

## Export Duty of Rs. 2.50 per kg on Cotton, 3% on Cotton Waste to Divert Supply to Domestic Market

DEPB of 7.67% to go on Cotton Yarn, Registration Must with Textile Commissioner

India has imposed tax on cotton exports to ease domestic prices on Wednesday following a meeting of textile interests with the Finance Minister Pranab Mukherjee..

An export duty of 2,500 rupees a tonne has been imposed on all varieties of raw cotton with effect from April 9. India, the world's second biggest cotton producer, exported 2.36 million bales (of 170 kg each) cotton last season.

With the export tax and a strengthening rupee, overseas sales would drop, the report said.

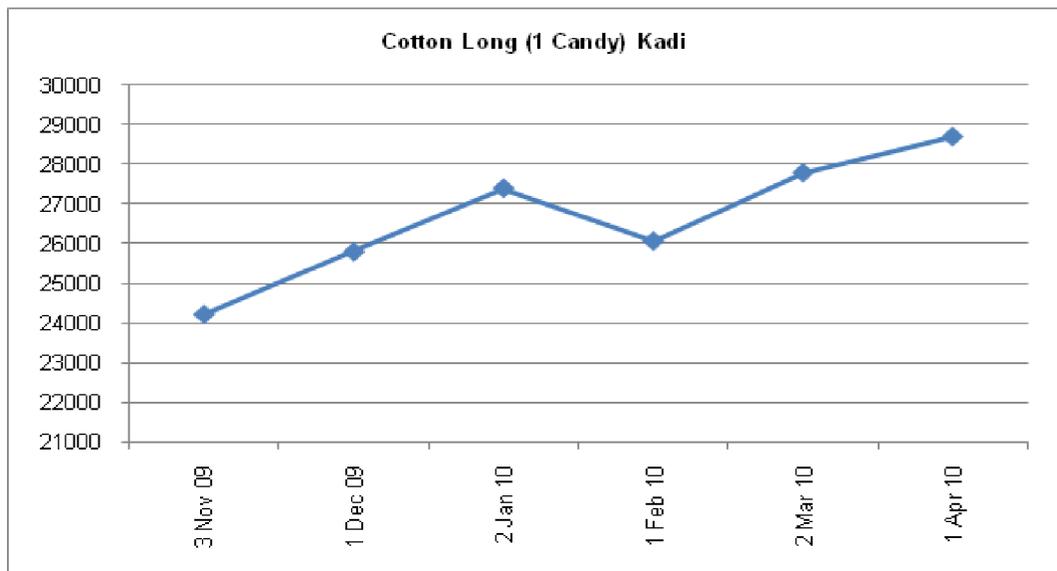
A government official had said earlier this month the country's cotton exports might reach 8 million bales (1 bale=170 kg) in the year to September, more than double

than a year ago, due to strong demand from China and Bangladesh.

The export duty has been levied for six months, an official in the Textiles Ministry said.

The price of Shankar-6 variety, the premium quality of cotton, has risen to around Rs 28,500 per candy from around Rs 25,000 per candy (356 kg) in November, 2009.

According to industry estimates, raw cotton prices in the domestic market have firmed up by around 35 per cent due to low supplies globally. At the onset of the current cotton marketing year (October-September), the prices of Shankar-6 cotton were hovering around Rs 21,000-22,000 a candy.



## Raw Sugar Moves from Kandla

In a major transportation exercise, by the Indian Railways, they have lifted 80 rakes of imported sugar in March 2010 from Gandhidham area (Kandla and Mundra ports). One rake being equivalent to one goods train consisting of 42 wagons, each carrying approximately 60 tonne, the total transportation of imported raw sugar in terms of tonnage stood at 2 lakh tonne. It may be recalled that the government had, to meet sugar shortfall, allowed duty free import of raw sugar. Large quantities were imported mostly through Kandla and Mundra ports in Gujarat. The imported raw sugar was meant for refining in the sugar factories in UP,

Maharashtra and Karnataka.

For the month of April, 20.02 lakh tonne sugar has been released which is adequate to meet the internal demand of sugar for the month. It has been mandated by the government that the sugar factory shall sell/deliver and dispatch entire released non-levy quantity for the month of April, 2010 within the prescribed validity period in the order, i.e., up to 30.04.2010, subject to the condition that the sale and dispatch of non-levy released for the month of April, 2010, shall be made on weekly basis in the following manner:-

Week	Period	Quantity
1 <sup>st</sup> week	1 <sup>st</sup> to 7 <sup>th</sup> April, 2010	13 % of released quantity
2 <sup>nd</sup> week	8 <sup>th</sup> to 14 <sup>th</sup> April, 2010	29 % of released quantity
3 <sup>rd</sup> week	15 <sup>th</sup> to 22 <sup>nd</sup> April, 2010	29 % of released quantity
4 <sup>th</sup> week	23 <sup>rd</sup> to 30 <sup>th</sup> April, 2010	29 % of released quantity

As per data collected by the Department of Consumer Affairs, in the week ending 25.3.2010 sugar prices have declined in Delhi, Patna, Kolkata, Hyderabad and Thiruvananthapuram and remained steady at all other reporting centres.

### Food Grains

The production of wheat and pulses is likely to be high as wheat has been grown in 278.16 lakh hectare area and pulses in 144.79 lakh hectare. The rabi crop is at harvesting stage and reports are that the standing crops are in good

state of health. As per the latest data, 5.30 lakh tonne wheat has been procured by the government agencies, which is much higher than 2.04 lakh tonne as on date last year. Rice procurement has gone up to 255.11 lakh tonne.

The prospects of bumper rabi production and good procurement have impacted the prices of food grains. Wheat prices have remained steady at most places in the country. This trend is also noticeable in prices of pulses, potato and onion at most places across the country. Edible oils have also either declined or remained steady.

## India's Output Climbs, Adding Pressure to Raise Rates

India's industrial production growth exceeded 15 percent for a third month as demand for cars and televisions increased, adding to inflationary pressures that may prompt the central bank to raise interest rates this month.

Output at factories, utilities and mines expanded 15.1 percent from a year earlier in February after growing 16.7 percent the previous month, the statistics department said in a statement in New Delhi 11 April. That was less than the 16 percent median estimate in a News survey of 23 economists. Stocks pared losses.

Factory output and consumer demand has recovered across Asia after governments boosted spending to stimulate their economies

during last year's global recession. That has prompted central banks from Australia to Malaysia to raise interest rates to fight inflation and avert asset bubbles, with the Reserve Bank of India raising borrowing costs on March 19.

### Growth Improves

Interest-rate cuts, public spending and tax reductions worth a combined 12 percent of gross domestic product since September 2008 have helped India rebound from the global slump. The nation's \$1.2 trillion economy may grow 8.2 percent in the year ending March 2011 from 7.2 percent in the previous fiscal year, the government forecast in February.

## Jyotiraditya Scindia Signs India-Bulgaria Protocol on Economic, Scientific and Technical Cooperation

The 16th Session of the India-Bulgaria Joint Commission for Economic, Scientific and Technical Cooperation was held in Sofia on April 8-9, 2010. A protocol identifying areas of cooperation was signed on 9th April, 2010, by Shri Jyotiraditya Scindia, Union Minister of State for Commerce & Industry from the Indian side and Mr. Traycho Traykov, Minister of Economy, Energy and Tourism of the Republic of Bulgaria from the Bulgarian side.

The Joint Commission discussed cooperation to enhance bilateral trade and investments, food, textiles, leather, pharmaceuticals, science and technology, SMEs, energy especially NRE, engineering goods and tourism, agriculture and Information Technology.

## India's Interest Rates May Rise to as Much as 5%, Adviser Says

India's central bank may raise interest rates to as much as 5 percent as it unwinds monetary stimulus amid an economic rebound, an adviser to Prime Minister Manmohan Singh said.

The Reserve Bank of India's benchmark interest rates would be considered to be at a "neutral" level "between 4 percent and 5 percent," he said, adding that the timing is best left to the central bank. Improved consumer sentiment has necessitated a return to "normal monetary policy," the adviser said.

Central bank Governor Duvvuri Subbarao on March 19 raised borrowing costs for the first time since July 2008 to control prices that are rising at the fastest pace in 16 months. Policy makers from Australia to Malaysia are increasing interest rates as Asia leads a recovery from last year's global recession.

India's food inflation accelerated for a second week, a report showed on 8 April, adding to the government's concern that high prices will spur demands for wage increases. Low interest rates and higher disposable income have led to a pickup in consumer demand and stoked inflation in Asia's largest economy after Japan and China.

### Dollar-Rupee rate at NSE Futures

Trade Date	Open Price	High Price	Low Price	Close Price	Daily Settlement Price	Open Interest	No. of Contracts	Value (Rs. lakhs)	RBI Reference rate
12-Apr-10	44.2475	44.5650	44.2475	44.5250	44.5250	557215	3425031	1522164.90	44.3500
9-Apr-10	44.4400	44.5200	44.2925	44.3800	44.3800	518324	3131004	1390026.80	44.3500
8-Apr-10	44.5550	44.7650	44.4850	44.5350	44.5350	488855	3796077	1694911.96	44.6900
7-Apr-10	44.3900	44.6500	44.3900	44.6400	44.6400	445240	3615564	1610302.16	44.4200
6-Apr-10	44.4275	44.6450	44.4275	44.5625	44.5625	420036	3564922	1588261.89	44.4500

[Source: NSE and RBI Website]

### Subscription rate for the Weekly Index with World Trade Scanner

- Six months Rs. 375 US\$45
- 1 Year Rs. 750 US\$70
- 2 Years Rs. 1400 US\$140
- 3 Years Rs. 2100 US\$200

## NTBs Come Up in WTO

Members discussed 35 specific trade concerns, including six new ones, when the Technical Barriers to Trade Committee met on 24-25 March. Several members raised concerns about Brazil's and Thailand's new labelling measures related to alcohol beverages taken for public health reasons.

### Specific Trade concerns

#### Thailand – Health Warnings for Alcoholic Beverages (new)

Seven members including Mexico, the EU, Argentina, New Zealand, Switzerland, Australia and the US raised concerns about Thailand's measure (G/TBT/N/THA/332 and Add.1) requiring the display of specific health advisory statements and pictures on the packaging of alcoholic beverages.

Members said that the labelling requirements could mislead the consumer by informing them that drinking any level of alcohol, even moderately, could lead to health problems.

Thailand informed the TBT Committee that the period for consultations on the draft measure had been extended to offer members further opportunity for comment.

#### Brazil – Labelling of alcoholic beverages (new)

The EU, Mexico and the US raised concerns regarding Brazil's labelling requirements for alcoholic beverages (G/TBT/N/BRA/362 and Suppl.1). Among other issues, it was argued that the requirement to indicate alcohol content on the front main label; the prohibition of abbreviations (even well-established ones) and the obligation to translate into Portuguese terms such as "light" or "diet", which were well known by Brazilian consumers, imposed a heavy and unnecessary burden on exporters and importers. They asked Brazil to review this measure.

Brazil said that this measure was aimed at harmonising the labelling criteria between national and foreign producers.

#### US – Transportation of lithium batteries (new)

Korea, Japan, Israel and China raised concerns about a US measure imposing specific packaging and labelling conditions for lithium batteries to enhance safety and reduce risks of fire during their transportation, including transport by aircraft (G/TBT/N/USA/518). Members said that this measure was not consistent with existing international standards; that it would increase

the production costs of lithium batteries - leading to higher prices of products using such batteries for consumers; and, that there could be discriminatory effect in that US producers normally transported batteries over land while importers relied more heavily on air transport.

The US said that this measure was taken for security and safety reasons; they noted that when on fire, lithium batteries were difficult to extinguish - this presented a significant hazard during transportation, particularly in the context of air travel. The US said its Department of Transportation continued to discuss these issues with its counterparts in international forums. An information session had been organised at the beginning of March 2010 and the US would review all comments before finalising this measure, which was based on a regulation published in 2009.

#### Canada – Additives in tobacco products (previously raised)

Fourteen members including Mexico, Argentina, Colombia, Malawi, Brazil, Switzerland, the Dominican Republic, Philippines, Turkey, the EU, the Former Yugoslav Republic of Macedonia, the US, Japan and Zimbabwe reiterated concerns about the "Cracking Down on Tobacco Marketing Aimed at Youth Act" adopted by the Canadian Parliament in October 2009. This measure prohibits the use of certain additives in cigarettes and other tobacco products and is aimed at preventing young people from smoking.

Members argued that the Tobacco Act would effectively ban "blended cigarettes" (cigarettes made with several types of tobacco), which contain a number of additives prohibited by Canada. They stated that these additives are an essential component of "blended cigarettes" reducing the strong flavour of Burley tobacco and does not add a characteristic flavour. Banning these additives could have the effect of a "de facto" prohibition of "blended cigarettes". The delegation of Malawi set out detailed concerns in a document circulated to the Committee on the day of the meeting (G/TBT/W/329).

Canada responded that the measure was designed to address public health concerns, to reduce incentives for young people to smoke so as to prevent addiction to tobacco. It was stressed that certain additives did increase the attractiveness of tobacco products. The measure only prohibited the use of additives and flavours in tobacco products, not their sale.

## WTO Members Agree only on Half the Rules of Origin for 2739 Products

The outgoing chair, Mrs Vera Thorstensen (Brazil), told the Committee on Rules of Origin on 25 March 2010 that WTO members have to date reached consensus on country-of-origin rules for 1,528 products. She said this meant 55 per cent of the work of the Committee had been completed.

Mrs Thorstensen, who was chair for six years, said that "faced with the reality of globalization and increasing multi-country production of a good, our work requires reaching an agreement on specific rules of origin for 2,739 products".

She said that despite years of hard work by the Committee since 1995, it had been necessary to seek the regular extension of its deadline for completing the work of harmonizing non-preferential rules of origin.

Mrs Thorstensen held informal consultations during the week on a number of outstanding technical issues in the work programme, including on the general procedural rule to determine how to apply sequential product-specific rules of origin in various situations as well as on minimal operations that would not confer origin, and covered products such as dried fish, freeze-dried vegetables, alcoholic beverage, and machinery.

During the meeting, the World Customs Organization presented a report on the work of the Technical Committee on Rules of Origin, including on its recent technical co-operation projects.

The Committee elected by acclamation Ms Jasmine Quah-Zubair (Singapore) as its chair for 2010.

to let the yuan rise at a faster pace, traders are betting on a repeat of five years ago as an appreciating currency boosts China's power to buy Malaysian palm oil to Indonesian coal and Indian copper. Revaluation may also enable Asian nations to do the same with their own currencies without damaging exports, while fueling U.S. trade as the global economy emerges from its deepest postwar recession.

"A Chinese appreciation will kick off tightening in the whole Asian complex of currencies," said Richard Benson, who oversees \$14 billion of currency funds as an executive director at Millennium Asset Management in London and is backing the won and the ringgit to lead the gains. "These currencies are fundamentally cheap."

Singapore will let its currency advance to keep inflation from accelerating after the economy grew more than anticipated in the first quarter, according to Goldman Sachs Group Inc. The rising cost of imports will also spur Taiwan to let its dollar appreciate, it said. Bank of Tokyo-Mitsubishi UFJ Ltd. said on April 8 the won and rupiah may climb about 13 percent

## Rupiah and Other Asian Currencies Gain Following Yuan Revaluation

The best currency to own when China lets the yuan appreciate won't be the yuan, if history is any guide. It's everything from South Korea's won to Singapore's dollar and Indonesia's rupiah.

The won rose five times as fast as China's currency in the 12 months after officials in

Beijing last relaxed the foreign-exchange regime in July 2005, data compiled by Bloomberg show. Singapore's dollar climbed three times as much, the rupiah five times and Malaysia's ringgit twice as fast.

As President Barack Obama pressed Chinese President Hu Jintao in Washington today

against the yen as central banks from Indonesia to Taiwan raise interest rates and reduce currency intervention.

### Biggest Candidates

Twelve-month non-deliverable yuan forwards traded at 6.6370 per dollar in Hong Kong today, reflecting bets the yuan will climb 2.9 percent from the spot rate of 6.8265 according to data compiled by Bloomberg. The contracts touched 6.6055 on April 9, the strongest since Jan. 19.

The Singapore and Taiwan dollars are the most managed currencies in the region, making them more likely to rise with a yuan revaluation.

While the yuan will appreciate between 5 percent and 8 percent a year, other currencies will gain more as investors target countries with less regulation in foreign-exchange markets, according to Jens Nordvig, a managing director of foreign-exchange research at Nomura International Plc. The firm is Asia's biggest bank by assets.

### Shielding Exporters

South Korea's won will surge 9.6 percent to 1,025 per dollar, the Singapore dollar 9.1 percent to 1.28 and the Taiwan dollar 5.3 percent to 30 per dollar by the end of March 2011, while the yuan appreciates 6.8 percent to 6.36 per dollar, according to Nomura. China's currency won't gain more than 4.9 percent to 6.49 in the next 12 months as the won jumps 6.7 percent and Taiwan's dollar 5.2 percent, Goldman Sachs forecast.

## Euro Strengthens as Stocks, Commodities Gain

The euro gained for a third day against the dollar, stocks climbed and commodities rose after European governments unveiled a plan to halt Greece's fiscal crisis. Treasuries declined and credit-default swaps plunged.

Europe's currency strengthened 1 percent against the dollar to \$1.3649 in Tokyo and rose versus all 16 of its most-traded counterparts. The MSCI World Index added 0.4 percent, and Standard & Poor's 500 Index futures advanced 0.2 percent. The Stoxx 600 increased 0.1 percent. Copper gained 0.6 percent and oil rose 0.3 percent. Shares in Thailand plummeted following anti-government riots in Bangkok that killed 21.

Euro-region finance ministers pledged as much as 45 billion euros (\$61 billion) in loans at below-market interest rates to help rescue debt-plagued Greece and restore confidence in the European currency, which weakened 4.8 percent against the dollar this year. The bailout, combined with expectations of faster economic growth in India and South Korea, improved investor sentiment in Asia, where the MSCI Asia Pacific Index rose 0.2 percent to 128.45.

Europe's currency rose 1.2 percent to 127.37 yen and the Danish, Swedish, Swiss and Norwegian currencies led gains, all strengthening more than 0.7 percent versus the yen. Poland's zloty declined against the euro as the nation's

### Revaluation Probability

It gained 1.4 percent versus the dollar in the year following the July 2005 revaluation. By comparison, Singapore's dollar surged 4.3 percent, the rupiah 7 percent, the won 7.4 percent and Malaysia's ringgit 3.3 percent, Bloomberg data show.

Implied volatility from options trading monitored by Bloomberg shows a 77 percent probability that the yuan will strengthen to 6.7 per dollar by the end of 2010.

Benefiting from a rise in the yuan is complicated by the restrictions on the movement and convertibility of the currency, forcing speculators to buy the non-deliverable forwards contracts based on future rates that are settled without an actual exchange of the two currencies. The rising cost of such contracts reduces potential profit should the People's Bank of China allow a stronger yuan.

### 'Not Much Room'

Many Asian currencies have already advanced in anticipation of a strengthening yuan. Indonesia's rupiah strengthened beyond 9,000 against the dollar for the first time since July 2007 yesterday. Taiwan's dollar traded at a 19-month high and the won at an 18-month high.

Asian central banks have been at the forefront of global monetary tightening this year, with India and Malaysia increasing borrowing costs last month, while the U.S. Federal Reserve has kept its target rate for overnight loans between banks between zero and 0.25 percent.

president and central bank chief died in a weekend plane crash.

### Below-Market Loan

European nations and the International Monetary Fund pledged to provide three-year loans with a rate of about 5 percent, compared with 6.98 percent on Greek three-year securities.

Greek bonds may climb and the gains may cut the yield premium investors demand to hold Greek 10-year debt instead of benchmark German bunds.

The European agreement, aimed at stopping Greece's financial distress from infecting the rest of the region, damped concerns about the viability of the euro, which was created in 1999. The pact also may remove an impediment to the global economic recovery now being led by Asian nations.

### Won Climbs

South Korea's won rose 0.5 percent to 1,113.05 per dollar, as the central bank raised its economic growth forecast and a rescue package for Greece boosted demand for higher-yielding assets.

Copper in London traded near the \$8,000-a-ton level as the dollar declined and after China's imports surged in March on rising seasonal demand. The metal for delivery in three months gained to as much as \$8,043.75 a metric ton

before trading at \$7,978.75. Aluminum advanced 0.7 percent to \$2,422 a ton.

Oil rose for the first time in four days, to \$85.27 a barrel, as the dollar fell and China increased crude imports to meet surging demand.

Advancing stocks beat decliners by more than three to one on the MSCI Asia Pacific Index, where industrials and commodity producers rallied. Japan's Nikkei 225 Stock Average increased 0.4 percent.

BHP Billiton Ltd., the world's largest mining company, gained 1.2 percent to A\$44.41, Mitsubishi Corp., Japan's largest commodities trader, climbed 1.6 percent to 2,480 yen.

### Thai Stocks

The Stock Exchange of Thailand index plunged 5.1 percent, the biggest drop in six months, after a clash between soldiers and protesters left as many as 21 people dead. Overseas investors sold a net 3.2 billion baht (\$99 million) of Thai equities in the past two trading days, the most since Feb. 8, ending 31 days of buying.

## China Retaliates Argentina Soya

China cannot completely halt imports of soybean oil from its biggest supplier Argentina as rising demand outstrips its ability to expand domestic production, Oil World said.

The Asian nation, which is said to be curbing supplies from the Latin American producer, cannot process enough oilseeds to replace the volume lost because of the halt, Thomas Mielke, executive director of the industry journal, said in a report given to media before a conference in Beijing.

China's Ministry of Commerce has stopped approving import permits for soybean oil from Argentina, four executives familiar with the matter said last week. The move was in response to Argentina's anti-dumping investigations on Chinese goods ranging from steel pipes to textiles, according to a Chinese state-backed trade group.

The dispute would trim China's imports by 200,000 metric tons to 2 million tons in the year through September, Mielke forecast. He spoke on 11 April at a conference organized by Beijing-based researcher China Cereals & Oils Business Net.

### 'Ill Afford'

China can "ill afford to bring imports of Argentine soya oil to a complete halt," Mielke said. "The steady uptrend of soya oil consumption in China seen in recent years can only be maintained" with monthly imports of at least 150,000 tons.

Domestic vegetable oil inventories are estimated to be more than 3 million tons, plus a few million tons of soybeans, so China is well supplied, he said.

Under normal conditions, Argentina would have supplied about 1.8 million tons of China's imports, estimated to total 2.2 million tons in a March 26 forecast, Mielke said.

## WEEKLY INDEX OF CHANGES

### Parts and Accessories of Medical Equipments Attracts 7.5 percent Basic Duty for After Sales Service

#### CVD Zero, Special CVD of 4% Applicable

An explanation has been inserted in S.No. 357A of Notification 21/01.03.2002 to ensure 5 percent duty concession is only on complete medical equipments and not on parts and accessories thereof.

Ntfn 41 In exercise of the powers conferred by sub-section (2A) of section 25 of the Customs Act, 1962 (52 of 1962), (DoR) 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. 21/2002-Customs, dated the 1st March, 2002**, published in the Gazette of India, Extraordinary vide number G.S.R.118 (E), dated the 1st March, 2002, namely:-

In the said notification, in the Table, for **S. No. 357A** and the entries relating thereto, the following shall be **substituted**, namely:-

(1)	(2)	(3)	(4)	(5)	(6)
"357A	9018, 9019, 9020, 9021 or 9022	Goods required for medical, surgical, dental or veterinary use <b>Explanation</b> - For the purposes of this exemption, the term "Goods" refers to medical instruments/appliances required for medical, surgical, dental or veterinary use only and does not refer to Parts and spares thereof.	5%	-	-".

[F. No. 354/44/2010-TRU]

### Compulsory Registration of Contract with APEDA Must for Groundnut Exports to EU

37-Ntfn(RE) In exercise of the powers conferred by Section 5 of the 09.04.2010 Foreign Trade (Development & Regulation) Act, 1992 (DGFT) (No.22 of 1992) read with Para 1.3 and Para 2.1 of the Foreign Trade Policy, 2009-2014, the Central

Government hereby makes the following amendments in the ITC(HS) Classifications of Export and Import items, as amended, from time to time.

2. With immediate effect, entry at Sl. No. 48 A of Notification No. 57(RE-2007)/2004-09 Dated 21.11.2007, read with Notification No. 110 (RE-2008)/2004-2009 dated 9.6.2009, stands substituted as follows:-

SNo.	Tariff HS Code	Item	Unit	Item Description	Export Policy	Nature of Restriction
48A	1202 10 10	Kg	Groundnut (of Seed Quality)	Free	(a) Export to EU permitted subject to Compulsory registration of contracts with APEDA, alongwith controlled Aflatoxin level certificate given by agencies/laboratories nominated by APEDA;	
	1202 10 19	Kg	Groundnut (Other)		(b) Exports to Russian Federation permitted subject to pre-shipment quality certification issued by	
	1202 10 91	Kg	Groundnut (Other of Seed Quality)		(1) Insecticide Residue Testing Laboratory.	
	1202 10 99	Kg	Groundnut (Other)		(2) Geo-Chem Laboratories Pvt. Ltd.	
	1202 20 10	Kg	Groundnut (Kernels, H.P.S.)		(3) Reliable Analytical Laboratory	
					(4) Arbro Pharmaceuticals Ltd.	

1202 20 90 Kg. Groundnut (Other)

(5) Shri Ram Institute for Industrial Research, Delhi  
(6) Shri Ram Institute for Industrial Research, Branch Office Bangalore  
(7) Delhi Test House; and  
(8) Vimta Labs. or any other agency as may be notified from time to time.

4. This issues in Public Interest.

### Registration with Textile Commissioner Must for Cotton Yarn Exports

Subject: Compulsory registration of cotton yarn export contracts.

38-Ntfn(RE) In exercise of the powers conferred by Section 5 of the 09.04.2010 Foreign Trade (Development & Regulation) Act, 1992 (DGFT) (No.22 of 1992) read with Para 1.3 and 2.1 of the Foreign Trade Policy, 2009-14, and also read with Notification No. 26 (RE 2008)/2004-09 dated 22.7.2008 the Central Government hereby makes the following amendments in the Schedule 2, Table B of ITC HS Classifications of Export and Import Items by inserting S.No.161 B, in Chapter 52, immediately after 161 A, with immediate effect, as under: -

SNo.	Tariff Item Code	Unit	Item of Description	Export Policy	Nature of Restriction
161 B	5205		Cotton yarn (other than sewing thread), containing 85% or more by weight of cotton not put up for retail sale	Free	The contracts for export of cotton yarn shall be registered with the Textile Commissioner prior to shipment. Clearance of cotton yarn consignments shall be given by Customs after verifying that the contracts have been registered.
	5206		Cotton yarn (other than sewing thread), containing less than 85% by weight of cotton not put up for retail sale		
	5207		Cotton yarn (other than sewing thread), put up for retail sale		

2. This issues in public interest.

### Extension Counter of DGFT Bhopal at Indore

55-PN(RE) In exercise of powers conferred under paragraph 2.4 of 09.04.2010 the Foreign Trade Policy 2009-2014, the Director (DGFT) General of Foreign Trade hereby notifies the following amendments/additions in Appendix 1 (List of Regional

Authorities and their jurisdiction) in the Handbook of Procedures (Vol.I):

1. S. No. 16 of Appendix 1 of Handbook of Procedures (Vol.I) is amended as follows:

SNo.	Name & Address	Telephone No./ Fax No./E-mail	Territorial Jurisdiction
(1)	(2)	(3)	(4)
16	The Joint Director General of Foreign Trade, 3rd Floor, Nirman Sadan, Behind Govt. Press, 52-A, Arera Hills, Bhopal - 462 011, Extension Counter of Joint Director General of Foreign Trade, Bhopal: Chaturvedi Mansion, 3 <sup>rd</sup> Floor, 26/4, Old Palasia, A.B. Road, Indore - 452018 (M.P.)	Tel: 0755-2553323 Fax: 0755-2553303 E-Mail: dgftbpl@mp.nic.in  Tel: 0731-2561656 E-Mail: dgftind-mp@nic.in	Madhya Pradesh excluding the area which are under the jurisdiction of Deputy Director General of Foreign Trade, Nagpur.

2. This issues in Public Interest.

## Capital Goods Import at Zero Duty to Status Holder (SHIS) – Procedure for Scrip Issue

54-PN(RE) In exercise of the powers  
08.04.2010 conferred under Paragraph 2.4  
(DGFT) of the Foreign Trade Policy,  
2009-14, the Director General  
of Foreign Trade hereby makes the following  
amendments in HBPv1:

1. After **Para 3.10.1**, the following paragraphs are added:

3.10.2 Application for grant of Duty Credit Scrip under SHIS (Para 3.16 of FTP) for exports made during 2009-10 or for exports made during 2010-11, as the case may be, shall be made to jurisdictional RA concerned in ANF3E along with documents prescribed therein.

3.10.3 The last date of filing the application shall be 31<sup>st</sup> March 2011 for SHIS Application on exports made during 2009-10 (and 31<sup>st</sup> March 2012 for SHIS Application on exports made during 2010-11).

3.10.4 As Para 3.17.8 of FTP does not apply to SHIS, shipments where VKGUY, FMS, FPS (including MLFPS) benefits have been claimed/ will be claimed by applicant or by the supporting manufacturer (based on disclaimer by the exporter) shall be entitled for SHIS benefits to the exporter Status Holder. SHIS is entitled for shipments where foreign exchange realisation is in the name of applicant Status Holder.

3.10.5 Merchant Status Holders shall have

the facility to list the supporting manufacturer till the date of filing of the Application for claiming the SHIS benefits.

To list the supporting manufacturer, proof of supporting manufacturer may be given to RA concerned by giving any of the export documents (Shipping Bill/Bill of Export/ARE forms/ Customs/Bank attested Invoices) evidencing the same.

Listed Supporting Manufacturers shall be co-licensee of the SHIS Scrip.

3.10.6 SHIS scrip can be used for payment of applicable duties on import of Capital Goods (as defined in FTP) relating to the sectors specified in Para 3.16.4 of FTP. The Scrip / the goods so imported shall be with Actual User Condition. Imports of Capital Goods shall be related to any of the sectors listed in Para 3.16.4 of FTP, without any sector wise value limitation; even by the listed supporting manufacturers.

3.10.7 Para 3.11.8 of this HBP shall not apply to this Scheme. Further, Monitoring the realization of export proceeds shall be in terms of 3.11.12 & 3.11.13 of this HBP.

2. **ANF3E** for claiming benefits under Status Holders Incentive Scrip (Para 3.16 of FTP) is annexed as Annexure A to this Public Notice.

This issues in public interest.

#Note: FOB Value includes upto 12.5% Foreign Agency Commission

7. Number of Split Certificates required (in multiples of Rs 5 lakhs each):

8. Port of Registration (for the purpose of imports)\*\*:

(\*All shipment included in a particular year shall be determined from the Date of exports as defined in Para 9.12 of HBPv1.)

(\*\*The port of registration shall be one of the ports from which the exports have been made.)

### 8. Application Submission Details (in case of electronically submitted applications)

- ECOM Reference Number
- Date of Submission on Server
- Submitted to which Regional Authority, New Delhi
- File Number
- Date of Issue

Note: Till EDI Software for the Scheme is made operational, RA will accept and process the claim manually.

### Declaration/Undertaking

1. I hereby declare that particulars and statements made in this application are true and correct and nothing has been concealed or held therefrom. I fully understand that any information furnished in application if found incorrect or false will render my firm / company and me liable for any penal action or other consequences as may be prescribed in law or otherwise warranted.

2. I hereby certify that none of Proprietor/ Partner(s) / Director(s) / Karta / Trustee of firm / company, as the case may be, is a Proprietor / Partner(s) / Director(s) / Karta / Trustee in any other firm / company which has come to adverse notice of DGFT. Consequentially, I further declare that under Foreign Trade (Development and Regulation) Act (FT (D&R) Act) 1992, my firm / company have not been debarred in person from undertaking any export import business or activity by way of suspension or cancellation of IEC number. [If so debarred under FT (D&R) Act, details of said order and period for which the same is operational may be provided].

3. I hereby certify that my firm / company has not defaulted from export obligation under any provisions of FTP and has not been placed under the Denied Entity List (DEL). [If under DEL List, kindly furnish details of order, current status etc.]

4. I hereby declare that details of exports of goods of my firm / company are true and correct and in accordance with accounts maintained in my firm / company.

5. I hereby declare that in terms of First Para 3.17.10 of FTP, this application does not contain any exports for which the realization of export proceeds not been received directly from overseas in my name.

6. I hereby declare that in terms of Para 3.16.2 of FTP, I have not availed the benefits under the Technology Upgradation Fund Scheme (TUFS) of Ministry of Textiles during this particular year,

### Annexure A

#### ANF 3E

#### For Status Holders Incentive Scrip

(Kindly see Para 3.16 of FTP and Para 3.10 of HBPv1, as amended)

April – March period  
(2009-10/2010-11)

- |  |  |
|--|--|
| <p>1. <b>IEC Number</b></p> <p>2. <b>Applicant Details</b></p> <ol style="list-style-type: none"> <li>Name:</li> <li>Address:</li> </ol> <p>3. <b>RCMC Details</b></p> <ol style="list-style-type: none"> <li>RCMC Number:</li> <li>Date of Issue:</li> <li>Issuing Authority:</li> <li>Valid upto:</li> <li>Products for which registered:</li> </ol> <p>4. <b>Status Details</b></p> <ol style="list-style-type: none"> <li>Status Number:</li> </ol> <p>6. <b>Details of exports:</b></p> | <ol style="list-style-type: none"> <li>Effective Date of Status Certificate and Validity:</li> <li>Issuing Authority:</li> <li>Date of issue:</li> </ol> <p><b>Note:</b> Applicant shall have a Status Certificate valid for the relevant year 2009-10 / 2010-11 of export, as the case may be.</p> <p>5. (i) Licensing Year (AM10/AM11/):</p> <p>(ii) Period of Application: Apr-Mar _____ Period (i.e. Apr-Mar2010 / Apr-Mar 2011)</p> <p>(iii) Date of Filing this Application:</p> |
|--|--|

SNo	Particulars	FOB value # (as per Shipping Bill) Rs
i.	FOB Value of Exports of Leather Sector (excluding finished leather)	
ii.	FOB Value of Exports of Textiles and Jute Sector	
iii.	FOB Value of Exports of Handicrafts Sector	
iv.	FOB Value of Exports of Engineering Sector (excluding Iron & Steel, Nonferrous Metals in primary or intermediate forms, Automobiles & two wheelers, nuclear reactors & parts and Ships, Boats and Floating Structures)	
v.	FOB Value of Exports of Plastics Sector	
vi.	FOB Value of Exports Basic Chemicals (excluding Pharma Products) Sector.	
vii.	Total FOB Value of Exports (Sum of Sr. No. 1 to Sr. No. 6)	
viii.	Entitlement (1% of FOB value as in Sr. No 7 above)	
ix.	Late Cut (if any)	
x.	Duty Credit Scrip granted under Para 3.16 to be filled in by RA Concerned	

exports of which are being claimed for Status Holders Incentive Scrip Scheme of Para 3.16 of FTP.

7. I hereby declare that in terms of Para 5.1A of HBPv1, I will abide by provision of fourth sub-para in this paragraph.

8. I hereby declare that export product for which the duty credit scrip benefit is being claimed does not contain any shipment (as per Para 3.17.2 of FTP) from the following ineligible export categories / sectors:

1. EOUs / EHTPs / BTPs who are availing direct tax benefits / exemption;
2. Export of imported goods covered under Para 2.35 of FTP;
3. Exports through transshipment, meaning thereby that exports originating in third country but transshipped through India;
4. Deemed Exports
5. Exports made by SEZ units or SEZ products exported through DTA units; and
6. Items, which are restricted or prohibited for export under Schedule-2 of Export Policy in ITC (HS).

9. I hereby certify that I am authorized to verify and sign this declaration as per Paragraph 9.9 of FTP.

Place: _____	Signature: _____
Date: _____	Name: _____
Documents to be submitted	Designation: _____
1. CA certificate as per Annexure	Official Address: _____
2. Copy of Updated Profile in ANF 1 only if any changes have taken place and updated,	_____
3. Copy of Status Certificate valid for the relevant export year for which this application pretains to.	Residential Address: _____
4. Copy of Valid RCMC.	Telephone: _____
Note: Each individual page of application has to be signed.	Email Address: _____

### CA Certificate - Annexure to ANF3E

For Status Holders Incentive Scrip(SHIS)  
(Kindly see Para 3.16 of FTP and Para 3.10 of HBPv1)

Certificate of Chartered Accountant (CA)/  
Cost and Works Accountant (ICWA)/ Company Secretary (CS)

I / We hereby confirm that I / We have examined prescribed registers and also relevant records of M/s ..... having IEC Number ..... for exports during April – March 2009-10 / 2010-11 period(s) (**Tick the relevant period**) and hereby certify that:

1. Following documents / records have been furnished by applicant firm/ company and have been examined and verified by me / us namely:-

a. Statutory documentations under Customs Act 1962, Foreign Trade (Development & Regulation) Act 1992;

b. Shipping Bills, Customs Attested Invoices and connected books of accounts;

2. Information given by applicant firm / company in ANF3E for claiming Status Holders Incentive Scrip (Para 3.16 of FTP) is in agreement with FTP 2009-14, as amended, and rules and procedures made thereunder, relevant register and records and books of accounts maintained by M/s ..... and is also true and correct.

3. It has been ensured that

a. Information furnished is true and correct in all respects; no part of it is false or misleading and no relevant information has been concealed or withheld;

b. In respect of export of goods, a shipment can counted in applicants export turnover only if the realization of export proceeds from overseas is in the applicant's bank account. Thus, exporter cannot disclaim the shipment to his supporting manufacture, for the purpose of SHIS scheme.

4. Neither I, nor any of my / our partners is a partner, director, or an

employee of above-named entity, its Group companies or its associated concerns.

5. I / We further certify that export proceeds for shipments during last year plus current are not outstanding beyond prescribed period as permitted by RBI.

6. I / We further certify that Statement of Exports as given in Annexure 1 to this certificate is correct.

7. I / We fully understand that any statement made in this certificate, if proved incorrect or false, will render me / us liable to face any penal action or other consequences as may be prescribed in law or otherwise warranted.

Place: \_\_\_\_\_ Signature of CA/ ICWA/CS: \_\_\_\_\_  
Date: \_\_\_\_\_ Name of the Signatory: \_\_\_\_\_  
Address: \_\_\_\_\_  
Membership No: \_\_\_\_\_  
Email Address: \_\_\_\_\_

If any of documents of record mentioned in serial number (i) have not been maintained / furnished, examined or verified, they may please be specified below:-

- 1)
- 2)

### CA Certificate (contd/-) ANF3E

Annexure 1 to CA certificate (ANF3E)

#### Statement of Exports

SNo	Particulars	FOB value (as per Shipping Bill)
Rs		
1	FOB Value of Exports of Leather Sector (excluding finished leather) Details as per Statement 1 - Shipping Bill Wise Statement	
2	FOB Value of Exports of Textiles and Jute Sector Details as per Statement 2 - Shipping Bill Wise Statement	
3	FOB Value of Exports of Handicrafts Details as per Statement 3 - Shipping Bill Wise Statement	
4	FOB Value of Exports of Engineering Sector (excluding Iron & Steel, Nonferrous Metals in primary or intermediate forms, Automobiles & two wheelers, nuclear reactors & parts and Ships, Boats and Floating Structures) Details as per Statement 4 - Shipping Bill Wise Statement	
5	FOB Value of Exports of Plastics Details as per Statement 5 - Shipping Bill Wise Statement	
6	FOB Value of Exports Basic Chemicals (excluding Pharma Products). Details as per Statement 6 - Shipping Bill Wise Statement	
7	Total FOB Value of Exports (Sum of Sr. No. 1 to Sr. No. 6)	

Note: This statement of exports should also be countersigned by the applicant. FOB Value includes upto 12.5% Foreign Agency Commission.

Place: \_\_\_\_\_ Signature of Applicant: \_\_\_\_\_  
Date: \_\_\_\_\_ Name of the Signatory: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email Address: \_\_\_\_\_

Place: \_\_\_\_\_ Signature of CA/ ICWA / CS: \_\_\_\_\_  
Date: \_\_\_\_\_ Name of the Signatory: \_\_\_\_\_  
Address: \_\_\_\_\_  
Membership No: \_\_\_\_\_  
Email Address: \_\_\_\_\_

**CA Certificate (contd/-) ANF3E**

**Shipping Bill Wise Statement(s)**

Statement No .....

Sector Name:

Statement of Exports of products covered under each of the 6 sectors in Para 3.16.4 of FTP  
(Total 6 such statement if the Status Holder exporter has exports in all the 6 sectors)

SNo.	Shipping Bill No and Date	Description and ITC HS Code	Date of Export (Para 9.12 of HBPv1)	FOB Value (as per Shipping Bill) Rs.
1				
2				
..				
..				
<b>Total (Rs)</b>				

Note: This statement of exports should also be countersigned by the applicant. FOB Value includes upto 12.5% Foreign Agency Commission.

Place: \_\_\_\_\_ Signature of Applicant: \_\_\_\_\_  
 Date: \_\_\_\_\_ Name of the Signatory: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Email Address: \_\_\_\_\_

Place: \_\_\_\_\_ Signature of CA/ ICWA / CS: \_\_\_\_\_  
 Date: \_\_\_\_\_ Name of the Signatory: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Membership No: \_\_\_\_\_  
 Email Address: \_\_\_\_\_

**Know your Customs Checks of Clients by CHAs – CHA License Guidelines**

*Subject: Issue of Custom House Agent License – Reference from field formations.*

09-CBEC It has been brought to the  
 08.04.2010 notice of the Board by certain  
 (DoR) field formations that they are  
 facing difficulties in issuance of  
 Custom House Agents (CHA) License for eli-  
 gible persons and in implementation of the  
 Custom House Agents Licensing Regulations  
 (CHALR), 2004.

2. These issues were examined by the Board  
 in consultation with customs field formations  
 and in the Board meeting. Further, a meeting  
 was also held with the Chief Commissioners of  
 Customs having jurisdiction over major Custom  
 Houses. Accordingly the following decisions  
 have been taken on the issues listed below:-

**(i) Minimum number of CHAs required in a Customs station**

3. Regulation 4 of the CHALR, 2004 provides  
 the process of issue of CHA licences whereby  
 the Commissioner of Customs may invite appli-  
 cations for the grant of such number of licences  
 as assessed by him, to act as Customs House  
 Agents in a customs station. The CHALR, 2004  
 do not provide for any restrictions on the num-  
 ber of CHAs. Board is of the view that, ideally,  
 no restriction should be placed on the number  
 of CHAs operating in the Custom Houses and  
 the market forces should govern the number  
 of proficient and qualified persons required to  
 carry out the job of CHA commensurate with  
 the volume of import / export cargo. The Board  
 also did not find any justification in prescrib-  
 ing a turnover based criteria for ascertainment  
 of the

number of CHA licenses required to be issued  
 at a particular Custom House / Station, in as  
 much as the practice of undertaking CHA ser-  
 vices on the basis of Form 'C' intimation was  
 already in vogue and would render such exer-  
 cise meaningless. The Board, therefore, has  
 decided against fixing a numeric criterion gov-  
 erning the number of CHA licenses being is-  
 sued. Board has also decided that the examina-  
 tion under Regulation 8 shall be conducted on  
 an annual basis instead of twice a year, by  
 suitably amending the sub-regulation (1) to  
 Regulation 8.

**(ii) Employment of person by a CHA**

4. In the present scheme of CHALR, 2004  
 under regulation 19(1), the Custom House Agent  
 may employ any person who shall have a mini-  
 mum educational qualification of 10+2 School  
 education. However, appointment of such per-  
 son shall be made only after obtaining approval  
 of the Deputy Commissioner / Assistant Com-  
 missioner (DC/AC) designated by the Commis-  
 sioner of Customs, who shall take into consid-  
 eration the antecedents and character of the  
 person as provided in regulation 19(2) of CHALR,  
 2004. In this regard, Board has decided that  
 the DC/AC concerned, may ensure that individ-  
 uals suspended or blacklisted or denied permis-  
 sion to work in any section of the Custom  
 House) shall not be allowed to be employed by  
 a CHA for transacting business with Customs.  
 Necessary undertaking in this regard may also

be taken from the CHA at the time of submission  
 of application giving details of the person who  
 are proposed to be employed by them.

4.2. CHALR, 2004 do not provide for any restric-  
 tion on the number of persons a CHA can  
 employ as it would depend upon the workload  
 and requirements of a CHA. However, under the  
 regulation 19(3), any person employed by CHA  
 is required to appear through an examination  
 conducted by DC/AC designated or a Commit-  
 tee of officers to ascertain the adequacy of the  
 knowledge of such persons about the provi-  
 sions of the Customs Act, 1962 before they are  
 granted 'G' Card. Hence, it is reiterated that it  
 is only those persons who have qualified them-  
 selves in the examination conducted under regu-  
 lation 19(3) and who have been authorized by  
 CHA in terms of regulation 19(5) alone are  
 allowed to sign the declarations filed before  
 Customs for transacting the work at any cus-  
 tom station. Those persons who have not qual-  
 ified in the examination but who are still in  
 employment with CHA are being given 'H' card  
 for assisting the CHA in his work. However, the  
 Commissioner of Customs in a Custom House  
 / Station shall undertake an annual review of  
 such 'H' Cardholders with each CHA to ensure  
 that discredited individuals are not being al-  
 lowed to work as 'H' Cardholders. The examina-  
 tion under Regulation 19(3) shall also be con-  
 ducted by Commissionerate of Customs on  
 annual basis.

**(iii) Suspension or revocation against CHAs operating on 'C' form intimation basis**

5.1. CHALR, 2004 provide a facility for the CHAs  
 who have been issued a license from a particu-  
 lar customs station to operate under Form 'C'  
 intimation at another customs station. In case  
 of such CHAs, who are found to have violated  
 any provision of the CHALR, 2004 at any cus-  
 tom station, it is clarified that the suspension  
 action against CHA's operations may be taken  
 by the Commissioner of Customs at the station  
 who issued the CHA license and such action  
 would either be limited to a particular customs  
 station where a violation has been noticed or  
 action against the CHA in general, applica-  
 ble at all customs stations where the CHA op-  
 erates, depending upon the gravity and serious-  
 ness of the violation. Where the CHA licence is  
 suspended, all 'G' and 'H' cards issued in  
 respect of that licence would become non-  
 operational.

5.2. Further, it is also clarified that the Com-  
 missioner of Customs at a customs station who  
 had authorised a CHA to operate on 'C' form  
 intimation, should inform the details of viola-  
 tions to the Commissioner of Customs at the  
 customs station from where the CHA licence  
 was issued for such CHA, so that necessary  
 action for suspension or revocation of CHA  
 licence, could be initiated by him. This would  
 avoid duplication and ensure uniformity in  
 adjudication of a case against a CHA in sus-  
 pension or revocation proceedings by the  
 Customs field formations. However, the Com-  
 missioner of Customs, who had authorised a  
 CHA to operate on 'C' form intimation at a  
 customs station, may take action in deserv-  
 ing cases under regulation 21 of

CHALR, 2004 for prohibiting the working of such defaulting CHA in any section of the Custom House/Customs Station.

**(iv) Know Your Customs (KYC) norms for identification of clients by CHAs**

6. In the context of increasing number of offences involving various modus-operandi such as misuse of export promotion schemes, fraudulent availment of export incentives and duty evasion by bogus IEC holders etc., it has been decided by the Board to put in place the "Know Your Customer (KYC)" guidelines for CHAs so that they are not used intentionally or unintentionally by importers / exporters who indulge in fraudulent activities. Accordingly, Regulation 13 of CHALR, 2004, has been suitably amended to provide that certain obligations on the CHAs to verify the antecedent, correctness of Import Export Code (IEC) Number, identity of his client and the functioning of his client in the declared address by using reliable, independent, authentic documents, data or information. In this regard, a detailed guideline on the list of documents to be verified and obtained from the client/ customer is enclosed in the Annexure. It would also be obligatory for the client/ customer to furnish to the CHA, a photograph of himself/herself in the case of an individual and those of the authorised signatory in respect of other forms of organizations such as company/ trusts etc., and any two of the listed documents in the annexure.

**(v) Time limit for completion of suspension proceedings against CHA licensee under regulation 22**

7.1. The present procedure prescribed for completion of regular suspension proceedings takes a long time since it involves inquiry proceedings, and there is no time limit prescribed for completion of such proceedings. Hence, it has been decided by the Board to prescribe an overall time limit of nine months from the date of receipt of offence report, by prescribing time limits at various stages of issue of Show Cause Notice, submission of inquiry report by the Deputy Commissioner of Customs or Assistant Commissioner of Customs recording his findings on the issue of suspension of CHA license, and for passing of an order by the Commissioner of Customs. Suitable changes have been made in the present time limit of forty five days for reply by CHA to the notice of suspension, sixty days time for representation against the report of AC/DC on the grounds not accepted by CHA, by reducing the time to thirty days in both the cases under the Regulations.

7.2. In cases where immediate suspension action against a CHA is required to be taken by a Commissioner of Customs under regulation 20(2), there is no need for following the procedure prescribed under Regulation 22 since such an action is taken immediately and only in justified cases depending upon the seriousness or gravity of offence. However, it has been decided by the Board that a 'post-decisional hearing' should be given in all such cases so that errors apparent, if any, can be corrected and an opportunity for personal hearing is given to the aggrieved party. Further, Board has also prescribed certain time limits in cases warranting immediate suspension under Regulation 20(2). Accordingly, the investigating authority shall furnish its report to the Commissioner of Customs who had issued the CHA license (Licensing authority), within thirty days of the detection of an offence. The Licensing authority shall take necessary immediate suspension action within fifteen days of the receipt of the report of the investigating authority. A post-decisional hearing shall be granted to the party within fifteen days from the date of his suspension. The Commissioner of Customs concerned shall issue an Adjudication Order, where it is possible to do so, within fifteen days from the date of personal hearing so granted by him.

**(vi) CHA licenses in respect of individuals who had passed the examination under CHALR, 1984**

8.1. The issue of granting CHA license in respect of persons who had already passed the written and oral examinations held under Regulation 9 examination of Customs House Agents Licensing Regulations (CHALR), 1984 and are yet to be considered for issue of CHA license, was examined by the Board. On this issue, the Board in its earlier meeting had held that with the introduction of CHALR, 2004, there was no generalized case for grant of CHA licence to such applicants having passed Regulation 9 examination under CHALR, 1984 as the requirements of educational

qualification and also examination curriculum were different in the two regulations. Considering the hardships experienced by such persons and in order to remedy the situation by providing one time opportunity to qualify them for grant of CHA license, It has been decided by the Board to conduct written examination for these persons on the following additional subjects: (a) The Patents Act, 1970 and Indian Copy Right Act; 1957 (b) Central Excise Act, 1944 (c) export promotion schemes (d) Procedure on appeal and revision petition (e) Prevention of Corruption Act, 1988 and (f) online filing of electronic Customs declarations, (g) Narcotic Drugs and Psychotropic Substances Act, 1985 and (h) Foreign Exchange Management Act, 1999. The aforesaid examination would be conducted by the Directorate General of Inspection after giving due notice to these candidates. Accordingly, persons who qualify in the aforesaid examination shall be deemed to have passed under the Regulation 8 of Customs House Agents Licensing Regulations, 2004, and would be considered for grant of CHA license in terms of Regulations 9 of CHALR, 2004 by the concerned Commissionerate from where they had earlier passed the CHA examination held under CHALR, 1984.

8.2. Board also took note of the fact that these candidates had passed the CHA examination held under CHALR, 1984 based on the qualification prevailing at that relevant point of time, and that a precedent existed wherein a dispensation was prescribed vide Board's Circular No.48/2000-Customs dated 22.5.2000 for a specific period. Accordingly it was also decided by the Board that in case of Regulation 9 examination passed candidates under the CHALR, 1984, the relaxation provided in respect of educational qualifications vide Board's Circular No. 48/2000-Customs shall be extended on similar basis.

9. The aforesaid decisions of the Board involving change in the CHALR, 2004, has been implemented by issue of Notification No.30/2010-Customs (NT) dated 8.4.2010.

10. These instructions may be brought to the notice of the trade by issuing suitable Trade / Public Notices. Suitable Standing orders/instructions may be issued for the guidance of the field officers.

11. Difficulties faced, if any, in implementation of this Circular, changes made in the CHALR, 2004 may be brought to the notice of the Board immediately.

**Annexure**

Client/ Customer Identification Procedure  
Features to be verified and documents to be obtained from clients/ customers

SNo	Form of organisation	Features to be verified	Documents to be obtained
1	Individual	(i) Legal name and any other names used (ii) Present and Permanent address, in full, complete and correct.	(i) Passport (ii) PAN card (iii) Voter's Identity card (iv) Driving licence (v) Bank account statement (vi) Ration card Note: Any two of the documents listed above, which provides client/ customer information to the satisfaction of the CHA will suffice.
2	Company	(i) Name of the company (ii) principal place of business (iii) mailing address of the company (iv) telephone, fax number, e-mail address.	(i) Certificate of incorporation (ii) Memorandum of Association (iii) Articles of Association (iv) Power of Attorney granted to its managers, officers or employees to transact business on its behalf (v) Copy of PAN allotment letter (vi) Copy of telephone bill

3	Partnership firm	(i) Legal name (ii) Permanent address, in full, complete and correct. (iii) Name of all partners and their addresses, in full complete and correct. (iv) telephone, fax number, e-mail address of the firm and partners.	(i) Registration certificate, if registered (ii) Partnership deed (iii) Power of Attorney granted to a partner or an employee of the firm to transact business on its behalf (iv) Any officially valid document identifying the partners and the person holding the Power of Attorney and their addresses (v) Telephone bill in the name of firm/ partners	4	Trusts, Foundations	(i) Name of trustees, settlers, beneficiaries and signatories (ii) Name and address of the founder, the managers, Directors and the beneficiaries, in full, complete and correct. (iii) Telephone and fax number, e-mail address of the trust, founder and trustees	(i) Certificate of Registration, if registered. (ii) Power of Attorney granted to transact business on its behalf (iii) Any officially valid document to identify the trustees, settlers, beneficiaries and those holding the Power of Attorney, founders/ managers/ directors and their addresses (iv) Resolution of the managing body of the foundation/ association (v) Telephone bill
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F.No.502/5/2008-Cus.VI

## Amendments in CHA Licensing Regulations 2004

30-Cus(NT) 08.04.2010 In exercise of the powers conferred by sub-section (2) of section 146 of the Customs Act, 1962 (52 of 1962), the

Central Board of Excise and Customs hereby makes the following regulations, to amend the Customs House Agents Licensing Regulations, 2004, namely:-

1. (1) These regulations may be called the Customs House Agents Licensing (Amendment) Regulations, 2010.

(2) They shall come into force on the day of their publication in the Official Gazette.

2. In the Customs House Agents Licensing Regulations, 2004, (hereinafter referred to as the said Regulation), -

(i) in **regulation 8**,

(a) in sub-regulation (1) for the words "twice every year", the words "once every year", shall be substituted;

(b) after sub-regulation (8), the following shall be inserted, namely:-

"(9) Notwithstanding anything contained in these regulations, any person who had passed the examination conducted in regulation 9 of the Customs House Agents Licensing Regulation, 1984, and has not yet been granted license under these regulations, upon declaring successful in a written examination conducted on the following subjects, shall be deemed to have passed the examination referred to in regulation 8 for the purpose of these regulations.

(a) The Patents Act, 1970 and Indian Copyright Act, 1957;

(b) Central Excise Act, 1944;

(c) Export promotion schemes;

(d) Procedure on appeal and revision petition;

(e) Prevention of Corruption Act, 1988;

(f) Online filing of electronic Customs declarations;

(g) Narcotic Drugs and Psychotropic Substances Act, 1985; and

(h) Foreign Exchange Management Act, 1999.";

(ii) in **regulation 13**, after sub-regulation (n), the following shall be inserted, namely:-

"(o) verify antecedent, correctness of Importer Exporter Code (IEC) Number, identity of his client and functioning of his client at the declared address by using reliable, independent, authentic documents, data or information.";

(iii) in **regulation 20**,

(a) in sub-regulation (2), for the words "suspend the licence", the words "within fifteen days from the date of receipt of a report from investigating authority, suspend the licence", shall be substituted;

(b) after sub-regulation (2), the following sub-regulation shall be inserted, namely:-

"(3) Where a licence is suspended under sub-regulation (2), notwithstanding the procedure specified under regulation 22, the Commissioner of Customs may, within fifteen days from the date of such suspension, give an opportunity of hearing to the Customs House Agent whose licence is suspended and may pass such order as he deems fit either revoking the suspension or continuing it, as the case may be, within fifteen days from the date of hearing granted to the Customs House Agent.";

(iv) in **regulation 22**,

(a) in sub-regulation (1) for the words "stating the grounds on which it is proposed to suspend or revoke the licence and requiring the said Customs House Agent to submit, within such time as may be specified in the notice, not being less than forty-five days", the words "within ninety days from the date of receipt of offence report, stating the grounds on which it is proposed to suspend or revoke the licence and requiring the said Customs House Agent to submit within thirty days" shall be substituted;

(b) after sub-regulation (1), the following proviso shall be inserted, namely:-

"Provided that the procedure prescribed in regulation 22 shall not apply in respect of the provisions contained in sub-regulation (2) to regulation 20."

(c) in sub-regulation (5), for the words "his findings.", the words "his findings and submit his report within ninety days from the date of issue of a notice under sub-regulation (1)." shall be substituted;

(d) in sub-regulation (6), for the words "sixty days", the words "thirty days", shall be substituted;

(e) in sub-regulation (7), for the words "as he deems fit.", the words "as he deems fit within ninety days from the date of submission of the report by the Deputy Commissioner of Customs or Assistant Commissioner of Customs, under sub-regulation (5).", shall be substituted.

[F. No. 502/5/2008 – Cus.VI]

## Streamlining Procedure of Re-credit of DEPB or Refund of Duties

The following Public Notice was issued by the Commissioner of Customs (Import) Jawaharlal Nehru Custom House on 1<sup>st</sup> April 2010.

Subject: Streamlining the procedure of re-assessment consequent to Order-in-Appeal/CESTAT Order etc. resulting in re-crediting of DEPB Scrip/Grant of refund.

41-PN Attention of all importers, CHA, 01.04.2010 trade and all others concerned is invited to the cases where

appellate authorities/courts order re-assessment of the Bill of Entry after import clearances which result into consequential re-credit of DEPB scrips or refund of duties paid. In such cases, if re-assessment is done in EDI, there will be an automatic re-credit of the DEPB scrip. It results in grant of refund without examining the aspect of unjust enrichment and other procedural aspects as provided under Section 27 of the Customs Act, 1962.

2. It is hereby directed that prior to re-assessment and re-credit of the consequential refund to the relevant scrips, the cases of consequential refunds arising out of orders passed by appellate authorities and courts, shall be forwarded to the concerned Centralised Refund Section for sanction of refund. The concerned AC/DC of the CRC Section shall pass a formal order after following principles of natural justice. Only after an order sanctioning the refund has been issued, the file be forwarded to Systems Manager for cancellation of 'Out of Charge' for re-assessment for the purpose of re-credit of refund amount to DEPB Scrip or entering departmental comments regarding payment of refund.

F.No.S/22-Gen-06/2010 AM(I)

## Data Quality of Information Furnished by the Importers and Exporters for Assessment Purposes

The following Public Notice was issued by the Commissioner of Customs, Jawaharlal Nehru Custom House on 7<sup>th</sup> April 2010.

42-PN  
07.04.2010 The Customs assessment, to a large extent, is a function of classification and valuation of goods, not only for levying correct duty on imports or extending appropriate incentives on exports but also for the purposes of ensuring uniformity of assessment practices and enforcing restriction/ prohibitions imposed under allied laws. Further, policy makers and all other concerned also use Customs import and export database for policy decision and for statistical purposes.

2. One of the most essential requirements for ensuring correct classification and valuation of goods is the quality of data furnished by the importers and exporters as regards its completeness and accuracy. It has, however been felt that the quality of data furnished by the trade has remained quite poor despite the fact that this issue has been emphasized time and again by the Customs administration. The basic information like brand, grade, model, specification, unit quantity code, weight, country of origin etc are not declared properly, even though such information is required to be filled specifically in the bill of entry and shipping bills. Further it has also been noticed that different classifications are assigned for same commodity by the same importer. In some cases such non-declaration by unscrupulous importer/exporter is to evade duty/claim higher benefit on exports or restriction. However, in majority of cases it may be on account of casual approach. As a result, not only the quality of assessment has suffered but also the quality of National Import and Export database has remained below expectation. Thus, poor quality of data furnished by the trade is a matter of serious concern for customs administration.

3. In the above context, attention of trade and all other stake holders is invited to the fact that it is mandatory for the importers / exporter/ CHAs to declare full and correct information concerning the goods being imported/exported such as description, brand, model, grade, speci-

fication, etc. in the appropriate columns while filing the bill of entry or shipping bill, as the case may be. Further, the unit of quantity declared should be the standard unit.

4. All concerned sections, i.e., Appraising Groups, Import Docks, Export Assessment and Export Docks shall verify that all fields in the bills of entry/shipping bills, including brand, grades, model specification, unit of quantity, country of origin etc. have been filled correctly by the importer/exporter/CHAs. In all such cases where complete details are not furnished, documents shall be returned for incorporating the same. Since, this mandatory requirement is not complied by a large number of importers/ exporters/ CHAs, it has been decided to take stern action in case of non-compliance. In case an importer/exporter/CHA repeatedly fails to furnish the complete details in documents furnished by him, an appropriate penal action would be initiated, including suspension of license of CHA, wherever situation so warrants. Concerned sections shall enforce strict compliance of these instructions w.e.f. 25.4.2010.

5. For stakeholder's education, interactive sessions would be conducted in the JNCH, Conference Hall in the 7<sup>th</sup> floor on the following days and time. Interested importers/exporters/ CHAs are requested to attend these sessions.

Date	Time	Remarks
20.4.2010	10.30 AM	Inauguration and 1st session
20.4.2010	11.30 AM	Repeat session
21.4.2010	10.30 AM	Repeat session
21.4.2010	11.30 AM	Repeat session

6. All stakeholders are advised to follow the above guidelines scrupulously. Difficulties faced, if any, may please be brought to the notice of Commissioner of Customs (Import)/ (Export) JNCH.

7. This issues with the approval of the Chief Commissioner.

F. No. S/V-30-Misc-56/2010 CCO M-II

the sales realization on such exports. The third part of the proforma relates to the incidence of service tax on exports.

4. Please ensure that data provided is as representative as possible. Data pertaining to at least five units should be submitted for each export product. The units should be selected from amongst the small, medium as well as large exporters so that the data is truly representative. Needless to say the data should be collected only from the manufacturers/manufacturer exporters. As far as possible, data should be supported by relevant documents such as Bills of Entry, Shipping Bills, invoices etc. Further, while submitting data in respect of a particular export item manufactured by a manufacturer, details of any/all input(s)/ service(s) used in the manufacture of all types/ styles of that particular export item should be indicated i.e. for instance, data on T-shirt/shoes should include total quantity/value of inputs/ services used by that manufacturer for manufacture of all types of T-shirts/shoes. Secondly, the data should indicate the total FOB value of T-shirts/shoes exported by that manufacturer.

5. The Council is hereby advised that the cost data should be submitted only in respect of those units which are ready for getting their records and production process inspected by the Department for verifying the correctness of the data. Further, such units should submit a copy of the cost data to the Assistant Commissioner/Deputy Commissioner of Central Excise under whose geographical jurisdiction their units fall.

6. You are also requested to inform regarding anomalies, if any, noticed in the Drawback Schedule, both with reference to description of the goods or the rates. This will help us rationalize the schedule. Your suggestions are also welcome on any other aspect of the drawback scheme which you feel need to be examined.

7. Since, the work is time bound in nature, you are requested to kindly furnish information in the prescribed proforma by 20<sup>th</sup> April, 2010. The information sought for with regard to anomalies may be sent separately in the form of a note. The information may also be sent by e-mail at mofdbkdatbank@hotmail.com.

8. The government has, like the previous year, constituted a three-member committee for the formulation of All Industry Rates of Duty Drawback, 2010-2011. Should you wish to make a presentation before the committee, you may intimate in advance so that it can be organized.

## Input Data Format for All Industry Rates of Duty Drawback

[Ref: D.O. F.No. 609/31/2010-DBK dated 1<sup>st</sup> April 2010]

Sub: All Industry Rates of Duty Drawback, 2010-2011.

Under the Duty Drawback Scheme administered by this Department the duties (Customs & Central Excise) paid on inputs and service tax paid on input services used in the manufacture of export goods are refunded to the exporters in the form of drawback. The drawback rates are worked out and notified every year after taking into account the budgetary changes in the duty structure and other relevant facts.

2. The exercise is underway in the Ministry to re-work and revise the rates of duty drawback for the year 2010-2011.

3. As you are aware, All Industry Rates of Duty Drawback are worked out by considering the

consumption of input materials/services and the incidence of duties/taxes on these input materials/services. We would, therefore, request you to provide us with a comprehensive cost and consumption data regarding the various inputs/input services which are used in the manufacture of export products. A proforma in three parts is enclosed. I would like to emphasize that the consumption of input materials/ services and incidence of duties/tax, which is shown against the export of a particular product must be relatable to it. Therefore, the second part of this proforma requires information on the actual cost incurred for making the exports and

### Proforma 1.1

Data pertaining to October-December, 2009  
Name of the Manufacturer/Exporter: .....  
Name of item produced and exported: .....

1. Inputs:
2. Unit:
3. Average Ex factory price of the input during October- December, 2009:
4. Average Domestic purchase price of the input during October- December, 2009:

5. Quantity of domestic material used during October- December, 2009:
6. Value of domestic material (excluding terminal excise duty) used during October-December, 2009:
7. Total Amount of Excise duties paid on the material used during October- December, 2009:
8. Average CIF price of the input:
9. Quantity of imported material used during October- December, 2009:
10. Total CIF Value of imported material used during October- December, 2009:
11. Total Amount of Customs duties paid on the material used during October- December, 2009:
12. Quantity of goods sold in domestic market during October- December, 2009:
13. Value of goods (excluding Terminal stage Excise Duty) sold in domestic market during October- December, 2009:
14. Qty. of goods exported during October-December, 2009:
15. Total FOB value of goods exported during October- December, 2009:
16. Average FOB value of goods exported during October- December, 2009:
17. Average FOB value of goods exported during January, 2010:

**Note:** 1. Customs duties to include Basic Customs duty, CVD, Cess and any other duties. Excise duty should include Cess.  
 2. To be completed by the individual manufacturer exporters.  
 3. Data should be submitted taking into account all types/models/styles/qualities of the export product.  
 4. In exceptional cases where the manufacturer is not in a position to submit data for the quarter October-December, 2009, he may submit the same for the preceding quarter i.e. July-September, 2009.

1)  
 2)  
 3)  
 Service Tax on service directly relatable to export-itemized, such as export commission paid to foreign agents.  
 Service Tax Paid  
 1)  
 2)  
 3)  
 Sub Total:  
 To be certified by the Company Auditor

### Consortium for Submarine Cable System

*Sub: Overseas Investments - Liberalisation*  
 AP(DIR Srs) Attention of Authorised Dealer|  
 Cir.45 Category - I (AD Category - I)  
 01.04.2010 banks is invited to para 3 of  
 (RBI) A.P. (DIR Series) Circular No.  
 48 dated June 03, 2008, in

terms of which Indian entities are permitted to invest in overseas unincorporated entities in the oil sector, up to 400 per cent of the net worth of the Indian company, under the automatic route.

2. As a measure of further liberalisation, it has now been decided, in consultation with the Government of India, to allow Indian companies to participate in a consortium with other international operators to construct and maintain submarine cable systems on co-ownership basis under the automatic route. Accordingly, AD Category - I banks may allow remittances by Indian companies for overseas direct investment, after ensuring that the Indian company has obtained necessary licence from the Department of Telecommunication, Ministry of Telecommunication & Information Technology, Government of India to establish, install, operate and maintain International Long Distance Services and also by obtaining a certified copy of the Board Resolution approving such investment. Accordingly, these transactions may be reported by the Indian entities investing in the consortium to the AD Category - I banks in the format laid down in A.P. (DIR Series) Circular No. 68 dated June 1, 2007 and by the AD Category -I banks to the Reserve Bank in terms of A.P. (DIR Series) Circular No. 36 dated February 24, 2010 for allotment of Unique Identification Number.

3. All such investments would be subject to the reporting requirements as prescribed in Regulation 15 (iii) of Notification No. FEMA 120/RB-2004 dated July 7, 2004 [Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004], as amended from time to time.

4. AD Category - I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

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

### Proforma 1.2

Data pertaining to April, 2009 to December, 2009  
 For each major item of final product

This should list all the principal material inputs, e.g. steel or other metals or input chemicals or yarn or fabric etc. that go into the manufacture of the said product. It will not include common utilities such as electricity, fuel etc.

1. Inputs:
2. Unit:
3. Total Quantity of Import:

4. Total Quantity of domestic production:
  5. Rate of import duty w.e.f. 26.02.2010:
  6. Rate of excised duty w.e.f. 26.02.2010:
- Note:** 1. Customs duties to include Basic Customs duty, CVD, Cess and any other duties Excise duty should include Cess etc.  
 2. To be completed by the Export Promotion Councils.

### Proforma II

#### Summary Cost Sheet

#### Rs. per/Unit output

(Average for the most recent quarter (October to December, 2009 or July to September, 2009))

- |   |  |
|---|--|
| Company's name:   | costing practice adopted by the unit for   |
| Product name:   | MIS, inventory valuation etc.) .....   |
| A. Material cost  | E. Domestic Sale price .....   |
| Item 1, 2, 3, ..... Provide the list of principal items of material cost  | F. FOB realization .....   |
| Sub-total .....   | <b>Note:</b> 1. This data should be provided for major items of export for a number of major Companies which constituted a representative sample.  |
| B. Fuel, electricity, coal, coke etc .....  | 2. In exceptional cases where the manufacturer is not in a position to submit data for the quarter October-December, 2009, he may submit the same for the preceding quarter i.e. July-September, 2009. |
| C. Salaries, Wages & Other overhead expenses (allocated/apportioned as is the costing practice adopted by the unit for MIS, inventory valuation etc)..... |  |
| D. Total cost of sales (as estimated as per the   |  |

### Proforma III

#### Service Tax

For Major Export Companies in Your Industry to be Provided Separately For Each Company

Period	: April, 2009 to December, 2009	Of which:-	
Company (Name)	:	Domestic Sales	:
Products Exported	:	Export	:
Total Business Turnover (Income)	:	Total Service tax paid (Rupees)	:
Total Value of Sales	:	Break-up of Total Service Tax	
		Service	Tax Paid

## Provisional Duty on Chinese Circular Weaving Machines for Sacks and Bags

Ntnfn 49  
12.04.2010  
(DoR)

Whereas, in the matter of import of circular weaving machines having six or more shuttles for weaving PP/HDPE fabrics of a width exceeding 30 cms. (hereinafter referred as the subject goods), falling under Heading 8446 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) and originating in, or exported from the People's Republic of China (China PR), (hereinafter referred to as the subject country) into India, the Designated Authority, in its preliminary findings vide notification No. 14/25/2008-DGAD dated the 16<sup>th</sup> February, 2010 published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 16<sup>th</sup> February, 2010, had come to the conclusion that—

(a) the subject goods had entered the Indian market from the subject country at prices less

than their normal values in the domestic market of the exporting country;

(b) the dumping margins of the subject goods imported from the subject country are substantial and above de minimis;

(c) the domestic industry had suffered material injury and the injury had been caused to the domestic industry, both by volume and price effect of dumped imports of the subject goods originating in or exported from the subject country; and

had recommended imposition of provisional anti-dumping duty on all imports of the subject goods originating in, or exported from, the subject country;

Now, therefore, in exercise of the powers conferred by sub-section (2) of section 9A of the said Customs Tariff Act, read with rules 13 and 20 of the Customs Tariff (Identification, Assess-

ment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, the Central Government, on the basis of the aforesaid preliminary findings of the designated authority, hereby imposes on the goods, the description of which is specified in column (2) of the Table below, falling under the said Heading of the First Schedule to the said Customs Tariff Act as specified in the corresponding entry in column (1), originating and/ or exported from in the country as specified in the corresponding entry in column (3), and produced by the producers as specified in the corresponding entry in column (4), exported by the exporters as specified in the corresponding entry in column (5), and imported into India, an anti-dumping duty which shall be equal to the amount specified in the corresponding entry in column(6), in the currency as specified in the corresponding entry in column (8) and per unit of measurement as specified in the corresponding entry in column (7) of the said Table.

**Table**

Tariff Head	Description of goods	country of origin or country of export	Producer	Exporter	Duty Amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
8446.21, 8446 21 90 8446.29, 8446 29 00	Circular weaving machines having six or more shuttles for weaving PP/ HDPE fabrics of a width exceeding 30 cms	China PR	Any combination of exporter and producer		1193	Per machine	US Dollar

2. The anti-dumping imposed under this notification shall be effective upto and inclusive of the 11<sup>th</sup> day of October, 2010, and shall be payable in Indian Currency.

**Explanation:** - For the purposes of this notification, rate of exchange applicable for the purposes of calculation of such anti-dumping duty shall be the rate which is specified in the notification of the Government of India, in the Minis-

try of Finance (Department of Revenue), issued from time to time, in exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962) and the relevant date for the determination of the rate of exchange shall be the date of presentation of the bill of entry under section 46 of the said Customs Act.

[F. No. 354/31/2010-TRU]

their associated Normal values.

(b) the domestic industry had suffered material injury in both the products under consideration. Besides, there is a case of threat of a material injury as well.

(c) the material injury and threat thereof had been caused by the dumped imports of the subject goods from China PR.

and had recommended to impose definitive anti-dumping duty on all imports of the subject goods, originating in, or exported from, the subject country;

Now, therefore, in exercise of the powers conferred by sub-sections (1) and (5) of section 9A of the said Customs Tariff Act, 1975, and in pursuance of rules 18 and 20 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, the Central Government, on the basis of the aforesaid final findings of the designated authority, hereby imposes on the goods, the description of which is specified in column (3) of the Table below, falling under the said tariff items of the First Schedule to the said Customs Tariff Act as specified in the corresponding entry in column (2), originating in the countries as specified in the corresponding entry in column (4), and produced by the producers as specified in the corresponding entry in column (6), when exported from the countries as specified in the corresponding entry in column (5), by the exporters as specified in the corresponding entry in column (7), and imported into India, an anti-dumping duty which shall be equal to the amount specified in the corresponding entry in column(8), in the currency as specified in the

## Steering Knucks for Commercial Vehicles from China – Final Anti-dumping Duty

Ntnfn 50  
12.04.2010  
(DoR)

Whereas, in the matter of import of Front Axle Beam and Steering Knuckles meant for heavy and medium commercial vehicles' (hereinafter referred as the subject goods), falling under tariff items 73269099, 73261910, 73261990, 87085000, or 87089900, of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) and originating in, or exported from the People's Republic of China (China PR), (hereinafter referred to as the subject country) into India, the Designated Authority, in its preliminary findings vide notification No. 14/19/2008-DGAD dated the 24<sup>th</sup> April, 2009, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 24<sup>th</sup> April, 2009, had come to the conclusion that—

(a) the products under consideration had been exported to India from China PR below associated Normal values;

(b) the domestic industry had suffered material injury in both the products under consideration. Besides, there appears to be threat of a material injury as well;

(c) the material injury and threat thereof had been caused by the dumped imports from China PR; and

had recommended imposition of provisional anti-dumping duty on all imports of the subject goods originating in, or exported from, the subject country;

And whereas, on the basis of the aforesaid findings of the designated authority, the Central Government had imposed provisional anti-dumping duty on the subject goods vide notification No. 65/2009-Customs, dated the 15<sup>th</sup> June, 2009, published in Part II, Section 3, Sub-section (i) of the Gazette of India, Extraordinary, vide number G.S.R. 276 (E), dated the 15<sup>th</sup> June, 2009;

And whereas, the designated authority, vide its final findings vide notification No. 14/19/2008-DGAD dated 5<sup>th</sup> March 2010, published in the Gazette of India, Extraordinary, Part I, Section I, dated the 5<sup>th</sup> March 2010, had come to the conclusion that -

(a) the products under consideration have been exported to India from China PR below

corresponding entry in column (10) and per unit of measurement as specified in the corresponding entry in column (9) of the said Table.

**Table**

SNo	Tariff Item No.	Description of goods	Country of Origin	Country of Export	Producer	Exporter	Amount	Unit	Currency
1	2	3	4	5	6	7	8	9	10
1	73269099, 73261910, 73261990, 87085000, 87089900	Front Axle Beam for medium or heavy commercial vehicle	People's Republic of China	People's Republic of China	Hubei Tri-ring Auto Axle Co. Ltd.	Hubei Tri-ring Auto Axle Co. Ltd.	0.35	Per Kg	US Dollar
2	-do-	-do-	People's Republic of China	People's Republic of China	Any Country other than S.No. 1 above	Any Country other than S.No. 1 above	0.63	Per Kg	US Dollar
3	-do-	-do-	People's Republic of China	Any	Any	Any	0.63	Per Kg	US Dollar
4	-do-	-do-	Any other than People's Republic of China	People's Republic of China	Any	Any	0.63	Per Kg	US Dollar
5	-do-	Steering Knuckles for medium or heavy commercial vehicle	People's Republic of China	People's Republic of China	Hubei Tri-ring Forging Co. Ltd.	Hubei Tri-ring Forging Co. Ltd.	0.64	Per Kg	US Dollar
6	-do-	-do-	People's Republic of China	People's Republic of China	Any country other than S.No. 5 above	Any country other than S.No. 5 above	1.11	Per Kg	US Dollar
7	-do-	-do-	People's Republic of China	Any	Any	Any	1.11	Per Kg	US Dollar
8	-do-	-do-	Any country other than People's Republic of China	People's Republic of China	Any	Any	1.11	Per Kg	US Dollar

2. The anti-dumping duty imposed under this notification shall be levied with effect from the date of imposition of the provisional anti-dumping duty, and shall be payable in Indian currency.

*Explanation:* - For the purposes of this notification, rate of exchange applicable for the purposes of calculation of such anti-dumping duty shall be the rate which is specified in the notifi-

cation of the Government of India, in the Ministry of Finance (Department of Revenue), issued from time to time, in exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962) and the relevant date for the determination of the rate of exchange shall be the date of presentation of the bill of entry under section 46 of the said Customs Act.

[F.No. 354/118/2009 –TRU (Pt. 1)]

Only those export sectors in which the applicant has exports (out of the eligible sectors mentioned in Para 3.16.4 of FTP) should be endorsed on the SHIS Duty Credit Scrip.

4. In cases where the applicant chooses to list the supporting manufacturer, a list of supporting manufacturer(s) may be provided to RA concerned at the time of filing the application, based on exports made till the date of filing SHIS application. In terms of Para 3.10.4 of HBPv1, as notified by Public Notice **54/2009-14** dated 8.4.2010, the List may be given in the format as per **Annexure I to this Policy Circular**, along with the export document to establish the same. RA shall endorse the Name(s) of the supporting manufacturer(s) as Co-Licensee on the SHIS Duty Credit Scrip.

This issues with the approval of DGFT.

### Format for Filing SHIS Applications

**Subject: Listing of Supporting Manufacturer in the SHIS Scrip (Para 3.10.4 of HBPv1) and other details/instructions regarding SHIS.**

30-Pol.Cir 12.04.2010 (DGFT) Attention is invited to Para 3.16 of the FTP and Public Notice No. 54/2009-14 dated 8.4.2010 which announced the procedure and application form ANF3E for filing the claim under SHIS scheme. For operationalising the scheme, the following has been decided.

1. Till the time, EDI software is developed, tested and operationalised; RA shall accept the application manually, process the claims and issue SHIS duty credit scrip manually. The Scrip shall have the same format as other duty credit scrips.

2. The following endorsement shall be made on the SHIS scrip, by RA concerned at the time of issuance of SHIS duty credit scrip.

i. Actual User Condition in terms of Para 3.16.3 of the FTP 2009-14.

ii. Imports Allowed: This Duty Credit Scrip issued under SHIS may be utilized for payment of applicable Customs Duties for imports of capital goods (as defined in FTP) relating to the sectors specified in this scrip. However, for import of any 'restricted item' under ITC HS Book, the utilization of this scrip is allowed only

if the beneficiary/holder has a separate license/permission for import of the said 'restricted item' in question.

3. On the SHIS Scrip, the name of the sector in which export is 'NIL' should not be endorsed.

Annexure I to the Policy Circular No. 30/2009-14 dated 12.4.2010

**List of names of supporting manufacturer to be endorsed as co-licensee in terms of Para 3.10.4 of HBPv1, details thereof:**

Sr. No. of Supporting Manufacturer	Name, Address, PAN Number, Phone No. of Supporting Manufacturer	Export Document No. & date (submitted as proof for endorsing the name of supporting manufacturer, as per Para 3.19.5 of HBPv1)*.
1		
2		
3		
....		

.... And so on.

Details of the signatory of the Applicant:

Place:	Signature:	Residential Address:
Date:	Name:	Telephone:
	Designation:	Email Address:
	Official Address:	

Note: \*Self attested copies of documents, as listed in Column 3 above, are to be submitted, along with the request for endorsement of name of supporting manufacturer.

## Buyback Provision of FCCB Restored

Sub: Buyback / Prepayment of Foreign Currency Convertible Bonds (FCCBs)

AP(DIR Srs) Attention of Authorised Dealer Category – I (AD Cir.44 Category – I) banks is invited to the A.P. (DIR Series) 29.03.2010 Circular No. 39 dated December 08, 2008 and A.P. (RBI) (DIR Series) Circular No. 65 dated April 28, 2009 on the captioned subject. In terms of A.P. (DIR Series)

Circular No. 58 dated March 13, 2009, Indian companies were allowed to buyback their Foreign Currency Convertible Bonds (FCCBs) both under the automatic route and approval route until December 31, 2009. The Scheme was discontinued with effect from January 1, 2010.

2. In view of the representations made by the issuers of FCCBs, it has been decided to consider applications, under the approval route, for buyback of FCCBs until June 30, 2010, subject to issuers complying with all the terms and conditions of buyback/prepayment of FCCBs, as mentioned in A.P. (DIR Series) Circular No.39 dated December 08, 2008 and A.P. (DIR Series) Circular No.65 dated April 28, 2009. Accordingly, applications complying with the conditions may be submitted, together with the supporting documents, through the designated AD Category - I bank to the Chief General Manager-in-Charge, Reserve Bank of India, Foreign Exchange Department, External Commercial Borrowings Division, Central Office, 11<sup>th</sup> Floor, Central Office Building, Shahid Bhagat Singh Road, Mumbai-400 001.

3. AD Category – I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

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

## Exchange Rate under USSR Deferred Payment Protocol

Sub: Deferred Payment Protocols dated April 30, 1981 and December 23, 1985 between Government of India and erstwhile USSR

AP(DIR Srs) Attention of Authorised Dealer Category-I (AD Cir.43 Category-I) banks is invited to A.P. (DIR Series) 29.03.2010 Circular No.3 dated July 17, 2009, wherein the Rupee value of the special currency basket was indicated as Rs.66.5719 effective from June 25, 2009.

2. AD Category-I banks are advised that a further revision has taken place on January 06, 2010 and accordingly, the Rupee value of the special currency basket has been fixed at Rs.65.29 with effect from January 11, 2010.

3. AD Category-I banks may bring the contents of this circular to the notice of their constituents concerned.

4. 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.

## Customs Valuation Exchange Rates

April 2010	Imports	Exports	
<b>Schedule I</b>			
1 Australian Dollar	41.90	40.75	
2 Canadian Dollar	45.15	43.90	
3 Danish Kroner	8.30	8.00	
4 EURO	61.40	59.75	
5 Hong Kong Dollar	5.90	5.80	
6 Norwegian Kroner	7.65	7.35	
7 Pound Sterling	68.55	66.75	
8 Swedish Kroner	6.35	6.15	
9 Swiss Franc	43.00	41.90	
10 Singapore Dollar	32.80	31.90	
11 U.S. Dollar	45.90	45.00	
<b>Schedule II</b>			
1 Japanese Yen	49.90	48.45	

Rate of exchange of one unit of foreign currency equipment to Indian Rupees

Rate of exchange of 100 units of foreign currency equivalent to Indian rupees

(Source: Customs Notification 26(NT)/29.03.2010)

## Commodity Spot Prices in India – 09-12 April 2010

These commodity prices are taken from Multi Commodity Exchange of India (Mumbai) at 6 pm every day. The weekly prices of commodities from different cities of India will be given in the order of Harmonized System classification.

Commodity Spot Prices covers price movements of 55 commodities (agricultural products and metals) provided on Multi Commodity Exchange of India on a daily basis. This Commodity Spot Prices Table focuses on price movements from 09-12 April.

Commodity	Unit	Market	09-Apr	10-Apr	12-Apr
CER (Carbon Trading)	1 MT	Mumbai	718.5	723	723
Chana	100 KGS	Delhi	2230	2231	2166
Masur	100 KGS	Indore	3848	3850	3800
Potato	100 KGS	Agra	547	545.8	534.1
Potato TKR	100 KGS	Tarkeshwar	NA	NA	NA
Areca nut	100 KGS	Mangalore	7682	7677	7736
Cashewkern	1 KGS	Quilon	301	300	302
Cardamom	1 KGS	Vandanmedu	1241.6	1246.5	1267.7
Coffee ROB	100 KGS	Kushalnagar	59.3	59.4	59.8
Jeera	100 KGS	Unjha	11969	11987	12006
Pepper	100 KGS	Kochi	15178	15331	15230
Red Chili	100 KGS	Guntur	4715	4715	4702
Turmeric	100 KGS	Nzmbad	11761	11761	11788
Guar Gum	100 KGS	Jodhpur	4750	4750	4700
Maize	100 KGS	Nzmbad	862	862.5	864.5
Wheat	100 KGS	Delhi	1147.5	1146.7	1145.8
Mentha Oil	1 KGS	Chandausi	719.9	728.1	730.6
Cotton Seed	100 KGS	Akola	1190	1182	1154
Castorsd RJK	100 KGS	Rajkot	2946	2946	2946.5
Guar Seed	100 KGS	Jodhpur	2285	2304	2270
Soya Bean	100 KGS	Indore	1988.5	1975	1972
Mustrdsd JPR	20 KGS	Jaipur	494.3	493.4	488
Sesame Seed	100 KGS	Rajkot	5500	5488	5438
Coconut Oil Cake	100 KGS	Kochi	1170	1170	1170
RCBR Oil Cake	1 MT	Raipur	5850	5850	5750
Kapaskhali	50 KGS	Akola	1011	1006	980.5
Coconut Oil	100 KGS	Kochi	5200	5200	5200
Refsoy Oil	10 KGS	Indore	444.7	443.85	443.45
CPO	10 KGS	Kandla	362.5	360.3	360.7
Mustard Oil	10 KGS	Jaipur	465.9	461.9	465.8
Gnutoilexp	10 KGS	Rajkot	687.9	684.7	686.7
Castor Oil	10 KGS	Kandla	625	627.5	628
Crude Oil	1 BBL	Mumbai	3816	3766	3766
Furnace Oil	1000 KGS	Mumbai	30642	30642	30671
Sourcrd Oil	1 BBL	Mumbai	3764.5	3764.5	3733.5
Brent Crude	1 BBL	Mumbai	3789	3753	3753
Gur	40 KGS	Muzngr	952.4	951.1	926
Sugars	100 KGS	Kolhapur	2776	2764	2755
Sugarm	100 KGS	Delhi	3116	3100	3045
Natural Gas	1 mmBtu	Hazirabad	174.7	180.5	180.5
Rubber	100 KGS	Kochi	16005	16029	16181
Cotton Long	1 Candy	Kadi	28360	28090	28060
Cotton Med	1 Maund	Abohar	2806.5	2799	2770
Jute	100 KGS	Kolkata	3181.5	3183	3219
Gold	10 GRMS	Ahmd	16765	16778	16910
Gold Guinea	8 GRMS	Ahmd	13412	13422	13528
Silver	1 KGS	Ahmd	27650	27692	27955
Sponge Iron	1 MT	Raipur	21730	21795	21685
Steel Flat	1000 KGS	Mumbai	37400	37550	37400
Steel Long	1 MT	Bhavnagar	29930	30590	30490
Copper	1 KGS	Mumbai	353.35	351	351
Nickel	1 KGS	Mumbai	1117.4	1117.4	1134.4
Aluminium	1 KGS	Mumbai	104.55	104.55	105.6
Lead	1 KGS	Mumbai	101.1	101.1	102.65
Zinc	1 KGS	Mumbai	104.5	104.5	105.55
Tin	1 KGS	Mumbai	825	825	829

(Source: MCX Spot Prices)

**Soybeans Advance on Speculation about Rising Demand from China**

Soybean futures rose to a seven-week high on speculation a trade dispute between China and Argentina will persist, pushing the Asian nation to boost purchases of U.S. crops.

July-delivery soybeans gained as much as 0.5 percent to \$9.805 a bushel on the Chicago Board of Trade, the highest price for a most-active contract since Feb. 23. The oilseed was up 0.3 percent at \$9.78.

China stopped approving permits to import soybean oil from Argentina, the world's biggest supplier of the edible oil, four executives familiar with the halt said last week. China acted after the Latin American nation took more cases of

antidumping steps against Chinese imports, they said, citing Vice Chairman Bian Zhenhu of the China Chamber of Commerce of Import and Export of Foodstuffs, Native Produce & Animal By-Products.

Soybean imports by China, the world's biggest consumer, are forecast to climb to the highest ever for a single month in May after crushers increased buying, the China National Grain and Oils Information Center said. Imports may rise to as much as 5.5 million metric tons in May, the state-owned market researcher said in an e-mailed report today.

**CA Institute Signs MoU with CBEC on E-payment of Excise and Service Tax**

The Institute of Chartered Accountants of India (ICAI) has signed a Memorandum of Understanding (MOU) with the Central Board of Excise and Customs (CBEC). Giving this information here today the President of ICAI, Shri Amarjit Chopra, said that under it the practicing members of ICAI will provide facility of e-filing of returns and documents to Central Excise and Service Tax assesses through Certified Facilitation Centres (CFCs). A CFC is a facility, other than the physical front offices or Facilitation centres of CBEC, which will be set up and operated by practicing Chartered Accountants in individual capacity or as proprietor or firm. With this the ICAI has become a facilitator of Finance Ministry's e-initiative.

CBEC had introduced 'Automation of Central Excise and Service Tax' (ACES) programme to improve tax-payer services. ACES is a centralized web based application which enables the assesses to electronically interface with the department. It aims to reduce paperwork, transaction costs and increase accountability, efficiency and transparency.

This initiative will immensely help all those assesses who may not have the requisite IT infrastructure / resources, to use ACES. An assessee is required to pay nominal fixed fees (maximum Rs 600/- for entering return data and Rs.200/-per return for uploading returns with ACES) for availing services of CFCs.

With this MOU, the members can not only provide services as envisaged, but would also provide other services on request of the assesses. It opens a new professional avenue for the Members as they can now provide services to the assesses of Central Excise and Service Tax in filing their returns and other documents electronically under ACES.

The Institute of Chartered Accountants of India, functioning under the aegis of the Ministry of Corporate Affairs, is in the process of setting up utility for online filing of application by members to obtain certificate under the scheme whereupon CBEC will provide user name and password to members to activate the facility. Members of the ICAI are spread across the country and this initiative will facilitate e-filing of returns and documents by assesses in every part of the country.

[Source: PIB Press Releases dated 13 April 2010]

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