

GENERAL INSTRUCTIONS FOR DEPB RATES

1. The rates of DEPB specified in book shall not be applicable to export of a commodity or product if such commodity or product is:-
 - a) Manufactured partly or wholly in a warehouse under Section 65 of the Customs Act, 1962 (52 or 1962)
 - b) Manufactured and/or exported in discharge of export obligation against an Advance Licence including Advance Licence for Annual Requirement or exported under DFRC Scheme of the relevant EXIM Policy.
 - c) Manufactured and/or exported by a unit licenced as hundred percent export oriented unit in terms of the provisions of the relevant import and export Policy;
 - d) Manufactured and/or exported by any of the units situated in free trade zones /Export Processing Zone/ Special Economic Zones / EHTP Scheme;
 - e) Manufactured and/or exported in terms of clause (b) of sub-rule (1) of rule 12 of the Central Excise Rules, 1944;
 - f) Manufactured and/or exported in terms of clause (b) of sub-rule (1) of rule 13 of the Central Excise Rules, 1944
 - g) Export of goods of foreign origin, unless the goods have been manufactured or reprocessed or on which similar operations have been carried out in India.
 - h) Exports made under paragraph 2.34 and 2.35 of the EXIM Policy.
2. The DEPB rate and the value cap shall be applicable as existing on the date of order of "let export" by the Customs.
3. The value cap, wherever existing shall be with reference to the FOB value of exports. The DEPB rate shall be applied on the FOB value or value cap whichever is lower. For example, if the FOB value is Rs.500/- per piece, and the value cap is Rs.300/- per piece, the DEPB rate shall be applied on Rs.300/-.
4. Wherever any specific rate exists for a particular item under DEPB rate list as given in this book the items shall not be covered under any generic description of the DEPB rate list.
5. The DEPB rate aims to neutralise the incidence of duty on the inputs used in the export product. Therefore, the DEPB rates as given in this book refer to normally tradable/exportable product. Items such as gold Nibs, Gold Pen, Gold watches etc. though covered under the generic description of writing instruments, components of writing instruments and watches are thus not eligible for benefit under the DEPB scheme.
6. The DEPB rates given for various galvanised Engineering product shall cover non galvanised products and vice-a-versa.
7. The DEPB rate given for various types of garments do not cover Silk as well as woollen garments unless specifically mentioned in the DEPB description.
8. Portable Products at S.No.239, 240, 241, 242, 243 and 286 of Product Group: Engineering (Product Code 61) exported in the form of incomplete CKD/SKD Kit, but consisting of (I) Engine (ii) Chassis (iii) Gear Box (iv) Transmission Assembly system (v) Axle (Front & Rear) and (vi) Suspension System or Body/Cab or both shall be treated at par with complete CKD/SKD Kit for the purpose of relevant DEPB benefits.
9. The DEPB rate for formulations consisting of more than one bulk drug would be calculated as per provisions of Policy Circular No.20 dated 31st July, 2000.
10. Wherever the export of resultant product in completely built form is allowed under DEPB, the CKD/SKD export of such product shall also be allowed under DEPB.
11. DEPB benefit would also be admissible on the export of composite product having more than one constituent items for which DEPB rates are individually fixed. In such cases the DEPB entitlement would

be restricted to the lowest of the rate applicable to the constituent items. In such calculations, the constituent items having weight less than 5% of the total weight shall be ignored.

12. DEPB benefit would be available on the export of products having extraneous material upto 5% by weight. In such cases, extraneous material upto 5% shall be ignored and the DEPB rate as notified for that export product shall be allowed.