

GOVERNMENT OF INDIA

MINISTRY OF COMMERCE AND INDUSTRY

PUBLIC NOTICE No. 39 /2002-07

NEW DELHI: the 8th October, 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 amendments in the Handbook of Procedures (Vol.1):-

1. The exports of blankets and travelling rugs made of shoddy and wool as well as made of wool dominant blends in all the ITC(HS) classifications are being exempted from furnishing of Registration Cum Membership Certificate (RCMC). The last sentence of para 3.12.1 is amended to incorporate these categories of products in the exempt category. Accordingly the amended version of para 3.12.1 is as under.

However no RCMC would be insisted upon under any of the schemes under the Exim Policy if the product of export is shoddy & woollen yarn, wool fabrics, wool tops, hair belting of wool, felt & machine made carpets and woven shawls made of wool, wool scarves, wool stoles, blankets & travelling rugs made of shoddy and wool and wool dominant blends in all classifications.

2. It has been decided that an Advance Release Order (ARO) may be issued against an Advance Licence for Intermediate Supplies also. Accordingly the second sentence of para 4.14.1 is amended to include the phrase "Intermediate Supplies" at two places. The amended para 4.14.1 of the HBP (Vol 1) would read as under:

An ARO may be issued along with the Advance Licence for Physical Exports/ Intermediate Supplies/ Deemed Exports/ DFRC or subsequently; and its validity shall be co-terminus with the validity of the Advance Licence for Physical Exports/ Intermediate Supplies/ Deemed Exports.

3. Paragraph 4.15 pertains to "Back-to-Back Inland Letter of Credit". It has been decided to permit a back-to-back Inland Letter of Credit against an Advance Licence for Intermediate Supplies also. Accordingly in the second sentence of para 4.15 the phrase " an intermediate supply and" would stand deleted. The amended para 4.15 would read as under:

An Advance Licence holder, except for DFRC holders, may approach a bank for opening an inland letter of credit (LC) in favour of an indigenous supplier.

4. It has been decided to accept the negotiation of documents as proof of exports against irrevocable letter of credit . In accordance with this decision, the following sentence is added at the end of Note:- (a) to para 4.18 pertaining to "Acceptance of BG/ LUT":

However, realisation of export proceeds shall not be insisted if the shipments are made against confirmed irrevocable letter of credit and the same is certified by the bank in column 14/15 of Appendix 22.

5. A decision was taken on acceptance of Project Authority Certificate (PAC) certifying quantity, value and date of supply instead of invoice by Excise Authority for non excisable products. This requires a modification in para 4.25 (i) of the Handbook of Procedures (Vol 1) . Hence the following sentence is added at the end of para 4.25 (i) pertaining to deemed exports:

However in case of supply of items which are non excisable, a project authority certificate (PAC) certifying quantity, value and date of supply would be acceptable.

6. A decision was taken for obviating the surrender of Special Additional Duty (SAD) with interest under DEPB's issued under Customs Notification No 45/2002 wherein export proceeds were not realised since SAD was not exempt for imports under the DEPB's issued under this notification. This requires an amendment in para 4.45.1 by adding the phrase "(only in case SAD was exempt for imports under DEPB) after the word "SAD" at two places. Accordingly the amended version of para 4.45.1 is as under:

If the export proceeds are not realised within six months or such extended period as may be allowed by RBI, the DEPB holder shall pay in case an amount equivalent to the duty free credit utilised on imports, including SAD (only in case SAD was exempt in case of imports under DEPB), against such exports with 15% interest from the date of import till the date of deposit. In such cases, where the amount realised in foreign exchange is less than the amount on which the DEPB credit has been obtained, the holder of DEPB shall pay, in cash, an amount proportionate to the duty free credit utilised on imports, including SAD (only in case SAD was exempt for imports under DEPB) with 15% interest from the date of import till the date of deposit.

7. A decision was taken to discontinue with the proviso for submission of copy of invoices certified by the Project authority in the case of redemption under EPCG. In tune with the decision , the third sub-para of Para 5.13 (b)(i) pertaining to redemption of EPCG licence for deemed exports is deleted and the amended version of para 5.13(b)(i) is as under:

Copy of ARO/ Back to Back Inland Letter of Credit or Advance Licence for Intermediate Supplies

Or

Supply Invoices duly certified by the Bond Office of EOU/ EPZ concerned showing that the supplies have been received.

8. S.No 2 under the sub heading "Documents to be enclosed with the application form" in Appendix 9 pertaining to the "Application form for grant of licences for capital goods including computer, computer sub-systems and service system under the EPCG Scheme" is deleted. This amendment obviates the need for submission of the proforma invoice/ quotation showing the CIF value of capital goods.

9. It was decided that the Project Authority Certificate may be dispensed in respect of supplies against advance licence and supplies to EOU/ EPZ/ EHTP/ STP/ SEZ . Accordingly S.No 2 under the sub heading "Documents to be enclosed with the application form" in Appendix 10 B pertaining to the "Application form for grant of Advance Licence under Duty Exemption Scheme" is amended by adding the phrase "supplies against advance licence and supplies to EOU/ EPZ/ EHTP/ STP/

SEZ. The amended S.No 2 would read as under:

2. *Project Authority Certificate in case of application for Advance Licence for deemed export excepting*

a. in cases of supplies to an EPCG licence holder wherein an invalidation letter would suffice,

b. supplies against advance licence and

c. supplies to EOU/ EPZ/ EHTP/ STP/ SEZ ;

and a copy of invalidation letter in case of application for Advance Licence for intermediate supply.

10. The district of Khandwa is added in the Agri Export zone for Potatoes, Onion and Garlic in the state of Madhya Pradesh. Accordingly S.No 10 of Appendix 15 pertaining to "Agri Export Zone" is amended as under"

S.No	Product	State	Districts covered
10	Potatoes, Onion and Garlic	Madhya Pradesh	Malwa, Ujjain, Indore, Dewas, Dhar, Shajapur, Raltam, Neemuch, Mandsaur and Khandwa

This issues in public interest.

(L. Mansingh)

Director General of Foreign Trade

(Bipin Menon)

Deputy Director General of Foreign Trade

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