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Minister Sitharaman Releases FTP 2015-2020, Claims New Foreign Trade Policy will Double Export to $900 bn in 2020

Trade says New Policy is "Old Wine in New Bottle" or "Less Wine in New Bottle", Its Mere Repackaging

- New FTP Slashes Incentive Rates by 2-3% to Control Revenue Losses
- Rs. 16,200 crs ($3.2bn) Negative Impact on Customs Revenue on Account of Reward Scrips, Costed 5% of All Customs Revenue Last year
- Substitute Scheme **Merchandise Exports from India Scheme (MEIS)** released by notification
- MEIS Subsumes All Reward Schemes for Goods
- 1% Incentive under Export Houses SHIS Goes
- 3% FMS scheme Shifted to MEIS at only 2%
- Three Groups Created consisting of Developed Countries (Group A), Developing Countries (Group B) and Least Developed Countries (Group C) in MEIS
- VKGUY 5% Incentive Shifted to MEIS with 3% Incentive Rate
- SFIS Subsumed under new SEIS with Reduction in Incentive Rate from 10% to Just 5%
- Actual User Condition of SFIS in SEIS Removed. Full Trading of Scrip Allowed
- New Scheme to Promote E-Commerce Export with Incentives Notified but Value Limit is Rs. 25,000 per Consignment only through Delhi, Chennai and Mumbai
- Two Star Export House Recognition Criteria Raised from Rs. 100 crs to Rs. 150 crs, Recognition Redefined on Dollar Basis
- Export House Self-Certification of Origin Certificate of PTA Entry in Destination Country *(Is This Allowed under the PTA Agreement? – Ed)*
- SEZs to be given SEIS and MEIS Benefits (FTWZ Denied the Benefit, SEZs Sale into DTA of Zero Duty Goods may be Denied the Benefit)
- No Change in Advance Licensing Scheme, Input Output Norms and Value Addition Norms Hurdles Remains

DGFT Pravir Kumar, Comc Secy Rajiv Kher, Min Nirmala Sitharaman, Rev Secy Shaktikanta Das, Addl DGFT DK Singh

(Trade Distressed Over Lack of Concrete Procedure and Simplification, Mere EDI will not Help, Procedures are Complicated and No Accountability for Delayed/Wrong Decisions.– Ed)

- Complicated Pre-Shipment Inspection Procedures for Recycling Industry Introduced, Authorised Agency will have to Submit Video Clips of Each Inspection with Photograph of Inspector, Exporter and Importer.

  (Is it Possible to do all this for tens of thousands of consignments? Can DGFT handle administrative burden? This work is done on sample basis with risk management profiling by customs on the spot at the port. As it is, there is no sanction of new entrants to PSI list for last one year. Even China is not represented in the list. – Ed)

Crude Turns Volatile

Crude Oil (Indian Basket) from 25 to 31 March 2015

	25 Mar	26 Mar	27 Mar	30 Mar	31 Mar
($/bbl)	53.31	57.03	55.60	53.81	53.64
(Rs/bbl	3323.35	3574.07	3481.12	3370.12	3357.33
(Rs/$)	62.34	62.67	62.61	62.63	62.59

(Previous Trading Day Price)
Source: Ministry of Petroleum & Natural Gas

NEW FOREIGN TRADE POLICY (FTP) AIMS 900 BILLION EXPORTS BY 2020

A BANE OR BOOST ?

A Comment on FTP 2015-2020 – By A Sathyanarayana – Trade Expert

Amidst falling exports, widening balance of payments account, the New Foreign Trade Policy (FT) was notified on 1st April, 2015 by DGFT. The policy emphasizes the need to simplify the licensing system and procedures to boost exports. Many salient features of the policy are welcome, but mostly bureaucratic and not in line with "Make in India" slogan of this Government,

Reward Scrip scheme simplified and merged into a single scheme with now only MEIS (Merchandise Exports from India Scheme) put in place. There would be no conditionality attached to the scrips issued under the scheme. The country groupings and the products supported for this scheme do not correlate with each other. The dispensation given towards basic customs duty and adjustment as duty drawback are worthy to mention in the new FTP. The definition of SEIS (Service Exports from India Scheme) has been widened to apply "service providers located" in India instead of earlier Indian Service Providers regardless of the constitution or profile of the service provider, the moot question is that licensing authorities should not insist upon IEC number for this purpose, if this is made clear, the ease to do business concept will realize its objective. MEIS & SEIS incentives are extended to SEZ units, it is not clear how this SEIS benefit can be availed by SEZ units. Basic Customs Duty paid in cash or through debit under Duty Credit Scrip can be taken back as Drawback if inputs imported are used for exports is indeed a welcome step, but the paper work relating to this should have been streamlined further.

The Status Holders policy good to show up in FTP, yet, the question of how changing the Rupee value to US dollar earnings for granting Status like Export House, Star Export House etc will benefit, is not addressed properly.

One of the major and note worthy schemes of this new FTP is Approved Exporter Scheme – Self certification by Status Holders . They are now allowed to self-certify their manufactured goods as originating from India to qualify for preferential treatment under different PTA agreements etc. But this does not do away with Certificate of Origin requirement which is mandatory under these agreements, unless this is amended, the new facility of self-certification is of any use, rather useless.

The reduced export obligation under EPCG scheme in case capital goods are bought from local manufacturers which is currently 90%, now reduced to 75% is a step in right direction, however, the percentage of benefit under this scheme is still minimal compared to the value of foreign exchange outgo on account of procuring these Capital Goods from overseas.

The revamping of EPCG scheme by simplifying procedures/processes, digitization will be a great relief to EPCG licence holders. The CE (Chartered Engineer) certificate from an independent CE has been removed and maintaining records for a period 2 years by the EPCG Authorization Holders would relieve them greatly.

Although holding an IEC number is a status symbol for exporters and importers, it is felt by the common man that IEC should be simply granted on the basis PAN card and easing from submitting applications, verifications etc. This starting point for exports or imports should begin with easiest way of obtaining IEC numbers, which should pave the way for the rest of the export import process to ease further as the exporter and importer moves into doing business.

Further, any product which is grown in India and not used within India must be freely allowed to be exported. For example, Red Sanders which is highest priced wood available in South India in plenty, neither this wood is used within India nor gives any utility to the areas where this is grown. This wood has plenty of demand in China, Japan, Germany, Taiwan etc with local selling price until recently Rs.1 crore per ton. This wood species under the pretext of falling under CITES group is unnecessarily restricted to export. Recently some legislations passed in Andhra Pradesh, Tamil Nadu allows anyone to grow these trees, but they are not allowed to harvest. Such a legislation is useless especially when agro-crops are permitted to export. The Government of India should prevail upon the CITES organisation to remove Red Sanders (Pterocarpus Santalinus) from Appendix 2 . This major amendment can give India a whopping USD 40 million Dollars every year. In fact, if Government is serious about achieving 900 billion export target by 2020, easing Red Sanders export will fulfil this promise and it will also contribute to the " make in India" indirectly.. China is the largest buyer of red sanders followed by Japan, Taiwan, US and Germany.

The other new initiatives proposed for EOUs, EHTPs and STPs are expected to help exports to go up in these categories of stakeholders. Steps taken to push up and encourage export of defence exports still needs much more. The Advance Authorisation export obligation extended in this category exporters should have been made 36 months instead of 24 months. Defence export obligation fulfilment is time consuming for various reasons which are practically difficult to curtail.

The DFTP scheme which extends basic customs duty exemption to nearly 33 countries as Least Developed Countries. In fact, the UN – OHRLLS notified 48 countries Government of India should approach rest of the countries to submit their applications for this facility to the Commerce Ministry. The import levies under this facility is enormous and many importers are unaware this great facility. Government should give wide publicity so that importers can avail this facility and offer lower prices of commodities which will bring down inflation. It must be remembered, the outgo of foreign exchange when imported from these LDCs are also minimal as compared to HDCs (Highly Developed Countries) because the export prices in these countries are much lower for the local reasons such as lower labor costs , less paper work, easy access to smaller ports of despatch etc.

The Chapter on Complaints and Trade Disputes has been redefined, however, there must a provision to punish all those exporters and importers involved in scams also.

The FTP partly addresses the internal factors, exporters face high operational and transactional costs, complex tax regime, high interest rates, inadequate incentives and difficulty in availing incentives, difficult custom procedures, further, like labour laws and tedious transportation processes and harassment by officials. In my opinion, concerted efforts should be directed towards conceptualizing more sensitive export-friendly policies based on the realities at the ground level. It may be recalled inspite of global slowdown India's exports stood at US$314bn in 2013-14, now the global scenario of foreign trade gone drastically with falling oil prices, sluggish commodity prices, many more weak economic factors, it is now mind boggling question, how the new FTP can achieve USD 900 Billion by 2020 remains to be seen.

Form – B

Particulars About the Newspaper

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WEEKLY INDEX OF CHANGES

HIGHLIGHTS OF THE FOREIGN TRADE POLICY 2015-2020

The FTP 2015-2020 Consists of-

- Highlights of the Foreign Trade Policy 2015-2020
- Foreign Trade Policy Statement
- Foreign Trade Policy *[1st April, 2015 – 31st March, 2020]*
- Handbook of Procedures *[1st April, 2015 – 31st March, 2020]*
- Appendices and AayatNiryat Forms of Foreign Trade Policy 2015-2020 *[1st April, 2015 – 31st March, 2020]*
- *Public Notice No.2 dated 1 April 2015 -*
  Table I: List of Country Groups *and*
  Table II - Table 2-ITC (HS) code wise list of products with reward rates under MEIS (333 pages)

Please see our website www.worldtradescanner.com for details.

You are welcome to contact us for assistance to clear doubts, if any. Email direct to the editor at arungoyal.delhi@gmail.com or Call at 011-23281314

A. SIMPLIFICATION & MERGER OF REWARD SCHEMES

Export from India Schemes:

1. Merchandise Exports from India Scheme (MEIS)

(a) Earlier there were 5 different schemes (Focus Product Scheme, Market Linked Focus Product Scheme, Focus Market Scheme, Agri. Infrastructure Incentive Scrip, VKGUY) for rewarding merchandise exports with different kinds of duty scrips with varying conditions (sector specific or actual user only) attached to their use. Now all these schemes have been merged into a single scheme, namely Merchandise Export from India Scheme (MEIS) and there would be no conditionality attached to the scrips issued under the scheme. The main features of MEIS, including details of various groups of products supported under MEIS and the country groupings are at Annexure-1.

(b) Rewards for export of notified goods to notified markets under 'Merchandise Exports from India Scheme (MEIS) shall be payable as percentage of realized FOB value (in free foreign exchange). The debits towards basic customs duty in the transferable reward duty credit scrips would also be allowed adjustment as duty drawback. At present, only the additional duty of customs / excise duty/ service tax is allowed adjustment as CENVAT credit or drawback, as per Department of Revenue rules.

2. Service Exports from India Scheme (SEIS)

(a) Served From India Scheme (SFIS) has been replaced with Service Exports from India Scheme (SEIS). SEIS shall apply to 'Service Providers located in India' instead of 'Indian Service Providers'. Thus SEIS provides for rewards to all Service providers of notified services, who are providing services from India, regardless of the constitution or profile of the service provider. The list of services and the rates of rewards under SEIS are at Annexure-2.

(b) The rate of reward under SEIS would be based on net foreign exchange earned. The reward issued as duty credit scrip, would no longer be with actual user condition and will no longer be restricted to usage for specified types of goods but be freely transferable and usable for all types of goods and service tax debits on procurement of services/goods. Debits would be eligible for CENVAT credit or drawback.

3. Chapter -3 Incentives (MEIS & SEIS) to be available for SEZs

It is now proposed to extend Chapter -3 Incentives (MEIS & SEIS) to units located in SEZs also.

4. Duty credit scrips to be freely transferable and usable for payment of custom duty, excise duty and service tax.

(a) All scrips issued under MEIS and SEIS and the goods imported against these scrips would be fully transferable.

(b) Scrips issued under Exports from India Schemes can be used for the following:-

(i) Payment of customs duty for import of inputs/ goods including capital goods, except items listed in Appendix 3A.

(ii) Payment of excise duty on domestic procurement of inputs or goods, including capital goods as per DoR notification.

(iii) Payment of service tax on procurement of services as per DoR notification.

(c) Basic Customs Duty paid in cash or through debit under Duty Credit Scrip can be taken back as Duty Drawback as per DoR Rules, if inputs so imported are used for exports.

5. Status Holders

(a) Business leaders who have excelled in international trade and have successfully contributed to country's foreign trade are proposed to be recognized as Status Holders and given special treatment and privileges to facilitate their trade transactions, in order to reduce their transaction costs and time.

(b) The nomenclature of Export House, Star Export House, Trading House, Star Trading House, Premier Trading House certificate has been changed to One, Two, Three, Four, Five Star Export House.

(c) The criteria for export performance for recognition of status holder have been changed from Rupees to US dollar earnings. The new criteria is as under:-

Status category	Export Performance FOB / FOR (as converted) Value (in US $ million) during current and previous two years
One Star Export House	3
Two Star Export House	25
Three Star Export House	100
Four Star Export House	500
Five Star Export House	2000

(d) Approved Exporter Scheme - Self certification by Status Holders

Manufacturers who are also Status Holders will be enabled to self-certify their manufactured goods as originating from India with a view to qualify for preferential treatment under different Preferential Trading Agreements [PTAs], Free Trade Agreements [FTAs], Comprehensive Economic Cooperation Agreements [CECAs] and Comprehensive Economic Partnerships Agreements [CEPAs] which are in operation. They shall be permitted to self-certify the goods as manufactured as per their Industrial Entrepreneur Memorandum (IEM) / Industrial Licence (IL)/ Letter of Intent (LOI).

B. BOOST TO "MAKE IN INDIA"

6. Reduced Export Obligation (EO) for domestic procurement under EPCG scheme:

Specific Export Obligation under EPCG scheme, in case capital goods are procured from indigenous manufacturers, which is currently 90% of the normal export obligation (6 times at the duty saved amount) has been reduced to 75%, in order to promote domestic capital goods manufacturing industry.

7. Higher level of rewards under MEIS for export items with high domestic content and value addition.

It is proposed to give higher level of rewards to products with high domestic content and value addition, as compared to products with high import content and less value addition.

C. TRADE FACILITATION & EASE OF DOING BUSINESS

8. Online filing of documents/ applications and Paperless trade in 24x7 environment:

(a) DGFT already provides facility of Online filing of various applications under FTP by the exporters/importers. However, certain documents like Certificates issued by Chartered Accountants/ Company Secretary / Cost Accountant etc. have to be filed in physical forms only. In order to move further towards paperless processing of reward schemes, it has been decided to develop an online procedure to upload digitally signed documents by Chartered Accountant / Company Secretary/ Cost Accountant. In the new system, it will be possible to upload online documents like annexure attached to ANF 3B, ANF 3C and ANF 3D, which are at present signed by these signatories and submitted physically.

(b) Henceforth, hardcopies of applications and specified documents would not be required to be submitted to RA, saving paper as well as cost and time for the exporters. To start with, applications under Chapter 3 & 4 of FTP are being covered (which account for nearly 70% of total applications in DGFT). Applications under Chapter-5 would be taken up in the next phase.

(c) As a measure of ease of doing business, landing documents of export consignment as proofs for notified market can be digitally uploaded in the following manner:-

(i) Any exporter may upload the scanned copy of Bill of Entry under his digital signature.

(ii) Status holders falling in the category of Three Star, Four Star or Five Star Export House may upload scanned copies of documents.

9. Online inter-ministerial consultations:

It is proposed to have Online inter-ministerial consultations for approval of export of SCOMET items, Norms fixation, Import Authorisations, Export Authorisation, in a phased manner, with the objective to reduce time for approval. As a result, there would not be any need to submit hard copies of documents for these purposes by the exporters.

10. Simplification of procedures/ processes, digitisation and e-governance

(a) Under EPCG scheme, obtaining and submitting a certificate from an independent Chartered Engineer, confirming the use of spares, tools, refractory and catalysts imported for final redemption of EPCG authorizations has been dispensed with.

(b) At present, the EPCG Authorisation holders are required to maintain records for 3 years after redemption of Authorisations. Now the EPCG Authorization Holders shall be required to maintain records for a period of two years only. Government's endeavour is to gradually phase out this requirement as the relevant records such as Shipping Bills, e-BRC are likely to be available in electronic mode which can be archived and retrieved whenever required.

(c) Exporter Importer Profile: Facility has been created to upload documents in Exporter/Importer Profile. There will be no need to submit copies of permanent records/ documents (e.g. IEC, Manufacturing licence, RCMC, PAN etc.) repeatedly with each application, once uploaded.

(d) Communication with Exporters/Importers: Certain information, like mobile number, e-mail address etc. has been added as mandatory fields, in IEC data base. This information once provided by exporters, would help in better communication with exporters. SMS/email would be sent to exporters to inform them about issuance of authorisations or status of their applications.

(e) Online message exchange with CBDT and MCA: It has been decided to have on line message exchange with CBDT for PAN data and with Ministry of Corporate Affairs for CIN and DIN data. This integration would obviate the need for seeking information from IEC holders for subsequent amendments/ updation of data in IEC data base.

(e) Communication with Committees of DGFT: For faster and paperless communication with various committees of DGFT, dedicated e- mail addresses have been provided to each Norms Committee, Import Committee and Pre-Shipment Inspection Agency for faster communication.

(f) Online applications for refunds: Online filing of application for refund of TED is being introduced for which a new ANF has been created.

11. Forthcoming e-Governance Initiatives

(a) DGFT is currently working on the following EDI initiatives:

(i) Message exchange for transmission of export reward scrips from DGFT to Customs.

(ii) Message exchange for transmission of Bills of Entry (import details) from Customs to DGFT.

(iii) Online issuance of Export Obligation Discharge Certificate (EODC).

(iv) Message exchange with Ministry of Corporate Affairs for CIN & DIN.

(v) Message exchange with CBDT for PAN.

(vi) Facility to pay application fee using debit card/credit card.

(vii) Open API for submission of IEC application.

(viii) Mobile applications for FTP

D. OTHER NEW INITIATIVES

12. New initiatives for EOUs, EHTPs and STPs

(a) EOUs, EHTPs, STPs have been allowed to share infrastructural facilities among themselves. This will enable units to utilize their infrastructural facilities in an optimum way and avoid duplication of efforts and cost to create separate infrastructural facilities in different units.

(b) Inter unit transfer of goods and services have been allowed among EOUs, EHTPs, STPs, and BTPs. This will facilitate group of those units which source inputs centrally in order to obtain bulk discount. This will reduce cost of transportation, other logistic costs and result in maintaining effective supply chain.

(c) EOUs have been allowed facility to set up Warehouses near the port of export. This will help in reducing lead time for delivery of goods and will also address the issue of un- predictability of supply orders.

(d) STP units, EHTP units, software EOUs have been allowed the facility to use all duty free equipment/goods for training purposes. This will help these units in developing skills of their employees.

(e) 100% EOU units have been allowed facility of supply of spares/ components up to 2% of the value of the manufactured articles to a buyer in domestic market for the purpose of after sale services.

(f) At present, in a period of 5 years EOU units have to achieve Positive Net Foreign Exchange Earning (NEE) cumulatively. Because of adverse market condition or any ground of genuine hardship, then such period of 5 years for NFE completion can be extended by one year.

(f) Time period for validity of Letter of Permission (LOP) for EOUs/EHTP/ STPI/BTP Units has been revised for faster implementation and monitoring of projects. Now, LOP will have an initial validity of 2 years to enable the unit to construct the plant and install the machinery. Further extension can be granted by the Development Commissioner up to one year. Extension beyond 3 years of the validity of LOP, can be granted, in case unit has completed 2/3rd of activities, including the construction activities.

(g) At present, EOUs/EHTP/STPI units are permitted to transfer capital goods to other EOUs, EHTPs, STPs, SEZ units. Now a facility has been provided that if such transferred capital goods are rejected by the recipient, then the same can be returned to the supplying unit, without payment of duty.

(h) A simplified procedure will be provided to fast track the de-bonding / exit of the STP/ EHTP units. This will save time for these units and help in reduction of transaction cost.

(i) EOUs having physical export turnover of Rs.10 crore and above, have been allowed the facility of fast track clearances of import and domestic procurement. They will be allowed fast tract clearances of goods, for export production, on the basis of pre- authenticated procurement certificate, issued by customs/central excise authorities. They will not have to seek procurement permission for every import consignment.

13. Facilitating & Encouraging Export of dual use items (SCOMET).

(a) Validity of SCOMET export authorisation has been extended from the present 12 months to 24 months. It will help industry to plan their activity in an orderly manner and obviate the need to seek revalidation or relaxation from DGFT.

(b) Authorisation for repeat orders will be considered on automatic basis subject to certain conditions.

(c) Verification of End User Certificate (EUC) is being simplified if SCOMET item is being exported under Defence Export Offset Policy.

(c) Outreach programmes will be conducted at different locations to raise awareness among various stakeholders.

14. Facilitating & Encouraging Export of Defence Exports

(a) Normal export obligation period under advance authorization is 18 months. Export obligation period for export items falling in the category of defence, military store, aerospace and nuclear energy shall be 24 months from the date of issue of authorization or co-terminus with contracted duration of the export order, whichever is later. This provision will help export of defence items and other high technology items.

(b) A list of military stores requiring NOC of Department of Defence Production has been notified by DGFT recently. A committee has been formed to create ITC (HS) codes for defence and security items for which industrial licenses are issued by DIPP.

Annexure-1

I. Merchandise Exports from India Scheme

(i) Merchandise Exports from India Scheme has replaced 5 different schemes of earlier FTP (Focus Product Scheme, Market Linked Focus Product Scheme, Focus Market Scheme, Agri. Infrastructure Incentive Scrip, VKGUY) for rewarding merchandise exports which had varying conditions (sector specific or actual user only) attached to their use.

(ii) Now all these schemes have been merged into a single scheme, namely Merchandise Export from India Scheme (MEIS) and there would be no conditionality attached to the scrips issued under the scheme. Notified goods exported to notified markets would be rewarded on realised FOB value of exports.

A. Country Groups:

Category A: Traditional Markets (30) - European Union (28), USA, Canada.

Category B: Emerging & Focus Markets (139), Africa (55), Latin America and Mexico (45), CIS countries (12), Turkey and West Asian countries (13), ASEAN countries (10), Japan, South Korea, China, Taiwan,

Category C: Other Markets (70).

B. Products supported under MEIS Level of Support:

Higher rewards have been granted for the following category of products:

- Agricultural and Village industry products, presently covered under VKGUY.
- Value added and packaged products.
- Eco-friendly and green products that create wealth out of waste from agricultural and Other waste products that generate additional income for the farmers, while improving the environment.
- Labour intensive Products with large employment potential and Products with large number of producers and /or exporters.
- Industrial Products from potential winning sectors.
- Hi-tech products with high export earning potential.

C. Markets Supported

- Most Agricultural products supported across the Globe.
- Industrial and other products supported in Traditional and/or Emerging markets only.

D. High potential products not supported earlier:

Support to 852 Tariff lines that fit in the product criteria but not provided support in the earlier FTP. Includes lines from Fruits, Vegetables, Dairy products, Oils meals, Ayush & Herbal Products, Paper, Paper Board Products.

E. Global support has been granted to the following category:

- Fruits, Flowers, vegetables
- Tea Coffee, Spices
- Cereals preparation, shellac, Essential oils
- Processed foods,
- Eco Friendly products that add value to waste
- Marine Products
- Handloom, Coir, Jute, products and Technical Textiles, Carpets Handmade. Other Textile and Readymade garments have been supported for European Union, USA, Canada and Japan.
- Handicraft, Sports Goods
- Furniture, wood articles

F. Support to major markets have been given to the following product categories

- Pharmaceuticals, Herbals, Surgicals
- Industrial Machinery, IC Engine, Machine tools, Parts, Auto Components/Parts
- Hand Tools, Pumps of All Types
- Automobiles, Two wheelers, Bicycles, Ships, Planes
- Chemicals, Plastics
- Rubber, Ceramic and Glass
- Leather garments, saddlery items, footwear
- Steel furniture, Prefabs, Lighters
- Wood , Paper, Stationary
- iron, steel, and base metals, products

G. Other sectors supported under MEIS

- 352 Defence related Product with export of US$17.7B consisting of Core Products (20), Dual Use products (60) ,General Purpose products (272).
- 283 Pharmaceutical products of Bulk Drugs & Drug Intermediates, Drug Formulations Biologicals, Herbal, Surgicals, and Vaccines.
- 96 lines of Environment related Goods, Machinery, Equipment's.
- 49 lines where mandatory BIS standards are prescribed.
- 7 lines of Technical Textiles.

H. Participation in global value chain of the items falling under the scheme:

- 1725 lines of Intermediate Goods - These goods become inputs in the manufacturing of other countries and will strengthen backward manufacturing linkages which is vital for India's participation in Global Value Chains.
- 1109 lines of Capital Goods sector- will also strengthen Manufacturing Base in India.
- 1730 lines of Consumer Goods sector- We hope a quantum jump in export from this sector with strengthening of Make in India Brand in near future.

S.No	HS Code	ITC(HS) Code	Description of goods	MEIS- Reward Rate (in%)		
				Country Group Code A	Country Group Code B	Country Group Code C
1	2	3	4	5	6	7
	5208		Woven fabrics of cotton, containing 85 % or more by weight of cotton, weighing not more than 200 g/m2			
	52081		Unbleached			
	520811		Plain weave, weighing not more than 100 g/m2			
2105		52081110	Dhoti	2	*	0
2106		52081120	Saree	2	*	0
2107		52081130	Shirting Fabrics	2	*	0
2108		52081190	Others	2	*	0
	520812		Plain weave, weighing more than 100 g/m2			
2109		52081230	Shirting Fabrics	2	*	0
2110		52081260	Voils	2	*	0
2111		52081290	Others	2	*	0
	520813		3thread or 4thread twill, including cross twill			
2112		52081310	Shirting Fabrics	2	*	0
2113		52081390	Others	2	*	0
	520819		Other fabrics			
2114		52081990	Others Cotn Fabrics Contng >=85% By Wt Of Cotn	2	*	0
	52082		Bleached			
	520821		Plain weave, weighing not more than 100 g/m2			
2115		52082120	Saree	2	*	0
2116		52082180	Voils (Excld Leno Fabrics)	2	*	0
2117		52082190	Others	2	*	0
	520822		Plain weave, weighing more than 100 g/m2			
2118		52082230	Shirting Fabrics	2	*	0
2119		52082260	Long Cloth (Incld Calico)	2	*	0
2120		52082280	Voils (Excld Leno Fbrcs)	2	*	0
2121		52082290	Others	2	*	0
	520823		3thread or 4thread twill, including cross twill			
2122		52082390	Others	2	*	0
	520829		Other fabrics			
2123		52082910	Dhoti And Saree Zari Bordered	2	*	0
2124		52082990	Others	2	*	0
	52083		Dyed			
	520831		Plain weave, weighing not more than 100 g/m2			
2125		52083110	Lungi	2	*	0

I. Technology based analysis:

- 572 lines-Low skill Technology-intensive manufacturing.
- 1010 lines-Medium skill Technology- intensive manufacturing.
- 1309 lines-High Skill Technology-intensive manufacturing.

J. Women Centric Products supported under MEIS

(a) Women workers constitute 52% of plantation workers-203 lines of Tea Coffee, Spices, Cashew.

(b) 69% of the aggregate female employment is concentrated in the following sectors:

(i) Manufacture of other food products - Jelly Confectionery, tomato ketchup, cooked stuffed pasta, pawa, mudi and the like, gingerbread , papad, pastries and cakes.

(ii) Manufacture of wearing apparel-396 lines of Readymade Garments

(c) Sectors that have a significant proportion of female employment (more than 25%):

(i) Agricultural and animal husbandry service activities, except veterinary activities– 263 lines of basic Agriculture products.

(ii) Manufacture of footwear – 28 Footwear and Leather products.

(iii) Consumer Electronics and Electronic Components, watches and clocks -483 lines.

Annexure-2

II. Services Exports from India Scheme

(i) Served from India Scheme (SFIS) has been replaced with Service Exports from India Scheme (SEIS). SEIS shall apply to 'Service Providers' located in India' instead of 'Indian Service Providers'. Thus SEIS provides for rewards to all Service providers of notified services, who are providing services from India, regardless of the constitution or profile of the service provider.

(ii) The rate of reward under SEIS would be based on net foreign exchange earned. The reward issued as duty credit scrip, would no longer be with actual user condition and will no longer be restricted to usage for specified types of goods but be freely transferable and usable for all types of goods and service tax debits on procurement of services/ goods. Debits would be eligible for CENVAT credit or drawback.

(iii) The present rates of reward are 3% and 5%. The list of services and the rates of rewards would be reviewed after 30.9.2015.

SNo.	Sectors	Admissible rate
1	**BUSINESS SERVICES**	
A	Professional services Legal services, Accounting, auditing and bookkeeping services, Taxation services, Architectural services , Engineering services, Integrated engineering services, Urban planning and landscape architectural services, Medical and dental services, Veterinary services, Services provided by midwives, nurses, physiotherapists and paramedical personnel.	5%
B	Research and development services R&D services on natural sciences, R&D services on social sciences and humanities, Interdisciplinary R&D services	5%
C.	Rental/Leasing services without operators Relating to ships, Relating to aircraft, Relating to other transport equipment, Relating to other machinery and equipment	5%
D	Other business services - Advertising services, Market research and public opinion polling services Management consulting service, Services related to management consulting, Technical testing and analysis services, Services incidental to agricultural, hunting and forestry, Services incidentalto fishing, Services incidental to mining, Services incidental to manufacturing, Services incidental to energy distribution, Placement and supply services of personnel, Investigation and security, Related scientific and technical consulting services, Maintenance and repair of equipment (not including maritime vessels, aircraft or other transport equipment), Building- cleaning services, Photographic services, Packaging services, Printing, publishing and Convention services	3%
2	**COMMUNICATION SERVICES**	
	Audiovisual services Motion picture and video tape production and distribution service, Motion picture projection service, Radio and television services, Radio and television transmission services, Sound recording	5%
3	**CONSTRUCTION AND RELATED ENGINEERING SERVICES**	
	General Construction work for building, General Construction work for Civil Engineering, Installation and assembly work , Building completion and finishing work	5%
4	**EDUCATIONAL SERVICES** (Please refer Note 1)	
	Primary education services, Secondary education services, Higher education services, Adult education	5%
5	**ENVIRONMENTAL SERVICES**	
	Sewage services, Refuse disposal services, Sanitation and similar services	5%
6	**HEALTH-RELATED AND SOCIAL SERVICES**	
	Hospital services	5%
7	**TOURISM AND TRAVEL-RELATED SERVICES**	
A.	Hotels and Restaurants (including catering)	
a.	Hotel	3%
b.	Restaurants (including catering)	3%
B.	Travel agencies and tour operators services	5%
C.	Tourist guides services	5%
8	**RECREATIONAL, CULTURAL AND SPORTING SERVICES** (other than audiovisual services)	
	Entertainment services (including theatre, live bands and circus services), News agency services, Libraries, archives, museums and other cultural services, Sporting and other recreational services	5%
9	**TRANSPORT SERVICES** (Please refer Note 2)	
A.	Maritime Transport Services Passenger transportation*, Freight transportation*, Rental of vessels with crew*, Maintenance and repair of vessels, Pushing and towing services, Supporting services for maritime transport	5%
B.	Air transport services - Rental of aircraft with crew, Maintenance and repair of aircraft, Airport Operations and ground handling	5%
C	Road Transport Services - Passenger transportation, Freight transportation, Rental of Commercial vehicles with operator, Maintenance and repair of road transport equipment, Supporting services for road transport services	5%
D.	Services Auxiliary To All Modes Of Transport.	
	Cargo-handling services, Storage and warehouse services, Freight transport agency services	5%

Note:

(1) Under education services, SEIS shall not be available on Capitation fee.

(2) *Operations from India by Indian Flag Carriers only is allowed under Maritime transport services.

15. e-Commerce Exports

(a) Goods falling in the category of handloom products, books/periodicals, leather footwear, toys and customized fashion garments, having FOB value up to Rs.25000 per consignment (finalized using e- Commerce platform) shall be eligible for benefits under FTP. Such goods can be exported in manual mode through Foreign Post Offices at New Delhi, Mumbai and Chennai.

(b) Export of such goods under Courier Regulations shall be allowed manually on pilot basis through Airports at Delhi, Mumbai and Chennai as per appropriate amendments in regulations to be made by Department of Revenue. Department of Revenue shall fast track the implementation of EDI mode at courier terminals.

16. Duty Exemption

(a) Imports against Advance Authorization shall also be eligible for exemption from Transitional Product Specific Safeguard Duty.

(b) In order to encourage manufacturing of capital goods in India, import under EPCG Authorisation Scheme shall not be eligible for exemption from payment of anti-dumping duty, safeguard duty and transitional product specific safeguard duty.

17. Additional Ports allowed for Export and import

Calicut Airport, Kerala and Arakonam ICD, Tamil Nadu have been notified as registered ports for import and export.

18. Duty Free Tariff Preference (DFTP) Scheme

India has already extended duty free tariff preference to 33 Least Developed Countries (LDCs) across the globe. This is being notified under FTP.

19. Quality complaints and Trade Disputes

(a) In an endeavour to resolve quality complaints and trade disputes, between exporters and importers, a new chapter, namely, Chapter on Quality Complaints and Trade Disputes has been incorporated in the Foreign Trade Policy.

(b) For resolving such disputes at a faster pace, a Committee on Quality Complaints and Trade Disputes (CQCTD) is being constituted in 22 offices and would have members from EPCs/FIEOs/APEDA/EICs.

20. Vishakhapatnam and Bhimavaram added as Towns of Export Excellence

Government has already recognized 33 towns as export excellence towns. It has been decided to add Vishakhapatnam and Bhimavaram in Andhra Pradesh as towns of export excellence (Product Category– Seafood)

Tariff Value Falls: Poppy Seeds $930/MTs; Brass Scrap $15/MTs; Palmolein $40/MTs; Palm Oil $30 to 38/MTs; Crude Soya Bean Oil $66/MTs

Gold and Silver Rises $10 per 10 gms and $31/Kg

34-Cus(NT) 31.03.2015 (DoR) In exercise of the powers conferred by sub-section (2) of section 14 of the Customs Act, 1962 (52 of 1962), the Central Board of Excise & Customs, being satisfied that it is necessary and expedient so to do, hereby makes the following amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 36/2001-Customs (N.T.), dated the 3rd August, 2001, published in the Gazette of India, Extraordinary, Part-II, Section-3, Sub-section (ii), vide number S.O. 748 (E), dated the 3rd August, 2001, namely:-

In the said notification, for TABLE-1, TABLE-2, and TABLE-3 the following Tables shall be substituted namely:-

"Table-1

SNo.	Chapter/heading/sub-heading/tariff item	Description of goods	Tariff value US $ (Per Metric Tonne)
(1)	(2)	(3)	(4)
1	1511 10 00	Crude Palm Oil	656
2	1511 90 10	RBD Palm Oil	665
3	1511 90 90	Others – Palm Oil	661
4	1511 10 00	Crude Palmolein	667
5	1511 90 20	RBD Palmolein	670
6	1511 90 90	Others – Palmolein	669
7	1507 10 00	Crude Soyabean Oil	734
8	7404 00 22	Brass Scrap (all grades)	3480
9	1207 91 00	Poppy seeds	2817

Table-2

SNo.	Chapter/heading/sub-heading/tariff item	Description of goods	Tariff value (US $)
(1)	(2)	(3)	(4)
1	71 or 98	Gold, in any form, in respect of which the benefit of entries at serial number 321 and 323 of the Notification No. 12/2012-Customs dated 17.03.2012 is availed	385 per 10 grams
2	71 or 98	Silver, in any form, in respect of which the benefit of entries at serial number 322 and 324 of the Notification No. 12/2012-Customs dated 17.03.2012 is availed	543 per Kilogram

Table-3

SNo.	Chapter/heading/sub-heading/tariff item	Description of goods	Tariff value (US $ Per Metric Tons)
(1)	(2)	(3)	(4)
1	080280	Areca nuts	2280"

[F. No. 467/01/2014-Cus-V Pt.I]

Exchange Rates for Customs Valuation

Rupee Falls to Rs. 63.20 for Customs Valuation on Imports w.e.f 2 April 2015

35-Cus(NT) 01.04.2015 (DoR) In exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and in super session of the notification of the Government of India in the Ministry of Finance (Department of Revenue) No.32/2015-CUSTOMS (N.T.), dated the 19th March, 2015 *vide* number S.O.802 (E), dated the 19th March, 2015, except as respects things done or omitted to be done before such super session, the Central Board of Excise and Customs hereby determines that the rate of exchange of conversion of each of the foreign currency specified in column (2) of each of Schedule I and Schedule II annexed hereto into Indian currency or *vice versa* shall, **with effect from 2nd April, 2015** be the rate mentioned against it in the corresponding entry in column (3) thereof, for the purpose of the said section, relating to imported and export goods.

SNo.	Currency	Imprted Goods Current	Imprted Goods Previous	Exported Goods Current	Exported Goods Previous
(1)	(2)	(3)			
		(a)		**(b)**	
Schedule I *– Rate of exchange of one unit of foreign currency equivalent to Indian rupees*					
1.	Australian Dollar	48.50	49.00	47.10	47.75
2.	Bahrain Dinar	171.05	170.55	161.70	161.25
3.	Canadian Dollar	49.95	50.20	48.75	49.00
4.	Danish Kroner	9.20	9.15	8.95	8.90
5.	EURO	68.55	68.20	66.85	66.50
6.	Hong Kong Dollar	8.15	8.15	8.00	8.00
7.	Kuwait Dinar	214.85	215.05	202.45	203.05
8.	Newzeland Dollar	47.55	47.25	46.30	46.05
9.	Norwegian Kroner	7.90	8.05	7.70	7.85
10.	Pound Sterling	93.70	94.20	91.55	92.10
11.	Singapore Dollar	46.05	45.85	45.05	44.75
12.	South African Rand	5.30	5.30	5.00	5.05
13.	Saudi Arabian Riyal	17.20	17.15	16.25	16.20
14.	Swedish Kroner	7.35	7.30	7.20	7.10
15.	Swiss Franc	65.50	63.80	63.95	62.30
16.	UAE Dirham	17.55	17.50	16.60	16.55
17.	US Dollar	63.20	63.00	62.20	62.00
Schedule II *– Rate of exchange of 100 units of foreign currency equivalent to Indian rupees*					
1.	Japanese Yen	52.75	52.55	51.55	51.35
2.	Kenya Shilling	70.00	69.95	66.05	66.00

[F.No.468/01/2015-Cus.V]

FTP 2015-2020 - Policy Notification

01-Ntfn(RE) 01.04.2015 (DGFT) In exercise of powers conferred by Section 5 of the Foredign Trade (Development & Regulagion) Act, 1992 (No. 22 of 1992), as amended from to time to time, the Central Government hereby notifies the Foreign Trade Policy, 2015-2020. This Foreign Trade Policy shall come into force w.e.f. 01.04.2015.

Effect of this Notification: Foreign Trade Policy, 2015-2020,is hereby notified.

FTP 2015-2020 - Procedures Notification

01-PN(RE) 01.04.2015 (DGFT) In exercise of powers conferred under paragraph 1.03 of the Foredign Trade Policy, 2015-2020, the Director General of Foreign Trade hereby notified the Handbook of Procedures and the Appendices & Aayat Niryat Forms, as contained in Annexure to this Public Notice. This shall come into force with effect from 1st April 2015.

Effect of this Notification: The Handbook of Procedures and the Appendices & Aayat Niryat Forms of Foreign Trade Policy, 2015-2020, are hereby notified.

Antiquities for Display in Private Museums Allowed at Zero Duty

- "Antiquities Intended for Public Exhibition in a Museum or Art Gallery" replaces "Antiques intended for Public Exhibition in a Public Museum or National Instituon"

Ntfn 14 31.03.2015 (DoR) In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. **26/2011-Customs, dated the 1st March, 2011**, published in the Gazette of India, Extraordinary, vide number G.S.R. 152(E), dated the 1st March, 2011, namely:-

In the said notification, in the Table, against S.No. 4., for the entry in column (2), the entry "Antiquities intended for public exhibition in a museum or art gallery" shall be substituted.

[F.No.354/162/2014–TRU]

Merchandise Exports from India Scheme (MEIS)

Subject: Merchandise Exports from India Scheme (MEIS) - Schedule of country groups, ITC (HS) code wise list of products with reward rates under Appendix 3B notified

02-PN(RE) 01.04.2015 (DGFT) In exercise of powers conferred under paragraph 2.04 of the Foreign Trade Policy 2015 2020, the Director General of Foreign Trade hereby notifies Appendix 3B.

2. Appendix 3B, placed as Annexure to this Public Notice contains the following 2 tables relating to Merchandise Exports from India Scheme (MEIS):

I Table 1-List of Country Groups

II Table 2-ITC (HS) code wise list of products with reward rates under MEIS.

3. This Public Notice will be effective on exports made with effect from April 1, 2015 Effect of Public Notice-Country Groups containing list of Countries and ITC (HS) code wise list of products with reward rates under the Merchandise Exports from India Scheme (MEIS) is notified.

RBI Withdraws Project Export Limit of US$20mn for Buyer's Credit on Deferred Payment Terms and Turn Key Projects from India

Subject: Export of Goods and Services – Project Exports

AP(DIR Srs) Cir.93 01.04.2015 (RBI) Attention of Authorised Dealers is invited to A. P. (DIR Series) Circular No. 11 dated July 22, 2014 in terms of which AD banks / Exim Bank have been permitted to consider according post-award approvals without any monetary limit and permit subsequent changes in the terms of post award approval within the relevant FEMA guidelines / regulations. Further, in terms of para B. 11 (i) of the revised Memorandum of instructions on Project and Service exports, Exim Bank in participation with commercial banks in India may extend Buyer's credit upto the limit of USD 20 million to foreign buyers in connection with export of goods on deferred payment terms and turn key projects from India.

2. With a view to further liberalising the procedure and as the Working Group structure has been dismantled, it has been decided to withdraw the limit of USD 20 million for Buyer's credit which may be extended to foreign buyers in connection with export of goods on deferred payment terms and turn key projects from India.

3. Memorandum of Instructions on Project and Service Exports (PEM) has been revised accordingly.

4. Authorised Dealers may bring the revised guidelines in the Memorandum to the notice of their constituents concerned.

5. The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Zero Duty on Pulses and Chickpeas Import Extended Till 1 Oct 2015

Ntfn 15 31.03.2015 (DoR) In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No.**12/2012-Customs, dated the 17th March, 2012**, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 185(E), dated the 17th March, 2012, namely:-

In the said notification, after the Table, in the proviso,-

(i) in clause **(a)**, for the figures, letters and words "1st day of April, 2015", the figures, letters and words "**1st day of October, 2015**" shall be substituted; and

(ii) in clause **(ab),** for the figures, letters and words "1st day of April, 2015", the figures, letters and words "**1st day of October, 2015**" shall be substituted.

[F.No.354/15/2010-TRU]

Ludhiana Based SC Ralhan Takes Over from Leather Man Rafeeque Ahmed as FIEO Prez

Mr S C Ralhan was elected the President of Federation of Indian Export Organisations (FIEO) at New Delhi on March 30, 2015. He was earlier the Regional Chairman (Northern Region) of the federation from the year 2013 till date. He takes over from the erudite and dynamic Rafeeque Ahmed.

Mr Ralhan is one of the Leading Exporter of North India with an experience of over four decades in the field of exports. He represents the Hand Tools sector of exports. He was also the Regional Chairman of Engineering Export Promotion Council from 1998 to 2011. He has also been the President of Ludhiana Hand Tools Association, Ludhiana since 1996.

A widely travelled and experienced exporter, Mr Ralhan has been associated with trade and trade bodies to redress the problems of manufacturer exporters in general and merchant exporters with the Ministry of Commerce, DGFT, Ministry of Steel and Ministry of MSME, Various State Governments, Reserve Bank of India and other banks.

He has also represented as a Member in Zonal Advisory Committee of Customs and Excise, State Level Export Promotion Committee of Pd. State, State Level Banker's Committee, Governing council of Central Institute of Hand Tools and Central Tool Room, Jalandhar and Ludhiana (Govt. of India) respectively. Besides being on the Advisory committee of United Cycle & Parts Manufacturers, Chamber of Industries & Commercial Undertakings and Apex Chambers of Commerce, he has also represented himself as member of various important Associations/ Committees/ Councils.

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