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(PART-I, SECTION-1)

GOVERNMENT OF INDIA

MINISTRY OF COMMERCE AND INDUSTRY

PUBLIC NOTICE No 40 /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 amendment in the Handbook of Procedures (Vol.1):

1) It has been decided that the power to grant / renewal of status to EOU/EPZ/SEZ units be delegated to the Development Commissioner by amending para 3.2.1 as under:

3.2.1 " Application for grant of certificate for Export House/Trading House/ Export House for service providers /Trading House for service providers shall be filed with the concerned regional licensing authority headed by Jt. DGFT. However, application for grant of certificate for Star Trading House, Super Star Trading House, Star Trading House for service providers, Super Star Trading House for service providers shall be filed with the Directorate General of Foreign Trade. Provided further that, application for grant/renewal of Status certificate in respect of EOU/EPZ./SEZ units, shall be filed with the concerned Development Commissioner if it does not involve clubbing of FOB value of exports of its parent company in the DTA. However in case of clubbing, the application shall be filed with Jt.DGFT/DGFT as the case may be."

2) Paragraph 4.14 is amended as under:

4.14 "An application may be made to the Regional Licensing Authority concerned for grant of Advance Release Order(ARO) to procure the inputs from indigenous sources/State Trading Enterprises. Goods may also be obtained against the licence from EOU/EPZ/EHTP/STP/ SEZ units. The Customs / Central Excise Officer concerned will allow such sales after making a suitable entry on the licence of the quantity and value of such sales. The import licence shall cease to be valid for further imports to the extent of such supplies obtained from EOU/EPZ /SEZ/EHTP/STP units, without conversion into ARO.

3. Para 6.2 (b) is substituted by the following:

" 6.2 (b) Others:

- a. (i) Prototypes and technical samples for existing product(s) and product diversification, development or evaluation.
- b. (ii) Drawings, blue prints, charts, microfilms and technical data;
- c. (iii) Office equipment, including PABX, Fax machines, projection system, computers, laptop, server;
- d. (iv) Spares and consumables, for the above items.
- e. (v) Any other item with the approval of the BOA

Note: The above items may be new or second hand.

4) The sub para of para 6.2 pertaining to "Export of jewellery at notional rate" is renumbered as 6.2 (k) and a new sub-para (l) is added as under::

" 6.2 (l) Gem and jewellery EOU/EPZ units may re-export imported goods and export domestically procured goods, including goods generated out of partial processing / manufacture. Besides, supply of unsuitable / broken cut and polished diamonds, precious and semi-precious stones upto 5% of the value of imported or indigenously procured goods to the DTA against the valid GEM/REP as applicable on payment of appropriate duty is also permitted"

(This para permits supply of broken diamonds in the DTA)

5) It has been decided to allow Development Commissioners to fix ad hoc norms for six months before norms are regularized by Board of Approval. This is to help the units to clear in process waste in the interim period. Accordingly para 6.8 (f) is amended as under:

6.8 (f) "In respect of items not covered by Appendix 14-L Development Commissioners shall fix the wastage keeping in view the norms notified under Duty Exemption Scheme. For items not covered by these two, the Board of Approval shall fix Norms. However, Development Commissioners may fix ad-hoc norms on the basis of data for a period of six months and within this period he shall get norms fixed by the Board of Approval."

6. The words and expression " 6.12(i)" is substituted by the words and expression "6.12" in para 6.12 (a). Accordingly the corrected para 6.12 (a) is as under:

"(a) An application for reimbursement of Central Sales Tax and grant of entitlements in terms of paragraph 6.12 of the Policy may be made to the Development Commissioner of the EPZ concerned. The procedure to be followed and the form of the application for reimbursement of Central Sales Tax (CST) is given in Appendix 14-G of Handbook (Vol.1)."

7) It has been decided to incorporate the procedure for refund of Central Excise Duty paid on bulk tea procured from licensed auction centres by EOU/EPZ/SEZ units for exports by adding a new sub-para 6.12 (d) as under:-

Para 6.12(d) "For reimbursement of Central Excise Duty paid on bulk tea procured from licensed auctioned centres in terms of para 6.12(a)(iii), the unit shall submit documentary evidence showing that the tea was procured from licensed auctioned centres along with

the claim.

A similar provision for SEZs is incorporated in para 7.9 by incorporating a new sub-clause (c) as under:

Para 7.9(c) "For reimbursement of Central Excise Duty paid on bulk tea procured from licensed auctioned centres in terms of para 6.12(a)(iii) the unit shall submit Documentary evidence showing that the tea was procured from licensed auctioned centres along with the claim. "

8) It has been decided that para 6.27(a)(vii) may be amended as under to provide for taking of factory premises on private lease too. Accordingly the amended para 6.27 (a) is as under:

6.27 (a) (vii) "EOU/EPZ units shall have separate ear-marked premises for separate LOP/LOI. Similarly, EOUs may be approved in lease premises provided the lease has been obtained from Government/Department/Undertaking/Agency. However, in case lease is obtained from private parties, it shall have a validity period of five years from the date of LUT and the Development Commissioner shall satisfy himself of genuine nature of the lease."

9) Amendments are made under the sub headings "Sensitive Sector" and "EOU/ EPZ / SEZ units" under Appendix 14 B pertaining to the " Criteria to be adopted for automatic approval of EOU/ EPZ / SEZ units under EOU/ EPZ/ SEZ Scheme". The amended version of these sub headings are as under:

SENSITIVE SECTOR

Care shall be taken by the Development Commissioner while approving projects in sensitive sectors such as yarn texturising unit, textile processing, pharmaceuticals / drugs formulations / re-cycling of ferrous and non-ferrous metals scraps etc. Projects for setting up units in sensitive sectors under EOU scheme shall be approved by the Development Commissioner after personal verification of the Directors and inspection of the factory site before signing LUT. Verification could also be carried out through General Manager, District Industries Centre or jurisdictional Dy/Assistant Commissioner of Customs/Excise.

EOU/EPZ/SEZ Units

A committee shall be constituted at the Zone level headed by the Development Commissioner and consisting of other concerned officials to approve units and to resolve the post-approval difficulties of the EOU/EPZ/SEZ units. The Committee shall meet on Monday, every week. In case of the absence of Development commissioner, the meeting will be held by the next senior officer in the Zone. The unit shall intimate the problems being faced by them in advance. In the meetings, apart from the promoters, the other concerned agency with which difficulties are being faced by the unit, may also be called.

10. The subheading "POST APPROVAL MATTERS" under Appendix 14-B pertaining to "Criteria to be adopted for automatic approval of EOU/EPZ/ SEZ units under EOU/ EPZ/ SEZ Scheme" is amended to read as "OTHER APPROVAL MATTERS"

11. S.No 27 is amended and S.No 27 A added under Appendix 24 pertaining to "List of Licencing Authorities and their Jurisdiction" as under:

S. No	Name & Address	Telegraphic/ Tel/ Tlx/ Fax/ email	Territorial Jurisdiction
27	The Joint Director General of Foreign Trade, H.No. 36/ 862-A, Chittoor Road, (Opp to SRVLP School), Ernakulam, Kochi-11	CONIMPEXTRA ERNAKULAM Telefax: 0484-370760 PRO: 0484-351397 dgftchn@ker.nic.in	(i) Kerala excepting the districts of Trivandrum, Quilon, Pathanamthitta, (ii) Lakshadweep
27A	The Joint Director General Of Foreign Trade, No 29, Shanthi Nagar, Government Press Road, Statue, Thiruvananthapuram 695001	Tel: 0471-335393 dgftvm@kerala.nic.in	Districts of Kerala (i) Thiruvananthapuram (ii) Quilon, (iii) Pathanamithitta

12) The following is added at S.No xii) under the subhead "List of Licencing Authorities and their Jurisdiction" under Appendix 25 pertaining to " JURISDICTION OF LICENCING AUTHORITY AND LIST OF NOMINATED AGENCIES FOR THE PURPOSE OF GEM AND JEWELLERY EXPORT PROMOTION SCHEMES "

xii) Jt DGFT, Thiruvananthapuram District falling under the jurisdiction of Jt DGFT

Thiruvananthapuram as given in Appendix 24

13) The following is added at S.No 26 A of Appendix 30 pertaining to "List of Regional Licencing Authorities of DGFT and the corresponding office of Reserve Bank of India, Exchange Control Department.

Sr. No	Licencing Authority of DGFT	Corresponding Office of RBI
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26 A	The Joint Director General of Foreign Trade, Thiruvananthapuram	The General Manager, Exchange Control Department, Bakery Junction, P.B. No 6507, Thiruvananthapuram 695033
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This issues in public interest.

(L.Mansingh)

Director General of Foreign Trade

(A.B.Menon)

Dy.Director General of Foreign Trade

(File No: 01/94/180/26/AM03/ PC IV)