder in such cases shall be entitled for further authorisation (s) as per norms ratified by NC without need for subsequent ratification by NC. In such cases applicant would file application under “Adhoc Norms Fixed” category. However, NC should ensure that such adhoc norm(s), if not notified already, are notified within six months of the ratification of such adhoc norm(s).

4.7.2

- a) Once norms are fixed by NC, value limits mentioned in above paragraph would not be applicable to Advance Authorisations issued under this paragraph. Such authorisations, subsequent to fixation of norms by NC, may be enhanced.
- b) It is mandatory for industry to provide production data etc. as may be required by DGFT / EPC for fixation of SION. Otherwise, applicant shall not be allowed to take benefit of Advance Authorization scheme for taking repeat advance authorizations on self-declared basis.

4.7.3**Authorisation in
Excess of Entitlement**

An applicant shall be entitled for authorisation in excess of entitlement mentioned in paragraph 4.7.1(a) subject to furnishing of 100% Bank Guarantee to Customs authority to cover exemption from customs duties. A specific endorsement to this effect shall be made on authorisation.

4.7.4**Application**

Original application with prescribed documents shall be submitted to concerned RA. RA shall forward a copy of application within 7 days from Authorisation issue date to NC for fixation of norms within prescribed time.

4.7.5**Undertaking**

- a) Applicant shall give an undertaking that he shall abide by norms fixed by NC and accordingly pay duty, together with interest, on unutilised inputs as per norms fixed by NC. However, authorisation holder has option to undertake additional EO in proportion to excess unutilized inputs. In case application is rejected by NC, authorization holder shall pay customs duty saved alongwith interest on imported inputs, as notified. However, in such cases where the NC decides adhoc norms based on information available to it and the exporter represents against the decision of the NC, time limit for filing representation, if any, before the NC shall be four months from the date of communication of decision of the fixation of adhoc norms by NC .
- b) For project supplies, the time limit for filing representations, if any, against the decision of NC shall be one year from the date of

communication of decision of the NC.

c) In addition, an amount as per Para 4.28(a)(ii) below has to be deposited.

4.7.6

- a) In such cases, where norms are not finalised by NC within four months from authorisation issue date, norms as applied for shall be treated as final and no adjustment will be made. However, where application for fixation of adhoc norms/ SION is rejected on account of non-furnishing of required documents/ information, authorisation holder shall be liable for penalty as stated in above paragraph. In case SION for the said product is notified, SION would be made applicable for deciding wastage norm and EO.
- b) In such cases where export obligation is completed pending fixation of norms by NC, entitlement for authorisation as given in paragraph 4.7.1(a) may be re-credited upon production of documentary evidence (copies of Shipping bill / bill of export / Central Excise certified copies of invoices) showing fulfillment of export obligation in respect of previous authorisations. However, bond waiver / redemption shall not be allowed pending fixation of norms in such cases.

4.7A

Advance authorisation for Pharma products under Non-Infringing (NI) process.

4.7A.1 Provision

RA may issue Advance Authorisation for pharmaceutical products manufactured through Non-Infringing (NI) process. A manufacturer exporter can avail the benefit of this provision even if the SION or the adhoc norm (under self declared basis in terms of paragraph 4.7 of the HBP v1) for the said product is available. "Input combination permitted under NI process, as approved by the concerned agency of the regulated markets", shall be exporter specific and country specific and shall be available only when the exports are destined for the same country.

**4.7A.2
Application &
Processing**

(a) An application for grant of an advance authorisation under this provision shall be made in ANF 4J along with the documents prescribed therein, to RA concerned. Each and every application for Advance Authorisation in ANF 4J shall be accompanied with the required documents stated therein.

(b) Input combination permitted under NI process for manufacturing the product shall be certified by the Chartered Engineer (Chemical) in the format given in Appendix 32C, after due verification of the details of each input and its quantity as given in Abbreviated New Drug Application (ANDA) / Drug Master File (DMF) of the applicant. RA shall cross verify the requirement of inputs as per the Chartered Engineer Certificate submitted along with the application to that shown in the application and issue the authorisation accordingly. RA shall not forward such application to NC and the inputs and export product so allowed by RA, shall be treated as input combinations permitted under NI Process.

**4.7A.3
Redemption of
Authorisation**

Provisions contained in paragraph 4.28 of HBP v1, 2009-14, except subparagraph (f), shall be applicable. RA shall compare the details of Appendix-23A, duly verified and certified by the jurisdictional Excise Authority, with that of the inputs made/allowed in the authorisation, before allowing redemption or Bond-waiver against individual advance authorization issued for pharmaceutical product(s) manufactured through NI process. In this verification process, in case, it is found that the authorisation holder has consumed lesser quantity of inputs than imported, authorisation holder shall be liable to pay customs duty on unutilized imported material, alongwith interest thereon as notified, or effect additional export within the EO period. However, for the customs duty component, the authorisation holder has also the option to furnish valid duty credit scrips issued under Chapter 3 of FTP and DEPB.

**4.7A.4
Maintenance of
Proper Accounts**

Every Advance Authorisation holder shall maintain a true and proper account of consumption and utilization of duty free imported / domestically procured inputs against each authorisation as prescribed in Appendix 23A. This record in Appendix 23A format, duly verified and certified by the jurisdictional Excise Authority, shall be submitted to the concerned RA at the time of filing application for redemption / bond waiver. RA shall compare the details of Appendix-23A, with that of the inputs allowed in the authorisation, before allowing redemption or bond waiver against individual authorization. Such records shall be preserved for a period of at least three years from the date of redemption.

**4.8
Standardisation of
Adhoc Norms**

(a) For standardization of norms, an application may be made by manufacturer exporter or merchant exporter tied to supporting manufacturer, duly filled in with complete data. Such applications shall be made to NC in ANF 4B.

(b) Import of fuel may also be allowed under SION by NC subject to following:

- (i) Facility of import of fuel shall be allowed only to manufacturer having captive power plant.
- (ii) In cases where SION specifically allows fuel, same shall be permitted under Advance Authorisation. However, if fuel is not covered specifically under SION, it may be allowed as per general fuel Policy for products covered under SION or under paragraph 4.7 above.
- (iii) Fuel should be allowed only against an actual user Authorisation. However in case of DFIA, fuel can only be transferred to agencies granted marketing rights by the Ministry of Petroleum and Natural Gas.
- (iv) Applications of fixation for fuel entitlement for new sectors and modification of the existing entitlement as per General Note for Fuel in HBP v2 would be made to NC along with requisite data in ANF 4B.

**4.9
Modification of SION**

An application for modification of existing SION may be filed before the NC by manufacturer exporter or merchant-exporter, tied to supporting manufacturer, in form given in ANF 4B.

**4.10
Amendment of
Export item and
inputs**

a) An application for amendment of an export item or inputs under SION or under Adhoc Norms may be filed by any manufacturer or merchant exporter as per ANF 4B.

b) Applicant would give justification for seeking amendment and same would be considered by Regional Authority with specific approval of Head of Office. In case of any major change in input or request for more wastage to that allowed under SION or adhoc norm, same should be referred to NC for ratification.

**4.10.1
Revision of SION by**

NC may identify SIONs which in its opinion are required to be reviewed. Exporters are required to submit revised data in ANF 4B for such revision.

- NC** It is mandatory for industry / exporter(s) to provide production and consumption data etc. as may be required by DGFT / EPC for revision of SION. Otherwise, applicant shall not be allowed to take benefit of Advance Authorization scheme.
- 4.11** An Advance Authorisation shall specify:
- Description of an Advance Authorisation**
- a) names and description of items to be imported and exported / supplied;
 - b) quantity of each item to be imported or wherever quantity cannot be indicated, value of item shall be indicated. However, if in SION, quantity and value of individual inputs is a limiting factor, same shall be applicable;
 - c) aggregate CIF value of imports; and
 - d) FOB / FOR value and quantity of exports / supplies.
- 4.12** (a) Exports / supplies made from the date of EDI generated file number for an Advance Authorisation, may be accepted towards discharge of EO. Shipping / Supply document(s) should be endorsed with File Number or Authorisation Number to establish co-relation of exports / supplies with Authorisation issued. The requirement of endorsement of file number or authorisation number on the shipping bill would be dispensed with once the EDI Data Transmission System for the shipments becomes operational.
- (b) If application is approved, authorisation shall be issued based on input / output norms in force on the date of receipt of application by RA in proportion to provisional exports / supplies already made till any amendment in norms is notified. For remaining exports, Policy / Procedures in force on authorisation issue date shall be applicable.
- (c) The export of SCOMET items shall not be permitted against an Authorisation application until and unless the requisite SCOMET Authorisation is issued.
- 4.12.1** Exports / supplies made in anticipation of grant of an Advance Authorisation shall be entirely on risk and responsibility of exporter.
- 4.12.2** Conversion of duty free shipping bills to drawback shipping bills may also be permitted by customs authorities in case application for an Advance Authorisation is rejected or modified by RA.
- 4.13** (a) Application for grant of Advance Authorisation or DFIA for Intermediate supply may be made on the basis of a tie-up agreement with exporter (physical / deemed) holding an Advance Authorisation or DFIA. RA concerned shall consider such requests.
- Advance Authorisation or DFIA for**

Intermediate Supplies

(b) Advance Authorisation or DFIA for Intermediate supply shall be issued after making Authorisation invalid for direct import of items, to be supplied by intermediate manufacturer. In such cases, a copy of the invalidation letter will be given to Authorisation holder and copy thereof will be sent to intermediate supplier as well as RA of intermediate supplier. Authorisation holder in such case has an option either to supply intermediate product to the holder of Advance Authorisation or DFIA or to export (physical / deemed) directly. Intermediate supplier can also supply the product(s) directly to the port for export by the ultimate exporter (holder of Advance Authorisation or DFIA). In such cases, shipping bill shall be in the name of the ultimate exporter with the name of intermediate supplier endorsed on it. However, once Electronic message transfer facility among the RAs becomes fully operational, sending copy of invalidation letter / ARO to jurisdictional RA shall not be required.

(c) Facility of Advance Authorisation shall be available even in cases where intermediate supplier has supplied or intend to supply material subsequent to fulfillment of EO by exporter holding Advance Authorisation / DFIA from where invalidation letter was issued.

**4.14
Advance Release
Order (ARO)**

An application may be made to RA concerned for grant of ARO to procure inputs from indigenous sources / STEs.

4.14.1

(a) Application shall specify:

- (i) name, description and quantity of items and
- (ii) individual value of items to be procured. An ARO may be issued along with Advance Authorisation / DFIA or subsequently, and its validity shall be co-terminus with validity of Advance Authorisation / DFIA.

(b) An ARO issued for procurement of an individual item shall be automatically valid for procurement from one or more indigenous sources.

**4.15
Back to Back Inland
Letter of Credit (L/C)**

Exporter may alternatively avail facility of a back to back inland letter of credit from banks. An Advance Authorisation / DFIA holder may approach a bank for opening an inland letter of credit (L/C) in favour of an indigenous supplier.

- 4.15.1** (a) Before opening the L/C, bank will ensure that necessary BG / LUT has been executed by Advance Authorisation / Non Transferable DFIA holder and an endorsement to that effect has been made on the Authorisation.
- (b) However, execution of BG / LUT shall not be required against transferable DFIA. After opening inland L/C, bank shall make following endorsement on Exchange Control and Customs copy of Advance Authorisation / DFIA:
- Value of this Advance Authorisation / DFIA stands reduced by a sum of Rs. _____, being value of inland L/C No. _____ opened today by authorisation holder in favour of M/s _____ (name and address of indigenous supplier).
- 4.15.2** Authorisation shall be invalidated by bank for direct import only in respect of full quantity and value of item being sourced indigenously.
- 4.15.3** Original Letter of credit (L/C) may be retained by bank for negotiation and only non-negotiable copy of L/C may be given to indigenous supplier.
- 4.15.4** Responsibility of bank shall be confined to making endorsement. Bank shall not be liable for any misrepresentation or false statement made by authorisation holder while requesting bank to make endorsement. Inland L/C opened by bank in favour of indigenous supplier shall not be cancelled for any reason whatsoever.
- 4.15.5** Non negotiable copy of inland L/C together with photocopy of Advance Authorisation / DFIA duly carrying endorsements made by bank shall be sufficient for indigenous supplier to claim deemed export benefits. L/C issued shall be entitled to benefits given in paragraph 8.3 (b) and (c) of FTP, as applicable.
- 4.15.6** Where import is permitted as an input under this scheme, gold / silver can be sourced through nominated agencies as given in FTP (Chapter 4) for supply against the Advance Authorisations/ DFIA issued. Before supply of material, nominated agencies should follow same procedure as given in paragraph 4.15.1 above.
- 4.16** (a) Imported material may be used in any unit of holder of Advance

Facility of Supporting Manufacturer(s)/ Jobber/co-licensee Authorisation or Non Transferable DFIA (subject to condition of paragraph 4.5 of this Handbook) or jobber / supporting manufacturer provided same is endorsed on authorisation by RA. If applicant desires to have name of any manufacturer or jobber added to authorisation, he may apply. Such endorsement shall be mandatory where prior import before export is a condition for availing Advance Authorisation / DFIA scheme and authorisation holder desires to have material processed through any other manufacturer or jobber.

(b) Upon such endorsement made by RA, authorisation holder and co-authorisation holder shall jointly and severally be liable for completion of EO. Any one of co-authorisation holders may import goods in his name or in joint names. BG/LUT shall also be furnished in their joint names.

(c) However, if authorisation holder is registered with Central Excise, he has an option of getting names of jobber endorsed by Central Excise as per Central Excise Rules in lieu of RA's endorsement. In case manufacturer exporter holding authorisation is not registered / not required to be registered with Central Excise authority, job work may be allowed as per Central Excise Rules and regulations without insisting for endorsement of supporting manufacturer's name. However, authorisation holder shall be solely responsible for imported items and fulfillment of EO.

4.17 In case BG / LUT has been redeemed, Advance Authorization holder can get duty free inputs processed from any manufacturer under Actual User condition as per job work regulations prescribed under Central Excise Rules. However such restriction shall not be applicable in case of transferable DFIA holder.

4.18
Acceptance of BG/LUT At the time of issue of authorisation, acceptance of undertaking given by applicant to RA concerned in relevant ANF will be endorsed on the reverse of Advance Authorisation. Authorisation holder shall execute Bank Guarantee / Legal Undertaking, as the case may be, in terms of para 2.20 of HBP v1.

4.19
Port of Registration
[Amended by PN-12 dated 26.7.2012] Advance Authorisation shall be issued for purpose of import and export through one of sea ports or airports or ICDs or LCS specified below. Authorisation holder shall register authorisation at the port specified in authorisation and thereafter all imports against said authorisation shall be made only through that port, unless the authorisation holder obtains permission from customs authority concerned to import through any other specified port. However, exports may be made through any of the specified ports.

Sea Ports: Bedi (including Rozi-Jamnagar), Chennai, Dahej, Dharamtar, Ennore (Tamil Nadu), Haldia, Jamnagar, Kakinada, Kandla, Kochi, Kolkata, Krishnapatnam, Mangalore, Marmagoa, Muldwarka, Mumbai, Mundhra, Nagapattinam, Nhava Sheva, Okha, Paradeep, Pipavav, Porbander, Sikka, Surat (Magdalla), Tuticorin, Vadinar, Vishakhapatnam, Karaikal (Union territory of Puducherry)

Air-ports: Ahmedabad, Bangalore, Bhubaneshwar, Chennai, Coimbatore Air Cargo Complex, Dabolim (Goa), Delhi, Hyderabad, Indore, Jaipur, Kochi, Kolkata, Lucknow (Amausi), Mumbai, Nagpur, Rajasansi (Amritsar), Srinagar, Trivandrum, Varanasi, Vishakhapatnam.

ICDs: Agra, Ahmedabad, Anaparthi, Bangalore, Babarpur, Bhadohi, Bhatinda, Bhilwara, Bhiwadi, Bhusawal, Chettipalayam (Tamil Nadu), Chheharata (Amritsar), Coimbatore, Dadri, Delhi, Dighi (Pune), Dappar, Dera Bassi, Dhannad Rau (District Indore), Daulatabad, (Wanjarwadi and Maliwada), Durgapur (Export Promotion Industrial Park), Faridabad, Garhi Harsaru, Guntur, Guwahati (Amingaon), Hyderabad, Irugur Village (Tamil Nadu), Jaipur, Jalandhar, Jamshedpur, Jodhpur, Kanpur, Karur, Kheda (Pithampur, District Dhar), Kota, Kundli, Loni (District Ghaziabad), Ludhiana, Madurai, Mallanpur, Mandideep (District Raisen), Merripalem, Guntur District (AP), Miraj, Moradabad, Nagpur, Nasik, Pimpri (Pune), Pitampur (Indore), Patli (Gurgaon) Pondicherry, Raipur, Rewari, Rudrapur (Nainital), Salem, Singanalur, Surajpur, Surat, Talegoan (District Pune), Thudiyalur (Tamil Nadu), Tirupur, Tuticorin, Udaipur, Vadodara, Varanasi, Veerapandi (Tamil Nadu), Waluj (Aurangabad), Tondiarpet (TNPM), Chennai.

LCS: Agartala, Amritsar Rail Cargo, Atari, Chengrabanda, Dawki, Ghojadanga, Hilly, Jogbani, Mahadipur, Nautanva (Sonauli), Nepalganj Road, Petrapole, Ranaghat, Raxaul, Singhabad, Sutarkhandi.

SEZ: As notified by Central Government any SEZ can be a specified port for import and export.

4.19.1 Commissioner of Customs may permit imports and exports from any other seaport / airport / ICD or LCS.

4.19.2 For imports from Airport / Seaport / ICD / LCS other than port of registration, a TRA shall be issued by the customs authority at the port of registration to customs authority at port of import. However, this

requirement of TRA shall not be required if the port of registration and port(s) of imports are EDI enabled and the authorisation holder has registered its authorisation.

- 4.20 Facility of Clubbing** Facility of clubbing shall be available only for redemption / regularisation of cases and no further import or export shall be allowed. For this facility, authorisations are required to have been issued under similar Customs notification even pertaining to different financial years. However, in case of Authorisations issued on or after 1.4.2004, Advance Authorisations with different customs notification can be clubbed. Advance authorisation for annual requirement can also be clubbed with the Advance Authorisation.
- 4.20.1** RA, under whose jurisdiction authorisation is issued or DGFT(HQs) in other cases, shall consider a request in ANF 4D for clubbing all imports and exports of more than one Advance Authorisation provided imported inputs are properly accounted for as per norms. Value addition of the authorisations so clubbed shall be average of minimum value addition prescribed in FTP and Procedure laid thereunder, imposed on individual authorisations. Upon clubbing, authorisations shall, for all purposes, be deemed to be one Authorisation and thereafter shortfall, if any, shall be regularized in terms of para 4.28 of HBP v1.
- 4.20.2** Deleted.
- 4.20.3** Only such Advance Authorisations shall be clubbed which have been issued within 18 months from the date of issue of the earliest authorisation that is sought to be clubbed, whether such authorisations are valid or not.
- 4.20.4** Upon clubbing wherever exports are accounted beyond the EO period of the earlier Authorisation, a composition fee of 0.5% of the shortfall in EO shall be levied.
- 4.20.5** No clubbing of authorisations issued on or before 31st March, 2004 shall be allowed. Further, no clubbing of authorisations covered under Appendix 30A of the HBPv1 or authorisations with less than 18 months EOP shall be allowed.
- 4.21 Enhancement/ Reduction in the value of Authorisation** (a) In respect of an Advance Authorisation, RA concerned (as per their financial powers) may consider a request for:
- i. enhancement / reduction in CIF value of Advance Authorisation;
 - ii. enhancement / reduction in CIF value, quantity of inputs, FOB

value and quantity of exports of an Advance Authorization;

provided VA after such enhancement does not fall below minimum VA stipulated in FTP and HBP v1 laid thereunder and there is no change in input-output norms and FTP under which Advance Authorisation was issued.

(b) However, in case of Advance Authorisation(s) issued prior to 27.8.2009 under the FTP, 2004-09, the following conditions shall apply for any enhancement in the value of the authorisation:

- i. Wherever exports are on or subsequent to 27.8.09, enhancement in CIF / FOB values shall be subject to a minimum VA of 15% or the VA prescribed in Appendix 11B, whichever is lower, for that component of exports.
- ii. Wherever exports are prior to 27.8.09, enhancement in CIF / FOB values shall be subject to a minimum VA of 15% or the VA prescribed in Appendix 11B, or the VA declared in the original Advance Authorisation application, whichever is lower.

4.21.1 Request for prorata enhancement in value and quantity may be made either before or after exports. In such cases where there is a change in SION prior to export of said product, pro-rata enhancement shall be given after calculating entitlement on revised SION.

4.21.2 The application for the enhancement/ reduction in the value of Authorisation shall be made in ANF 4E.

4.21.3
Application fee for enhancement Application fee leviable for enhancement would be on the difference in CIF values of original and final Authorisation. However, no application fee would be charged if value of Authorisation is being reduced or applicant has paid maximum fee of Rs 1,00,000 (for manual applications) and Rs 50,000 (for digitally signed applications) respectively in original application for Advance Authorisation/ DFIA.

4.22
Export Obligation (EO) Period and its Extension (a) Fulfillment Period of EO under an Advance Authorisation shall commence from Authorisation issue date, unless otherwise specified. EO shall be fulfilled within 18 months except in case of supplies to projects / turnkey projects in India / abroad under deemed exports category where EO

must be fulfilled during contracted duration.

(b) RA may consider a request of Advance Authorisation holder for one extension of EO upto six months from the EO expiry date subject to payment of composition fee of 0.5% of the shortfall in EO.

(c) EO period for Advance Authorizations issued with input (s) as mentioned in Appendix 30A shall be as per the period stipulated against each entry therein. Facility of extension of EOP shall not be allowed in cases of Advance Authorisations issued for these inputs or transferable DFIA. RA shall make an endorsement in Advance Authorisation to this effect. However, Regional Authority may grant extension of the Export Obligation Period beyond six months on case to case basis after ensuring the conformity of imported tea kept in stock for its re-export to the standard of quality of tea stipulated in the Tea (Distribution and Export) Control Order, 2005.

4.22.1

(a) Whenever a ban / restriction is imposed on export of any product, export obligation period in respect of Advance Authorisation already issued prior to imposition of ban, would stand automatically extended for a period equivalent to the duration of ban, without any composition fee.

(b) For the Advance Authorisation where raw sugar has been imported between 21.09.04 and 15.4.08, but the export obligation is yet to be fulfilled, the export obligation period stands automatically extended upto 31.03.2011 without payment of composition fee. Advance Authorisation holder has the option to pay the customs duty as applicable, on the date of import for the quantity of import proportionate to unfulfilled E.O. and get the case regularized accordingly.

4.22.2

Customs may allow provisional clearance of export consignment as and when Authorisation holder produces documentary evidence of having applied for EO extension to concerned RA.

**4.23
Revalidation of
Authorisation**

(a) RA may consider a request of original Authorisation holder and grant one revalidation for six months from expiry date. Request(s) for revalidation of Authorisation shall be made in ANF 4E.

(b) In case of revalidation of advance authorization issued prior to 27.8.2009, it should be ensured that VA is maintained at 15% (and as per details mentioned in para 4.1.6 of FTP) or as stipulated in the Advance Authorization, whichever is higher. However, for Advance Authorisations for products with VA as per Appendix 11B, the VA shall be as per the VA stated in Appendix 11B or as stated in Advance Authorisation, whichever is higher.

**4.24
Monitoring of
Obligation**

(a) RA, with whom undertaking is executed by Advance Authorisation holder, shall maintain a proper record in a master register indicating starting and closing dates of obligation period and other particulars to monitor EO.

(b) Within two months from the date of expiry of period of obligation, Authorisation holder shall submit requisite evidence in discharge of export obligation in accordance with paragraph 4.25 below.

(c) However, in respect of shipments where six months period (one year in case of status certificate holder and others as per RBI guidelines) for realisation of foreign exchange has not become due, RA shall not take action for non submission of bank certificate of exports and realisation provided other document substantiating fulfillment of EO have been furnished.

4.24.1

In case Authorisation holder fails to complete EO or fails to submit relevant information / documents, RA shall take action by refusing further Authorisations, enforce condition of Authorisation and Undertaking and also initiate penal action as per law.

**4.24A
Advance
Authorisation for
Annual Requirement**

(a) Exporters eligible for such Authorisations shall file an application in ANF 4A to RA concerned. All provisions as to Advance Authorisation given above would apply except the following:

(i) Authorisation holder shall have flexibility to export any product falling under export product group using duty exempted material.

- (ii) Within eligible entitlement, an exporter may apply for one or more than one authorisation in a licensing year, subject to the condition that against one Port of registration, not more than five authorisations can be issued for same product group. One time enhancement / reduction of the authorisation shall be available in terms of paragraph 4.21 above.
 - (iii) On completion of EO against one or more authorisations, all issued in same licensing year, entitlement of an exporter for that licensing year shall be deemed to be revived by an amount equivalent to EO completed against authorisation(s).
 - (iv) In respect of export product for which SION does not exist, the authorization holder shall submit an application in “Aayaat-Niryaat Form” along with prescribed documents to NC before making the shipment. The applicant shall also furnish Advance Authorisation for Annual Requirement No. and date along with the File No. from which the same was issued in the covering letter to the application.
 - (v) Name, description and quantity of each item to be imported.
- (b) At the time of clearance of the import consignment against the authorisation, exporter shall mention technical characteristics, quality and specifications which shall be endorsed in the Bill of Entry / invoice, duly attested by the Customs authority, in respect of following inputs:
- Alloy steel including stainless steel, copper alloy, synthetic rubber, bearings, solvents, perfumes/ essential oils/aromatic chemicals, surfactants, relevant fabrics and marble.

4.25 Fulfillment Of Export Obligation Authorisation holder shall furnish prescribed documents in ANF 4F in support of fulfillment of EO.

4.25A Discharge of export obligation against advance licences issued prior to 1.4.2002 Quantity Based Advance licences issued prior to 1.4.2002 shall be disposed off as per Public Notice No. 79 dated 2.1.2006, PN 151 dated 26.2.09, as amended from time to time.

4.26**Redemption / No
Bond Certificate**

(a) In case EO has been fulfilled, RA shall redeem the case. After redemption, RA shall forward a copy of redemption letter indicating shipping bill number(s), date(s), FOB value in Indian Rupees as per shipping bill(s) and description of export product in respect of shipment which were taken into account for the purpose of fulfillment of EO to Customs authority at port of registration. Such details shall also be placed by the Zonal Offices in their website immediately after issuance of export obligation discharge/redemption letter/No Bond Certificate (in case of “No BG / LUT” facility) and by DGFT Headquarter in DGFT website on monthly basis for customs authority to access it from website.

(b) Cancellation/ redemption of BG / LUT would be undertaken by Customs within 30 days of issue of Export Obligation Discharge Certificate (EODC) / bond waiver by RA.

(c) Ordinarily, redemption of BG / LUT shall not preclude customs authority from conducting random checks and from taking action against Authorisation holder for any misrepresentation, mis-declaration and default detected subsequently.

(d) Further RA shall also take action against authorisation holder in case of non-submission of Appendix 23, duly filled in, as stipulated in Paragraph 4.30 below or for any misrepresentation, misdeclaration and default detected subsequently in details declared and furnished in Appendix 23. An endorsement to this effect shall be made by RA in the redemption certificate.

**4.27
Transitional
Arrangement for
Authorisations issued
upto 26.08.2009**

(a) Advance Licences including Advance Licences for Annual Requirement issued upto 26.08.2009 shall be governed by provisions contained in Chapter-7 of HBP v1(RE-2001), Chapter 4 of HBP v1 (2002-2007) as Notified on 31.3.2002 and Chapter 4 of HBP v1 (2004-2009) as notified on 31.8.2004 respectively as amended from time to time, excepting provisions relating to clubbing and extension in E.O. period which shall be governed by provisions of paragraphs 4.20 and 4.22.1 respectively above and any other provision, as notified by DGFT.

(b) However, wherever Customs duty is to be paid on unutilised material, same shall be paid alongwith interest thereon as notified.

**4.28
Regularisation of
Bonafide Default**

Cases of bonafide default in fulfillment of EO may be regularised by RA as under:

- a) If EO is fulfilled in terms of value, but there is a shortfall in terms of quantity, the Authorisation holder shall, for regularization, pay:
 - (i) to customs authorities, customs duty on unutilized value of imported/ indigenously procured material along with interest as notified; however, for the customs duty component, the authorisation holder has the option to furnish valid duty credit scrips issued under Chapter 3 of FTP and DEPB; and
 - (ii) an amount equivalent to 3% of the CIF value of unutilised imported material through a TR in authorised branch of Central Bank of India indicating the "Head Account: 1453, Foreign Trade and Export Promotion and Minor Head 102". Authorisation holder shall also be required to obtain a separate authorisation for regularisation of excess imported input. However, provisions of this sub paragraph shall not be applicable if unutilised imported material was freely importable on the date of import.
- b) If the EO is fulfilled in quantity but there is shortfall in value, no penalty shall be imposed if Authorisation holder has achieved minimum VA prescribed. However, if VA falls below the minimum VA prescribed, Authorisation holder shall be required to deposit an amount equal to 1% of shortfall in FOB value in Indian Rupee through TR in authorised branch of Central Bank of India as above

or through EFT mode.

- c) Value wise shortfall shall be calculated with reference to actual quantity of exports and FOB value of realisation with reference to prorata quantity of imports and CIF value. For example, if export performance is only 50% quantitywise but import has been for complete CIF value permitted, then VA would be calculated on a prorata basis, i.e. with reference to 50% of CIF value of imports. This would accordingly imply that where Authorisation holder is unable to export, no penalty on valuwise shortfall shall be imposed.
- d) If EO is not fulfilled both in terms of quantity and value, the Authorisation holder shall, for the regularisation, pay as per a), b) and c) above.
- e) In case an exporter is unable to complete EO undertaken in full and he has not made any import under Authorisation, Authorisation holder will also have an option to get the Authorisation cancelled and apply for drawback after obtaining permission from Customs authorities for conversion of shipping bills to Drawback Shipping Bills.
- f) RA shall compare relevant portion of Appendix-23 duly verified and certified by Chartered Accountant/Cost & Works Accountants with that of norms allowed in Authorisation(s) and actual quantity imported against Authorisation(s) in the beginning of licensing year for all such Authorisations redeemed in preceding licensing year. In this verification process, in case it is found that Authorisation holder has consumed lesser quantity of inputs than imported, Authorisation holder shall be liable to pay customs duty on unutilized value of imported material, alongwith interest thereon as notified, or effect additional export within the EO period. However, for the customs duty component, the authorisation holder has the option to furnish valid duty credit scrips issued under Chapter 3 of FTP and DEPB.

4.29***Time Period For
Depositing Fines,
Customs Duty, etc.***

(a) Customs duty with interest to be recovered from Authorisation holder on account of regularisation or enforcement of BG / LUT, shall be deposited by Authorisation holder in relevant Head of Account of Customs Revenue i.e., "Major Head 0037 - Customs and minor head 001- Import Duties" in prescribed T.R. Challan within 30 days of demand raised by Regional / Customs Authority and documentary evidence shall be produced to this effect to RA / Customs Authority immediately. However, for the customs duty component, the authorisation holder has the option to furnish valid duty credit scrips issued under Chapter 3 of FTP and DEPB.

(b) On receipt of such documentary evidence from Authorisation holder, RA shall intimate details of recovery/ deposits made to Customs Authority at port of registration or Commissioner of Central Excise having jurisdiction over the factory of the Authorisation holder, as the case may be, under intimation to Joint Secretary (Drawback), Department of Revenue, Ministry of Finance, Jeevan Deep Building, New Delhi.

(c) Payment of duty, interest and any dues for regularisation shall, however, be without prejudice to any other action that may be taken by Customs Authorities at any stage under Customs Act, 1962.

4.30***Maintenance of
Proper Accounts.***

Every Advance Authorisation holder shall maintain a true and proper account of consumption and utilisation of duty free imported / domestically procured goods against each authorisation as prescribed in Appendix-23. These records are required to be sent to the concerned RA at the beginning of each licensing year for all those authorisations, which have been redeemed in previous licencing year. However, these records in said format are required to be submitted for authorisations issued on or after 13-05-2005. Such records should be preserved for a period of at least three years from date of redemption.

4.30A***Consideration of cases
against lost EP copy of
the Shipping Bills and
/ or Bank Realisation
Certificate***

(a) In case where Original EP copy of Shipping Bill / original BRC has been lost, request for EODC, No BG / LUT condition under Advance Authorisation / DFIA scheme or endorsement of transferability under DFIA scheme can be considered subject to submission of following documents in lieu of those original documents:

- (i) A duplicate / Customs Certified / Self-attested copy of the shipping Bill in lieu of the original; Duplicate / Bank certified copy of BRC in lieu of original;

- (ii) An application fee equivalent to 1% of duty saved amount. However, no fee shall be charged when such document is lost by Government agencies and a documentary proof to this effect is submitted;
 - (iii) An affidavit by exporter about loss of document and an undertaking to surrender it immediately to concerned RA, if found subsequently;
 - (iv) An indemnity bond by exporter to the effect that he would indemnify Government for financial loss, if any, on account of duty free import entitlement availed / allowed against lost Shipping Bills / BRC.
- (b) Customs Authority, before allowing redemption of BG / LUT or clearance after endorsement of “No BG / LUT condition” or endorsement of transferability, shall verify the genuineness of such shipping bill (s) and ensure that no double benefit against such shipping bill has been availed. This specific condition shall be endorsed by RA concerned on the EODC.

DUTY FREE IMPORT AUTHORISATION (DFIA) SCHEME

- 4.31** Policy relating to the Duty Free Import Authorisation (DFIA) Scheme is prescribed in Chapter 4 of FTP.
- 4.32** An application in ANF 4H along with documents therein, shall be submitted to RA concerned.
- 4.32.1** Guidelines as in paragraph 4.4.1 and 4.4.3 above would be adhered to.
- 4.32.2** However, in respect of following items, exporter shall be required to give declaration with regard to technical characteristics, quality and specification in shipping bill. RA while issuing DFIA shall mention technical characteristics, quality and specification in respect of such inputs:
- Alloy steel including Stainless Steel, Copper Alloy, Synthetic Rubber, Bearings, Solvent, Perfumes/ Essential Oil/ Aromatic Chemicals, Surfactants, Relevant Fabrics, Marble, Articles made of polypropylene,

Articles made of Paper and Paper Board, Insecticides, Lead Ingots, Zinc Ingots, Citric Acid, Relevant Glass fibre reinforcement (Glass fibre, Chopped / Stranded Mat, Roving Woven Surfacing Mat), Relevant Synthetic Resin (unsaturated polyester resin, Epoxy Resin, Vinyl Ester Resin, Hydroxy Ethyl Cellulose), Lining Material.

- 4.32.3 Facility for Split DFIA** Split Authorisations of DFIA subject to a minimum of CIF value of Rs. 10 lakhs each and multiples thereof may also be issued, on request at the time of seeking transferability. A fee of Rs. 1000/- each shall be paid for each split authorization. Split-up DFIA's shall be permitted with same Port of Registration as appearing on the original DFIA.
- 4.33** Provisions of paragraphs 4.6, 4.11, 4.12, 4.12.1, 4.18, 4.19, 4.21, 4.22, 4.23, 4.24, 4.26 and 4.28 of this Handbook shall also be applicable for DFIA Scheme.
- 4.34 DFIA for applicants with multiple units** Transfer of any duty free material imported or procured against actual user DFIA shall be governed by provisions of paragraph 4.5 above.
- 4.35 Re-export of goods imported under DFIA Scheme**
- (a) Goods imported against transferable DFIA, which are found defective or unfit for use, may be re-exported, as per DoR guidelines. In such cases 95% of CIF value debited against DFIA for export of such goods, shall be generated by concerned Commissioner of Customs as an Authorisation, containing amount generated and the details of original DFIA.
- (b) Based on the certificate, a fresh DFIA shall be issued by concerned RA. Fresh DFIA, so issued, shall have same port of registration and shall be valid for a period equivalent to balance period available on date of import of such defective/unfit goods.
- 4.36 Fulfillment of Export Obligation and maintenance of proper accounts of imports** Provision of paragraph 4.25 above shall apply. Original DFIA holder shall maintain a true and proper account of consumption and utilisation of duty free imported / domestically procured goods against each authorisation as prescribed in Appendix-23. These records are required to be sent to concerned RA along with request for bond waiver / redemption / discharge of export obligation/ transferability. Such records should be preserved for a period of at least three years from date of redemption.
- 4.36A Transferability of the** Once export obligation is fulfilled and required documents as stipulated in Paragraph 4.36 above have been furnished, RA shall make

DFIA authorisation transferable subject to conditions stipulated for this scheme including an endorsement on the authorisation itself as to liability of additional customs duty / excise duty in respect of imported / indigenously procured inputs, as the case may be, which have already been imported under Actual User DFIA and are sought to be transferred after fulfillment of E.O. DFIA holder shall deposit additional customs duty / excise duty alongwith applicable interest as per Customs Notification in relevant Head of Account of Customs Revenue i.e., “Major Head 0037 – Customs and Minor Head 001 – Import Duties” in prescribed T.R. Challan and furnish a documentary evidence to RA alongwith the application for endorsement of transferability.

DUTY ENTITLEMENT PASSBOOK (DEPB) SCHEME

- 4.37** Policy relating to Duty Entitlement Passbook (DEPB) Scheme is given in Chapter-4 of FTP. Duty credit under the scheme shall be calculated by taking into account deemed import content of said export product as per SION. VA achieved by export of such product shall also be taken into account while determining the rate of duty credit under the scheme.
- 4.38** Deleted
- 4.38A** Deleted
- 4.39** Deleted
- 4.40** Exports/imports made from specified Sea Ports, Airports, ICD & LCSs given in paragraph 4.19 above and made to any Special Economic Zone (SEZ), notified by Central Government, are entitled to DEPB.
- 4.40.1** DEPB shall be issued with single port of registration, which will be the port from where exports have been effected.
- 4.40.2** Each Custom House at ports shall maintain a separate record of details of exports made under DEPB.

- 4.41**
Credit under DEPB and Present Market Value
- (a) In respect of products where rate of credit entitlement under DEPB Scheme comes to 10% or more, amount of credit against each such export product shall not exceed 50% of Present Market Value (PMV) of export product. During export, exporter shall declare on shipping bill that benefit under DEPB Scheme would not exceed 50% of PMV of export product.
- (b) However, PMV declaration shall not be applicable for products for which value cap exists irrespective of DEPB rate of product.
- 4.42**
Utilisation of DEPB credit
- As notified in FTP.
- 4.43**
Application for DEPB
- An application for grant of credit under DEPB may be made to RA concerned in ANF 4G alongwith prescribed documents. Agency commission shall be allowed for DEPB entitlement upto 12.5% of FOB value only. FOB value in free foreign exchange shall be converted into Indian Rupees as per – exchange rate for exports, notified by Ministry of Finance, as applicable on the date of order of "Let Export" by Customs.
- 4.43A**
- In respect of consignment exports wherein exporter has declared FOB value on a provisional basis, exporter shall be eligible for final assessment of such shipping bill based on actual FOB realised upon sale of such goods in freely convertible currency.
- 4.43B**
- An application for grant of credit for supplies from DTA to SEZ can be made by DTA unit or SEZ unit. DTA unit may claim benefits either from RA or Development Commissioner concerned. In case claims have been filed with RA, RA while allowing benefits to the DTA unit will simultaneously endorse a copy of communication to concerned Development Commissioner alongwith details of export documents. In case DTA supplier prefers claim with Development Commissioner, the Development Commissioner will verify Denied Entity List (DEL) status of supplier from DGFT website before allowing DEPB benefits. SEZ unit will file application with Development Commissioner concerned in ANF 4G along with prescribed documents.
- 4.44**
- DEPB shall be issued with transferable endorsement.

**4.45
Monitoring of Realisation**

(a) RA shall monitor all such cases wherein the Scrip(s) has been issued without Bank Realisation Certificate (BRC) and ensure that the BRC is submitted within 12 months from the date of issuance of the Scrip. In case no RBI extension is produced, RA shall initiate action for recovery of the same. In such cases, DEPB holder (the original applicant) shall deposit in cash or through debit of the valid DEPB / adjustment of pending DEPB claim for an amount equivalent to the Duty Free Credit allowed. If amount realized in Free Foreign Exchange is less, then payable amount would be reduced proportionately. However, if the DEPB holder does not pay the amount within 60 days of the expiry of the 12 months time period from the date of issue of the Scrip, he shall be required to pay the said amount along with 15% interest per annum from the date of issuance of Scrip(s) for the Duty Credit for which BRC or Documentary evidence (evidencing realisation of export proceeds as required under FTP or the Procedure laid thereunder) could not be produced by the DEPB holder. In case he surrenders the unutilized / partially unutilized Duty Credit Scrip, then unutilized / partially unutilized Credit shall be deducted from the payable amount.

(b) In case of Cash Payment, the same shall be deposited in the Head of Account of Customs as stated in paragraph 4.29 above.

**4.46
Time Period**

(a) Application for obtaining credit shall be filed within a period of twelve months from the date of exports or the date of up linking of EDI shipping bill details in the DGFT website, or within three months from the date of printing / release of shipping bill, whichever is later, in respect of shipments for which claim has been filed. However, in case the application is filed along with BRC, the time period for filing shall be within a period of twelve months from the date of exports or six months from the date of realisation of export proceeds or the date of up-linking of EDI shipping bill details in the DGFT website or within three months from the date of printing / release of shipping bill, whichever is later, in respect of shipments for which claim has been filed.

(b) In case the FOB realisation in free foreign exchange is higher as per BRC than the FOB value in the shipping bill(s) on which original DEPB was issued, supplementary claim shall be filed within a period of six months from the date of realisation, in respect of shipments for which claim has been filed.

4.47

Wherever provisional shipment has been allowed by customs

authorities, DEPB against such exports shall be issued only after release of shipping bill by Customs. In such cases, application for DEPB shall be filed within six months from date of release of such shipping bill.

- 4.48
Frequency of Application** All shipping bills in any one application must relate to exports made from one Custom House only. There is no limit on number of shipping bills which can be filed through EDI mode in a single application.
- 4.49
Verification by Customs** In case of EDI shipping bills before 1.10.2005 and non-EDI shipping bills, RA shall ensure that while issuing DEPB, Shipping Bill No(s) and date(s), FOB value in Indian Rupees as per Shipping Bill(s) and description of export product are endorsed on DEPB. Before allowing imports against such DEPB, Customs shall verify that details of exports, as given on DEPB, are as per their records. However, in case of EDI shipping bills issued on or after 1.10.2005 from EDI ports which are being transmitted electronically by Customs to DGFT, DEPBs issued shall be sent to Customs at port of registration through an electronic message exchange system and DEPB shall be registered at port of registration electronically. No verification of shipping bills against which such DEPBs have been issued, will be required before allowing imports against these DEPBs.
- 4.50
Revalidation** No revalidation shall be granted beyond original period of validity of DEPB unless covered under paragraph 2.13.1 and paragraph 2.13.2 A of HBP v1.
- 4.51
Re-export of goods imported under DEPB Scheme** Goods imported under DEPB scheme, which are found defective or unfit for use, may be re-exported, as per guidelines given in paragraph 3.11.6 of HBP v1.
- 4.52
Issuance of DEPB and other duty credit certificates against lost EP copy of the Shipping Bills**
- (a) In case where EP copy of Shipping Bill has been lost, DEPB and other duty credit certificates, claim can be considered subject to submission of following documents:
 - (i) A duplicate / certified copy of Shipping Bill issued by Customs authority in lieu of original;
 - (ii) An application fee equivalent to 2% of the DEPB or other duty credit entitlement in respect of lost Shipping Bills.

However, no fee shall be charged when Shipping Bill is lost by Government agencies and a documentary proof to this effect is submitted;

- (iii) An affidavit by exporter about loss of Shipping Bills and an undertaking to surrender it immediately to concerned RA, if found subsequently; and
- (iv) An indemnity bond by exporter to the effect that he would indemnify Government for financial loss if any on account of DEPB or other duty credit certificate issued against lost Shipping Bills.

(b) Customs authority, before allowing clearance, shall ensure that no DEPB benefit has been availed against same shipping bill.

4.52.1

Claim against lost Shipping Bill shall be preferred within a period of six months from date of release of duplicate copy of shipping bill and any application received thereafter will be rejected. This is subject to the condition that the request for duplicate copy of Shipping Bill to Customs Authority was filed within the time period similar to that mentioned in paragraph 4.46 above. However, if a provisionally assessed DEPB shipping bill is lost, time period for filing an application for DEPB would be six months from the date of release of the finally assessed shipping bill.

4.53

Loss Of Original Bank Certificate

(a) In such cases where original Bank Realisation Certificate (BRC) has been lost, the DEPB claim can be considered subject to submission of following documents:

- (i) A duplicate copy of BRC issued by bank authority in lieu of original loss;
- (ii) An application fee equivalent to 2% of the DEPB entitlement in respect of lost BRC;
- (iii) An affidavit by exporter about loss of BRC and an undertaking to surrender it immediately to RA, if found subsequently;
- (iv) An indemnity bond by exporter to the effect that he would indemnify Government for financial loss, if any, on account of DEPB issued against lost BRC.

(b) Claim against lost BRC shall be preferred within a period of six months from date of realisation and application received thereafter will be rejected.

(c) In such cases, where both documents have been lost, exporter

shall follow procedure laid down in paragraph 4.52 and 4.53. Time period for such application shall be as per paragraph 4.52 and 4.53, whichever is later.

(d) Late cut provision stated in paragraph 9.3 shall be applicable.