

Government of India
Ministry of Commerce and Industry
Department of Commerce

NOTIFICATION No: 37 (RE-2001) 1997-2002
NEW DELHI: the 2nd November, 2001

In exercise of the powers conferred by section 5 of the Foreign Trade (Development and Regulation) Act, 1992 (No. 22 of 1992) read with paragraph 1.3 of the Export and Import Policy, 1997-2002 (incorporating amendments made upto 31.03.2001), the Central Government hereby makes following amendments in the Export and Import Policy, 1997-2002 (incorporating amendments made upto 31.03.2001).

- 1) The last sentence of paragraph 6.2 is corrected as:
“ However imports of spares under this scheme would be restricted to 20% of the CIF value of the capital goods.”
- 2) At the end of para 9.1 a new sub para is inserted as under:
“EOU/ EPZ/ EHTP/ STP units including Gems and Jewellery Units with actual investment in plant and machinery of Rs 5 crores and above (both imported and indigenous) shall have only positive NFEP.
- 3) At the end of para 9.2, the following new sub para is inserted:
“ EOU/ EPZ/ EHTP/ STP unit , other than trading, service unit, may also export to Russian Federation in Indian rupees against repayment of State Credit / Escrow Rupee Account of the buyer subject to RBI clearance.”
- 4) Para 9.8 is substituted by the following:-
"In other cases, approval may be granted by the Board of Approval (BOA) set up for this purpose as notified and indicated at Appendix 16 L.”

Proposals requiring industrial licence may be considered by the Board of Approval on a case to case basis."

- 5) Para 9.17(b) is substituted by the following:-
"EOU/EPZ units may, on the basis of annual permission from the Customs Authorities, undertake job-work for export, on behalf of DTA exporter, provided the goods are exported directly from the EOU/EPZ units and export documents are in the name of the DTA exporter. For such exports, the DTA units will be entitled to refund of duty paid on the inputs by way of Brand Rate of duty drawback."
- 6) At the end of paragraph 9-A.2(a) the following proviso is inserted:-
"Provided that the SEZ unit, other than trading, servicing unit, may also export to Russian Federation in Indian Rupees against repayment of State Credit/Escrow Rupee Account of the buyer, subject to RBI clearance, if any."
- 7) In paragraph 9-A.2(b), the first para is substituted by the following:-
"SEZ unit may import without payment of duty all types of goods, including capital goods, as defined in the Policy, whether new or second hand, required by it for its activities or in connection therewith, provided they are not prohibited items of imports in the ITC(HS). Goods shall include raw material for making capital goods for use within the unit. The units shall also be permitted to import goods required for the approved activity, including capital goods, free of cost or on loan from clients."
- 8) At the end of para 9-A.2, the following new para is inserted:
"In case of any doubt on importability or procurement from DTA, Development Commissioner shall refer the matter to the BOA for a decision."
- 9) Para 9-A.7 is substituted by the following:-
"Applications for setting up of SEZ units, satisfying the conditions mentioned in paragraph 9-A.19 of the Handbook of Procedures (Vol 1) may be given approval by the concerned Development Commissioner of SEZ. In other cases, approval may be granted by the Board of Approvals (BOA) as notified and indicated at Appendix 16L of Handbook (Vol-I).

Proposal requiring industrial Licence may be considered by the Board of Approval on case to case basis."
- 10) The second sub-para of para 9_A.8 would be substituted by the following sub- para :
"DTA sale by service/trading unit shall be subject to achievement of positive NFE cumulatively. Similarly, for units undertaking manufacturing and services/ trading activities against a single LOP, DTA sale shall be subject to achievement of NFE cumulatively."

- 11) Para 9-A.21 (c) is substituted by the following:-
"(c) Samples, including samples made in wax models, silver models and rubber moulds may be exported on the basis of records maintained by the unit and under intimation to the Customs authorities. Samples may also be exported through courier agencies."

This issues in public interest.

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