

F.No. 1/7/31/96-97/PC.II
Government of India
Ministry of Commerce
Directorate General of Foreign Trade
Udyog Bhavan, New Delhi-11

Policy Circular No. 6 (RE-98) /98-99 dated 20.05.1998

To

- 1.All Licensing Authorities
- 2.All Commissioners of Customs and Central Excise
- 3.The Federation of Indian Export Organisations, New Delhi
- 4.The Export Promotion Councils/Commodity Boards
- 5.All Chambers of Commerce and Industries/Association on the mailing list

Subject:- Attempts to obtain double benefits under DEPB/ Advance Licensing Scheme in respect of goods being manufactured/processed by 100% Export Oriented Units (EOUs)/units in Export Processing Zones (EPZs).

Sir,

1.Certain instances have been brought to the notice of DGFT wherein some of the exports effected by 100% EOU/ units in the Export Processing Zones are also being counted towards discharge of export obligation under advance licences or wherein DEPB benefits are being claimed. Thus the same exports are also being counted towards benefits under DEPB/advance licence as well as for discharge of export obligation by EOUs/EPZ units

2.In this context it is clarified that the exports effected by EOUs/EPZ units, whether directly or through third party are not entitled for DEPB benefits/discharge of export obligation under advance licence. If any such instances have come to the notice of Regional Licensing Authorities, then, the Enforcement proceedings must be initiated immediately. In the case of third party exports, as per Paragraph 3.54 of the Exim Policy, 1997-2002, the shipping bills must indicate the names of both the manufacturers and the third party. It is clarified that while indicating the name of the manufacturer

in such cases, the status of the unit i.e 100% Export Oriented Unit or Unit in the Export Processing Zone also must be clearly indicated.

3.This issues with the approval of Director General of Foreign Trade

Yours faithfully,

(L.B.Singhal)

Dy. Director General of Foreign Trade
For Director General of Foreign Trade