

Procedure for obtaining certification of import from STPI

STP/ EHTP units are free to import capital goods those required for creating STP infrastructure unless otherwise the same are in the prohibited list. These goods may be imported as per clause **6.01(d)** of Foreign Trade Policy (2015-2020) and **6.04** Hand Book of Procedures and customs notification 52/2003 dt. 31/3/2003. The following types of import are allowed by STP /EHTP units:

- Outright Purchase
- Loan basis from client / supplier / parent company
- Free of cost from client / supplier / parent company
- Bond – Bond sale
- High Sea Sale
- Lease basis (as per para 6.03 of [FTP 2015-2020](#) and as per para 6.04 of Handbook of Procedure 2015-2020)
- Second Hand Capital Goods (as per para 6.02 of [FTP 2015-2020](#) and as per para 6.04 of Handbook of Procedure 2015-2020).

Check List for Importation of duty free Capital Goods

- A request letter accompanied with Annexure IX and the Performa Invoice to STPI.
- The STP /EHTP unit should have :
 - Valid STP status
 - Valid Legal Agreement
 - Valid Private Bonded Ware House License (PBWHL)
 - CG balance is required to be sufficient inclusive of the CG proposed to be imported
 - CG should fall in the positive list of the FT Policy and within the purview of customs notification 52/2003 dt. 31/3/2003
 - Location of the unit, where the CG is proposed to be imported should be updated in the PBWHL.
- Cross verify the following with Annexure IX & Performa Invoice attached with the request letter for the appropriate
 - Name and Location of STP / EHTP unit
 - Name of Supplier and Country of Origin
 - Invoice No. & Date
 - Description of Goods
 - New Equipment/Used Equipment
 - Currency of the Invoice.

- Check whether the invoice is in CIF value or FOB Value. ***If the request is in FOB value add 21.125% to the FOB value and derive the CIF Value***
- Check type of import viz., Outright Purchase or Loan Basis or Free of Charge Basis etc.

If equipment is to be imported on **Loan basis** the invoice should clearly state that **materials are sent on Loan Basis for project purpose**. The equipment should be re-exported back to the supplier after completion of the project. If the loaned item is proposed to be converted into Outright Purchase then NOC for the same is required to be obtained from STPI by producing the consent letter from the client / supplier / parent company and with the revised invoice with the actual amount of equipment.

If the equipment is imported on **Free of Charge**, the invoice should clearly state that **“material are sent on Free of Charge of basis” or “The value is for Customs purpose only”**.

If the equipment is imported on **High Sea Sale basis**, request letter should be enclosed along with High Sea sale agreement.

If the equipment is imported on **Bond-Bond sale basis**, request letter should be enclosed with proof of 100% EoU status of the supplier. Also, the word “Bond-Bond Sale’ need to be indicated in the invoice.

If the equipment is imported on **Lease basis**, request letter should be enclosed along with Lease agreement.

If the capital goods to be imported are **second hand CG**, a self-declaration (format for Self Declaration is at (Annexure X) has to be enclosed with the import request and invoice.

In case, if the second hand Capital Goods being imported is more than 10 years old a chartered Engineer’s Certificate (format of Chartered Engineers Certificate is at Annexure XI) has to be produced with import request.

Import Approval Process by STPI

Once the import request is filed with STPI by STP member units, if all the requirements are fulfilled and satisfactory, import approval will be issued by STPI along with the duly attested Performa invoice. The CIF value of the imported CG will be deducted by the balance CG irrespective of the type of import and will be taken towards computation of Export Obligation. STP units are required to ensure that they operate within the imported capital goods (CG) limit as indicated in initial approval letter / LOP. Hence, at the time of each import the Initial CG Approved & the running balance, is mandatory to be shown in the Annexure IX. However, STP units can apply for enhancement of CG value on the CG balance exhausts or reaches 80% of the balance.

STP member units have to approach customs authorities along with the import approval issued by STPI for clearance of capital goods. After the clearance the unit has to approach STPI for bonding the equipment.

Please note, if the import approval is not utilized the unit shall apply for cancellation of the import approval within 6 months from the date of issuance of the approval. This results in CG getting credited with the existing CG balance.