

Application form for certificate from Department of Scientific and Industrial Research (DSIR) for exemption from Central Excise as per Government of India, Department of Revenue – Customs and Excise Notification No. 13/99 – Central Excise dated 28th February 1999 as amended by Notfn No.22/99.

(To be filled in by the company manufacturing patented products and claiming excise duty exemption)

1. Name of the company :
2. Address for correspondence, telephone/fax/ telex/ e-mail :
Head office:
Factory (location where the patented products are manufactured):
R&D centres:
Pan No:
3. Category of company: a) Public Ltd./Pvt. Ltd./Proprietary/
Partnership/ Others (state owned)
b) SSI/ Non- SSI
4. Are you a wholly Indian owned company as per notification No.13/99-CE? If not, provide details:
5. Details of DSIR recognition :
Number and date of latest renewal letter (enclose copy):
6. Products for which excise duty exemption is sought
7. Brief description of the Patented product/ technology (enclose a note giving the role of the patent in the new product, product brochures & value addition due to the patented technology to the product etc)
8. a) Details of patents on the basis of which excise duty exemption is sought (separately for each patent) (Attach Copies of Patents)

Name of the product	Title of the Patent	Patent No.	Date of sealing of the patent	Date of expiry of the patent

9. Do you hold patents on the basis of which the excise duty exemption is sought or the rights for using the same have been acquired by you through assignment or license? If the patent rights have been obtained on assignment or license please give the following details:-

- (a) Name of the assignor/ licensor
 - (b) Copy of the assignment/ license agreement
 - (c) Date of assignment licensing deed/ agreement and period of rate of payment and monetary value of payments.
 - (d) Are there any other patents pertaining to this product or products/ subsystems/ components there of which have not been licensed to you.
10. Do the patents obtained/ licenses to you cover the entire product for which excise duty exemption is sought.
11. Valuation of patented component with complete value of whole product and details of its/ their excisable value, rates of excise duty reference of schedules of excise tariff/ notification.
12. Are the goods manufactured / produced by you conform to the patents granted. If not give the deviations made. Also give details if these deviations are covered by other patents.

I certify that : i) the statements made above are correct to the best of my knowledge and belief, ii) the research, design, development and engineering work leading to the patents on the basis of which excise duty exemption is sought was carried out solely by a wholly Indian owned company, iii) the patents on the basis of which excise duty exemption is sought were obtained by a wholly Indian owned company and are valid for the period for which the excise duty exemption is sought and iv) the applicant company manufacturing patented products is a wholly Indian owned company as notification No.13/99-CE and the patents licensed/ assigned to the company are covered by a valid license/ assignment agreements in force for the period for which the excise duty exemption is sought, the licensee has a right to manufacture / produce and market the product in India as per the valid license agreement.

I further certify that products for which the excise duty exemption is sought conform to the patents on the basis of which excise duty exemption is sought from DSIR.

Signature & seal
Managing Director
Name and full address

Place:
Date:

Guidelines for exemption of goods patented in India and abroad from Central Excise Duty (Amended Version)

1. Preamble

Government of India, Department of Revenue, vide Notification No. 15/96-Central Excise dated 23rd July 1996 had exempted goods designed, developed and manufactured by a wholly owned Indian company provided they were patented in the countries as specified in the notification from Central excise for a specific period. The excise duty exemption was permissible subject to a certificate to be issued by DSIR as per the provisions in the notification. In order to operational the scheme of excise duty exemption on patented goods as per the said notification, DSIR had brought out guidelines and application form.

The Government of India, Department of Revenue, has incorporated certain amendments in their notification No. 15/96 . Central Excise dated 23.07.1996. The amendments were notified vide Government of India, Department of Revenue Notification No. 07/98- Central Excise dated 2.6.98.

2. The Provision

As per Notification No. 15/96 Central Excise dated 23rd July 1996, as amended by the Notification No. 07/98-CE dated 2nd June 1998, the Central Government being satisfied that it is necessary in the public interest to do so, has exempted all goods falling under the Schedule Central Tariff 1985 (5 of 1996) from the whole of the duty on excise leviable thereon under the Central Excises Salt Act, 1944 (1 of 1944) and the Additional Duties on Excise (goods of special importance) Act 1957 (58 of 1957) subject to the following conditions:

- (a) Such goods are manufactured by a wholly Indian owned company;
- (b) Goods are designed and developed by such Indian company.
- (c) The goods so designed are patented by such Indian company in any two countries from amongst.
 - a. India
 - b. U.S.
 - c. Japan
 - d. European Union (any one country)
- (d) That the manufacturer produces a certificate from the Department of Scientific and Industrial Research, Government of India to the affect that the said goods are designed and developed by a wholly Indian owned company and patented in any two countries from amongst, India, USA Japan and any one country of the European Union to the jurisdictional Commissioner of Central Excise and
- (e) The procedure as prescribed by the jurisdictional Commissioner of Central Excise is followed.

Provided further that nothing contained in this notification shall apply to such goods, which are cleared before or after a period of three years from the date of issue of the certificate by the DSIR.

9. The Scheme

Department of Scientific and Industrial Research has evolved a scheme for issuance of a certificate on goods manufactured by a wholly owned company provided they are designed and developed by a wholly Indian owned company and patented in any two countries from amongst India, USA Japan and any one of the European Union, by a wholly Indian owned company. The companies desirous of obtaining such certificates should apply to the Secretary, Department of Scientific and Industrial Research (Attention : Advisor, RDI), Technology Bhawan, New Mehrauli Road, New Delhi . 110016 in prescribed application format. The envelope containing the application should be superscribed %Application for Excise Duty Exemption for Patented Products.

In certain Cases, a portion/ sub-assembly or a component of a product may have been patented as mentioned above, but the rest of the product would not have been covered by product patent. In such cases, DSIR would issue the certificate pertaining to the patented portion of the product only, provided such portion or sub . assembly or the component of the product has an excisable value notified by the company and accepted by jurisdictional excise authorities and the said portion / sub-assembly/ component is subject to levy of a Central excise or additional excise duties as per the Excise Tariff in force. In cases a doubt arises whether the said portion/ sub-assembly/ component of the product is an excisable item or not, the matter would be referred to the Central Board of Excise and Customs the jurisdictional Excise Commissioner whose decision in this regard will be final.

10. Terms and conditions associated with the certificates

- i) Patents on the basis of which the excise exemption is given should remain valid and in force during the period of excise exemption. The patent renewal fees should be deposited, in time, by the patentee. In case the Patent is suspended, revoked or becomes invalid, Secretary, DSIR and the jurisdictional Commissioner of Central Excise should be informed immediately. Similarly, if the patent comes under a dispute or is challenged before the concerned authorities, Secretary, DSIR and the jurisdictional Commissioner of Central Excise should be informed immediately. Any failure in this regard may result in the imposition of excise duties whose exemption is wrongly availed of and or any other penal action permissible under the laws/ acts/ rules in force.
- ii) Any change in the capital structure of the company producing / manufacturing the excise duty exempted goods, particularly with regard to foreign equity participation should be immediately communicated to Secretary, DSIR and the Jurisdictional Commissioner, Central Excise. It may be noted that the Central Excise exemption is available only to wholly Indian owned companies.

- iii) The product/ goods should be manufactured strictly as per the patent. If any changes in the specification, material, construction, design and production process of the products/ goods granted excise exemption as per notification No. 15/96- Central Excise and amendment No. 7/98 . Central Excise is made, the company may submit a fresh application if it so desires, based on fresh patents if any obtained for the products/ goods incorporating the said changes.
- iv) Beer, wine, other alcoholic spirits, tobacco preparations such as cigars, cheroots, cigarettes, bidis, smoking mixtures, chewing tobacco, snuff , pan masala, any narcotic and psychotropic substances, arms, ammunitions and other items as may be notified by Central Board of Excise and Customs (CBEC) will not be eligible for excise duty exemption under the provisions notified vide NO. 15/96- Central Excise dated 23rd July 1996 of Govt. of India, Department of Revenue.
- v) In case the goods are manufactured under any license given by central/ state governments, the company furnishes an undertaking to the concerned commissioner of central excise that the terms and condition of the license have been adhered to.
- vi) The company availing of such benefits shall maintain separate production and sales records for such patented goods certified by DSIR for purposes of excise duty exemption.
- vii) The company shall submit a brief report on how the certificate was utilized during the validity period after completion of 3 years or validity of the certificate. The report should give total benefit or exemption received during validity period
- viii) The certificate issued by DSIR would entitle the company exemption from excise duty levy only on the products covered by the patent. This cannot be extended to formulations derived from the patented product or other derivatives produced from the patented product. However, MODVAT benefit will be available on derivatives/ formulations as per the normal excise tariff rules and procedures, ignoring the excise duty exemption obtained vide notification No. 15/96 dated 23rd July 1996 of Department of Revenue, Government of India.
- ix) Any violation of the above conditions will attract penal actions as per the relevant provisions in the Acts/ Law.
- x) The Excise duty exemption, quantum of tax concessions etc. if any will be governed by the tax laws in operation from time to time. All such matters should be taken up directly with the concerned tax authorities.