

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
DIRECTORATE GENERAL OF FOREIGN TRADE
UDYOG BHAVAN, NEW DELHI-110011**

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POLICY CIRCULAR NO. 12 /(RE-2005)/2004-2009 Dated 27th June, 2005

Sub: Clarification regarding registration procedure that is being followed for import of all types of approved and unapproved drugs under the Advance Licensing Scheme.

Attention is invited to this office's Policy Circular No.9 (RE-2004)/2002-2007 dt. 30.6.2003 and Policy Circular No.15 (RE-2004)/2002-2007 dt. 17.9.2003. Certain problems have been pointed out by various exporters and the Licencing authorities in implementing the above Policy circulars. The issues are clarified as under.

2). In case where Advance Licence holders are exporting the goods which are manufactured from the raw materials procured from local sources, then they are not allowed to import from unregistered sources. In case exporters intend to procure the material either from registered sources or from local sources through ARO and Invalidation then the exemption facility given on the Advance Licences for importing from unregistered sources may be withdrawn and shall be modified to import from registered sources only. Once the imports are from registered sources, conditions governing normal Advance Licences are applicable in these cases-which include normal validity period and normal EO period.

3). In any case if the material is imported from unregistered sources and the licence holder has failed to export the goods, then the Advance Licences cannot be regularised on payment of applicable customs duties etc. Since the material is not to be allowed for consumption within India, the unregistered material may be allowed to be re-exported within valid Export Obligation period to the satisfaction of customs authorities that the material which was imported earlier is the same material that is being re-exported. It is reiterated that unregistered raw material under any circumstances is not allowed to be consumed within India. If the goods are re-exported then the advance licence obligations are deemed to have been discharged to that extent. If the EO period is not valid at the time of re-export then party need to pay necessary composition fee for extension of EO period if permitted under policy and procedure.

This issues with the approval of the DGFT.

(S.B.S.Reddy)
JT. DIRECTOR GENERAL OF FOREIGN TRADE

To,

All Licensing Authorities

All Commissioners of Customs.

(File No-01/94/180/EODC-SVIZERA LABS/AM05/PC-IV)