F.No. 01/94/180/376/AM99/Pol.4)

DIRECTORATE GENERAL OF FOREIGN TRADE

GOVERNMENT OF INDIA

MINISTRY OF COMMERCE

POLICY CIRCULAR NO. 60/97-2002 DATED: 24.12.98

**Subject:**

1. **Various categories of rupee payments which would be regarded as foreign exchange earned for the purpose of EPCG scheme.**
2. **Rolling over of pre export DEPB to the extent exports have been completed.**

1. Representations have been received regarding the services rendered by Hotel industry, the payment of which is received in Indian rupees for export obligation discharge under EPCG scheme. It has been decided that the following types of payments received in Indian rupees shall be considered for discharge of export obligation under EPCG scheme in addition to the direct earning in foreign exchange.

a. Payment received from foreigners in Indian rupees against encashment certificate.

b. Payment received in Indian rupees from travel agents/tour operators earned from hotel stay of foreign tourist (considered as foreign exchange under section 80HHD of Income Tax Act).

c. Payment received by (a) Air/Flight catering unit, stand alone and others and (b) By hotels for staying of foreign Airline crew from foreign airlines in indian rupees against their repatriable earnings.

d. Payment received in Indian rupees, from diplomats, embassies, UN organisation out of their convertible foreign exchange.

It is clarified that foreign exchange earned through money changers licence (not against hotel bills) shall not be treated as foreign exchange earnings for the purpose of EPCG scheme. In respect of the above services, the licence holder shall be required to submit a CA Certificate in lieu of Certificate from the bank.

1. Representations have also been received for allowing issuance of pre export DEPB to the extent of fulfillment of export obligation under previous pre export DEPB.

The issue has been examined and it has been decided that the licensing authorities may also grant, on application by the exporter, further pre export DEPB to the extent the export have already been completed in the previous pre export DEPB issued to such exporter. However, at no point of time, the value of pre export DEPB issued to such exporter shall exceed the entitlement given in paragraph 7.35 of the Exim Policy (RE-98), 1997-2002.

This issues with the approval of DGFT.

(Ajay Sahai)

Jt.Director General of Foreign Trade