

**TO BE PUBLISHED IN THE GAZETTE OF INDIA EXTRAORDINARY
(PART-I, SECTION-1)
GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE
PUBLIC NOTICE No 3 /2002-2007**

NEW DELHI: 31st March, 2002

In exercise of powers conferred under paragraph 2.4 of the Export and Import Policy, 2002-2007, read with para 4.4.16 thereof, the Director General of Foreign Trade hereby notifies the following arrangements:

Diamond Imprest Licence: An application for Diamond Imprest licence for import of cut and polished diamonds including semi processed diamonds, half cut diamonds, broken in any form may be made to the licensing authority concerned as given in Appendix- 25 of the Handbook (Vol I), 2002-2007, in the form given in the Annexure to this Public Notice along with the documents prescribed therein. In addition, the exporter shall furnish:

- i. Declaration giving the name and address of his bankers;
- ii. Certificate from his bankers to the effect that realisation of export proceeds against exports made by the exporter are not outstanding for a period of more than six months.

Export obligation: Holder of such Diamond Imprest Licence shall achieve a minimum value addition of 10%. While discharging export obligation, the quantity of diamonds imported against such licence shall be accounted for in the caratage. Cut and polished Diamonds exported for discharge of export obligation need not necessarily be the same as imported under this licence, as paragraph 4.4.16 of the Policy permits mixing of these diamonds with other diamonds. The holder of such Diamond Imprest Licence shall be eligible for import of such diamonds each not exceeding $\frac{1}{4}$ of a carat (25 cents) in weight. These licences /goods imported against such licences shall be subject to actual user condition and will not be transferable even after completion of exports. The entitlement for these licences shall be exhausted within the same year of its issuance and shall not be allowed to be carried forward to the next year.

Execution of LUT: Before clearance of the first consignment of import, the licensee shall execute, Legal Undertaking (LUT) with the concerned licensing authority. The duration of LUT shall be for a period of two years. The applicant may submit the LUT along with the application itself which may be accepted and such an acceptance may be endorsed on the back of the licence. The LUT shall be executed in the form given in Appendix 21 A of the Handbook (Vol I), 2002-2007.

Further licences: In respect of Diamond Imprest Licence, issued under para 4.4.16 of Policy, subsequently one more application for issue of the licence may also be considered, if 75% of the export obligation on the earlier licence has been fulfilled. However, a licence in the next year will be issued only if 75% of the export obligation on the subsequent licence has been fulfilled.

Extension of Export Obligation Period: The Licensing Authority may grant extension in export obligation period for a period of four months against one or more consignment on payment of penalty of 1% on the unfulfilled FOB value of export obligation with reference to CIF value of the imports made for which extension is being sought. Any request for extension beyond a period of four months can be considered only by a Committee headed by the Director General of Foreign Trade.

Regularisation of Bonafide Default: The cases of bonafide default in fulfilment of export obligation by an exporter who has obtained Diamond Imprest Licence may be regularised provided the exporter has paid customs duty along with 15% interest thereon to the Customs on the unutilised diamonds.

Transitional arrangements: Diamond Imprest Licences for rough diamonds, where imports have already been effected on or prior to 31.3.2002, shall be subject to the provisions as given in the Exim Policy/ Handbook (Vol.I), 1997-2002. In cases where exports have already been effected on or prior to 31.3.2002, under Paragraph 8.37 of Exim Policy, 1997-2002, in such cases replenishment of gold/silver/platinum may be taken from Nominated agencies in terms of paragraph 4.4.10 of the Exim Policy and paragraph 4.75 of Handbook (Vol.I), 2002-2007. For such exports Gem REP Licences, as admissible, may be claimed from the concerned Regional Licensing Authority. If the application for the REP Licence is already filed but the licence has not been issued till 30.3.2002, then the documents may be returned to the applicant for claiming replenishment from the Nominated Agencies.

This issues in public interest.

(N.L. LAKHANPAL)

DIRECTOR GENERAL OF FOREIGN TRADE

Copy to all concerned,

By order etc.

(A.B .Menon)

Dy. Director General of Foreign Trade

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Annexure

FORM OF APPLICATION FOR DIAMOND IMPREST LICENCE.

Note:1. Please see Para 4.4.16 of the Exim Policy.

2. Please read the general instructions given at Appendix 1 of the Handbook (Vol.I) , 2002-2007 before filling this application .

FOR OFFICIAL USE

File No.:..... Date:.....

1. Name and address of the Applicant :.....

.....

2. IEC Number :.....

3. Application for :.....

4. FOB Value of export (US\$) :.....

5. CIF Value of licence applied for (US\$):.....

6. Application Fee : Rs.....

7. Bank Recpt./DD No . :.....date.

Issued by :.....

8. Status of Exporter:

a) EH/TH/STH/SSTH valid upto :.....

b) Certificate No. :.....

9. Amount of Commission or discount, :.....

if any :

10. Export performance in respect of cut and

polished diamonds during the preceding

three licensing years:

FOB (Year-1)	FOB (Year-2)	FOB (Year-3)

		Total:
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11.Details of outstanding export obligation under Diamond/DTC Imprest Licences, if any

S.No.	Licence no and date	CIF value	FOB value	Export obligation fulfilled valuewise	Expiry date of export obligation period

DECLARATION/UNDERTAKING

I/We hereby declare that the particulars and the statements made in this application are true and correct to the best of my /our knowledge and belief and nothing has been concealed or held there from.

I/We fully understand that any information furnished in the application if proved incorrect or false will render me/us liable for any penal action or other consequences as may be prescribed in law or otherwise warranted.

I/We undertake to abide by the provisions of the Foreign Trade (Development and Regulation) Act, 1992, the Rules and Orders framed there under, the Export and Import Policy and the Handbook of Procedures.

I/We declare that outstanding realisation of export proceeds beyond 180 days does not exceed 10% of average exports of preceding three licensing years. I/We further declare that no export proceeds are outstanding beyond the period of one year or such extended period for which RBI permission has been obtained.

I hereby certify that I am authorised to verify and sign this declaration as per Paragraph 9.9_of the Policy.

Signature of the :
Applicant

Name :

Designation :

Official Address:

Tele.No.: :

Residential Address :

E.Mail Address :

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Documents to be enclosed with the application form:

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1.Bank Receipt (in duplicate)/Demand Draft evidencing payment of application fee in terms of Appendix-29 of Handbook (Vol.I).

2.Statement of exports of cut and polished diamonds made during the preceding three licensing years duly certified by Chartered Accountant/Cost and Works Accountant.