

Postal Regn.No. DL(C)-01/1251/12-14
Licence to Post without
Prepayment U(C)-30/12-14
RNI No. 42906/84

WORLD TRADE SCANNER

ISSN: 0971-8095

Single copy Rs. 20 \$2

Vol. XXXI No 04 16-22 April 2014

Promoted by Indian Institute of Foreign Trade, World Trade Centre,
Academy of Business Studies

Annual subscription Rs 750

Father-Son of Ferrous Castings Major in CBI Custody Along with Excise Commissioner

- Excise Commissioner in Rs. 1.10 crs Hawala Deal?
- IAS Officers and Customs Officers Links in Hawala Racket Alleged



On 4 April, the CBI arrested A M Sahay, Commissioner and head of Excise Kolkata II for allegedly accepting a bribe of Rs. 1.10 crore through hawala. A trap was laid at the hawala entry point in Mumbai where Rs. 50 lakhs was recovered and four persons Sandeep Singh

Chadha, Piyush M Seth, Udaybhan Pandey and Jaspal Singh were arrested. The CBI also arrested the Father-Son owners of Kolkata based Riddhi Sidhi Udyog, the largest manufacturer and supplier of cast iron phosphorous brake blocks to Indian Railways with a track record of over 50 years. The duo of R Bhalotia and his son Prateek Bhalotia were remanded to CBI custody till 9 April by a Kolkata CBI Court.

During the Kolkata raids, another Rs. 60 lakhs were found at Mr. Sahay's residence and "other places" as stated in the CBI press release on the arrest.

A total amount of Rs 1,03,99,000 related to the transaction has been recovered. The operation is monitored personally by CBI Director Ranjit Sinha.

Many stories of the story behind the recovery are being circulated. Some say that Mr. Sahay was bribed to clear an excise investigation in his Commissionerate initiated at the instance of Railway Design and Standards Organisation Lucknow. The fair sex too has entered the story. It is said that the Bhalotias were forced to employ a lady at a very high compensation to channel money to Mr. Sahay.

The search at the Sahay residence and other places during which the agency found property documents showing purchase of property by some other IAS and Customs officers. These could bring out the nexus of corruption between revenue officers, railways, administration and business.

March Imports Pick up 21% Over Feb, Rupee Rises

Signs of Demand Recovery?

A. Exports (including re-exports)

Exports during March, 2014 were valued at US \$ 29578.43 million (Rs.180469.82 crore) which was 3.15 per cent lower in Dollar terms (8.61 per cent higher in Rupee terms) than the level of US \$ 30541.44 million (Rs. 166159.46 crore) during March, 2013.

Cumulative value of exports for the period April-March 2013 -14 was US \$ 312355.45 million (Rs 1892892.23 crore) as against US \$ 300400.69 million (Rs 1634318.84 crore) registering a growth of 3.98 per cent in Dollar terms and growth of 15.82 per cent in Rupee terms over the same period last year.

B. Imports

Imports during March, 2014 were valued at US \$ 40085.76 million (Rs.244579.27 crore) representing a negative growth of 2.11 per cent in Dollar terms and growth of 9.79 per cent in Rupee terms over the level of imports valued at US \$ 40947.77 million (Rs. 222774.70 crore) in March, 2013. Cumulative value of imports for the period April-March, 2013-14 was US \$ 450949.04 million (Rs. 2719206.15 crore) as against US \$ 490736.66 million (Rs. 2669161.96 crore) registering a negative growth of 8.11 per cent in Dollar terms and growth of 1.87 per cent in Rupee terms over the same period last year.

C. Crude Oil and Non-Oil Imports

Oil imports during March, 2014 were valued at US \$ 15783.8 million which was 17.7 per cent higher than oil imports valued at US \$ 13408.2 million in the corresponding period last year. Oil imports during April-March, 2013-14 were valued at US \$ 167624.6 million which was 2.2 per cent higher than the oil imports of US \$ 164040.6 million in the corresponding period last year.

Non-oil imports during March, 2014 were estimated at US \$ 24302.0 million which was 11.8 per cent lower than non-oil imports of US \$ 27539.5 million in March, 2013. Non-oil imports during April-March, 2013-14 were valued at US \$ 283324.4 million which was 13.3 per cent lower than the level of such imports valued at US \$ 326696.1 million in April-March, 2012-13.

D. Trade Balance

Three Months Trend in Trade		
	<i>US \$ mn</i>	
	Import	Export
March 2014	40085	29578
February 2014	33819	25688
January 2014	36665	26752

The trade deficit for April-March, 2013-14 was estimated at US \$ 138593.59 million which was lower than the deficit of US \$ 190335.97 million during April-March, 2012-13.

EU Lodges WTO Challenge against Russia Pork Import Ban

The EU has challenged Russia's ban on imported pork products, filing a formal complaint at the WTO on Tuesday. The move comes at a time of heightened bilateral tensions between the two sides, due both to the Ukrainian crisis and to other recent trade disagreements.

At issue in the WTO complaint (DS475) is a blanket ban that Russia imposed in January on imports of pigs, fresh pork, and certain pig products from the 28-nation EU. Moscow said that the measure was necessary due to cases found in Lithuania and Poland - both EU member states - of African swine fever (ASF) in wild boar.

EU officials say that the ban is unjustified, given that there have only been four ASF cases in those countries, specifically at their border with Belarus. "Russia's blanket ban on European pork is clearly disproportionate and goes against WTO rules," said EU Trade Commissioner Karel De Gucht.

Furthermore, EU Health Commissioner Tonio Borg said, Brussels has already implemented various WTO-compliant control measures aimed

at containing the swine fever virus - "which most probably comes from Russia itself." Brussels says that there have been over 600 cases of ASF in Russian wild boar since 2007, which it suggests could have caused the infection to spread to neighbouring Belarus, and then to Lithuania and Poland.

The EU had previously submitted a regionalisation proposal that would allow pig exports from all parts of the bloc, except the affected areas. That proposal was rejected by Moscow, however, which says that the blanket ban is necessary until the EU can show it is fully free of the disease, particularly given Russia's own difficulties in containing the disease within its own borders.

While ASF cannot be spread to humans, the highly-contagious disease can be lethal for pigs, and has no treatment or vaccine, according to the World Organisation for Animal Health. Russia receives a quarter of the EU's pork exports, valued at €1.4 billion last year.

Revised WTO Agreement on Government Procurement Enters into Force on 6 April on Plurilateral Basis

The revised WTO Agreement on Government Procurement (GPA) entered into force on 6 April 2014, some two years after the Protocol amending the Agreement was originally adopted.

The parties to the revised GPA will see gains in market access of an estimated US\$ 80 billion to US\$ 100 billion annually for their businesses.

The gains in market access result from numerous government entities (ministries and agencies) being added to the scope of the GPA and from new services and other areas of public procurement activities being included in its expanded coverage.

The Agreement's text has been streamlined and modernized to include, for example, standards related to the use of electronic procurement tools. Other changes include a new provision relating to the prevention of corrupt practices in



the parties' procurement systems. The revised GPA also reinforces the scope provided by the original Agreement to promote the conservation of natural resources and to protect the environment through the application of appropriate technical specifications.

Two-thirds of the parties to the GPA were required to accept the Protocol of Amendment before the revised GPA could enter into force. This condition was met when Israel approved the Protocol on 7 March.

The revised Agreement is now in force for the first ten parties to have accepted the Protocol of Amendment. Listed in order of acceptance, these are Liechtenstein, Norway, Canada, Chinese Taipei, the United States, Hong Kong (China), the European Union, Iceland, Singapore and Israel. The revision will come into force for Japan on 16 April 2014.

Japan Reports Increase in Trade-Distorting Farm Subsidies



Japan has increased its trade-distorting support to farmers, according to new figures for 2010-2012 that the country has reported to the WTO.

The growth in these farm subsidies is mostly due to a 2010 increase in "de minimis" payments and production-limiting "blue box" programmes. Blue box subsidies peaked that year, when ¥307 billion was provided in support to rice producers - compared to ¥22 billion in 2009 - in an effort to support an aging and declining farm population.

However, these payments then fell to ¥153 billion in 2011. (US\$1.5 billion, at today's exchange rate)

The notification also suggests that Japan's combined overall trade-distorting support - which along with blue box spending also includes amber and de minimis - fell from ¥1280 billion in 2010 to

¥1140 billion in 2012. While these payments would be disciplined under the draft Doha Round texts, there is currently no WTO ceiling on this category of support.

De minimis payments were concentrated on eggs, vegetables, and fruits, along with non-product-specific crop income stabilisation payments. Developed countries can provide de minimis payments so long as these fall below five percent of the value of production.

Amber box subsidies rose from ¥577 billion in 2010 to ¥609 billion in 2012. However, the proportion of this support of Japan's total agricultural subsidies remained relatively constant, at around 20 percent over both the 2010-2012 and 2007-2009 time periods.

Green box

The bulk of Japan's agricultural support was in green box spending, which is meant to avoid causing more than minimal trade distortion under

15 April Marks the 20th Anniversary of the WTO's Founding Agreements



Twenty years ago on 15 April 2014, the WTO agreements were signed in Marrakesh, Morocco. They were the result of the 1986-94 Uruguay Round negotiations, and are the basis for the multilateral trading system in its present form. They also created the WTO.

At that time, most of the 123 participating governments signed the agreement, concluding the largest trade negotiation ever, and most probably the largest negotiation of any kind in history. Now, the number has reached 159.

The WTO's creation on 1 January 1995 marked the biggest reform of international trade since after the Second World War. It also brought to reality - in an updated form - the failed attempt in 1948 to create an International Trade Organization.

WTO rules. Green box spending made up 61 percent of all subsidies, the latter of which rose from ¥2085 to 3016 billion over that time period.

Within green box support, "general services" - which cover areas such as research, plant protection, and disease control - accounted for the bulk of this spending.

International negotiations

Japan has traditionally been hesitant to liberalise its agricultural sector, which has created friction during the 12-country Trans-Pacific Partnership talks. The US has been one of the most vocal advocates for increased agricultural market access in countries such as Japan, and many trade observers say this issue is the biggest hurdle for concluding the negotiations.

Notably, Japan has also recently announced agreement on a bilateral trade pact with Australia, which will lower Japanese import tariffs on Australian beef, dairy, wine, and sugar.

Gold Extends Decline on Prospects for Further Tapering by Fed



Gold retreated for a second day, extending the biggest drop in three weeks, on prospects for further cuts to the Federal Reserve's stimulus program as the U.S. economy shows signs of recovery. Silver fell.

Bullion for immediate delivery lost as much as 0.5 percent to \$1,295.88 an ounce and traded \$1,296.83 in Singapore. The metal slumped 1.9 percent on 14 April, the most since March 24.

Gold ended a 12-year bull run in 2013 on expectations that the Fed would cut stimulus as the largest economy recovered. Fed Chair Janet Yellen is scheduled to address the Economic Club of New York on 15 April after data showed that U.S. consumer prices accelerated in March. Bullion has rebounded 7.9 percent this year as unrest in Ukraine spurred haven demand.

WEEKLY INDEX OF CHANGES

Pesticide Import Must Go through Technical Grade Testing for Customs Clearance

Customs Follow Guj High Court Order

Subject:- Import of Pesticides –Common Order dated 05.09.2013 passed by Hon'ble Gujarat High Court in various Civil Applications.

07-CBEC Attention is invited to the
07.04.2014 Common order dated
(DoR) 05.09.2013 passed by Hon'ble
Gujarat High Court in Special

Civil Application no. 7928 of 2011 with Civil Application No. 8064 of 2013, and connected issues. The main contention in the said case is that the imports of formulation is being allowed without any technical grade verification and are granted exemption without registering its technical grade material whereas the indigenous manufacturers are required to undergo rigorous testing for the purpose of formulations well as well as technical grade in the Insecticide Act, 1968.

2. The Court passed the order dated 05.09.2013, *inter alia*, stating that even in case of import of formulations its technical grade/material will be tested and actual physical sample of such technical grade of each consignment when it is imported will have to be provided by the importer which will be subjected to all the rigours of the tests applicable to the indigenous manufacturer like the examination of chemical composition, test with regard to bio efficacy and human safety as well as its probable effect on the soil and

human life.

3. The matter has been examined in consultation with Department of Agriculture and Cooperation, Ministry of Agriculture. Accordingly, Board desires that direction of Hon'ble High Court of Gujarat should be strictly complied with by the field formations. The Commissioner of Customs concerned should ensure that in case of import of formulations, samples of its technical grade/material is tested. For this purpose actual physical sample of such technical grade of each consignment has to be provided by the importer which will be subjected to all tests applicable to the indigenous manufacturer such as the examination of chemical composition, test with regard to bio efficacy and humansafety as well as its probable effect on the soil and human life.

4. Any difficulty in implementation of these directives should be brought to the notice of the Plant Protection Advisor, Directorate of Plant Protection Quarantine and Storage, NH-IV, Faridabad-121001.

5. Suitable Public Notice may be issued for guidance of the trade.

F. No. 450/23/2014-Cus-IV

CBEC Orders Manual Filing of Customs Documents only with Permission from Commissioner

[CBEC Instruction dated 7th April 2014]

Subject: Manual filing and processing of Bills of Entry / Shipping Bills – stringent checks required to prevent misuse.

Attention is invited to Board's instructions of even no. dated 04.05.2011, read with Corrigendum dated 12.05.2011 on the subject mentioned above.

2. As per the referred instruction, the Board had taken a serious note of the possibility of misuse of the facility of manual filing and processing of import/export documents, which was being allowed by the field formations. Accordingly, it had been instructed that this should not be allowed except in exceptional and genuine cases where the electronic filing and processing of import/export documents is not feasible. Moreover, it was pointed out that in terms of Sections 46 and 50 of the Customs Act, 1962, the authority to allow manual filing and processing of documents rests with the Commissioner of Customs only. It

is, however, noticed that despite this strict instruction, some field formations particularly vulnerable outlying CFSS/ ICDs are still routinely allowing importers/exporters to file the documents manually. This violation of the Board's instruction is not acceptable.

3. The Board hereby directs that the facility of manual filing and processing of import/export documents shall be permitted by the Commissioner of Customs strictly in accordance with the legal provisions, read with Board's instructions on the subject. It shall be the responsibility of the supervisory officers to ensure without fail that these instructions are adhered to by all concerned.

F. No. 401/81/2011-Cus.III

Procedure for Advance Remittances without BG or Standby LC for Rough Diamonds Imports

Sub: Advance Remittance for Import of Rough Diamonds

AP(DIR Srs) Attention of Authorised Dealer
Cir.116 Category – I (AD Category –I)
01.04.2014 banks is invited to A.P.
(RBI) (DIR Series) Circular No 34
dated March 02, 2007 in terms

of which we had, based on the recommendations of Gems and Jewellery Export Promotion Council

(GJEPC), notified the names five mining companies (since increased to nine over a period of time) to whom an importer (other than a Public Sector Company (PSC) or a Department / Undertaking of the Government of India / State Government) was allowed to make advance remittance without any limit and without bank guarantee or stand by letter

Export Quota of Pulses to Maldives thru PEC Only

Subject: Procedure for export of pulses to Republic of Maldives.

57-PN(RE) In exercise of the powers
09.04.2014 conferred under Paragraph
(DGFT) 2.4 of the Foreign Trade

Policy, 2009-14, Director

General of Foreign Trade hereby prescribes the procedure for export of pulses to Republic of Maldives in terms of Notification No. 77 (RE-2013)/2009-2014 of 27.03.2014.

2. Notification No. 77 (RE-2013)/2009-2014 of 27.03.2014 had permitted export of the following quantities of pulses to the Republic of Maldives under bilateral trade agreement between Government of India and Government of Maldives during the period 2014-15 to 2016-17.

Year	Quantity in MT
2014-15	87.85
2015-16	96.63
2016-17	106.29

3. Now, it has been decided that the export of above quantity of pulses to Republic of Maldives will be permitted through M/s. PEC Ltd.

4. Effect of this Public Notice

Export of pulses to Republic of Maldives in terms of Notification No. 77 of 27.03.2014 would be permitted through M/s. PEC Ltd.

of credit for import of rough diamonds into India.

2. With a view to liberalising the procedure further facilitating the import of rough diamonds, it has now been decided that henceforth Reserve Bank of India will not notify the names of overseas mining companies from whom an importer (other than PSC or Department / Undertaking of Government of India / State Government) may import rough diamonds into India, by way of advance payments, without any limit / bank guarantee/ stand-by letter of Credit.

3. AD category – I banks are, henceforth, permitted to take decision on overseas mining companies to whom an importer (other than PSC or Department/Undertaking of Government of India / State Government) can make advance payments, without any limit / bank guarantee/ stand-by letter of Credit.

4. While allowing the advance remittance without bank guarantee for import of rough diamonds, the AD Category – I banks must ensure the following:

I. The overseas mining company should have the recommendation of GJEPC.

II. The importer should be a recognised processor of rough diamonds and should have a good track record.

III. AD Category - I banks should, undertake the transaction based on their commercial judgment and after being satisfied about the bonafides of the transaction.

IV. Advance payments should be made strictly as per the terms of the sale contract and should be made directly to the account of the company concerned, that is, to the ultimate ben-

eficiary and not through numbered accounts or otherwise.

- V. Further, due caution may be exercised to ensure that remittance is not permitted for import of conflict diamonds (Kimberly Certification).
- VI. KYC and due diligence exercise should be done by the AD Category - I banks as per the existing guidelines.
- VII. AD Category - I banks should follow-up submission of the Bill of Entry / documents evidencing import of rough diamonds into the country by the importer, in terms of the Act / Rules / Regulations / Directions issued in this regard.
- VIII. In case of an importer entity in the Public Sector or a Department / Undertaking of the Government of India / State Government/s, AD Category - I banks may permit the advance remittance subject to the above conditions and a specific waiver of bank guarantee

from the Ministry of Finance, Government of India, where the advance payments is equivalent to or exceeds USD 100,000/- (USD one hundred thousand only).

5. AD Category - I banks are required to submit a report of all such advance remittances made without a bank guarantee or standby letter of credit, where the amount of advance payment is equivalent to or exceeds USD 5,000,000/- (USD five million only), to the concerned Regional Office of Reserve Bank of India, in the annexed format, within 15 calendar days of the close of each half year.
6. AD Category-I banks may bring the contents of this circular to the notice of their constituents and customers.
7. 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 are without prejudice to permissions/approvals, if any, required under any other law.

Annex

[A. P. (DIR Series) Circular No.116 dated- April 1, 2014]

Statement of Advance Remittance without bank guarantee or standby letter of credit where the amount of advance is equivalent to or more than USD 5 million for import of Rough Diamonds for the period ended.....

Name of the AD Category – I Bank:

AD Code (14 digit):

SNo.	Name of the mining Company	Name of the Importer Entity and IEC No.	Amount of Advance Payment made without BG / Standby LC	Whether document for evidence of import submitted
1.				
2.				
3.				

Name, Designation & Signature of the authorised official of the bank:

Date:

Stamp:

Foreign Inward Remittances Received under RDA to be Transferred to the KYC Compliant Beneficiary Accounts thru Electronic Mode

Sub: Rupee Drawing Arrangement – 'Direct to Account' Facility

AP(DIR Srs) Attention of Authorised Dealer Cir.120 Category – I (AD Cat – I) banks 10.04.2014 is invited to the A.P. (DIR Series) Circular No. 28 [A. P. (FL/RL Series) Circular No. 02]

dated February 6, 2008 on Memorandum of Instructions for Opening and Maintenance of Rupee / Foreign Currency Vostro Accounts of Non-resident Exchange Houses, as amended from time to time.

2. In order to facilitate receipt of foreign inward remittances directly into bank accounts of the beneficiaries, it has been decided to allow foreign inward remittances received under Rupee Drawing Arrangement (RDA) to be transferred to the KYC compliant beneficiary bank accounts through electronic mode, such as, NEFT, IMPS, etc. The procedure to be followed for the purpose will be as under:

3. Foreign inward remittances received by the AD Cat-I Bank (termed as 'Partner Bank') having RDA with Non Resident Exchange Houses may be credited directly to the account of the beneficiary held with a bank other than the AD Cat-I

Bank (termed as 'Recipient Bank') electronically, subject to the following conditions:

- The Recipient Bank will credit the amount transferred by the Partner Bank only to the KYC compliant bank accounts.
- In respect of the bank accounts which are not KYC compliant, the Recipient Bank shall carry out KYC/CDD of the recipient before the remittance to such account is credited or allowed to be withdrawn.
- The Partner Bank (i.e. the AD Cat-I Bank receiving foreign inward remittance through non-resident exchange houses under RDA) shall appropriately mark the direct-to-account remittances to indicate to the Recipient Bank that it is a foreign inward remittance.
- The Partner Bank shall ensure that accurate originator information and necessary beneficiary information is included in the electronic message while transferring the fund to the Recipient Bank. This information should be available in the remittance message throughout the payment chain, i.e., the Non Resident Exchange House, the Partner Bank and the

Ceiling on Libor Import Credits for Infrastructure to Continue Till 30 June 2014

Sub: Trade Credits for Imports into India – Review of all-in-cost ceiling

AP(DIR Srs) Attention of Authorized Cir.122 Dealer Category-I (AD 10.04.2014 Category-I) banks is invited (RBI) to the A.P. (DIR Series) Circular No. 56 dated

September 30, 2013 relating to all-in-cost ceiling of Trade Credits for imports into India.

2. On a review it has been decided that the all-in-cost ceiling as specified under paragraph 4 of A.P. (DIR Series) Circular No.28 dated September 11, 2012 will continue to be applicable till June 30, 2014 and is subject to review thereafter.

3. All other aspects of Trade Credit policy remain unchanged. AD Category-I banks may bring the contents of this circular to the notice of their constituents and customers.

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 are without prejudice to permissions / approvals, if any, required under any other law.

Libor Plus 350bps Ceiling for ECB will Continue Till 30 June 2014

Sub: External Commercial Borrowing (ECB) Policy – Review of all-in-cost ceiling

AP(DIR Srs) Attention of Authorised Cir.121 Dealer Category - I (AD 10.04.2014 Category - I) banks is invited (RBI) to A.P. (DIR Series) Circular no. 58 dated September 30,

2013 relating to the all-in-cost ceiling for ECB.

2. On a review, it has been decided that the all-in-cost ceiling as specified under paragraph 2 of A.P. (DIR Series) Circular No. 99 dated March 30, 2012 will continue to be applicable till June 30, 2014 and is subject to review thereafter. All other aspects of ECB policy remain unchanged.

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 are without prejudice to permissions / approvals, if any, required under any other law.

Recipient Bank. The Partner Bank should add an appropriate alert in the electronic message indicating that this is a foreign inward remittance and should not be credited to a KYC non-compliant account.

- The identification and other documents of the recipient shall be maintained by the Recipient Bank as per the provisions of Prevention of Money Laundering (Maintenance of Records)

Rules, 2005. All other requirements under KYC/AML/CFT guidelines issued by the Reserve Bank of India from time to time shall be adhered to by the Partner Bank.

vi. The Recipient Bank may seek additional information from the Partner Bank and shall report suspicious transactions to the FIU-IND with details of the Partner Bank through which they received the remittances.

3. All other instructions issued vide A. P. (DIR Series) Circular No. 28 [A. P. (FL/RL Series)

Circular No. 02] dated February 6, 2008, as amended from time to time, will remain unchanged.

4. AD Cat-I Banks may bring the contents of this circular to the notice of their constituents concerned.

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

More Powers to RBI Junior Officers to Compound FEMA Offences

Sub: Foreign Exchange Management Act, 1999 (FEMA) – Foreign Exchange (Compounding Proceedings) Rules, 2000 (the Rules) - Compounding of Contraventions under FEMA, 1999

AP(DIR Srs) Cir.117
04.04.2014
(RBI)
Attention of all the Authorised Dealer Category - I (AD Category - I) banks is invited to A.P. (DIR Series) Circular no. 57 dated December 13, 2011

and the Foreign Exchange (Compounding Proceedings) Rules, 2000 notified by the Government of India vide G.S.R.No.383(E) dated 3rd May 2000, as amended from time to time regard-

ing delegation of powers to the Regional Offices of the Reserve Bank of India to compound the contraventions of FEMA.

2. On a review, it has been decided to delegate further powers to the Regional Offices of Reserve Bank of India. Accordingly, the powers to compound the following contraventions will now be vested with the Regional Offices:

SNo.	FEMA Regulation	Brief Description of Contravention
1	Paragraph 9(1)(A) of Schedule I to FEMA 20/2000-RB dated May 3, 2000	Delay in reporting inward remittance received for issue of shares.
2	Paragraph 9(1)(B) of Schedule I to FEMA 20/2000-RB dated May 3, 2000	Delay in filing form FC(GPR) after issue of shares.
3	Paragraph 8 of Schedule I to FEMA 20/2000-RB dated May 3, 2000	Delay in issue of shares/refund of share application money beyond 180 days, mode of receipt of funds, etc.
4	Paragraph 5 of Schedule I to FEMA 20/2000-RB dated May 3, 2000	Violation of pricing guidelines for issue of shares.
5	Regulation 2(ii) read with Regulation 5(1) of FEMA 20/2000-RB dated May 3, 2000	Issue of ineligible instruments such as non-convertible debentures, partly paid shares, shares with optionality clause, etc.
6	Paragraph 2 or 3 of Schedule I to FEMA 20/2000-RB dated May 3, 2000	Issue of shares without approval of RBI or FIPB respectively, wherever required.

3. The above contraventions can be compounded by all Regional Offices (except Kochi and Panaji) without any limit on the amount of contravention. Kochi and Panaji Regional offices can compound the above contraventions for amount of contravention below Rupees one hundred lakh (Rs.1,00,00,000/-). The contraventions above Rupees one hundred lakh (Rs.1,00,00,000/-) under the jurisdiction of Panaji and Kochi Regional Offices and all other contraventions of FEMA will continue to be compounded at Cell for Effective Implementation of FEMA (CEFA), Mumbai, as hitherto.

4. Accordingly, applications for compounding related to the above contraventions may be submitted by the concerned entities to the respective

Regional Offices under whose jurisdiction they fall. For all other contraventions, applications may continue to be submitted to CEFA, Foreign Exchange Department, 5th floor, Amar Building, Sir P.M.Road, Fort, Mumbai 400001.

5. The above modifications will come into force with immediate effect. All other instructions on compounding shall remain unchanged.

6. Authorised Dealers may bring the contents of this circular to the notice of their constituents and customers concerned.

7. 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).

Forex Forward upto US\$250,000 on Self Declaration Allowed

Sub: Risk Management & Inter-Bank Dealings: Booking of Forward Contracts - Liberalisation

AP(DIR Srs) Cir.119
07.04.2014
(RBI)
Please refer to paragraph 23 of the first Bi-Monthly Monetary Policy Statement, 2014-15 wherein, inter alia, it has been proposed to allow all resident

individuals, firms and companies with actual foreign exchange exposures to book foreign exchange derivative contracts up to US\$ 250,000 on declaration, subject to certain conditions.

2. Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to the Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000 dated May 3, 2000 (Notification No.FEMA.25/RB-2000 dated May 3, 2000) as amended from time to time and A.P. (DIR Series) Circular No.15 dated October 29, 2007 regarding liberalisation in respect of booking of forward contracts, in terms of which

resident individuals, to manage/ hedge their foreign exchange exposures arising out of actual or anticipated remittances, both inward and outward, are allowed to book forward contracts, without production of underlying documents, up to a limit of US\$ 100,000 based on self-declaration.

3. With a view to further liberalising the existing facilities, it has now been decided to allow all resident individuals, firms and companies, who have actual or anticipated foreign exchange exposures to book foreign exchange forward contracts up to US\$ 250,000 on the basis of a simple declaration without any requirement of further documentation. The existing facilities in terms of the aforementioned circular for Small and Medium Enterprises (SMEs) having direct and/ or indirect exposures to foreign exchange risk permitting them to book/ cancel/ roll over forward contracts without production of underlying documents to manage their exposures effectively subject to conditions specified therein shall remain unchanged.

4. The revised reporting format is provided in Annexes I and II of this circular. All other conditions including tenor of the contracts as laid down in A.P. (DIR Series) Circular No.15 dated October 29, 2007 will apply mutatis mutandis.

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

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

Annex I

[Annex to A. P. (DIR Series) Circular No. 119 dated April 07, 2014]

Application cum Declaration for booking of forward contracts up to US\$ 250,000 by Resident Individuals, Firms and Companies

(To be completed by the applicant)

I. Details of the applicant

- Name:
- Address:
- Account No:
- PAN No:

II. Details of the foreign exchange forward contracts required

- Amount (Specify currency pair):
- Tenor:

III. Notional value of forward contracts outstanding as on date:

IV. Details of actual / anticipated remittances

- Amount:
- Remittance Schedule:
- Purpose:

Declaration

I/We,(Name of the applicant), hereby declare that the total amount of foreign exchange forward contracts booked with the (designated branch) of (bank) in India is within

Cont'd..32

Beverages, Food, Precious Metals and Raw Materials Prices Up Energy, Fertilizers, Food Down

In March of 2014, energy prices dropped by 1.1% and the prices of non-energy commodities also decreased by 0.8%. Food prices were down by 1.4%. Beverages jumped by 9.1%. Raw materials were up by 1.4% while fertilizers were off by 3.2%. Metals eased by 3.7%, while precious metals increased by 2.2%.

Up ↑

Coca; Coffee
Fishmeal; Groundnuts and Groundnut oil; Soybean oil
Barley; Maize; Sorghum; Wheat; Bananas EU and Oranges; Meat
Cameroon Logs, Sawnwood; Cotton and Rubber
DAP, Rock phosphate, TSP
Aluminium, Nickel and Tin; Gold and Platinum

Down ↓

Coal, Crude and Natural gas; Tea
Coconut oil, Copra; Palm oil, Palmkernel oil, Soybean meal and Soybeans
Rice; Shrimp; Plywood; Urea
Copper, Iron ore, Lead and Zinc;

Steady ↔

Sugar; Woodpulp; Potassium chloride; Silver



	Monthly averages			Quarterly averages				Annual averages				
	2014			2013		2014	2011	2012	2013			
	Jan	Feb	Mar	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Jan-Dec	Jan-Dec	Jan-Dec	
Energy												
Coal, Australia \$/mt	81.6	76.3	73.3	↓	92.9	86.1	77.3	82.0	77.1	121.4	96.4	84.6
Coal, Colombia \$/mt	71.3	69.9	64.1	↓	79.3	71.3	65.8	71.1	68.4	111.5	84.0	71.9
Coal, South Africa \$/mt	82.9	77.6	74.6	↓	84.7	80.4	72.9	83.0	78.4	116.3	92.9	80.2
Crude oil, average \$/bbl	102.1	104.8	104.0	↓	105.1	99.3	107.4	104.5	103.7	104.0	105.0	104.1
Crude oil, Brent \$/bbl	107.4	108.8	107.4	↓	112.9	103.0	110.1	109.4	107.9	110.9	112.0	108.9
Crude oil, Dubai \$/bbl	104.0	104.9	104.2	↓	108.0	100.8	106.2	106.7	104.4	106.0	108.9	105.4
Crude oil, WTI \$/bbl	94.9	100.7	100.6	↓	94.3	94.2	105.8	97.4	98.7	95.1	94.2	97.9
Natural gas, Index 2010=100	123.5	137.8	121.6	↓	109.7	118.6	108.3	111.9	127.6	108.5	99.2	112.1
Natural gas, Europe \$/mmbtu	11.6	11.3	10.9	↓	11.8	12.4	11.5	11.4	11.3	10.5	11.5	11.8
Natural gas, US \$/mmbtu	4.7	6.0	4.9	↓	3.5	4.0	3.6	3.9	5.2	4.0	2.8	3.7
Natural gas, LNG Japan \$/mmbtu	16.7	17.0	15.7	↓	16.2	16.3	15.6	15.7	16.5	14.7	16.6	16.0
Beverages												
Cocoa \$/kg	2.82	2.99	3.04	↑	2.21	2.31	2.47	2.77	2.95	2.98	2.39	2.44
Coffee, arabica \$/kg	2.93	3.83	4.72	↑	3.35	3.20	2.98	2.77	3.83	5.98	4.11	3.08
Coffee, robusta \$/kg	1.93	2.11	2.32	↑	2.28	2.14	2.04	1.85	2.12	2.41	2.27	2.08
Tea, average \$/kg	2.87	2.58	2.50	↓	2.94	2.89	2.79	2.82	2.65	2.92	2.90	2.86
Tea, Colombo auctions \$/kg	3.90	3.65	3.59	↓	3.38	3.29	3.37	3.77	3.72	3.26	3.06	3.45
Tea, Kolkata auctions \$/kg	2.16	1.85	1.80	↓	2.57	3.04	2.76	2.56	1.94	2.78	2.75	2.73
Tea, Mombasa auctions \$/kg	2.56	2.22	2.09	↓	2.87	2.35	2.23	2.14	2.29	2.72	2.88	2.40
Food												
Oils and Meals												
Coconut oil \$/mt	1,270	1,365	820	↓	837	839	912	1,175	1,152	1,730	1,111	941
Copra \$/mt	848	915	536	↓	553	560	603	791	766	1,157	741	627
Fishmeal \$/mt	1,531	1,564	1,803	↑	1,869	1,821	1,699	1,600	1,633	1,537	1,558	1,747
Groundnuts \$/mt	1,366	1,320	1,381	↑	1,360	1,400	1,380	1,370	1,356	2,086	2,175	1,378
Groundnut oil \$/mt	1,410	1,303	1,924	↑	2,002	1,860	1,694	1,537	1,546	1,988	2,436	1,773
Palm oil \$/mt	865	908	854	↓	853	850	827	897	876	1,125	999	857
Palmkernel oil \$/mt	1,160	1,292	833	↓	824	836	871	1,057	1,095	1,648	1,110	897
Soybean meal \$/mt	567	594	520	↓	531	528	552	570	560	398	524	545
Soybean oil \$/mt	943	985	1,116	↑	1,160	1,070	1,006	991	1,015	1,299	1,226	1,057
Soybeans \$/mt	566	591	511	↓	566	505	527	555	556	541	591	538
Grains												
Barley \$/mt	133.4	126.5	128.7	↑	236.7	230.4	191.0	150.7	129.5	207.2	240.3	202.2
Maize \$/mt	198.1	209.3	222.3	↑	305.0	291.3	241.9	199.4	209.9	291.7	298.4	259.4
Rice, Thailand 5% \$/mt	450.0	459.0	422.0	↓	562.1	541.6	477.3	442.7	443.7	543.0	563.0	505.9
Rice, Thailand 25% \$/mt	377.0	382.0	366.0	↓	537.9	509.4	435.7	408.9	375.0	506.0	543.8	473.0
Rice, Thailand A1 \$/mt	405.0	449.9	425.1	↓	532.5	511.1	440.5	411.8	426.7	458.6	525.1	474.0
Rice, Vietnam 5% \$/mt	402.0	393.2	378.6	↓	401.5	387.8	383.1	397.2	391.2	513.6	434.4	392.4



	Monthly averages			Quarterly averages					Annual averages			
	2014			2013		2014	2011	2012	2013			
	Jan	Feb	Mar	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Jan-Dec	Jan-Dec	Jan-Dec	
Sorghum \$/mt	215.7	223.8	233.0	↑	292.0	259.9	219.2	202.1	224.2	268.7	271.9	243.3
Wheat, US HRW \$/mt	275.5	292.3	323.6	↑	321.4	313.8	305.8	308.0	297.1	316.3	313.2	312.2
Wheat, US SRW \$/mt	246.5	258.7	286.9	↑	297.6	275.2	257.7	276.4	264.0	285.9	295.4	276.7
Other Food												
Bananas, EU \$/kg	0.99	1.05	1.12	↑	1.10	1.07	0.98	0.94	1.05	1.12	1.10	1.02
Bananas, US \$/kg	0.93	0.95	0.96	↔	0.93	0.91	0.93	0.93	0.95	0.97	0.98	0.92
Meat, beef \$/kg	4.14	4.19	4.37	↑	4.27	4.11	3.89	4.03	4.23	4.04	4.14	4.07
Meat, chicken \$/kg	2.30	2.30	2.32	↑	2.21	2.29	2.34	2.31	2.31	1.93	2.08	2.29
Meat, sheep \$/kg	6.18	6.37	6.40	↑	5.53	5.45	5.56	6.06	6.32	6.63	6.09	5.65
Oranges \$/kg	0.74	0.81	0.90	↑	0.83	1.07	1.14	0.83	0.82	0.89	0.87	0.97
Shrimp, Mexico \$/kg	17.09	17.11	17.09	↓	11.26	12.24	15.15	16.70	17.09	11.93	10.06	13.84
Sugar, EU domestic \$/kg	0.44	0.45	0.45	↔	0.43	0.43	0.43	0.44	0.45	0.45	0.42	0.43
Sugar, US domestic \$/kg	0.45	0.48	0.49	↔	0.46	0.43	0.45	0.46	0.47	0.84	0.64	0.45
Sugar, World \$/kg	0.34	0.37	0.39	↔	0.41	0.39	0.38	0.39	0.37	0.57	0.47	0.39
Timber												
Logs, Cameroon \$/cum	476.8	478.1	483.8	↑	456.2	457.4	464.1	476.5	479.6	484.8	451.4	463.5
Logs, Malaysia \$/cum	286.6	291.8	290.9	↓	322.5	301.8	301.1	296.3	289.8	390.5	360.5	305.4
Plywood ¢/sheets	525.7	535.3	533.6	↓	591.6	553.5	552.3	543.6	531.5	607.5	610.3	560.2
Sawnwood, Cameroon \$/cum	789.3	793.2	796.3	↑	740.7	736.2	743.8	776.0	792.9	825.8	759.3	749.2
Sawnwood, Malaysia \$/cum	897.8	902.2	905.7	↑	845.2	837.4	846.0	882.7	901.9	939.4	876.3	852.8
Woodpulp \$/mt	865.0	865.0	865.0	↔	784.0	818.7	830.9	858.7	865.0	899.6	762.8	823.1
Other Raw Materials												
Cotton, A Index \$/kg	2.01	2.07	2.14	↑	1.98	2.04	2.02	1.92	2.07	3.33	1.97	1.99
Rubber, RSS3 \$/kg	2.33	2.15	2.28	↑	3.16	2.91	2.59	2.53	2.25	4.82	3.38	2.79
Rubber, TSR20 \$/kg	2.13	1.89	1.92	↑	2.96	2.45	2.35	2.31	1.98	4.52	3.16	2.52
Fertilizers												
DAP \$/mt	438.3	490.6	499.4	↑	491.6	489.8	432.1	366.1	476.1	618.9	539.8	444.9
Phosphate rock \$/mt	102.2	103.0	108.0	↑	173.0	166.3	143.2	110.0	104.4	184.9	185.9	148.1
Potassium chloride \$/mt	323.0	309.5	309.5	↔	390.8	392.3	391.9	341.6	314.0	435.3	459.0	379.2
TSP \$/mt	322.0	387.5	388.1	↑	435.0	426.0	366.0	301.3	365.9	538.3	462.0	382.1
Urea, E. Europe \$/mt	352.6	344.1	315.8	↓	396.6	342.4	307.5	313.9	337.5	421.0	405.4	340.1
Metals and Minerals												
Aluminum \$/mt	1,727	1,695	1,705	↑	2,000	1,836	1,783	1,767	1,709	2,401	2,023	1,847
Copper \$/mt	7,291	7,149	6,650	↓	7,918	7,161	7,086	7,163	7,030	8,828	7,962	7,332
Iron ore \$/dmt	128	121	112	↓	148	125	133	135	120	168	128	135
Lead \$/mt	2,143	2,108	2,053	↓	2,290	2,053	2,102	2,114	2,101	2,401	2,065	2,140
Nickel \$/mt	14,101	14,204	15,678	↑	17,296	14,967	13,956	13,909	14,661	22,910	17,548	15,032
Tin \$/mt	22,064	22,821	23,024	↑	24,018	20,902	21,314	22,897	22,636	26,054	21,126	22,283
Zinc \$/mt	2,037	2,035	2,008	↓	2,029	1,842	1,861	1,909	2,026	2,194	1,950	1,910
Precious Metals												
Gold \$/toz	1,244	1,300	1,336	↑	1,631	1,415	1,329	1,271	1,293	1,569	1,670	1,411
Platinum \$/toz	1,421	1,410	1,452	↑	1,632	1,466	1,451	1,396	1,427	1,719	1,551	1,487
Silver \$/toz	19.9	20.8	20.7	↔	30.1	23.2	21.4	20.8	20.5	35.2	31.1	23.8

\$ = US dollar; ¢ = US cent; bbl = barrel; cum = cubic meter; dmtu = Dry Metric Ton Unit; kg = kilogram; mmbtu = million British thermal units; mt = metric ton; toz = troy oz; n.a. = not available; n.q. = no quotation

Cont'd..29

the limit of US\$250,000/- (US Dollar Two lakh and Fifty Thousand only) and certify that the forward contracts are meant for undertaking permitted current and / or capital account transactions. I/ We also certify that I have not booked foreign exchange forward contracts with any other bank / branch. I/We have understood the risks inherent in booking of foreign exchange forward contracts.

Signature of the applicant
(Name)
Place:
Date:

Certificate by the Authorised Dealer Category – I bank

This is to certify that the customer Name of the applicant) having PAN No. has been maintaining an account(no.) with us since* We certify that the customer meets the AML / KYC guidelines laid down by RBI and confirm having carried out requisite suitability and appropriateness test.

Name and designation of the authorised official:
Place:
Signature:
Date: Stamp and seal
*month / year

Annex II

[Annex to A. P. (DIR Series) Circular No.119 dated April 07, 2014]

Statement – Details of Forward contracts booked and cancelled under Self-declaration

For the Quarter ended –

Category	Forward Contracts Booked		Forward Contracts Cancelled	
	During the Quarter	Cumulative total- Year to Date	During the Quarter	Cumulative total- Year to Date

SMEs

Individuals

Firms / Companies

Name of the AD Category-I bank:

Signature of the Authorised Officials:

Date:

Stamp:

Wheat Rises after Drought in US and Ukraine Crisis

It's been a double-whammy winter for wheat farmers in the U.S., the world's largest exporter.

With drought already sapping soil moisture across the Great Plains, the biggest growing region, a polar vortex in early 2014 put fields in a deep freeze, killing more plants than normal. Since crops began going dormant in November.

The prospect of crop damage is escalating supply concerns that sent Chicago wheat futures to their biggest rally to start a year in three decades. Prices jumped to a 10-month high March 20 after Russia's annexation of the Crimea region in Ukraine boosted the risk of disruptions to grain shipments from the Black Sea. U.S. exports for delivery before the harvest in June are up 19 percent from last year, and domestic inventories on March 1 were down 15 percent from a year earlier.

Cocoa Imports by Indonesia Jumping on Chocolate Demand

Cocoa purchases by Indonesia, the third-biggest grower, will probably increase fourfold to a record this year as the government plans to scrap an import tax, according to the country's grinders association.

Shipments may reach 120,000 metric tons from 30,000 tons last year, said Piter Jasman, chairman of Indonesian Cocoa Industry Association. Capacity to process beans into powder and butter may climb 67 percent to 600,000 tons from 360,000 tons on new plants and expansions, he said in an interview. A 5 percent duty will have to be removed as domestic grinders face a shortfall of 100,000 tons this year, Trade Minister Muhammad Lutfi said April 11.

Customs Valuation Exchange Rates

04 April 2014	Imports	Exports
Schedule I [Rate of exchange of one unit of foreign currency equipment to Indian Rupees]		
1 Australian Dollar	55.95	54.55
2 Bahrain Dinar	163.65	154.60
3 Canadian Dollar	55.10	53.70
4 Danish Kroner	11.25	10.85
5 EURO	83.45	81.45
6 Hong Kong Dollar	7.80	7.65
7 Kuwaiti Dinar	219.05	206.80
8 New Zealand Dollar	51.85	50.55
9 Norwegian Kroner	10.20	9.90
10 Pound Sterling	100.95	98.70
11 Singapore Dollar	48.10	46.90
12 South African Rand	5.85	5.45
13 South Arabian Riyal	16.45	15.55
14 Swedish Kroner	9.40	9.10
15 Swiss Franc	68.50	66.60
16 UAE Dirham	16.80	15.85
17 U.S. Dollar	60.45	59.45
Schedule II [Rate of exchange of 100 units of foreign currency equivalent to Indian rupees]		
1 Japanese Yen	58.40	56.95
2 Kenyan Shilling	71.35	67.35

(Source: Customs Notification 26(NT)/03.04.2014)

WIndex No. 04 - 16-22 April 2014	Dindex	WIndex
Dindex Delivered Daily by Email		
World Trade		
Father-Son of Ferrous Castings Major in CBI Custody Along with Excise Commissioner	5013	25
March Imports Pick up 21% Over Feb, Rupee Rises	5024	25
EU Lodges WTO Challenge against Russia Pork Import Ban	5028	26
Revised WTO Agreement on Government Procurement Enters into Force on 6 April on Plurilateral Basis	5021	26
Japan Reports Increase in Trade-Distorting Farm Subsidies	5029	26
Gold Extends Decline on Prospects for Further Tapering by Fed	5030	26
15 April Marks the 20th Anniversary of the WTO's Founding Agreements	5031	26
Beverages, Food, Precious Metals and Raw Materials Prices Up	5008	30
Wheat Rises after Drought in US and Ukraine Crisis	5010	32
Cocoa Imports by Indonesia Jumping on Chocolate Demand	5032	32
Foreign Trade Policy		
Export Quota of Pulses to Maldives thru PEC Only – 57-PN(RE)/09.04.2014	5016	27
CBEC Circular		
Pesticide Import Must Go through Technical Grade Testing for Customs Clearance – 07-CBEC/07.04.2014	5014	27
CBEC Orders Manual Filing of Customs Documents only with Permission from Commissioner – CBEC Instruction/07.04.2014	5015	27
RBI Circular [AP (DIR Series)]		
Procedure for Advance Remittances without BG or Standby LC for Rough Diamonds Imports – Cir.116/01.04.2014	5001	27
More Powers to RBI Junior Officers to Compound FEMA Offences – Cir.117/04.04.14	5007	29
Forex Forward upto US\$250,000 on Self Declaration Allowed – Cir.119/07.04.2014	5017	29
Foreign Inward Remittances Received under RDA to be Transferred to the KYC Compliant Beneficiary Accounts thru Electronic Mode – Cir.120/10.04.2014	5025	28
Libor Plus 350bps Ceiling for ECB will Continue Till 30 June 2014 – Cir.121/10.04.14	5026	28
Ceiling on Libor Import Credits for Infrastructure to Continue Till 30 June 2014 – Cir.122/10.04.2014	5027	28

*See details in www.worldtradesScanner.com