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**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY**

PUBLIC NOTICE No. 16/2002-07

NEW DELHI: the 5th June, 2002

In exercise of powers conferred under paragraph 2.4 of the Export and Import Policy, 2002-07, the Director General of Foreign Trade hereby makes the following amendment in the Handbook of Procedures (Vol.1):-

1. Para 6.2 (j) is corrected as under:

“(j) The unit shall be able to account for the entire quantity of goods imported/procured duty free, by way of exports and sales in DTA or transfer to other EOU/EPZ/ EHTP/ STP/ SEZ units, and balance in stock. However, at no point of time the units shall be required to co-relate every import consignment with each category of homogenous goods exported, transferred to other EOU/ EPZ/EHTP/STP/SEZ units, sales in DTA and balance in stock. In case of doubt the matter shall be referred to BOA for decision.”

2. Note (i) of paragraph 6.5 is corrected as under:-

(i) If any goods are obtained from another EOU/EPZ/EHTP/STP unit, or procured from an international exhibitions held in India and precious metals procured from nominated agencies, the value of such goods shall be included under B.

3. Paragraph 6.8 (c) is corrected as under:-

“ DTA sale shall be admissible only to similar goods as that of the goods manufactured and exported from the unit. In case of doubt in regard to similar nature of goods, the matter shall be referred to the BOA for decision”.

4. In paragraphs 6.8(e) and 6.8 (f), the words and expression “Appendix 14-M” is corrected to read as “Appendix 14-L”.

5. A new paragraph 6.9 (d) is added as under:

“ ITA –I items to be cleared in the DTA shall undergo tariff change at four digit level. Only the value added products, which have undergone the process of manufacture would be allowed to be clear in the DTA.

6. Paragraph 6.20 (d) is corrected as under:

“The depreciation norms for capital goods of units, including electronics, would be subject to an overall limit of 90% as notified by the Department of Revenue.

(i) Depreciation for computers and computer peripherals for all types of electronic units would be as follows:

10% for every quarter in the first year;

8% for every quarter in the second year;

7% for every quarter in the third year;

(ii) For capital goods, other than the above, the depreciation rate would be as follows:

4 % for every quarter in the first year;

3 % for every quarter in the second and third year; and

2.5 % for every quarter in the fourth year and thereafter.

7. Paragraph 6.22 (a) is corrected as under :

“ (a) NFEP and EP shall be monitored in terms of paragraph 6.22 of the Policy as per the guidelines given in Appendix 14-E of the Handbook (Vol.1).”

8. The sub- paras of Paragraph 6.27 b) (v), are re-numbered as (a), (b),(c),(d),(e) & (f).

9. Paragraph 6.29 is corrected as under:

“A fast track procedure will be separately notified for EOU/EPZ units with actual investment in plant and machinery, both imported and indigenous imported of Rs.5 crores and above.”

10. A) The Note at S.No 1. of Appendix 14-A pertaining to the “Application for setting up EOUs or Units in Export Processing Zone / SEZ” is corrected as under:

“1. Please see Paras 6.7 and 7.7 of EXIM Policy & Paras 6.7 and 7.7 of this Handbook.”

B) In Annexure to Appendix 14 A pertaining to “Proforma to be filled in by the existing DTA units seeking conversion into the EOU/ EPZ/ SEZ Scheme” , clause “(h)” is deleted and the existing entry “(i)” is renumbered as “(h)”

11. A) The Note at the beginning of Appendix 14-D pertaining to “Form of Legal Agreement for Export Oriented Units and EPZ/ SEZ Units” is corrected as under:

“Please see paras 6.6 & 7.6 of EXIM Policy and Paras 6.6 & 7.6 of the Handbook of Procedure.”

B) The words and expression “Central Excise and Salt Act 1944” at S.No 7 of Appendix 14 D, is substituted by the words and expression “Central Excise Act, 1944”.

12. Appendix 14-E pertaining to the “Guidelines for monitoring the performance of EOU/ EPZ/ SEZ/ STP/ EHTP units” is corrected as per the Annexure to this Public Notice.

13. Appendix 14-F pertaining to the “Guidelines for sale of goods in the Domestic Tariff Area (DTA) by EOU/ EPZ/ SEZ/ STP/ EHTP units” is corrected as per the Annexure to this Public Notice.

14. A) The note at the beginning of Appendix 14-G pertaining to “Procedure to be followed for reimbursement of Central Sales Tax (CST) on supplies made to Export Oriented Units (EOU’s) and units in Export Processing Zones (EPZ), Electronic Hardware Technology Park (EHTP), Software Technology Park (STP) and Special Economic Zones (SEZ) from Domestic Tariff Area (DTA)” is corrected as under :

“ Please see Paras 6.12 & 7.9 of EXIM policy and paras 6.12 & 7.9 of this Handbook.”

B) Clause (c) in the Undertaking and Declaration to Annexure 1 of

Appendix 14 G, is deleted and the exiting clause (d) is renumbered as (c).

15. The note at the beginning of Appendix 14-K pertaining to “ Guidelines on revival/ debonding of sick EOU/ EPZ units” is corrected as under:

(Please see Para 6.28 of EXIM Policy & Para 6.28 of this Handbook)

16. A) The note at the beginning of Appendix 14-L pertaining to the “Norms of Scrap/ Waste Material for an export product under export oriented units and units in export processing zones” is corrected as under:

“Please see Para 6.8 of Policy and 6.8 of this Handbook.”

B) S.No 107 of Appendix 14 L is amended as under:

S.No	Goods Manufactured	Goods Used	Percentage of scrap or waste on imported goods
107	Silk fabrics	Mulberry raw silk/ Doupion yarn	35%

17. The email ID of Development Commissioner, Cochin at S.No 36 of Appendix 24 pertaining to “List of Licensing Authorities and their Jurisdiction”, is corrected as under :

“dc@csez.com”

18. The following corrections are made in Appendix 35 pertaining to the List of Agencies Authorised to issue GSP Certification”

S.No.	Agencies Authorised to issue GSP Certification	Authorized for
8.	Madras Export Processing Zone, Administrative Office Building,	All products manufactured by Units in Madras EPZ and EOUs. Located

	National Highway 45, Tambaram, Chennai 600045	within the respective jurisdiction of Development Commissioner
9.	Kandla Special Economic Zone, Gandhidham, Kutch, Gujarat, 370230	All products manufactured by Units in Kandla & Surat SEZs. and EOUs. located within the respective jurisdiction of Development Commissioner
10.	SEEPZ Special Economic Zone Andheri (East), Mumbai, 400096	All products manufactured by Units in SEEPZ SEZ and EOUs. located within the respective jurisdiction of Development Commissioner
11.	Cochin Special Economic Zone Kakkanad Cochin 682037	All products manufactured by Units in Cochin SEZ and EOUs. located within the respective jurisdiction of Development Commissioner
12.	Noida Export Processing Zone Noida Dadri Road, Noida 201305	All products manufactured by Units in Noida EPZ and EOUs. located within the respective jurisdiction of Development Commissioner
*14.	Visakhapatnam Export Processing Zone, Administrative Building, Duvvada Visakhapatnam 530046	All products manufactured by Units in Visakhapatnam EPZ and EOUs. located within the respective jurisdiction of Development Commissioner
15	Falta Export Processing Zone 2nd MSQ Building 4th Floor Nizam Palace, Kolkata 700020	All products manufactured by Units in Falta EPZ and EOUs. located within the respective jurisdiction of Development Commissioner

* At present Visakhapatnam and Falta EPZs. are combined at S.No. 14.

19. The following corrections are made in Appendix 35 A pertaining to the “List of agencies to issue Certificates of Origin for SAPTA and Bangkok Agreement”

29.	SEEPZ Special Economic Zone Andheri (East), Mumbai, 400096
30	Kandla Special Economic Zone, Gandhidham, Kutch, Gujarat, 370230
32.	Cochin Special Economic Zone Kakkanad Cochin 682037

This issues in public interest.

(N.L.Lakhanpal)
Director General of Foreign Trade

Annexure to Public Notice No dated

APPENDIX - 14 E

Guidelines for monitoring the performance of EOU/EPZ/SEZ/STP/EHTP units

- (1) The annual review of performance of each operational unit and its compliance with the conditions of approval shall be undertaken by the Development Commissioner before the end of the first quarter of the following financial year;
.
- (2) A summary of annual performance review will be sent by each Development Commissioner to the Ministry of Commerce for information under the three formats indicated below latest by 31st July every year;

Proforma I: Comparative statement of performance and monitoring as compared to previous year;

Proforma II: Summary of annual performance of the EOU/EPZ/SEZ units, sector - wise with sectoral sub - totals.

Proforma III: Unit-wise statement on NFE and NFEP showing the result of review.

PART(A)

3. CRITERIA FOR ANNUAL MONITORING:

The criteria for keeping the unit under watch or initiating penal action in respect of EOU/EPZ units would be as follows :

- i) Watch - If there is shortfall in achieving the NFE/NFEP and/or Export Performance (as per norms in Exim Policy) at the end of 1st and IIInd year;**
- ii) Penal action -If at the end of 3rd or subsequent year the NFE/NFEP/EP are not achieved as per Exim Policy, Show Cause Notice will be issued. After consideration of reply of unit, if it is noted that the unit has not achieved NFEP/EP as per policy the Development Commissioner would initiate penal action under the FT(D&R) Act, 1992;**
- iii) If penal action has been initiated against a unit on account of shortfall in NFE/NFEP/EP as stated above in a particular year and it defaults again in subsequent year(s), fresh penal action will be initiated against the unit. If however, during the adjudication proceedings, it comes to light that unit has improved performance and now fulfilling NFE/NFEP/EP as per policy, DC concerned would consider that fact before taking a decision.**

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4. METHOD OF MONITORING:

- i) In all cases of debonding where the unit has imported inputs and failed to fulfil the conditions of LOP with regard to NFE/NFEP/EP, appropriate steps are to be taken for penal action after issuing Show Cause Notice to the units. Steps may also be initiated for cancellation of LOP/LOA of units which is not operating for more than a year;**
- ii). The Minimum export obligation expressed as minimum FOB value of exports shall be as per the norm for the 5 year period for various sectors given in the Exim Policy from time to time;**
- (iii) NFE/NFEP is to be calculated as per Paras 6.5, 6.22 & 7.4 of Exim Policy & Paras 6.5, 6.22 & 7.4 of the Handbook of Procedures(Vol.I). For purpose of uniformity, guidelines for calculation of NFE/NFEP/EP given in Exim Policy, may be followed.**

5. MONITORING PERIOD

Units which have not completed one year, from the date of commencement of commercial production, will not be monitored. In case a unit has completed less than five years from the date of commencement of commercial production it will be monitored for the number of completed years. Annual monitoring in the cases of old units which have completed more than five years will be undertaken for only such number of years which fall in the second block of five years.

6. OTHER CONDITIONS

Development Commissioner will monitor Foreign Exchange realization/remittance of EOU/EPZ/SEZ units in coordination with the concerned General Manager of RBI as per instructions issued on the subject vide RBI circular No. COEXD. 3109/05.62.05/99-2000 dated 21.2.2000.

PART B: SCHEME SPECIFIC CONDITIONS

7. Concurrent joint monitoring of EOU / EPZ units:

- a) The performance of EOU / EPZ units would be jointly reviewed by the Development Commissioners of EPZs and concerned Customs / Central Excise Officers on six monthly basis i.e. April - September each year to be completed in the following quarter on the basis of QPRs furnished by the EOUs and for the full financial year on the basis of APR to be completed in the following quarter. The formats of QPR/APR have been prescribed in the LUT at Appendix 14D.

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- b) Joint review of EP/NFEP of the EOUs would be conducted by the DC / JDC and jurisdictional Deputy Commissioner/Asstt. Commissioner of Customs and Central Excise in the office of Commissioner of Customs/Central Excise where representative of units would also be invited. This will help them to understand the scheme and clear the doubts about operation. The Development Commissioner are advised to identify the number of Customs and Excise Commissioners where the meetings are to be held and work out a schedule for visiting each of these places. It is suggested that at least two places should be visited each month, so that all places are covered within a period of three months. Some places may be covered by JDC and in the next six months, these could be interchanged between JDC and DC. For EPZ/SEZ units, this review will be done in the Zone itself.
- c) For publicising the scheme, advertisement in the local papers may be arranged before the date of such meetings. Promotion program may be organised in collaboration with local industry, Association on any other organisation which has good presence in the area. General Manager of District Industries Center may be associated.
- d) For each existing unit, review should be done at length to understand their problems and their possible resolution. Efforts should be made to identify the reasons for shortfall / poor performance and unit-wise action plan should be prepared for removal of

bottlenecks. It should be ensured that the unit should have an export promotion strategy as well tentative targets for next few years, so that it has an idea as to what is to be achieved by them. Effective action should be taken against erring units to discourage any misuse of the scheme.

- (e) For units under implementation, separate review beheld so that their issues could be resolved.
- (f) At such places, if any infrastructure gaps are noticed, District Administration may be advised to prepare projects which can be routed through State Government to the Ministry for approval under Scheme for central Assistance for Developing export infrastructure and other allied activities (ASID).
- g) Based on the joint review Development Commissioner concerned would prepare a report for information of the Department of Commerce and CBEC and suggest corrective measures to enable the defaulting units to fulfill their obligation as per Exim Policy / Customs Notifications.

8. QUARTERLY AND ANNUAL MONITORING OF SEZ UNITS

- a) The performance of the SEZ units shall be monitored by a Committee as provided for in the Exim Policy.
- b) The performance of the SEZ units to be monitored each quarter period on the basis of reports received on formats prescribed in HBOP.

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- c) Annual monitoring would be undertaken on the basis of APR prescribed in Annexure III of Appendix 14-D. However, penal action is to be initiated only if NFE achieved is negative at the end of 3rd or subsequent years. In case of existing EPZ units converting into SEZ scheme, the date of commencement of commercial production under the EPZ scheme will be the date for reckoning the number of years completed by the units for the purpose of monitoring.
- d) During the joint review, efforts should be made to identify the reasons for shortfall/poor performance and unit-wise action plan should be prepared for removal of bottlenecks through such a review.
- (e) Based on the joint review, Development Commissioner concerned would prepare a report for the information of the Department of Commerce and CBEC and suggest corrective measures to enable the defaulting units to fulfil their obligations as per Exim Policy/Customs Notifications

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PROFORMA-I

I. APPROVAL AND IMPLEMENTATION OF EOUS / EPZ UNITS:

No. of valid approved units :
No. of units cancelled :
No. of units finally debonded :
No. of exporting units :
No. of units under implementation :
No. of units yet to be implemented :

II. RESULT OF MONITORING :

<u>EOU/EPZ UNITS</u>	2000 - 2001	1999 - 2000
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- a. Units with shortfall in NFEP and/or EP (as per norms in Appendix - I.) at the end of 1st and 2nd year.
 - b. Units which have failed to achieve NFEP / EP as per Appendix-I at the end of 3rd or subsequent years.
 - c. Details of outstanding export proceeds (where the period of realisation is not extended by the competent authority) beyond 180 days at the end of financial year.
 - d. Revenue contributions by the units (a)Excise duty on DTA sale during the financial year (b)Income tax paid, if any, during the year (c)State taxes, cess duties & levies(including CST paid on domestic procurement).
- a. SEZ UNITS: Units which are operational for more than 1 year.
 - b. Units with negative NFE at the end of 3rd or subsequent years.
 - c. Details of outstanding export proceeds (where the period of realisation is not extended by the competent authority) beyond 360 days at the end of financial year.
 - d. Revenue contributions by the units (a)Excise duty on DTA sale during the financial year (b)Income tax paid, if any, during the year (c)State taxes, cess duties & levies(including CST paid on domestic procurement). App-142

PROFORMA-II

EXPORT PROCESSING ZONE/SEZ

Summary of Annual Performance Report for the year 2002-3 Sector Wise

Sl. No.	Name of Unit with ID No. in Case of EOU	Date of Commencement of production	Item of Manufacture	Value of capital goods imported	Value of RM components etc.	Other outflow of FE towards knowhow, Commission etc	Total investment made	Employment Generated so far
1	2	3	4	5	6	7	8	9

Value of exports	NFEP/NFE	Shortfall	Value of Sales made in DTA	Remarks

Obligation for last 5 years of less as applicable	Actual (as against obligation on col. 10)	Shortfall	Norm as per policy	Achieved during the period			
10	11	12	13	14	15	16	17

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PROFORMA - III
NAME OF THE UNIT

-

(Rupees in lakhs/ \$ in Million):
Month of operation CG Import
(Actual):

- 1. Item of manufacture:
- 2. Industry Norm of NFEP (%)
- 3. Date of Commencement:

Last 5 years (or less as applicable)

4. Export Obligation for last 5 years or less as applicable	Rs. in lakhs	\$ in Million
		Last year Last 5 years (or less as applicable)
5. Export		
6. Inter Unity supply	:	
7. C. G. debit	:	
8. Imported RM/inputs used	:	
9. Other outgo of F. E.	:	
10. Total Imports	:	
11. NFE	:	
12. NFEP`		
13. Difference in Export Obligation	:	
14. DTA Sale	:	
15. Details of outstanding export proceeds (where the period of realisation is not extended by the competent authority) beyond 180/360 days at the end of financial year. (180 days for EOU/EPZ units & 360 days for SEZ units)		
16. Revenue contributions by the unit (a)Excise duty on DTA sale during the financial year (b)Income tax paid, if any, during the year (c)State taxes, cess duties & levies(including CST paid on domestic procurement).		
17. Remarks	:	

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ANNEXURE - I

CALCULATION OF NFEP/NFE

1. While calculating NFEP/EP achieved, following basic components are to be taken into consideration:
 - i. Amortised value of capital goods and technical know how fee
 - ii. Value of import of R. M. (which is consumed during the year and consumables, spares, etc.).
 - iii. Other outflow of foreign exchange towards royalty, interest on external commercial borrowings etc.
 - iv. Value of physical exports effected excluding DTA sales but including supplies made under para 6.9 and 7.8(c) of the policy.

2. **Amortised Value of Capital Goods:** For this purpose as much value of CG is taken into account as indicated in para 6.5 for NFEP and 7.4 for NFE of the Hand Book of procedure (Vol.I). The CG imported prior to the 5 years period is not taken into consideration for the purposes of NFEP/NFE if the value of said CG is fully amortized. However where investment in plant and machinery is more than Rs. 5.00 crores, the value of imported CG will be apportioned over a period of 8 years. If any capital goods imported duty free is leased from a leasing company or is taken in loan the CIF value of the capital goods shall be included under the imported inputs. However, on return of such CG its unamortized portion of value would be excluded from the calculation formula.

3. **Import of raw material, consumables and spares etc:** Whatever R. M. Consumables and spares are imported during the year are taken into account. However, it should be noted that whatever R. M. is in balance at the end of the previous year is added while the RM at the end of the current year is deducted which will give the amount of RM consumed during the year. RM purchased as inter - unit transfer is also included.

4. **Other outflow of foreign exchange:** All the foreign exchange outflow on account of royalty, dividends, commission on exports, interest on external commercial borrowing etc., during the particular year has to be accounted for while calculating value addition. However outflow on account of know-how fee would be apportioned during a period of five years/eight years as applicable

5. **Value of exports:** While calculating value of exports, DTA sale made during the year are not to be accounted for. However, supplies made in accordance with the para 6.9 and 7.8(c) of the Policy will be taken into consideration for calculation of NFEP/NFE.

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6. Given below are details of a unit so as to calculate the NFEP for the year 1999 - 2000, on the presumption that no imported RM was in balance at the end of previous year as well as at the end of 1999-2000. In this case, the NFEP for 1999-2000 is calculated as below: -

1. Amortised value of CG.	(20% of import of CG made during the years 1995-96 to 1999-2000)	(i.e., 20% of Rs. 50.00 lakhs) Rs. 10.00 lakhs
2. Import of R. M. etc		Rs. 100.93 lakhs
3. Other outflow of F. E.		Rs. 10.72 lakhs
4. Value of exports		Rs. 173.13 lakhs

The NFEP comes to = $\frac{173.13 - (10 + 100.93 + 10.72) \times 100}{173.13}$

= 29.73%

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APPENDIX- 14 F

GUIDELINES FOR SALE OF GOODS IN THE DOMESTIC TARIFF AREA(DTA)BYEOU/EPZ/EHTP/STP UNITS:

NOTE: Please see Paragraphs 6.8 and 6.9 of the Policy and paragraphs 6.8 and 6.9 of the Handbook of Procedures.

I. DTA SALE ENTITLEMENT FOR EOU/EPZ UNITS:

Paragraphs 6.8 of the Export and Import Policy and 6.8 of the Handbook of Procedures provide for sale in DTA by EOU/EPZ/EHTP/STP units. Such sales in the DTA will be governed by the following guidelines:-

- a) The sale of goods in DTA will be subject to the payment of applicable duties as notified from time to time by the Department of Revenue, Ministry of Finance, Government of India. DTA sale includes clearance to any other unit within India under para 6.8.
- b) DTA sale entitlement will be applicable only to those goods and services which are permissible as per EXIM Policy. No DTA sale will be permissible if such sale is specifically prohibited in the Exim Policy or the Letter of Permission/Letter of Intent.
- c) Units may opt for DTA sales on a quarterly, half yearly or annual basis by intimation to the concerned Development Commissioner of the EPZ /SEZ .
- d) The DTA sales entitlement shall be availed of within three years of the accrual of entitlement.
- e) An application for sale of goods in DTA as per Exim Policy by the EOUs shall be submitted to the Development commissioner concerned in the form given at Annexure-A. The application shall be certified by an independent Cost/Chartered /Cost and Works Accountant and endorsed by the Bond Officer of Customs/Central Excise having jurisdiction over the unit. The Development Commissioner concerned will determine the extent of the DTA sale admissible and issue authorization in terms of value . An EPZ unit may effect sale in DTA on the basis of records maintained by it subject to payment of applicable duties to Customs Authorities.
- f) Advance DTA sale permission not exceeding the entitlement accruable on the exports envisaged in the first year shall be permitted and such sale shall be adjusted against the subsequent entitlements in a maximum period of two years. However, drugs and pharmaceuticals units can make advance DTA sale of the production on the exports envisaged in the first two years adjustable against subsequent entitlements within a maximum period of three years from the date of commencement of production by the unit. The Unit shall be required to execute a bond with the Assistant Commissioner Customs/Central Excise concerned to cover the difference between the amount of duties paid on the advance DTA sale and the full duties applicable on such goods.

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- g) Advance DTA sales permission would also be admissible in cases of capacity expansion/product diversification. In such cases, the unit would be entitled to advance DTA sales linked to the exports envisaged from the expansion or new production streams or through product diversification . However, no advance DTA sale would be admissible to a DTA unit converted into EOU except in respect of new production stream as a result of change of technology.
- h) The DTA sale entitlement would accrue if the NFEP achieved by the unit is not less than the minimum stipulated level in the Appendix-I of the Policy on cumulative basis.
- i) EOUs engaged in the manufacture of perishable items like floriculture, horticulture, pisciculture can also avail the facility of simultaneous sale in DTA of such perishable items on quarterly basis, while earning DTA entitlement on exports made during the said quarter. Such permission can be granted in advance by the DC concerned subject to the condition that the unit has achieved positive NFE cumulatively upto the previous quarter.
- j) Units in the service sector can also avail DTA sale as per procedure mentioned above.
- k) DTA sale of instant tea will be allowed upto 20% of FOB value of exports in the form of tea bags or bulk.

II. SALE OF GEM & JEWELLERY PRODUCTS:

DTA sale of Gem & Jewellery items will be permitted on annual basis by the Development Commissioners upto 10% of FOB value of exports during the preceding year subject to following conditions:

a) The application by an EOU will be submitted to DC concerned on yearly basis (licensing-year) giving the details of production and exports made during the preceding licensing year duly certified by a Chartered Accountant and endorsed by the jurisdictional Custom Authority. However an EPZ unit may effect sale in DTA on the basis of records maintained by it subject to payment of applicable duties to Customs authorities.

b) The DTA sale of plain jewellery shall be permitted on payment of concessional rate of duty in Indian Rupees as applicable to sale from nominated agencies. In respect of studded jewellery, duty shall be payable in Indian Rupees as notified by Customs.

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III. OTHER SUPPLIES IN DTA: (i) Sale under para 6.9 of the Policy The following guidelines shall apply to the sale of goods in the DTA in respect of supplies specified in paragraph 6.9 of the Export and Import Policy and paragraph 6.9 of the Handbook of procedures:

- a) The unit shall, at the time of application, indicate the quantity and value of goods sought to be supplied in the DTA. If the sale is effected against an import license held by the DTA purchaser, the Customs/Central Excise Officer concerned will allow such sales after making a suitable entry on the license of the quantity and value of such sales. The Import license shall cease to be valid for further imports to the extent of such supplies effected by units.
 - b) If, the goods proposed to be sold by the units do not require an import license, the Customs/Central Excise Officer concerned will allow such supplies from the unit to the DTA.
 - c) Goods supplied under (a) and (b) above will be taken into account for the purposes of discharging export obligation and achievement of NFEP. The unit will file a quarterly statement to the Development Commissioner giving details of the goods cleared in the DTA category-wise.
- (ii) Sale under para 6.8(f) of the Policy Sale under para 6.8(f) of the Policy shall be considered by the Development Commissioner on quarterly basis. While considering the domestic sales, the Development Commissioner will keep the circumstances of the case to ensure that the export orientation of the scheme is maintained.

IV. SALE OF REJECTS Sale of rejects is also permitted in the DTA, as provided for in para 6.8(a) of the Export and Import Policy and para 6.8(a) of the Handbook of Procedures.

V. SALE OF BY-PRODUCTS: The sale of by-products in the DTA is also permitted as per

provision of para 6.8(h) of the Policy after inclusion of the item in LOP/LOI .

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ANNEXURE - A

APPLICATION FOR DTA SALE PERMISSION

UNDER PARA 6.8(b) OF THE EXIM POLICY ——— FOR THE PERIOD
(QUARTERLY/HALF YEARLY/ANNUAL)

I. PROJECT DETAILS:

1. Details of the unit

(i) Name & Address of the unit:

(ii) IEC No.

2. LOI/LOP/IL No. & Date:

3.	Details of the products approved for manufacture and export in the LOP/LOI/IL	Item(s) of Manufacture/ Service	Present installed capacity
		1. 2. 3.	

4. Date of commencement of production:

II DETAILS OF ADVANCE DTA SALE

5.	Details of advance DTA sale permitted, if any	Approval No. and Date	Particulars of products/ service permitted	Value
1.				
2.				
3.				
Total				

DETAILS OF DISPATCH UNDER PARA 6.8(a), (b), (d) & (h)

6.	Details of advance DTA sale effected (Please indicate the period)	Description of goods/service sold in DTA as advance DTA sale	Value
1.			
2.			
3.			
Total			

III. PRODUCTION DETAILS FOR THE APPLICATION PERIOD

Gross production

I.	Description of goods produced/manufactured /service	Total Production including rejects and waste/scrap	
		Quantity	Ex-factory value
1.			
2.			
Total			

IV DETAILS OF PHYSICAL EXPORTS FOR THE APPLICATION PERIOD

	FOB value of Physical Exports	Value of rejected consignment, if any	Net FOB value of Physical Exports
1.			

2			
3.			
Total			

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V NET FOREIGN EXCHANGE EARNINGS AS A PERCENTAGE OF EXPORTS (NFEP)

NFEP achieved on exports in the last five years or less as applicable (Calculation Chart enclosed)

VI PARTICULARS OF PROPOSED DTA SALE

Description of the items proposed to be sold in DTA	Value
1.	
2.	
3.	
Total	

DECLARATION

I/We hereby declare that the information given above is true and correct

Name

Designation
Seal of the Company

Signature of the applicant

CHARTERED ACCOUNTANTS CERTIFICATE

We have checked and verified the figures mentioned above from the records and books of account of company and found them true and correct

Signature
Name
Membership No
Seal

CERTIFICATE BY CENTRAL EXCISE AUTHORITY

Verified from the records and found correct by Inspector / Supdt. Of Central Excise & Customs I/C of the factory

Signature
Name
Seal

Note: Each page may be verified and signed by the Chartered Accountant

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CALCULATION CHART (TO BE CERTIFIED BY A CHARTERED ACCOUNTANT SHOWING NFEP ACHIEVED IN THE LAST FIVE YEARS OR LESS AS APPLICABLE)

1. DETAILS OF EXPORTS:

(Rs. in Lakhs)

i)	F.O.B. value of physical exports made in the last five years or less as applicable	Rs.
ii.)	Value of supplies made under para <u>6.9</u> of the Exim Policy	Rs.
lii)	Total	Rs.

2. DETAILS OF CAPITAL GOODS INCLUDING DG SET AND OTHER OFFICE EQUIPMENTS IMPORTED IN THE LAST FIVE YEARS OR LESS AS APPLICABLE

(I) CIF VALUE OF IMPORTED CAPITAL GOODS (YEAR WISE) IN THE LAST FIVE YEARS OR LESS AS APPLICABLE

Ist year	IInd year	IIIRD year	IVth year	Vth year	Total

(II)VALUE OF IMPORTED CG PROCURED FROM ANOTHER EOU/EPZ UNIT OR FROM A LEASING COMPANY IN THE LAST FIVE YEARS OR LESS AS APPLICABLE

Ist year	IInd year	IIIRD year	IVth year	Vth year	VIth year

3.	AMORTISED VALUE OF CAPITAL GOODS (Please see Note below for calculation)	Rs.

4.	DETAILS OF IMPORTED RAW MATERIAL	
(i)	Total CIF value of imported raw materials, consumables including POL products and components etc. in the last five years or less applicable	Rs.
(ii)	Value of purchases made under Para <u>6.9(c), 6.14</u> of EXIM Policy in the last five years or less applicable	Rs.
lii)	Value of goods indicated at (i) & (ii) above held in stock or under process at the end of the relevant period	Rs.
iv)	Value of raw materials etc. used in goods produced and cleared from the unit $\{(i) + (ii) - (iii)\}$	Rs.

- 5. Total value of indigenous raw materials, consumables**
Rs. _____
components etc, used in goods produced and cleared
from the unit in the last five years or less as applicale

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6. OTHER OUTFLOW OF FOREIGN EXCHANGE IN THE LAST FIVE YEARS OR LESS AS APPLICABLE

(i)	Dividends	Rs.
(ii)	Profit	Rs.
(iii)	Technical know how fee	Rs.

(iv)	Royalty	Rs.
(v)	Commission	Rs.
(vi)	Foreign travel	Rs.
(vii)	Any other outflow in foreign exchange (Please indicate details)	Rs.
Total		Rs.

7. NFEP achieved

$$\frac{A - B}{A} \times 100$$

Where A = FOB value of exports

B = Sum total of value of imported inputs used. Proportionate (amortised) value of imported capital goods, technical know-how fee and other expenses made in foreign exchange

Note: The proportionate (amortized) value of imported capital goods and technical know-how fee shall be calculated @ 20% of the CIF value of each year in the last five years or less as applicable.