

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
DIRECTORATE GENERAL OF FOREIGN TRADE**

Policy Circular No. 16 (RE-2008) / 2004-2009

Dated: 4th July 2008

Subject: Grant of benefits under Promotional Schemes of Chapter 3 and Para 5.4(v) of FTP RE2007, clarification thereof.

Attention is invited to Para 5.4 (v) of EPCG Scheme - FTP RE2007. It is provided therein that "Foreign exchange counted towards fulfillment of EO (over and above the average) shall not be eligible for incentives / rewards under promotional measures / schemes". This clause has been deleted in FTP RE2008.

2. In so far as export of goods is concerned, it is clarified that Para 5.4(v) of FTP RE2007 applies to foreign exchange earned on exports made during 1.4.2007 till 31.3.2008 and does not apply to foreign exchange earned on exports made prior to 1.4.2007 or on exports made after 31.3.2008. Exporters (of goods) are required to declare the EPCG Authorisation / EPCG File No on the Shipping Bills, and only such shipments are counted towards EPCG EO (over and above the average). Accordingly, RAs must check the Shipping Bills to ensure that benefits granted under Chapter 3 of FTP does not include any shipment which has been endorsed for EPCG EO discharge.

3. RAs may undertake a special drive to cross check the above and report the same to headquarters within 45 days of issue of this circular. In case it is found that excess benefit for foreign exchange earned on exports made during 2007-08 has already been granted in a particular case, recovery may be effected immediately (by surrender of unused duty credit scrip, reducing the value of duty credit scrip, or deposit of TR challan, or any adjustment from any pending duty credit scrip application).

4. Further at the time of redemption of EPCG Authorisations for exporters (of goods) where foreign exchange earned on exports made during 1.4.2007 till 31.3.2008 is used for discharge of EO, RAs must examine this aspect once again to ensure that duty credit scrip has not been granted for foreign exchange earned on exports made during 1.4.2007 till 31.3.2008 which has been used for fulfillment of pending EO under EPCG Authorizations (over and above the average).

This issues with the approval of the [DGFT](#).

Sd/-

(A. K. Singh)

Joint Director General of Foreign Trade

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To
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