Government of India
Ministry of Commerce
Directorate General of Foreign Trade
Udyog Bhavan, New Delhi – 110 011.

Policy Circular No. 18 /2009-2014 **Dated 8.12. 2009**

To

R.As./
Customs Authority/
Trade & Industry

Subject : Admissibility of DEPB benefit under DEPB entry number 507 meant for the export product "Rubber Compounded Sheets/Rings/Gasket" falling under the product Group "Chemicals" (Product Code: 62).

Attention is invited to the DEPB entry serial number 507 (earlier entry No.547) for the export product "Rubber Compounded Sheets/Rings/Gasket" stated their in. Representations were received from Trade and Industry earlier as to whether "Door mats/Rubber mats" are covered under the DEPB entry serial No.507 of Product Group "Chemicals" in the DEPB Rates Schedule. It is informed that an petition (s) filed by the petitioners in the Hon'ble High Court of Kerala, the Hon'ble High Court directed to issue clarification in this regard.

2. Accordingly, the matter was again taken up in the DEPB Committee (Inter-ministerial Committee having representatives of Technical Authority as well) meeting held on 29th October 2009 and after detailed deliberations, the following decisions was taken:-

> " Committee discussed the case afresh in details . Technical members present in the committee were of firm view that the said DEPB entry is meant for the specific export product i.e. "Rubber Compounded Sheets/Rings/Gasket." Committee was of the view that "Doormats/Rubber mats" are further value added product and hence the export price of Doormats/Rubber mats, in normal case, shall be higher than the price of Rubber Compounded Sheets. It also noted that all Industry DEPB rates are calculated based on customs duties on specific inputs used, their import prices and the export price of the final product and hence more the value addition, the less the DEPB rate. Committee observed that the DEPB rate and the value cap notified against the product as indicated in the DEPB entry serial number 507 (earlier entry No.547)of "Chemicals" product Group was based on the price parameters for the product "Rubber Compounded Sheets/ Rings/Gasket" only and not for the value added products such as "Doormat/Rubber mats". Accordingly the Committee decided to recommend DGFT for issuance of clarification in compliance with Hon'ble High Court order , as stated above."

3. Hence it is clarified for information to all concerned that the product "Doormat/Rubber mats" is not covered under the DEPB entry meant for the product "Rubber Compounded Sheets/ Rings/Gasket" mentioned in the DEPB rate schedule.

This issues with the approval of Competent Authority.

Sd/-
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