

Government of India
Ministry of Commerce & Industry
Directorate General of Foreign Trade
Udyog Bhawan, New Delhi 110 011

Policy Circular No. 04 (RE-2010)/2009-14

Dated: 29.11.2010

To

The Regional Authority /
Customs Authority /
Trade & Industry

Subject: Export of Cotton Yarn not entitled to DEPB benefit under the DEPB Rate Schedule.

It was stated in the DGFT Public Notice No. 57 dated 21.4.2010, that *Export of "Cotton yarn including Melange Yarn" appearing at DEPB entry Sl. No. 78 of the Product Group "Textiles" shall not be entitled for DEPB benefit from immediate effect.* Thereafter references have been received from Trade and Industry and Regional Authorities of DGFT seeking to know whether export of cotton yarn shall be entitled for DEPB benefit @ 1.5% under DEPB entry Sl. No. 22D of the Misc. Products (Product code 90).

2. Benefit of DEPB under Sl. No. 22D of the Misc. products is available only when, Standard Input Output Norms (SION) exist for a product, but no DEPB rate has been notified. In the case of Cotton Yarn, it is not that DEPB Rate has not been notified but actually, the notified specific DEPB benefit has been suspended as per Public Notice of 21.4.10, as described in para 1 above.

3. Accordingly, it is clarified that exports of "Cotton Yarn" is not entitled for any DEPB benefit either under entry 78 of Product Group Textiles (as was notified already on 21.4.10), or even under the residual entry at Sl. No. 22D of the Product Group "Misc. products" of the DEPB rate schedule.

This issues with the approval of DGFT.

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[Issued from F. No. 01/94/180/002/AM 11/PC 4(B)]