

The Foreign Trade (Regulation) Rules, 1993

UNION OF INDIA

India

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Rule THE-FOREIGN-TRADE-REGULATION-RULES-1993 of 1993

- Published on 30 December 1993
- Commenced on 30 December 1993
- [This is the version of this document from 30 December 1993.]
- [Note: The original publication document is not available and this content could not be verified.]

The Foreign Trade (Regulation) Rules, 1993 Published vide G.S.R. 791(E), dated 30.12.1993, published in the Gazette of India, Extraordinary, Part II, Section 3(ii), dated 30.12.1993.

11.

/590 In exercise of the powers conferred by section 19 of the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992), the Central Government hereby makes the following rules, namely:--

Brought into force on 30.12.1993.

1. Short title and commencement. - (1) These rules may be called The Foreign Trade (Regulation) Rules, 1993.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions. - In these rules, unless the context otherwise requires,--

(a) "Act" means the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992); (b) "charitable purpose" includes relief of the poor, education, medical relief, and the advancement of any other object of general public utility; (c) "importer" or "exporter" means a person who imports or exports goods or services or technology and holds a valid Importer-exporter Code Number granted under section 7; (d) "licensing authority" means an authority authorised under sub-section (2) of section 9 to grant or renew a license, certificate, scrip or any instrument bestowing financial or fiscal benefits under these rules; (e) "Policy" means the foreign trade policy formulated and announced by the Central Government under section 5; [X X X] [Omitted clause (f) by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] (f) [Renumbered clause (g) as clause (f) by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] "section" means a section of the Act; (g) [Renumbered clause (h) as clause (g) by Notification No. G.S.R. 300(E),

dated 17.4.2015 (w.e.f. 30.12.1993).] "special license" means a license granted under sub-section (2) of section 8;(h)[] [Renumbered clause (i) as clause (h) by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] "value" has the meaning assigned to it in clause (41) of section 2 of the Customs Act, 1962 (52 of 1962);(i)[] [Renumbered clause (j) as clause (i) by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] words and expression used in these rules and not defined but defined in the Act shall have the meanings respectively assigned to them in the Act.

3. Grant of special license. - (1) Where the Importer-exporter Code Number granted to any person has been suspended or cancelled under sub-section (1) of section 8, the Director General may, having regard to the following factors, grant to him a special license, namely:-

(1)that the denial of a special license is likely to affect the Foreign Trade of India adversely; or(2)that the suspension or cancellation of the Importer-exporter Code Number is likely to lead to non-fulfilment of any obligation by India under any international agreement;(2)The special license granted to any person under sub-rule (1) shall be non-transferable.

4. [Application for grant of license, certificate, scrip or any instrumental bestowing financial or fiscal benefits.

- A person may make an application for the grant of a license, certificate, scrip or any instrument bestowing financial or fiscal benefits to import or export goods or services or technology in accordance with the provisions of the Policy or an Order made under sections 5 and 3 of the Act respectively.]

5. Fee. - (1) Every application for a [license, certificate, scrip or any instrument bestowing financial or fiscal benefits] for import shall be accompanied by the fee specified in the [Policy] [Substituted word "Schedule" by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993)].

(2)The mode of deposit of fee shall be as specified in the [Policy] [Substituted word "Schedule" by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993)].(3)No fee shall be payable in respect of any application made by--(a)the Central Government, a State Government or any department or any office of the Government;(b)any local authority for the bona fide import of [goods or services or technology] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] required by it for official use;(c)any institution set up for educational, charitable or missionary purposes for the import of [goods or services or technology] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] required for its use;(d)an applicant for the import of any [goods or services or technology] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] (other than a vehicle) if the import of the [goods or services or technology] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f.

30.12.1993).] is for his personal use which is not connected with trade or manufacture.(4)The fee once received will not be refunded except in the following circumstances, namely:--(i)where the fee has been deposited in excess of the specified scale of fee; or(ii)where the fee has been deposited but no application has been made; or(iii)where the fee has been deposited in error but the applicant is exempt from payment of fee.

6. Conditions of [license, certificate scrip or any instrument bestowing financial or fiscal benefits.]

(1)It shall be deemed to be a condition of every [license, certificate scrip or any instrument bestowing financial or fiscal benefits] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] for export that :-(i)no person shall transfer or acquire by transfer any [license, certificate scrip or any instrument bestowing financial or fiscal benefits] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] issued by the licensing authority except in accordance with the provisions of the Policy;(ii)the [goods or services or technology] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] for the export of which the [license, certificate scrip or any instrument bestowing financial or fiscal benefits] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] is granted shall be the property of the licensee at the time of the export.(2)The licensing authority may issue a [license, certificate scrip or any instrument bestowing financial or fiscal benefits] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] for import subject to one or more of the following conditions, namely:--(a)that the [goods or services or technology] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] covered by the [license, certificate scrip or any instrument bestowing financial or fiscal benefits] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] shall not be disposed of except in accordance with the provisions of the Policy or in the manner specified by the licensing authority in the license;(b)that the applicant for a [license, certificate scrip or any instrument bestowing financial or fiscal benefits] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] shall execute a bond for complying with the terms and conditions of the [license, certificate scrip or any instrument bestowing financial or fiscal benefits] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).].(3)It shall be deemed to be a condition of every [license, certificate scrip or any instrument bestowing financial or fiscal benefits] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] for import that :-(a)no person shall transfer or acquire by transfer any [license, certificate scrip or any instrument bestowing financial or fiscal benefits] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] issued by the licensing authority except in accordance with the provisions of the Policy;(b)the [goods or services or technology] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] for the import of which a [license, certificate scrip or any instrument bestowing financial or fiscal benefits] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] is granted shall be the property of the licensee at the time of import and upto the time of clearance through Customs;(c)the [goods or services or technology] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] for the import of which a [license, certificate scrip or any instrument bestowing financial or fiscal benefits] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f.

30.12.1993).] is granted shall be new [goods or services or technology] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).], unless otherwise stated in the [license, certificate scrip or any instrument bestowing financial or fiscal benefits] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).];(d)the [goods or services or technology] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] covered by the [license, certificate scrip or any instrument bestowing financial or fiscal benefits] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] for import shall not be exported without the written permission of the Director-General.(4)Any person importing [goods or services or technology] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] from the United States of America in accordance with the terms of the Indo-US Memorandum of Understanding on Technology Transfer shall also comply with all the conditions and assurances specified in the Import Certificate issued in terms of such Memorandum, and such other assurances given by the person importing those [goods or services or technology] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] to the Government of the United States of America through the Government of India.

7. [Refusal of great license, certificate, scrip or any instrument bestowing financial or fiscal benefits and recovery of benefits.]

(1)The Director General or the licensing authority may for reasons to be recorded in writing, refuse to grant or renew a [license, certificate scrip or any instrument bestowing financial or fiscal benefits] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] if--(a)the applicant has contravened any law relating to customs or foreign exchange;(b)the application for the [license, certificate scrip or any instrument bestowing financial or fiscal benefits] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] does not substantially conform to any provision of these rules;(c)the application or any document used in support thereof contains any false or fraudulent or misleading statement [or where any person makes or abets or attempts to make any export or import in contravention of any provision of the Act or any rules and orders made thereunder or the Policy] [Inserted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).];(d)it has been decided by the Central Government to canalise the export or import of [goods or services or technology] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] and distribution thereof, as the case may be, through special or specialised agencies;(e)any action against the applicant is for the time being pending under the Act or rules and Orders made thereunder;(f)[the applicant is or was a partner in a partnership firm(including a limited liability partnership) or is or was a Director or a company or a proprietor ship firm having controlling interest against which any action is for the time being pending under the Act or rules and Orders made thereunder;] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).];(g)the applicant fails to pay any penalty imposed on him under the Act;(h)the applicant has tampered with a [license, certificate scrip or any instrument bestowing financial or fiscal benefits] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).];(i)the applicant or any agent or employee of the applicant with his consent has been a party to any corrupt or fraudulent practice for the purposes of obtaining any other [license, certificate scrip or any instrument bestowing financial or fiscal benefits] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).];(j)the applicant is not eligible for a [license, certificate scrip or

any instrument bestowing financial or fiscal benefits] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] in accordance with any provision of the Policy;(k)the applicant fails to produce any document called for by the Director General or the licensing authority;(l)in the case of a [license, certificate scrip or any instrument bestowing financial or fiscal benefits] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] for import, no foreign exchange is available for the purpose;(m)the application has been signed by a person other than a person duly authorised by the applicant under the provisions of the Policy;(n)[the applicant has attempted to obtain or has obtained or has erroneously claimed Terminal Excise Duty, duty drawback, cash assistance benefits admissible to Importer-exporter Code holder or any other similar benefits from the Central Government or any agency authorised by the Central Government in relation to exports made by him on the basis of any false, fraudulent or misleading statement or any document which is false or fabricated or tampered with.] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).](2)The refusal of a [license, certificate scrip or any instrument bestowing financial or fiscal benefits] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] under sub-rule (1) shall be without prejudice to any other action that may be taken against an applicant by the licensing authority under the Act.[In case of any erroneous payment of Terminal Excise Duty, duty drawback, cash assistance benefits admissible to Importer-exporter Code holder or any other similar benefits from the Central Government or any agency authorised by the Central Government in relation to exports made by him, the Director General or the licensing authority may, after giving to that person a notice in writing informing him of the details of erroneous payment for which recovery or adjustment of arrears or claims is to be made and after giving a reasonable opportunity of making a representation in writing within such time, as specified therein and, if that person so desires, of being heard, authorise:(a)recovery of benefits as arrears of land revenue; or(b)by adjustment against future claimsafter recording reasons in writing, provided the Adjudicating Authority is satisfied with the facts relating to erroneous payment.] [Inserted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).]

8. Amendment of license. -The licensing authority may of its own motion or on an application by the licensee, amend any license in such manner as may be necessary or to rectify any error or omission in the license.

9. Suspension of a [license, certificate scrip or any instrument bestowing financial or fiscal benefits.]

(1)The Director General or the licensing authority may by order in writing, suspend the operation of a [license, certificate scrip or any instrument bestowing financial or fiscal benefits] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] granted to--(a)[any person, if an order of detention or conviction has been made against such person under the provisions of the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 (52 of 1974) or the Prevention of Money Laundering Act, 2002 (15 of 2003) or Foreign Exchange Management Act, 1999 (42 of 1999); or [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).](b)a partnership firm (including a limited liability partnership) or a company or a firm

or any other entity, if the person referred to in clause (a) is a partner or a whole-time Director or Managing Director or a proprietor, as the case may be, of such firm or company:] Provided that the order of suspension shall cease to have effect in respect of the aforesaid person or, as the case may be, [a partnership firm (including a limited liability partnership) or company or a firm or any other entity] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).], when the order of detention made against such person,--(i)being an order of detention to which the provisions of section 9 of the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 (52 of 1974) do not apply, has been revoked on the report of Advisory Board under section 8 of that Act or before receipt of the report of the Advisory Board or before making a reference to the Advisory Board; or(ii)being an order of detention to which the provisions of section 9 of the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 (52 of 1974) apply, has been revoked on the report of the Advisory Board under section 8 read with sub-section (2) of section 9 of that Act or before receipt of such report;(iii)has been set aside by a Court of competent jurisdiction.(2)The Director General or the licensing authority may by an order in writing suspend the operation of any [license, certificate scrip or any instrument bestowing financial or fiscal benefits] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] granted under these rules, where proceedings for cancellation of such [license, certificate scrip or any instrument bestowing financial or fiscal benefits] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] have been initiated under rule 10.

10. Cancellation of the [license, certificate scrip or any instrument bestowing financial or fiscal benefits.]

-The Director General or the licensing authority may, by an order in writing, cancel any license granted under these rules, if--(a)the [license, certificate scrip or any instrument bestowing financial or fiscal benefits] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] has been obtained by fraud, suppression of facts or misrepresentation; or(b)the [licensee or transferee] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] has committed a breach of any of the conditions of the [license, certificate scrip or any instrument bestowing financial or fiscal benefits] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).]; or(c)the [licensee or transferee] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] has tampered with the [license, certificate scrip or any instrument bestowing financial or fiscal benefits] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] in any manner; or(d)the [licensee or transferee] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] has contravened any law relating to customs or foreign exchange or the rules and regulations relating thereto.

11. [Declaration as to value, quantity and quality of imported goods or services or technology.

- On the importation into, or exportation out of, any customs ports of any goods or goods connected with services or technology, whether liable to duty or not, the owner of such goods shall in the bill of

entry or the shipping bill or any other documents prescribed under the Customs Act, 1962 (52 of 1962), state the value, quantity, quality and description of such goods or goods connected with services or technology to the best of his knowledge and belief and in case of exportation of goods or services or technology, certify that the quality and specifications of the goods connected with services or technology as stated in those documents, are in accordance with the terms of the export contract entered into with the buyer or consignee in pursuance of which the goods or goods connected with services or technology are being exported and shall subscribe a declaration of the truth of such statement at the foot of such bill of entry or shipping bill or any other documents.]

12. Declaration as to Importer-exporter Code Number. - On the importation into or exportation out of, any customs port of any goods [or goods connected with services or technology], the importer or exporter shall, in the bill of entry or shipping bill or, as the case may be, in any other documents prescribed by rules made under the Act or the Customs Act, 1962 (52 of 1962), state the Importer-exporter Code Number allotted to him by the Competent Authority. [Any person using someone else's Importer-exporter Code shall be held liable for violation of this rule and shall accordingly be liable for penalty under sub-section (2) of section 11.] [Added by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).]

13. [Utilisation of imported goods or services or technology.]

(1) No person shall use any imported [goods or services or technology] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] allotted to him by the State Trading Corporation of India or any other agency recognised by the Central Government in a manner and for the purpose, otherwise than as declared by him in his application for such allotment or in any document submitted by him in support of such application. (2) [No person shall dispose of any goods or goods connected with services or technology imported by him against a license, certificate, scrip or any instrument bestowing financial or fiscal benefits except in accordance with the terms and conditions of such license, certificate, scrip or any instrument bestowing financial or fiscal benefits.] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).]

14. Prohibition regarding making, signing of any declaration, statement or documents. - (1) No person shall make, sign or use or cause to be made, signed or used any declaration, statement or document for the purposes of obtaining a [license, certificate, scrip or any instrument bestowing financial or fiscal benefits] or importing [any goods or services or technology or goods connected with such services or technology] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] knowing or having reason to believe that such declaration, statement or document is

false in any material particular.

(2) No person shall employ any corrupt or fraudulent practice for the purposes of obtaining any [license, certificate, scrip or any instrument bestowing financial or fiscal benefits] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] of importing or exporting [any goods or services or technology or goods connected with such services or technology] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).];

15. [Power to enter premises and inspect, search and seize goods, documents, things and conveyances.

(1) Any person authorised by the Central Government under sub-section (1) of section 10 (hereinafter called "the authorised person") may, at any reasonable time—(a) enter and search any premises where the goods or materials which are liable to confiscation under the provisions of the Act are suspected to have been kept or concealed, stored or processed, manufactured, traded or supplied or received for the purposes of import or export or where any books of accounts or documents or things [including 'computer resource' as defined under the Information Technology Act, 2000 (21 of 2000), hereinafter referred to as IT Act, containing information in the form of 'electronic record' which, in his opinion, shall be useful for, or relevant to any proceedings under the Act are suspected to have been kept or concealed; or (b) enter and search any premises from which the services or technology or goods connected with such services or technology which are liable to confiscation under the provisions of the Act, are suspected to have been provided, supplied, received, consumed or utilised for the purpose of import or export or where any books of accounts or documents or things [including 'computer resource' as defined under the IT Act, containing information in the form of 'electronic record' which, in his opinion, shall be useful for, or relevant to any proceedings under the Act are suspected to have been kept or concealed: Provided that provisions of clause (b) shall be applicable, in case of import or export of services or technology, only when the service or technology provider is availing benefit under the foreign trade policy or is dealing with specified services or specified technologies; (c) break open the lock of any door, box, locker, safe, almirah or other receptacle for exercising the powers conferred by clauses (i) and (ii) where the keys thereof are not available; (d) search any person who has got out of, or is about to get into, or is in the premises, if the authorised officer has reason to suspect that such person has secreted about his person any such books of account or documents [including documents maintained in the form of 'electronic record' as defined under the IT Act] or things which, in his opinion, shall be useful for, or relevant to any proceedings under the Act; and (e) may inspect such goods or goods connected with services or technology, materials, books of accounts, documents or things [including 'computer resource' as defined under the IT Act containing information in the form of 'electronic record'] and may take such notes, copies or extracts therefrom as he may think fit or require any person who is found to be in possession or control of any books of account or other documents [including documents maintained in the form of 'electronic record'], to afford the authorised officer the necessary facility to inspect such books of account or other documents. (2) If the authorised person has reasons to believe that—(i) any imported goods or materials or goods or material for export (including goods or materials connected with services or technology) are liable to confiscation under the Act; or (ii) any books of accounts or documents or things [including 'computer

resource' as defined under the IT Act containing information in the form of 'electronic record'] which, in his opinion, will be useful for or relevant to, any proceedings under the Act, are secreted in any premises, he may enter into and search such premises for such goods, materials (including goods or materials connected with services or technology), books of accounts, documents or things or 'computer resource' as defined under the IT Act containing information in the form of 'electronic record'. (3)(a) If the authorised person has reason to believe that any imported goods or materials or goods or materials for export or goods or materials [including 'computer resource' as defined under the IT Act containing information in the form of 'electronic record'] connected with import or export of services or technology are liable to confiscation under the Act, he may seize such goods or materials together with the package, covering or receptacle, if any, in which such goods or materials are found to have been mixed with any other goods or materials : Provided that where it is not practicable to take physical possession of any such goods or materials and remove it to a safe place due to its volume, weight or other physical characteristics or due to its being of a dangerous nature, the authorised officer may serve an order on the owner or the person who is in immediate possession or control of such imported goods or materials or goods or materials for export or goods or materials connected with import or export of services or technology that he shall not remove, part with or otherwise deal with such goods or materials, except with the previous permission of the authorised officer and action of the authorised officer shall be deemed to be seizure of such valuable article or thing under this clause; (b) where any goods or materials or goods or materials [including 'computer resource' as defined under the IT Act containing information in the form of 'electronic record'] connected with services or technology are seized under clause (a) and no notice in respect thereof is given within six months of the seizure of the goods or materials or goods or materials connected with services or technology, the goods or materials shall be returned to the person from whose possession they were seized: Provided that the aforesaid period of six months may, on sufficient cause being shown, be extended by the Director General for a further period not exceeding six months; (c) the authorised person may seize any books of accounts or documents or things [including 'computer resource' as defined under the IT Act containing information in the form of 'electronic record'] which in his opinion, will be useful for, or relevant to, any proceedings under the Act; (d) the person from whose custody any documents are seized under this sub-rule, shall be entitled to make copies thereof or take extracts therefrom in the presence of the authorised person including documents maintained in the form of 'electronic record' as defined under the IT Act; (e) if any person legally entitled to the books of account or other documents or things [including 'computer resource' as defined under the IT Act] seized under this sub-rule objects, for any reason, to the retention by the authorised person of the books of account or the documents or things, he may move an application to the Central Government stating therein the reasons for such objection, request for the return of the books of account or documents or things; (f) on receipt of the application under clause (e), the Central Government may, after giving the applicant an opportunity of being heard, pass such order as it may think fit; (g) where any document or book of accounts or goods or materials [including 'computer resource' as defined under the IT Act containing information in the form of 'electronic record'] is/are produced or furnished by any person or have been seized from the custody or control of any person under the Act or have been received from any place outside India in the course of the investigation for any contravention referred to in section 11 by any person and such document is tendered in evidence against the person by whom it is produced or from whom it was seized or against such person or any other person who is jointly proceeded against, the Adjudicating

Authority shall, notwithstanding anything to the contrary contained in any other law for the time being in force, presume, unless the contrary is proved - (i) that such books of account, other documents, goods and materials [including 'computer resource' as defined under the IT Act containing information in the form of 'electronic record'] belong to or belongs to such person(s); (ii) that the contents of such books of account and other documents [including 'electronic record' as defined under the IT Act] are true; (iii) that the signature and every other part of such document which purports to be in the handwriting of any particular person of which the Adjudicating Authority may reasonably assume to have been signed by or to be in the handwriting of any particular person, is under the person's handwriting, and in the case of a document executed or attested, it was executed or attested by the person by whom it purports to have been so executed or attested; and (iv) admit the document in evidence notwithstanding that it is not duly stamped, if such document is otherwise admissible in evidence. (4) The authorised person, may, if he has reason to suspect that any conveyance or animal is being or is about to be used for the transportation of any imported goods or material or goods or materials for export or goods or material connected with services or technology which are liable to confiscation under the Act, and that by such transportation any provision of the Act has been, is being or is about to be contravened at any time, stop such conveyance or animal or in the case of aircraft compel it to land, and - (a) rummage and search the conveyance or any part thereof; (b) examine and search any goods or material or goods or materials connected with services or technology in the conveyance or on the animal; (c) if it becomes necessary to stop any conveyance or animal, he may use all lawful means for stopping it and where such means fail, the conveyance or animal may be fired upon, and where he is satisfied that it is necessary so to do to prevent the contravention of any provision of the Act or of the rules and orders made thereunder or the Policy or condition of any licence, certificate, scrip or any instrument bestowing financial or fiscal benefits, he may seize such conveyance or animal. Explanation. - Any reference in this rule to a conveyance shall, unless the context otherwise requires, be construed as including a reference to an aircraft, vehicle or vessel. (5) The authorised officer may requisition the services of any police officer or of any officer of the Central Government, or of both, to assist him for all or any of the purposes specified in sub-rules (1) to (4) and it shall be the duty of every such officer to comply with such requisition.]

16. Settlement. - (1) The adjudicating authority may determine the amount of settlement to be paid by the person to whom a notice has been issued and who has opted for settlement and has admitted the contravention specified in the notice, in the following cases, namely:--

(i) where it is of the opinion that the contravention of any provision of the Act or these rules or the policy has been made without mens rea or without wilful mistake or without suppression of facts, or without any collusion, or without fraud and forgery, or without an intent to cause loss of foreign exchange; or (ii) where the person importing the [goods or services or technology or goods connected with such services and technology] has not met the requirements of the actual user conditions as specified in the policy and has not mis-utilised the said [imported goods or services or technology] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).]; or (iii) where the person importing the [goods or services or technology or goods connected with such services and

technology] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] has not fulfilled the export obligation and has not misutilised the said [imported goods or services or technology] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).].(2)Where a person has opted for settlement under sub-rule (1), the settlement made by the adjudicating authority shall be final.

17. Confiscation and redemption. - (1) [Any imported goods or materials or goods or materials for export or goods or materials connected with import or export or services or technology] in respect of which--

(a)any condition of the [license, certificate, scrip or any instrument bestowing financial or fiscal benefits] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).], or letter of authority under which they were imported, relating to their utilisation or distribution; or(b)any condition, relating to their utilisation or distribution, subject to which they were received from or through, an agency recognised by the Central Government; or(c)[any condition imposed under the policy with regard to the sale, disposal, import or export of such goods or materials or goods or materials connected with services or technology; [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).]has been, is being, or is attempted to be contravened, shall together with any package, covering or receptacle in which such goods or goods connected with services or technology are found, be liable to be confiscated by the Adjudicating Authority, and where such goods or materials or goods or materials connected with services or technology are so mixed with any other goods or materials that they cannot be readily separated, such other goods or materials shall also be liable to be so confiscated:Provided that where it is established to the satisfaction of the adjudicating authority that any goods or materials or goods or materials connected with services or technology which are liable to confiscation under this rule, had been imported for personal use, and not for any trade or industry, such goods or materials or goods or materials connected with services or technology shall not be ordered to be confiscated.](2)The adjudicating authority may permit the redemption of the confiscated [goods or materials or goods connected with services or technology] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] upon payment of redemption charges equivalent to the market value of such [goods or materials or goods connected with services or technology] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).].

18. Confiscation of conveyance. - (1) Any conveyance or animal which has been, is being, or is attempted to be used, for the transport of any [goods or materials or goods connected with services or technology] that are [imported or meant for export] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] and which are liable to confiscation under rule 17, shall be liable to be confiscated by the adjudicating authority unless the owner of the conveyance or animal proves that it was, is being, or is about to be so used without the knowledge or connivance of the owner himself, his agent, if any, and the person in charge of the conveyance or animal and that

each of them had taken all reasonable precautions against such use.

(2)The adjudicating authority shall permit redemption of the confiscated conveyance or animal used for the [transport of goods or goods connected with services or technology] [Substituted by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993).] or passengers for hire upon payment of redemption charges equivalent to the market value of such conveyance or animal.[Omitted Schedule by Notification No. G.S.R. 300(E), dated 17.4.2015 (w.e.f. 30.12.1993)]

Schedule[See rule 5]The following fee shall be leviable in respect of the application for an import license, etc.:-{

SCALE OF FEE

S.No.	Particulars	Amount of fee
(1)	(2)	(3)
1.	Where the value of goods specified in application does not exceed rupees fifty thousand.	Rupees two hundred
2.	Where the value of the goods specified in the application exceeds rupees fifty thousand, but not exceed rupees one crore.	Rupees two per thousand or part thereof subject to a minimum of rupees two hundred
3.	Where the value of the goods specified in the application exceeds rupees one crore.	Rupees two per thousand or part thereof subject to a maximum of rupees one lakh and fifty thousand
4.	Application for grant of duplicate licence.	Rupees two hundred
5.	In case where import licence and other correspondence are required by speed post.	Rupees two hundred
6.	Application for issue of an identity card.	Rupees two thousand
7.	Application for issue of duplicate identity card in the event of loss of original card.	Rupees one hundred
8.	Extension of the period of shipment of an import licence.	Rupees two hundred
9.	Application for grant of split-up licences.	Rupees one thousand per split-up licence.

Note.- The amount of fee payable shall be rupees two hundred in respect of an application for import license by a small scale actual user or a registered exporter, for the import of raw materials,

components and spares where the value of the goods specified in the application does not exceed rupees two lakhs. |}