F.No. 01/92/180/00259 /AM00/PC.II

Government of India

Ministry of Commerce

Directorate General of Foreign Trade

Udyog Bhawan, New Delhi –110 011

Policy Circular No. 18 (RE-99)/99-2000,dated 7.7.1999

To

1. All Licensing Authorities
2. All Commissioners of Customs and Excise
3. The Federation of Indian Export Organizations, New Delhi
4. The Export Promotion Councils/Commodity Boards
5. All Chambers of Commerce and Industries/Associations on the

mailing list.

Subject : Clarification regarding grant of EPCG Licence on debonding.

Sir,

Attention is invited to Para 9.27 of Exim Policy, 1997-2002 (RE: March, 1999) read with para 6.7 of Handbook of Procedures, (Vol.1), 1997-2002 (RE: March, 1999). Accordingly, an EOU/EPZ/EHTP/STP unit may be permitted by the concerned Development Commissioner, as a one time option, to debond under the prevailing EPCG Schemes.

2. In the Exim Policy, 1997-2002 (RE: March,1999) effective from 1.4.1999, Second Hand Capital Goods is not allowed for import under EPCG scheme. A doubt has been raised, whether an EOU/EPZ/EHTP/STP unit which had imported second hand capital goods can now debond under EPCG scheme or not. In this context, it is clarified that in view of paragraph 9.27 of Exim Policy, 1997-2002 and para 6.7 of Handbook of Procedures, 1997-2002 (RE : March, 1999) , debonding of these units under EPCG scheme can be allowed.

3. This issues with the approval of DGFT.

Yours faithfully,

(L.B.Singhal)

Joint Director General of Foreign Trade