

Government of India
Ministry of Commerce
Directorate General of Foreign Trade
Udyog Bhavan, New Delhi – 110 011.

Policy Circular No. 91 (RE-08)/2004-2009

Dated 21 . 05 .2009

To

All Regional Authorities/
Customs Authority/
Trade Industry.

Subject : “Error 96” cases and their online validation under DEPB Scheme - Regarding.

DEPB Scheme has been made on-line since October, 2005 wherein the on-line data flowing through Electronic Message Exchange System between Customs and DGFT & vice-versa, requires validation at the Customs end.

2. In case of any change at the time of issuance of DEPB Scrip by the Regional Authority (RA), which is different from that of the parameters in the shipping bill (as transmitted by Customs), all such DEPB cases are reflected as “Error 96” cases and are required to be examined and sent as Flag ‘M’ by the DGFT Headquarters to the Customs authority for acceptance of the same on-line by them for clearance of the import consignments against the said DEPB Scrip.

3. Representations have been received from trade and industry that because of “Error 96” cases on account of change in Serial Number of the DEPB Entry by the RA concerned, a number of DEPBs are not being honoured for clearance at the Customs end. The matter has been examined in detail and it has been observed that these “Error 96” cases relating to change in the DEPB Entry Serial Number fall under the following categories:-

- (i) Cases, wherein the amendment sheet has been issued by the customs subsequent to the issue of the shipping bill(s) and DEPB has been issued accordingly by R.A. taking into account the amendment sheet so received ;
- (ii) Cases, wherein the DEPB serial number has been changed by RAs based on the actual serial number as per the DEPB Rate Schedule leading to:-
 - (a) Reduced rate or same rate thereby allowing reduced or same entitlement to that endorsed in the shipping bills
 - (b) Enhanced rate leading to enhanced entitlement to that endorsed in the shipping bills.

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The matter was discussed in detail with Department of Revenue and the following decisions have been taken:-

- (i) In case the DEPB Entry Serial Number is changed by the Regional Authority, thereby

reducing or retaining the DEPB rate at the same level as that endorsed in the shipping bill, the matter need not be brought before DEPB Committee, and such DEPBs will be sent with Flag 'M' by DGFT Hqrs and accepted by the Customs authorities.

(ii) In case DEPB entry Sl. No. has been changed by Customs authorities (by way of an amendment sheet) subsequent to issuance of Shipping Bills, then if the DEPB rate is either reduced, remains the same or is increased because of such subsequent change, the matter shall not be referred to DEPB Committee and such DEPBs will be sent with Flag 'M' by DGFT Hqrs. and accepted by the Customs authorities.

(iii) In case DEPB rate increases due to change in DEPB Sl. No. by R.A. (without any amendment of shipping bill(s) by Customs authority), RA shall refer all such cases alongwith details and required documents to DEPB Committee for a decision, before issuance of DEPB.

3. Accordingly, for cases wherein the entitlement/ rate increases due to subsequent amendment of Shipping Bills by Customs authority, all the Regional Authorities shall henceforth use "remarks" column available in application software to endorse the specific Customs amendment letter number and date as to facilitate NIC officials at DGFT Hqrs. to identify all such "Error 96" cases, to enable DEPB Committee to take an early decision to forward such cases for validation on regular basis to DG (System) with Flag 'M'.

4. In respect of cases at (iii) above, RA shall refer all such cases to DEPB Committee before issuance of DEPB, for taking decision by DEPB Committee.

This issues with the approval of Competent Authority.

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