

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE
DIRECTORATE GENERAL OF FOREIGN TRADE

POLICY CIRCULAR NO. 28(RE-98) , DATED: 28th July, 1998

Subject:-Clarification on Exim Policy
/Handbook of procedures related issues.

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1. Attention is invited to paragraph 5.2 of Exim Policy (RE-98), 1997-2002 which allows import of second hand capital goods with Actual User condition provided the capital goods has a residual life of 5 years. It is clarified that import of second hand spares along with capital goods is also allowed freely with Actual User condition and the condition of residual life of 5 years as applicable to capital goods shall not apply to such second hand spares.
2. Reference is invited to paragraph 12.7(a) of Exim Policy (RE-98), 1997-2002 as amended by Public Notice No. 9(RE-98). It is hereby clarified that the benefit of additional SIL as given in paragraph 12.7(a) of Handbook of Procedures (Vol.1) 1997-2002 which covers benefits as listed in 12.7(a)to(e) shall be applicable to the exports made on or after 1.4.97 but the benefits of paragraph (f) in addition to (a) to (e) shall only be given on exports made on or after 1.4.98.
3. Attention is invited to paragraph 7.23 of Handbook of Procedures (Vol.1) (RE-98) 1997-2002 relating to revalidation of licence. It has been reported that some of the licensing authorities are asking for Bank Realisation Certificate even for revalidation of Advance licence. It is hereby clarified that Bank Realisation Certificate should not be insisted while considering the request for revalidation of Advance licence.
4. Reference is invited to paragraph 6.5(i) of Exim Policy (RE-98), 1997-2002 which has provided for export of

further value added product under EPCG scheme with consequent enhancement in export obligation by 50%. Representations have been received to allow this facility even in respect of licenses issued prior to 13.4.98. The issue has been examined and it has been decided that the above facility shall be extended to the licenses issued prior to 13.4.98 in respect of which no separate enhanced value addition has already been fixed.

5. It has been reported that consignments of exports of silk garments are not being allowed for export under Duty Entitlement Passbook scheme unless pre-shipment inspection certification from Central Silk Board is produced. The matter has been examined in consultation with Ministry of Textiles and it has been decided that pre-shipment inspection certification by Central Silk Board is not required for exports of silk garments under DEPB scheme.
6. References have been received as to whether the value cap for calculation of DEPB entitlement imposed against various types of garment under product group 'textile' is applicable to knitted and/or woven garments. It is clarified that the value cap imposed on various types of garments are applicable both for woven as well as knitted garments.
7. Attention is invited to paragraph 3(d) of notification No. 2 (RE-98)/97-2002 dated 13.4.98 wherein serial number 21 of Schedule 2, Appendix I of the book titled ITC(HS) Classification of Export and Import) item , 1997-2002 has been amended. The said serial number 21 allows exports of physician samples not for sale/free samples of medicines or pharmaceutical formulations by a firm, whether accompanying the commercial quantity or being exported separately upto 1% of the export of medicines/ pharmaceutical formulations in the preceeding licensing year. It has been represented that the export of samples of medicines or pharmaceuticals which have not been exported in the preceeding licensing year is not being allowed.

It is hereby clarified that export of samples of medicines/ pharmaceuticals formulations upto 1% of the FOB value of exports of all medicines/pharmaceuticals formulations taking together made during the preceeding licensing year is the maximum value upto which medicines/

pharmaceuticals formulations can be exported in a licensing year. Within this overall value, the exporter can export any samples of medicines/ pharmaceuticals formulations including the newly developed one which have not been exported in the past.

This issues with the approval of DGFT.

(Ajay Sahai)

Dy.DGFT,

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