

Government of India
Ministry of Commerce
Directorate General of Foreign Trade
(P.C-IV Division)
Policy Circular No. 26(RE-99)/99-2000/
Dated 9.8.99

ALL LICENSING AUTHORITY
ALL COMMISSIONERS OF CUSTOMS

Subject:

1. Applicability of FOB restriction on imports made under the DEPB scheme in respect of clubbing of one or more DEPB.
2. Submission of application within the prescribed time.

Attention is invited to S.No.23 of Public Notice No. 10 dated 7.6.99 which has amended paragraph 7.38 by adding that CIF value of imports effected under the DEPB shall not exceed the FOB value against which the DEPB has been issued. The licensing authorities shall incorporate an endorsement to this effect on the DEPB and shall also mention the FOB value in (indian rupees) on the DEPB.

Clarifications have been sought with regard to applicability of the above provisions in cases where more than one DEPB is produced for clearance of a particular consignment. The matter has been examined. It is clarified that in cases where the clearance is sought after clubbing different DEPBs, the FOB value taken for CIF restriction shall be proportionate to the credit availed against such DEPBs by the importer. For example, if importer has X DEPB with FOB value of Rs.1 crore mentioned on it against DEPB credit of Rs.10 lakhs and the importer want to use a credit of Rs.2 lakhs from the X DEPB for clubbing with other DEPB, the FOB value taken for restriction against X DEPB shall be Rs.20 lakhs and the total imports allowed against X DEPB shall not exceed Rs.20 lakhs. Similarly, if the X DEPB is clubbed with Y DEPB having FOB value of Rs.5 crore mentioned on it with a DEPB credit of Rs.1 crore and the credit being used from Y DEPB is Rs.20 lakhs, the FOB value taken for restriction from Y DEPB shall be Rs.1 crore. Therefore, where X and Y DEPB are clubbed for adjustment of credit for Rs. 22 lakhs, the FOB value taken for CIF restriction shall be Rs. 1.20 crores and the CIF value of imports in this case shall not exceed Rs.1.20 crores.

2. References have been received with regard to consideration of an application within the prescribed time limit. It has been observed that the licensing authorities are following different practices while considering whether a particular application has been submitted in time or not. It is clarified that wherever the application has been submitted alongwith the prescribed documents as mentioned in the Handbook (Vol.1) for such category of application in time, such applications shall be treated as a complete application which is submitted in time though there may be some deficiencies in the application or documents. However, if an application has been submitted in time without the prescribed documents as mentioned in Handbook (Vol.1) and the prescribed documents are submitted after the time limit specified for such category of the application, the initial application shall not be considered in time and shall be subjected to late cut or rejection, as the case may be.

This issues with the approval of DGFT.

(Ajay Sahai)

Jt. Director General of Foreign Trade

(F.No.01/91/180/204/AM99/Pol.IV)