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GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE

PUBLIC NOTICE No. 151 (RE-2008)/2004-09

NEW DELHI the 26th February, 2009

In exercise of powers conferred under Para 2.4 of the Foreign Trade Policy, 2004-09, the Director General of Foreign Trade hereby makes the following amendments in the Handbook of Procedures (Vol.1) (RE-2008):

1. The following Paragraphs are added after Para 3.23.10.

“3.23.11: *Freely Transferable Duty Credit scrip shall be granted on FOB value of exports, including commission, discounts, if any. FOB Value of Exports shall be taken from the Shipping Bill (FOB value in free foreign exchange declared on the Shipping Bill and converted into Indian Rupees at the Monthly Customs Rate of Exchange on the date of LEO). Date of export is determined as per Para 9.12 of HBPv1.”*

“3.23.12: *All the pre-realization cases are to be monitored by RA concerned with respect to realization of export proceeds. The procedure prescribed in Para 4.45 shall apply, mutatis mutandis, to freely transferable duty credit scrips issued under Chapter 3 on the pre-realization basis. However for adjustment of excess / short realisation, procedure in Para 3.23.13 is to be followed.”*

“3.23.13:

- (i) *In case the FOB value realized in free foreign exchange is lower as per BRC, when compared to the FOB value in free foreign exchange as declared on the Shipping Bill(s) on which the original duty credit scrip was issued, excess duty credit scrip so granted earlier shall be adjusted from any future claim(s) (of any Duty Credit Scrip, including DEPB), or by way of cash deposit (TR as proof of cash deposit in the Customs Head as indicated in Para 4.29). In case there is no pending claim*

and there is no cash deposit towards recovery within 18 months of the issuance of duty credit scrip, then beneficiary

and there is no cash deposit towards recovery within 18 months of the issuance of duty credit scrip, then beneficiary applicant shall be declared defaulter and action under FTDR act should be initiated immediately.”

- (ii) *In case the FOB value realized in free foreign exchange is higher as per BRC, when compared to the FOB value in free foreign exchange as declared on the Shipping Bill(s) on which the original duty credit scrip was issued, supplementary claim shall be filed within a period of six months from the date of realization.”*

2. Following amendments are made in the relevant ANF:

(a) In ANF 3C,

- (i) *In the table under point No. 4, the heading for Column 12 be replaced to read as – ‘FOB value of Exports in free foreign exchange (inclusive of commissions and discounts, if any);*
(ii) *The heading for Column 13 be read as ‘Customs Rate of Exchange on the date of LEO’ and*
(iii) *The heading for Column 14 be read as – FOB value of Exports in Indian Rupees (inclusive of commissions and discounts, if any).*

(b) In ANF 3D & 3E,

- (i) *In the table under point No. 4, the heading for Column 9 be replaced to read as – ‘FOB value of Exports in free foreign exchange (inclusive of commissions and discounts, if any);*
(ii) *The heading for Column 10 be read as ‘Customs Rate of Exchange on the date of LEO’ and*
(iii) *The heading for Column 11 be read as – FOB value of Exports in Indian Rupees (inclusive of commissions and discounts, if any).*

- (c)** *Additional documents required for ANF 3C, 3D, 3E and 4G: In case the application is filed without BRC, the application shall be accompanied with BG / LUT in terms of Paragraph 2.20 of the HBP v1. Detailed guidelines shall be issued shortly.*

3. Paragraph 4.44 related to application for DEPB stands amended as follows:

DEPB shall be issued with transferable endorsement.

4. Paragraph 4.45 related to monitoring of realization stands amended as follows:

RA shall monitor all such cases so as to ensure that realisation takes place within prescribed time. In case no RBI extension is produced, RA shall initiate action for recovery of the same. In such cases, DEPB holder (the original applicant) shall deposit in cash or through debit of the valid DEPB/ adjustment of pending DEPB claim for an amount equivalent to duty free credit allowed.

However in case the same is not deposited within 18 months from the DEPB issuance date, the applicant shall be required to pay interest (as notified) also from the date of expiry of 18 months till the date of deposit. In case of cash payment, the same shall be deposited in the Head of Account of Customs as stated in paragraph 4.29 above. If amount realized in Free Foreign Exchange is less, then payable amount would be reduced proportionately.

5. Paragraph 4.45.1 stands deleted.

6. Paragraph 4.46 and 4.47 stand replaced by the following:

4.46 *Application for obtaining credit shall be filed within a period of twelve months from the date of exports or the date of up linking of EDI shipping bill details in the DGFT website, or within three months from the date of printing / release of shipping bill, whichever is later, in respect of shipments for which claim has been filed.*

In case the FOB realisation in free foreign exchange is higher as per BRC than the FOB value in the shipping bill(s) on which original DEPB was issued, supplementary claim shall be filed within a period of six months from the date of realisation, in respect of shipments for which claim has been filed.

4.47 *Wherever provisional shipment has been allowed by customs authorities, DEPB against such exports shall be issued only after release of shipping bill by Customs. In such cases, application for DEPB shall be filed within six months from date of release of such shipping bill.*

7. Table at Sl No. 9 related to Details of Exports in ANF 4G stands replaced by the table as per Annexure I attached to this Public Notice.

8. Sl No. 4(c) in the guidelines for applicants in ANF 4G stands deleted and a new clause added as Sl No. 5 after Sl No. 4 as follows:

“5. Bank Certificate of Exports and Realisation as given in Appendix 22A or Foreign Inward Remittance Certificate (FIRC) in case of direct negotiation of documents or Appendix 22D in case of offsetting of export proceeds with the approval of RBI shall be required to be submitted to the concerned RA (who had issued the DEPB) within the time period prescribed for the purpose in the HBP v1. In case of FIRC, a declaration from the exporter that the remittance is in respect of Shipping Bill(s)No. ----- dated ----

---- shall also be furnished. However, realisation of export proceeds shall not be insisted if the shipments are made against confirmed irrevocable letter of credit or the bill of exchange is unconditionally Availed / Co- Accepted / Guaranteed by a bank

confirmed irrevocable letter of credit or the bill of exchange is unconditionally Advised / Co- Accepted / Guaranteed by a bank and the same is confirmed by the exporters bank and certified by the bank in column 14 / 15 of Appendix 22A. For Status holders, irrevocable letter of credit would suffice.

Note: *In case the application is filed without BRC, the application shall be accompanied with BG / LUT in terms of Paragraph 2.20 of the HBP v1. This facility of filing application without BRC shall be available for applications filed w.e.f 1.4.2009. Detailed guidelines shall be issued shortly.*

9. Paragraph 4.42 related to “utilization of DEPB credit” stands replaced by the words “As notified in FTP”.

10. The following is added after Sr. No. 12 in Appendix 7 – Towns of Export Excellence.

S.No	Town of Export Excellence	State	Product Category
13	Bhilwara	Rajasthan	Textiles
14	Surat	Gujarat	Gems and Jewellery

11. First sub-paragraph of Paragraph 5.11.3 is amended to read as under:

To provide relief to exporters of those sectors where total exports in that sector / product group has declined by more than 5%, average export obligation for 2008-09 may be reduced proportionate to reduction in exports of that particular sector / product group during 2008-09 as against 2007-08.

12. Following amendments are made in ANF-8:

(i) *Sl. No. 23 stands replaced by the following:*

“23. Copies of invoices as per guidelines for Applicants.”

(ii) *Para 2 (a), 2(e) and 3(d) of guidelines for applicants shall be substituted by the following:*

“2(a) In case of EOU/STP/EHTP units, either ARE-3 or supply invoice duly certified by bond authorities.”

“2(e) Invoices or a statement of invoices attested by Central Excise authorities, as per the procedure prescribed by CBEC in their circular 15/2008-Cus. dated 26.9.2008. To facilitate attestation by Central Excise Authorities, intimation regarding receipt of goods should be given to the said authorities within 48 hours of receipt of goods. Corresponding ER-1 / ER-3 or a monthly statement confirming duty payment, attested by excise authorities.”

“3(d) Invoices or a statement of invoices attested by central excise authorities, as per the procedure prescribed by CBEC in their circular 15/2008-Cus. dated 26.9.2008. To facilitate attestation by Central Excise Authorities, intimation regarding receipt of goods should be given to the said authorities within 48 hours of receipt of goods. Corresponding ER-1/ ER-3 or a monthly statement confirming duty payment, attested by excise authorities, in support of details shown in DBK-III and DBK-III (A) in the format given in Appendix 35.”

13. (a) In Appendix 37D, after Table 2 for Sports Goods, Fire Works and Stationery items, the following amendment is made:

(i) In Table 2, against Sl. No. 17, in the column with heading “ITC (HS) Code”, a new ITC (HS) code 84729010 is added, in addition to the existing ITC (HS) codes 73170091 and 83052000.

(ii) In table 2, against Sl. No. 17, in the column with heading “Description” (of focus products), a new focus product, namely, Stapling machines (Staplers) is added, in addition to the existing products.

Consequently, export of Stapling machines (Staplers) (ITC (HS) code 84729010) will be entitled for Focus Product benefits on exports made w.e.f 1.4.2008.

(b) In Table 2 of Appendix 37E, after Sl. No. 12 the following Product is added:

Table 2			
B. New High-Tech Products			
Note: Benefits on New High-Tech Products mentioned below shall be granted for exports w.e.f. 1.4.2008			
Sr. No.	HTP EPS Product Code	ITC (HS) Code	Description
13.	H 13	56031200	Non-wovens, whether or not

			impregnated, coated, covered or laminated, of man-made filaments, weighing more than 25 g / m2 but not more than 70 g/m2 (covered under ITC HS Code 56031200)
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14. (a) In Appendix 37D, after Table 12, following Table 13 is added:

Table 13				
M. Special Product (s) / Sector (s)				
Sl. No.	Focus Product Code	Description of Product	ITC (HS) Code	Admissible Date of Exports
1	13.1	All Handmade Carpets and Other Textile Floor Coverings, covered under Chapter 57 of ITC (HS) code Book, whether or not made ups. Note: the expression 'Handmade' would include hand-made, hand-knotted, hand-tufted and hand-woven.	57	23.2.2009

(b) In Appendix 37D, in Table 3, Entries at Sl. No. 1 to 5 stand deleted, for exports made from the date of issuance of this Public Notice.

(c) In Appendix 37A, in Table 9, Entries at Sl. No. 25 (VKGUY product code 09.25) and entry at Sl. No. 26 (VKGUY product Code 09.26) stand deleted, for exports made from the date of issuance of this Public Notice.

15. In Table 13 of Appendix 37A of the HBP v1, the following is added after VKGUY entry 13.20.

Table 13. - Flower, Fruit, Vegetables & Other Products				

Sl. No	VKGUY Product Code	ITC HS Code	Description	Date of export from which benefits will be admissible
21	13.21		Dried Vegetables (Dehydrated Peas, Dehydrated Cauliflower, Dehydrated Cabbage, Dehydrated Potatoes (other than seed category), Dehydrated Onions, Dehydrated Garlic, Dehydrated Spinach, Dehydrated Carrots, Dehydrated Beetroot) covered under ITC HS Codes 071220 and 071290 of ITC HS Book.	1.4.2008

16. 2nd sub-paragraph of paragraph 4.13 related to “*Advance Authorisation or DFIA for Intermediate Supplies*” stands amended as follows:

*“Advance Authorisation or DFIA for Intermediate supply shall be issued after making Authorisation invalid for direct import of items, to be supplied by intermediate manufacturer. In such cases, a copy of the invalidation letter will be given to Authorisation holder and copy thereof will be sent to intermediate supplier as well as RA of intermediate supplier. Authorisation holder in such case has an option either to supply intermediate product to the holder of Advance Authorisation or DFIA or to export (physical / deemed) directly. **Intermediate supplier can also supply the product(s) directly to the port for export by the ultimate exporter (holder of Advance Authorisation or DFIA). In such cases, shipping bill shall be in the name of the ultimate exporter with the name of intermediate supplier endorsed on it.** However, once Electronic message transfer facility among the RAs becomes fully operational, sending copy of invalidation letter / ARO to jurisdictional RA shall not be required.*

17. At the end of clause 3.b.1. of the *Guidelines for Applicants* in ANF 4F (Redemption / No Bond Certificate against Advance Authorisation), following clause shall be added:

However in case of supply of the product by the Intermediate supplier to the port directly for export by the ultimate exporter (holder of Advance Authorisation or DFIA) in terms of paragraph 4.13 of HBP v1, copy of the shipping bill with the name of domestic supplier as Intermediate supplier endorsed on it along with the file No. / Authorisation No. of the ultimate exporter and the intermediate supplier shall be

required to be furnished.

18. Following Port shall be added at the end of Notified Sea Ports in Paragraph 4.19 related to '*Port of registration*':

"Krishnapatnam"

19. At the end of Sl No. 3. a. 2. of ANF 4F related to *Redemption / No Bond Certificate against Advance Authorisation*, following clause shall be added:

"However no hard copy of Shipping Bill(s) shall be required to be filed for EO discharge for shipments from EDI Ports w.e.f 1.4.2009."

20. Sl No. 1(v) of Public Notice No. 79 dated 2.1.2006 as amended vide Public Notice No 2 dated 11.4.08 and Public Notice No. 76 dated 2.9.08 related to "*Discharge of E.O. against advance licences issued prior to 1.4.2002*" stands amended as follows:

"A copy of the MODVAT / CENVAT non-availment Certificate duly counter-signed by Central Excise Authority or a certificate from the Central Excise authorities that imported inputs have been used for the production of dutiable goods in his factory or in the factory of his supporting manufacturer or ARE 1 or similar document(s) duly authenticated by the Central Excise Authority and evidencing non availment of MODVAT/CENVAT credit facility. However, such certificate would not be required in case of export of non-dutiable products or in case the advance licence was issued under customs notification (such as 80/95 dated 31.3.95 etc.) requiring payment of Additional Customs duty (Excise Duty) at the time of clearance of consignment against the licence."

21. In paragraph 4.22 (as amended vide Public Notice No. 135 dated 15.01.09) related to "*EOP and its Extension*", the words "*24 months*" stand replaced by the words "*36 months*".

This issues in public interest.

Sd/-
(R.S. Gujral)

Director General of Foreign Trade
and ex-officio Additional Secretary to the Govt. of India

Annexure I to the Public Notice No. 151 dated 26th February'09

9. Details of export made:

S No.	SB* / PPR** No.	SB* / PPR** Date	Date of Let Export	Invoice No.	S.No. of Invoice	Pro-duct Group	DEPB Sr. No.	Item Description	FOB Value in free foreign exchange (inclusive of a max of 12.5% commission)	Exchange rate on the date of let export	FOB value (in Rs.)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12) = (10)x (11)

* SB – Shipping Bill

** PPR – Post Parcel Receipt

Computation of Capped Value					DEPB rate	DEPB entitlement (without cut)	Cut applicable (if any)	Actual DEPB Entitlement
Unit of Measurement in the unit of value cap	Export Qty in U/M	Value Cap	FOB per U / M	Capped Value	(in %)	(in Rs)	(in %)	(in Rs)
(13)	(14)	(15)	(16)= (12) / (14)	(17) = { minimum of (15) and (16)} or (16) as the case may be	(18)	(19) = (14) * (17) * (18) / 100	(20)	(21) = (19) * { 1 – [(20)/100]}

te: In case there is no value cap on the product, the capped value would be equal to the FOB value per unit of measurement (U/M) as at Column (16) of the table above. Else it
uld be the minimum of Columns (15) and (16).
