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Government of India  
Ministry of Commerce & Industry  
Department of Commerce  
Directorate General of Foreign Trade  
Udyog Bhawan, New Delhi -110 011

Public Notice No.48 /2009-2014 (RE-2012)

Dated the 8<sup>th</sup> February, 2013

**Subject:** Amendment in Provisions of Para 5.23 of HBP v1 (EPCG Scheme).

In exercise of powers conferred under Paragraph 2.4 of the Foreign Trade Policy 2009-2014, the Director General of Foreign Trade hereby makes the following amendments in para 5.23 of the HBP with immediate effect:

2. Sub-para (f) of Para 5.23 of HBP v1 which reads as under :-

*“(f) The computation of freely transferable duty credit scrip(s) will be based on duty paid amount (not cenvated), instead of duty saved amount.”*

Shall be replaced and the amended Sub-para shall read as under :-

***“(f) The computation of freely transferable Duty Credit Scrip(s) will be based on basic customs duty amount paid.”***

3. Sub-para (g) of Para 5.23 of HBP V1 which reads as under :-

*“(g) (i) Bill of Entry indicates the duty paid on the import made. Subsequently, Cenvat Credit, if availed, shall not be taken into account for grant of duty credit scrip. In the absence of a certificate from the jurisdictional Central Excise Authority stating that ‘Cenvat Credit on this Bill of Entry(ies) has not been availed and will not be availed in future’ no duty credit scrip would be granted on the CVD component. In all cases where CVD portion is considered for grant of duty credit scrip, RA shall endorse the Bill of Entry(ies) to this effect, mentioning that CVD Portion shall not be Cenvatable and send a communication to the same jurisdictional Central Excise Authority informing the details along with relevant list of Bill of Entry(ies).*

*“(ii) Such certificate from Central Excise shall, however, not be required in case (a) the unit is not registered with Central Excise, or (b) the unit has opted out of Central Excise net or (c) the end product is not subject to Central Excise duty.”*

Shall be replaced and the amended Sub-para shall read as under :-

***“(g) Where the exporter has obtained EPCG authorisation under Para 5.23 (c) of HBP v1, declaring that he shall not avail CENVAT Credit, the Export Obligation shall be fixed with reference to the basic customs duty paid. In such cases Duty Credit Scrip will be issued based on the certificate from Central Excise regarding***

***non-availment of CENVAT credit. Such certificate from central excise regarding non-availing of CENVAT credit will not be required where the unit is not registered with central excise.”***

4. Two new sub-paras (i) & (j) are added below sub para (h) of para 5.23 of HBP which shall read as under:

***“(i) The CG imported under para 5.11 of FTP shall not be disposed of till the date of last export for offsetting EO against such CG.***

***(j) In case of re-export of CG found defective or unfit for use as per the provisions of para 5.16 of HBPv1 if the exporter claims drawback on such re-export there would be no remission of duty under para 5.11 of FTP.”***

5. Effect of Public Notice: The existing provisions of paragraph 5.23 (f) & (g) of HBP v1 have been slightly modified and sub-paras (i) & (j) have been added for the sake of clarity.

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