

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE
DIRECTORATE GENERAL OF FOREIGN TRADE
(PC-IV SECTION)**

Policy Circular No 16 (RE-00)/2000-2001

Dated: 13th July, 2000

**ALL LICENSING AUTHORITIES
ALL CUSTOM HOUSES**

Subject :- 1. DEPB rates for chemical formulations consisting of more than one bulk drug where all the constituent drugs are either specified in Appendix- 28A i.e. having specified DEPB rates or are non-specified ones.

2. Non applicability of value caps, as imposed on Bulk Drugs, on chemical formulations consisting of such Bulk Drugs.

1. Attention is invited to Policy Circular No. 39 dated 22-1-99 containing the guidelines for calculating the DEPB rates for chemical formulations consisting of more than one bulk drug where some constituent drugs are having specified DEPB rates while others are non-specified ones. Various representations have been received claiming that the Customs have been calculating the net DEPB rates for a chemical formulation by averaging the individual rates for constituent drugs even if all of them are non-specified ones. In this context it is clarified that :

(i) For chemical formulations consisting of only non-specified drugs for all of which there is no specified DEPB entry available in Appendix- 28A, the DEPB credit shall be granted as per the rate specified against the entry at S.N.40 irrespective of the weight content of the constituent Bulk Drugs.

(ii) For chemical formulations consisting of only specified drugs for all of which there is a specified DEPB entry available in Appendix-28A, the DEPB credit shall be calculated as per note(b) mentioned against the entry at Sl.No.37.

2. Some representations have been received from exporters wherein they have claimed that the Customs are interpreting the value caps as imposed on Bulk Drugs, to be applicable on the chemical formulations consisting of such bulk drugs. In this connection it is clarified that the value caps, as imposed on bulk drugs, shall not be applicable to chemical formulations consisting of such bulk drugs.

This issues with the approval of the Director General of Foreign Trade .

(Kiran Sehgal)
Dy. Director General of Foreign Trade