

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE
DIRECTORATE GENERAL OF FOREIGN TRADE
UDYOG BHAWAN
NEW DELHI – 110 011**

Policy Circular No. 26(RE-2000)/2000-2001 Dated: 13th Sept., 2000

To

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

Subject: Clarification regarding certain issues relating to EPCG Scheme.

Sir,

Attention is invited to Policy Circular No. 29 (RE-99)/99-2000 dated 19.8.1999 regarding clarification on certain issues relating to EPCG Scheme.

2. The Government has decided to fix a ceiling of 500 (five hundred) million Kg. for export of cotton yarn of 40s and below counts for the calendar year 2000. However, exemption of the following categories of cotton yarn exports from the ceiling restrictions would continue for the calendar year 2000.

1) Exports by 100% EOUs

- (i) 100% EOUs, who have been licensed to manufacture and export cotton yarn without any count restriction and/or the use of domestic cotton condition, are totally exempted from the ceiling restriction.
- (ii) 100% EOUs licensed to manufacture cotton yarn subject to count restrictions would be permitted to export cotton yarn without any count/domestic cotton use restriction upto 31st December,2000, provided such exports are within the overall quantitative ceiling of 500 million Kgs. fixed for export during the calendar year 2000.

This exemption from count/domestic cotton use will be reviewed on year to year basis.

2) Exports by EPCG Units

- (i) Exports by EPCG Units which are licensed to manufacture and export cotton yarn without any count and/or the use of domestic cotton use condition, are exempted from the ceiling restriction to the extent of meeting their annualised export obligation fixed under the EPCG licence.
- (ii) EPCG units which are subject to restrictions pertaining to count/sourcing domestic cotton would be permitted to export cotton yarn without such restriction upto 31st December,2000 as long as such exports are within the overall quantitative ceiling of 500 million Kgs.

3. It has also been decided to fix a ceiling of 20 (Twenty) million Kgs. For export of hank yarn below 60s for the calendar year 2000. However, exemption for export of hank yarn below 60s count by 100% EOUs and units under Advance Licensing Scheme, as at present, would continue.

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

Yours faithfully,

Sd:

(L.B. Singhal)

Joint Director General of Foreign Trade