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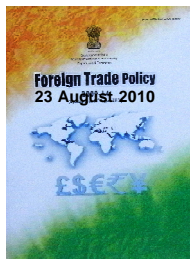
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FTP 2010 Released – 2% Bonus Scheme for Some Exports



- Higher Support
- Support for Technological up-gradation
- Status Holders
- Stability of Foreign Trade Policy
- Procedural Simplification
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- Leather Sector
- Handloom sector
- Textiles sector
- Gems & Jewellery sector
- Handicraft Sector
- Service sector
- Agriculture and Plantation
- Engineering and Electronics
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Higher Support

1. **Additional benefit of 2% bonus**, over and above the existing benefits of 5% / 2% under Focus Product Scheme, allowed for about 135 existing products, which have suffered due to recession in exports. Major sectors include all Handicrafts items, Silk Carpets, Toys and Sports Goods (all of which were earlier eligible for 5% benefits); Leather Products and Leather Footwear, Handloom Products and Engineering Items including Bicycle parts and Grinding Media Balls (all of which were earlier eligible for 2% benefit).

2. **256 new products added** under FPS (at 8 digit level), which shall be entitled for benefits @ 2% of FOB value of exports to all markets. Major Sectors / Product Groups are Engineering, Electronics, Rubber & Rubber Products, Other Oil Meals, Finished Leather, Packaged Coconut Water and Coconut Shell worked items.

3. **Instant Tea and CSNL Cardinol** included for benefits under VKGUY @ 5% of FOB value of exports.

4. **Nearly 300 products (at 8 digit level) from the readymade garment sector incentivised under MLFPS** for further 6 months from October, 2010 to march, 2011 for exports to 27 EU countries.

Support for Technological up-gradation

5. **Zero duty EPCG scheme, introduced in August 2009 and valid for only two years** upto 31.3.2011, has been extended by one more year till 31.3.2012. In addition, to give a boost to technological up-gradation for additional sectors as well, the benefit of the scheme has been expanded to cover paper & paperboard and articles

thereof, ceramic products, refractories, glass & glassware, rubber & articles thereof, Plywood and allied products, marine products, sports goods and toys and additional engineering products.

6. Additional Towns of Export Excellence (TEEs) announced viz. **Barmer (Rajasthan) for Handicrafts; Bhiwandi (Maharashtra) for Textiles; and Agra (Uttar Pradesh) for Leather Products.**



New DGFT P.K. Chaudhery

Status Holders

7. Status Holders contribute to a substantial part of our exports. To support them to upgrade their technology, 1% Status Holder Incentive Scheme (SHIS) introduced in August 2009 and valid for only two years upto 31.3.2011, has been extended by one more year for 2011-12 exports. In addition, to give a boost to technological up-gradation for additional sectors as

well, the benefit of the **scheme has been expanded to cover chemical & Allied products, paper, paperboard and articles thereof, ceramic products, refractories, glass & glassware, rubber & articles thereof, plywood and allied products, electronics products, sports goods and toys and additional engineering products.**

8. Additional flexibility provided for transferability of Duty Credit Scrips being issued to Status Holders under paragraph 3.13.4 of FTP under **VKGUY scheme** by allowing transfer of scrip for import of **cold chain equipments** to unit(s) in the Food Park.

Stability of Foreign Trade Policy

9. The popular and exporter friendly Duty Entitlement Pass-book (**DEPB**) **scheme has been extended beyond 31.12.2010 till 30.06.2011.**

10. Availability of concessional Export Credit

Interest subvention of 2% for pre-shipment credit for export sectors namely, Handloom, Handicraft, Carpet and SMEs for all export sectors, **have been allowed till 31.3.2011** in the budget 2010-11. This facility has now been extended to a number of additional products pertaining to sectors like **Engineering, leather, textiles, Jute.**

11. Advance Authorization for Annual Requirement shall also be exempted from payment of **anti-dumping & Safeguard duty** in line with the underlying principle that goods and services should be exported and not the taxes and levies.

Procedural Simplification

12. Exporters shall now have the flexibility to get a high value EPCG authorisation by filing their **EPCG application on Annual basis, without the need to file the application for individual capital goods from time to time.** It will reduce transaction time and cost.

13. Exporters shall now have the flexibility to **Club Advance authorisation** with Advance Authorisation for Annual Requirement for the purpose of account closure.

14. To impart flexibility to exporters and to facilitate smooth clearance of consignments, a **Single customs notification for the two variants of Advance Authorization scheme namely advance authorisation for physical exports & deemed exports** shall be issued. It will also eliminate the ambiguity in clubbing of such exports.

15. Adhoc Norms ratified under Advance Authorisation scheme shall henceforth apply to all cases for the same export product upto **one year not only prospectively but also retro-spectively.**

16. Clarification on the availability of 4% SAD refund benefit, as given by DOR in terms of customs Notification No. 102/2007, only to trader importers, to be also extended to manufacturers, who sell the imported items like traders.

17. Chartered Engineer Certificate for Advance Authorisation on self declared basis, has been dispensed with. This will reduce documentation and the transaction cost.

EDI Initiatives

18. To reduce the transaction cost and time, the scope and domain of EDI is endeavoured to be continuously broadened. To remove redundancy of repeated submissions of RCMC, an 'e-RCMC' initiative has been commenced. Under this, **the Export Promotion Councils would upload the RCMC data of their members on DGFT's website only once,** thus reducing the procedural burden of repeated submissions and associated cost and time.

19. Facility of a data preparation module for

Advance Authorization and Export Promotion Capital Good (EPCG) has been provided on an offline mode, which would reduce the need of continuous online interaction for long and address the connectivity and server response issues significantly.

20. In order to provide wider choice to the users and enlarge access for online filing, **additional licenced certifying authorities for digital signatures and banks for electronic fund transfer (EFT) operations have been included in the gamut of EDI operations.**

21. The online message exchange for Annual Advance Authorization and Duty Free Import Authorization (DFIA) shall also be made operational with Customs w.e.f. 1.12.2010.

Leather Sector

22. Leather sector shall be allowed re-export of unsold imported raw hides and skins and semi-finished leather from Public bonded warehouses, **without payment of any export duty.** This will facilitate the logistics for establishment of such warehouses and easy access to raw material for the leather sector.

23. Finished Leather export shall be entitled for Duty Credit Scrip @ **2% under FPS.**

24. Additional 2% bonus benefits over and above the existing benefits under Focus Product Scheme would significantly benefit the Leather Sector.

Handloom sector

25. Duty free import of specified trimmings, embellishments etc. shall be available on Handloom made-ups **exports @ 5% of FOB value of exports.**

26. Additional 2% bonus benefits over and above the existing benefits under Focus Product Scheme would significantly benefit the Handloom Sector.

Textiles sector

27. Duty free import of specified trimmings, embellishment etc shall be available @ **3% on exports of polyester made-ups in line with the facility available to sectors like Textiles & Leather.** It will promote export of products such as micro cloth, which has become popular in home textiles.

28. Readymade Garment sector granted enhanced support under MLFPS for a period of further **6 months from October, 2010 to March, 2011 for exports to 27 EU countries.**

Gems & Jewellery sector

29. The list of items allowed for duty free import by Gems & Jewellery sector has been expanded by Inclusion of additional items such as *Tags and labels, Security censor on card, Staple wire, Poly bag.* This will reduce the cost of the product to some extent.

Handicraft Sector

30. The facility of duty free import of tools under Duty Free Import scrips for Handicraft sector shall be made operational.

31. Additional 2% bonus benefits over and above the existing benefits under Focus Product Scheme will significantly benefit the Handicrafts and Silk Carpets sectors.

Service sector

32. Scrips issued under Served From India Scheme (SFIS) can now be used for **payment of duty on import of Vehicles,** which are in the nature of professional equipment.

Agriculture and Plantation

33. Instant Tea and CSNL Cardinol included for benefits under **VKGUY @ 5% of FOB value of exports.**

34. Oil Meals (Cotton, rape seed, groundnut), Castor Oil derivatives, Packed Coconut Water and Coconut Shell worked items shall be entitled for **benefits @ 2% of FOB value of exports to all markets under FPS.**

Engineering and Electronics

35. Additional 2% bonus benefits over and above the existing benefits under Focus Product Scheme will significantly benefit Bicycle parts and Grinding Media Balls exporters.

36. Additional items of **Engineering,** namely, Pipes & Tubes, Electric Generating Sets, Cast Articles of Iron & Steel, Ferro Manganese and Ferro Silicon shall now be entitled for **benefit @ 2% under FPS.**

37. A number of **Engineering** items namely, Machine Tools, Compressors, Iron & Steel Structures including Transmission Towers and Scaffolding, LPG Cylinders, Ductile Tubes & Pipes shall now be entitled for **benefits @ 2% of FOB value of exports to all markets under FPS instead of their exports to specific markets under MLFPS earlier.**

38. Telecom Equipments, Colour TVs, Audio Systems, Optical Media, Semi-conductors, Capacitors, Resistors, PCBs, LEDs, Conductors, Desktops and Notebooks shall now be entitled for **benefits @ 2% of FOB value of exports to all markets under FPS instead of their exports to limited market under MLFPS earlier.**

Toys and Sports goods

39. Additional 2% bonus benefits over and above the existing benefits under Focus Product Scheme will significantly benefit the Toys and Sports Goods Sector.

40. Benefits under Zero duty EPCG and SHIS schemes will significantly promote technological upgradation of Toys and Sports Goods sectors.

Dear Reader:

The Weekly Index of Changes with World Trade Scanner could not be published from 25 August 2010 to 31 August, 2010. Issue No. 23 is a combined issue, i.e., Issue No.22 and 23 dated 25 August 2010 to 07 September 2010.

Arun Goyal, Editor

Subscription rate for the Weekly Index with World Trade Scanner

<input type="checkbox"/>	Six months	Rs. 375	US\$45
<input type="checkbox"/>	1 Year	Rs. 750	US\$70
<input type="checkbox"/>	2 Years	Rs. 1400	US\$140
<input type="checkbox"/>	3 Years	Rs. 2100	US\$200

FTP 2009-2014 Annual Supplement of 23 Aug 2010 – Policy

01-Ntfn(RE) In exercise of powers conferred by Section 5 of the
23.08.2010 Foreign Trade (Development & Regulation) Act,1992
(DGFT) (No.22 of 1992) read with paragraph 1.2 of the Foreign
Trade Policy, 2009-2014, the Central Government

hereby notifies the Foreign Trade Policy, 2009-2014 incorporating the
Annual Supplement as updated on 23rd August, 2010 and contained in
Annexure to this notification. The policy shall come into force w.e.f. 23rd
August, 2010.

This issues in Public interest.

FTP 2009-2014 Annual Supplement of 23 Aug 2010 – Procedure

01-PN(RE) In exercise of powers conferred under paragraph 2.4 of
23.08.2010 the Foreign Trade Policy, 2009-14, the Director
(DGFT) General of Foreign Trade hereby notifies the Handbook
of Procedures (Volume 1) incorporating Annual

Supplement as updated on 23rd August, 2010 as contained in Annexure
to this Public Notice. This shall come into force from 23rd August, 2010.

This issues in public interest.

New Items for Market Incentives under VKGUY and Focus Products

Subject: Amendments in the Reward/Incentive Schemes of Chapter 3 of
FTP 2009-14:- Appendix 37A, Appendix 37D of Handbook of Procedure
Vol. 1

02-PN(RE) In exercise of powers conferred under paragraph 2.4 of
23.08.2010 the Foreign Trade Policy, 2009-2014, the Director
(DGFT) General of Foreign Trade hereby makes the following
amendments in the Handbook of Procedures Vol.1
(Appendices and Aayat Niryat Forms) 2009-2014:-

1. In **Appendix 37A** of VKGUY Scheme, the following is added in **Table 3** for exports made w.e.f 1.4.2010:

Sr. No.	VKGUY Product Code	ITC HS	Items
2	2	21012010	INSTANT TEA
3	3	13021930	CSNL - CARDANOL

2. Under the **VKGUY Scheme**, the following is deleted for exports made from the date of this Public Notice:

i) Mentha and value added extracts of Mentha under Sr. Nos. 104, 105, 106, 432, 642, 735, 736, 737, 739, 740 and 746 of **Table 1F of Appendix 37A**.

ii) Oleoresins under Sr. No. 1 to 11 of **Table 1E of Appendix 37A**.

3. Under the **VKGUY Scheme**, the following is deleted for exports made from the date of this Public Notice:

i) Vegetables under Sr. Nos. 3 to 8; 15 to 17 and Sr. No. 19 of **Table 2 of Appendix 37A**.

ii) Fruits under Sr. Nos. 9 to 14 of **Table 2 of Appendix 37A**.

4. Under the **VKGUY Scheme**, the following amendment is made for exports made from the date of this Public Notice:

i) The description of Sr. No. 3 of **Table 1A of Appendix 37A** is replaced as under:

“EDIBLE VEGETABLES (EXCLUDING ONIONS): ALL ITEMS COVERED UNDER CHAPTER 07 (EXCEPT ONIONS COVERED UNDER CODES 0703 AND 0712).”

ii) The description of Sr. No. 5 of **Table 1A of Appendix 37A** is replaced as under:

“COFFEE: ALL ITEMS COVERED UNDER CODE 0901.”

iii) The description of Sr. No. 8 of **Table 1A of Appendix 37A** is replaced as under:

“PREPARATIONS OF VEGETABLES, FRUIT, NUTS OR OTHER PARTS OF PLANTS: ALL ITEMS COVERED UNDER CHAPTER 20. (THIS ENTRY SHALL EXCLUDE PREPARATIONS OF ONIONS, IF ANY).”

5. In **Appendix 37D** of Focus Product Scheme, the following is added in the Product Category.

Sr. No.	PRODUCT CATEGORY DATE	ADMISSIBLE OF EXPORT / PERIOD
7	TABLE 7: FOCUS PRODUCT(S) / SECTOR(S) -BONUS BENEFITS	1.4.2010

6. In **Appendix 37D** of Focus Product Scheme, the following is added in **Table 7** for exports made from 1.4.2010 onwards:

TABLE 7: FOCUS PRODUCT(S)/SECTOR(S) - BONUS BENEFITS

Sr. No.	FPS Product Code	ITC (HS) Code	Description
1 to 67	1 to 67		ALL HANDICRAFT ITEM DESCRIPTIONS AS IN SR. NOS. 12 TO 78 OF TABLE 2 OF APPENDIX 37D.
68 to 111	68 to 111		ALL HANDICRAFT ITEM DESCRIPTIONS AS IN SR. NOS. 1 TO 44 OF TABLE 5 OF APPENDIX 37D.
112 to 121	112 to 121		ALL TOYS & SPORTS GOODS ITEM DESCRIPTIONS AS IN SR. NOS. 1 TO 10 OF TABLE 2 OF APPENDIX 37D.
122 to 137	122 to 137		ALL LEATHER PRODUCTS DESCRIPTIONS AS IN SR. NOS. 1 TO 15 OF TABLE 1 OF APPENDIX 37D.
138 to 140	138 to 140		ALL LEATHER PRODUCTS DESCRIPTIONS AS IN SR. NOS. 61 TO 63 OF TABLE 4 OF APPENDIX 37D.
141	141		ALL HANDLOOM PRODUCTS CODES COVERED AS IN SR. NOS. 28 OF TABLE 1 OF APPENDIX 37D.
143	143		PRODUCT DESCRIPTION AS IN SR. NO. 75 OF TABLE 4 OF APPENDIX 37D.
144 to 155	144 to 155		BICYCLE PARTS DESCRIPTIONS AS IN SR NOS. 87 TO 97 OF TABLE 4 AND SR. NO.96 OF TABLE 6 OF APPENDIX 37D.
156	156		SILK CARPETS DESCRIPTIONS COVERED BY SR NO. 11 OF TABLE 2 OF APPENDIX 37D (i.e. SILK CARPETS COVERED BY CODES 57023920, 57024920, 57025032, 57029920 and 57050011).

7. In **Appendix 37D** of Focus Product Scheme, the following is added at the end in **Table 4** for exports made w.e.f 1.4.2010:

TABLE 4: NEW FOCUS PRODUCTS

Sr. No.	FPS Product Code	ITC (HS) Code	Description
99	99	7305	OTHER TUBES & PIPES, (E.G.WELDED,RIVETED ETC) HAVNG CIRCLR CRS SCTN,THE EXTRNL DIAMETR OF WHICH EXCDS 406.4MM, OF IRON/STL
100	100	8502	ELECTRC GENRTRNG SETS & ROTARY CONVRTRS
101	101	7325	OTHER CAST ARTICLES OF IRON OR STEEL
102	102	72021100, 72021900, 72023000	FERRO MANGANESE, OTHER FERRO-MANGANESE, FERRO-SILICO-MANGANESE
103	103	84749000	PARTS OF MACHINERIES OF HEADING 8474

104	104	8461	MCHN-TOOLS FR PLNING,SHAPNG, SLOTNG, BROCHNG GEAR CUTNG/ GRNDNG/ FINSNG ETC WRKNG BY REMOVNG MTL, CERMETS N.E.S./ INCLUDED
105	105	8414	AIR/VACUUM PUMPS,AIR/OTHR GAS COMPRSR & FANS; VNTLTNG/ RCYCLNG HOODS INCRPRTNG A FAN, W/N FITTED WITH FILTERS
106	106	7308	STRUCTRS (EXCL PREFABRICTD BLDNGS OF HDG NO.9406) & PARTS E.G.BRIDGES ROOFS DOORS TUBES ETC USED IN STRUCTRS OF IRON & STL (This entry includes Towers of Transmission Line and Scaffolding)
107	107	731100	EMPTY LPG CYLINDERS
108	108	7303	TUBES, PIPES & HOLLOW PROFILES OF CAST IRON
109	109	852872	COLOUR TV SETS
110	110	8518	MCROPHONES&STNDS THFRF; LOUDSPKR,W/N MNTD HEADPHONE, EARPHONE & COMBND MCROPHONE / SPKRSETS; AUDIO FRQNCY AMPLFYR; SND AMPLFYR SETS
111	111	8519	TURNTABLES (RECORDDECKS)RECORD-PLAYERS CASSETTE PLAYERS ETC NT INCORPORATING A SOUND RECORDING DEVICE
112	112	852340, 852351 & 852352	OPTICAL MEDIA PRODUCTS LIKE – CD, DVD AND SOLID NON-VOLATILE STORAGE DEVICES
113	113	85489000	UNPOPULATED PCBs
114	114	8541	DIODES,TRANSISTORS & SMLR SEMI-CONDUCTORS DEVICES ETC.W/N ASSMBLD IN MODULES/MADE UP INTO PNLS ETC MNTD PIEZO-ELCTRC CRYSTLS
115	115	8542	ELCTRNC INTEGRTD CIRCUITS & MICRO-ASSMBLS
116	116	852910	AERIALS & AERIALS REFLECTORS OF ALL KINDS PRTS SUITABLE FR USE THEREWTH
117	117	854449	DATA CABLES, LAN CABLES, AND CATEGORY CABLES OTHR ELCTRC CNDCTRS FOR A VOLTAGE <=80 V
118	118	850431	OTHR TRNSFRMRS HVNG A PWR HNDLNG CAPACITY NOT EXCDNG 1 KVA
119	119	853225	OTHR FXD CAPACTRS DIELCTRC OF PAPER/PLSTCS
120	120	853229	OTHER FIXED CAPACITORS
121	121	853310	FXD CRBN RESISTORS,COMPOSITION/ FILM TYPES
122	122	853340	OTHR VARIABLE RESISTORS,INCLUDING RHEOSTATS AND POTENTIOMETERS
123	123	853400	PRINTED CIRCUITS
124	124	853641	RELAYS FR A VLTG NT EXCDG 60 V
125	125	85414020	LIGHT EMITTING DIODES (ELCTR LUMINESCENT)
126	126	854150	OTHER SEMI-CONDUCTOR DEVICES
127	127	8542	ELCTRNC INTEGRTD CIRCUITS & MICRO-ASSMBLS
128	128	76141000 & 76149000	ALUMINIUM CONDUCTOR
129	129	84714190 and 84713090	DESKTOPS AND NOTEBOOKS
130	130		MENTHOL BP/USP
131	131		MENTHOL CRYSTAL BP/USP
132	132	33019011	FENNUGREEK OLEORESINS
133	133	33019012	GINGER OLEORESINS
134	134	33019014	TURMERIC OLEORESINS

135	135	33019016	CELERY SEED OLEORESINS
136	136	33019017	NUTMEG OLEORESINS
137	137	33019021	CLOVE OLEORESINS
138	138	33019022	CAPSICUM OLEORESINS
139	139	33019023	CORIANDER OLEORESINS
140	140	33019024	CUMIN OLEORESINS
141	141	33019025	FENNEL OLEORESINS
142	142	33019029	OLEORESINS OF SPICES NOT ELSE WHERE SPECIFIED
143	143	23050010, 23050020	OIL-CAKE & OIL-CAKE MEAL OF GROUND-NUT
144	144	23069012, 23069021	OIL-CAKE & OIL-CAKE MEAL OF MUS TARD SEEDS
145	145	230610	OIL-CAKE & OTHR RESDUS OF COTTON SEEDS
146	146	230641, 230649	LOW ERUCIC ACID OF RAPE OR COLZA SEEDS, OTHER RESIDUES OF RAPE OR COLZA SEEDS
147	147	29157050, 29242990, 29161950, 29161990, 29157040, and 29171300	DEHYDRATED CASTOR OIL FATTY ACID, CASTOR OIL AMIDES, CASTOR OIL POLYOLS, CASTOR OIL ESTERS, RICINOLEIC ACID/ESTERS, 12 HYDROXY STEARIC ACID, and SEBACIC ACID/2 OCTANOL
148	148	0905	VANILLA
149	149	0906	CINNAMON & CINNAMON TREE FLOWERS
150	150	0907	CLOVES (WHOLE FRUIT,CLOVES & STEMS)
151	151	0908	NUTMEG, MACE & CARDAMOMS
152	152	0909	SEEDS OF ANISE, BADIAN, FENNEL, CORIANDER CUMIN, CARAWAY OR JUNIPER
153	153	0910	GINGER, SAFFRON, TRUMERIC (CURCUMA), THYME BAY LEAVES, CURRY AND OTHER SPICES
154	154	40070000	RUBBER THREAD
155	155	85176100	BASE STATIONS
156	156	84729090	PAPER PUNCHES
157	157		PACKAGED COCONUT TENDER WATER (i.e. TENDER COCONUT WATER IN CONSUMER PACKS)
158	158		COCONUT SHELL WORKED

Consequently Sr. Nos. 56, 58, 62, 63, 66, 71, 72, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 93, 94 of **Table 6 of Appendix 37D** are deleted.

8. The following shall be added in **Appendix 37D, Table 6** of Focus Product Scheme for benefits on exports made from 1.10.2010 till 31.3.2011:

TABLE 6: NEW MARKET LINKED FOCUS PRODUCTS

SL. NO	FOCUS PRODUCT CODE	DESCRIPTION OF PRODUCT/SECTOR	ITC(HS) CODE	LINKED MARKET (S) FOR FOCUS PRODUCT (S) / SECTOR (S)
101	101	APPARELS (i.e. READYMADE GARMENTS)	61, 62	EU (27 Countries i.e. AUSTRIA, BELGIUM, BULGARIA, CYPRUS, CZECH REPUBLIC, DENMARK, ESTONIA, FINLAND, FRANCE, GERMANY, GREECE, HUNGARY, IRELAND, ITALY, LATVIA, LITHUANIA, LUXEMBOURG, MALTA, NETHERLAND, POLAND, PORTUGAL, ROMANIA, SLOVAK REP, SLOVENIA, SPAIN, SWEDEN and UK)

9. The following shall be added in **Appendix 37D, Table 6** of Focus Product Scheme for benefits on exports made from 1.4.2010 till 31.3.2011:

Table 6: New Market Linked Focus Products

SL. NO	FOCUS PRODUCT CODE	DESCRIPTION OF PRODUCT/SECTOR	ITC(HS) CODE	LINKED MARKET (S) FOR FOCUS PRODUCT (S) / SECTOR (S)
102	102	TUBES,PIPES & HOSES OF VULCNSD RUBR OTHR THN HARD RUBR WTH/ WITHOUT THR FITTINGS	4009	EU (27 Countries i.e. AUSTRIA, BELGIUM, BULGARIA, CYPRUS, CZECH REPUBLIC, DENMARK, ESTONIA, FINLAND, FRANCE, GERMANY, GREECE, HUNGARY, IRELAND, ITALY, LATVIA, LITHUANIA, LUXEMBOURG, MALTA, NETHERLAND, POLAND, PORTUGAL, ROMANIA, SLOVAK REP, SLOVENIA, SPAIN, SWEDEN and UK)
103	103	OTHR ARTCLS OF VULCNSD RUBR OTHER THAN HARD RUBBER	4016	

10. In **Appendix 7**, the following **Towns of Export Excellence** are added.

S.No.	Town of Export Excellence	State	Product Category
22	Barmer	Rajasthan	Handicrafts

23	Bhiwandi	Maharashtra	Textiles
24	Agra	Uttar Pradesh	Leather Products

This issues in public interest.

Amendments in ANF 4A and Appendix 11A

Chartered Engineers Certificate not Required for Fixation of Norms under Advance Authorisation

Subject: Amendment of ANF 4A and Appendix 11A, related to Advance Authorisation Scheme.

03-PN(RE) In exercise of powers conferred under Para 2.4 of the 23.08.2010 Foreign Trade Policy, 2009-14, the Director General (DGFT) of Foreign Trade hereby makes the following amend-ments in the Handbook of Procedures (Vol.1), 2009-

14:-

1. SI No. 4C related to Chartered Engineer’s certificate on import requirement for 4.7 cases, under the “Guidelines for the Applicants” in ANF 4A (Application form for Advance Authorisation) stands deleted and consequently SI No. 4(d) shall become 4(c).

2. Existing Appendix 11A related to “Data sheet for advance authorisation application on self declaration” stands replaced by the amended Appen-dix 11A, appended to this Public Notice.

This issues in public interest.

Annexure to Public Notice No. 03(RE) Dated 23 August 2010

Appendix 11A

Data Sheet for Advance Authorisation Application on Self Declaration under Para 4.4.2 & 4.7 of HBP v 1.

1. Details of Items required for manufacture of one Unit of Export Product:

(a) Imported inputs:

SNo.	Required import item Description	Technical Characteristics	ITC(HS) Code	Quantity required per unit of resultant product	Purpose of requirement*	Wastage claimed (%age) on net content basis	Recoverable wastage/by product		
							Name	Quantity	Value

*Purpose of requirement should be indicated against each item whether the same is required as raw material, components, consumables solvents, catalysts, packing material etc.

(b) Indigenous inputs

SNo.	Required import item Description	Technical Characteristics	ITC(HS) Code	Quantity required per unit of resultant product	Purpose of requirement*	Wastage claimed (%age) on net content basis	Recoverable wastage/by product		
							Name	Quantity	Value

1. Production and consumption data of the manufacturer/supporting manufacturer (of preceding three licensing years duly certified by the Chartered Accountant/Cost and Works Accountant/Jurisdictional Central Excise Authority*):

*In case there is no past production, the Jurisdictional Central Excise Authority shall certify the production and consumption data on the basis of production batch sheets and for this purpose the firm shall maintain separate record of batch data for inputs consumed in the manufacture of the export product.

- (1) Year
- (2) Total production of the resultant product
- (3) Quantity of different Items consumed
- (4) Quantity consumed/unit production:

3. Particulars of the authorisations (erstwhile licences) obtained in the past and ratified by Norms Committee (NC) (with or without modification) for the same export product covered under this application.

- (1) S.No.:
- (2) Authorisation No & Date:

- (3) Description of export product:
- (4) Description of import items:
- (5) Import item qty per unit of export product (as applied for):
- (6) Import item qty per unit of export product (as approved by NC while ratifying licence):
- (7) NC meeting No & Date when approved:
- 4. Please furnish technical details as per Appendix-33 depending upon the resultant product. Please confirm.
- 5. a) FOB value of exports in the preceding licensing years:
b) CIF value of authorisations already obtained under paragraph 4.7:
c) Balance entitlement as per paragraph 4.7.1.:

Signature of the Applicant
Name in Block letters
Designation
Address

Place:

Date:

Unit Approval Committee Set up to Review EOU Performance

04-PN(RE) In exercise of powers
23.08.2010 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 the Handbook of Procedures
(Volume 1) .

1. **Para 7** of Appendix 14-I-G shall be substituted as under:-

“7. Joint Monitoring of EOU units:

- a) The performance of EOUs would be reviewed by the Unit Approval Committee on six monthly basis i.e., April-September each year to be completed in the following quarter on the basis of QPRs/APR to be furnished by the EOUs. The formats of QPR/APR have been prescribed in the LUT at Appendix 14-I-F.
- b) Review of NFE of EOUs would be conducted by the Unit Approval Committee.
- c) For publicizing the scheme, advertisement in the local papers may be arranged before the date of such meetings. Promotion programmes may be organized in collaboration with local industry, Association or any other organization, which has good presence in the area. General Manager of District Industries Center may be associated.
- d) For each existing unit, review should be done at length to understand their problems and their possible resolution. Efforts should be made to identify the reasons for shortfall/poor performance and unit-wise action plan should be prepared for removal of bottlenecks. It should be ensured that the unit should have an export promotion strategy as well tentative targets for next few years, so that it has an idea as to what is to be achieved by them. Effective action should be taken against erring units to discourage any misuse of the scheme.
- e) For units under implementation, separate review be held so that their issues could be resolved.
- f) At such places, if any infrastructure gaps are noticed, District Administration may be advised to prepare projects, which can be routed through State Government to the Ministry for approval under Scheme for central Assistance for Developing export infrastructure and other allied activities (ASIDE).
- g) Based on the joint review Development commissioner concerned would prepare a report for information of the Department of Commerce and CBEC and suggest corrective measures to enable the defaulting units to fulfill their obligation as per EOU Scheme/Customs Notification”.

2. **Appendix 14-II** shall be **deleted**.

3. **ANF 8** shall be amended by **inserting** therein **Annexure III** appended to this Public Notice.

This issues in public interest.

Disclaimer Certificate For Deemed Export Benefits

I, (Name & designation)on behalf of M/s.....(Name and address of the supplier) hereby certify that we have supplied the following goods to M/s.....(Name and address of the recipient):

S.No.	Inv.No & Date	Description of goods	Unit	Qty	Value
1					
2					

We are the manufacturer exporters/suppliers and are registered/not registered with Central Excise and have not availed CENVAT facility in respect of the aforesaid supplied goods. We have also not availed of rebate on the raw material used for manufacture of said goods.

or

We are the suppliers and our supporting manufacturer(s) is/are registered/not registered with Central Excise and have not availed CENVAT facility in respect of the aforesaid supplied goods.

We also certify that we have not been issued any Advance Authorization/Duty Free Import Authorization in respect of the aforesaid supplied goods and have not availed any benefit therein. (applicable in respect of draw back claims).

We further state that we have not drawn nor will draw any benefit for deemed export and we have no objection if M/s.....(Name and address of the recipient) draws the deemed export benefit on the supplies mentioned above.

Yours faithfully,
(Authorized Signatory
(Name of the supplier)
Official Seal/Stamp

(Note: Disclaimer certificate is to be given on letter head of the firm)

New Application Form for EPCG Authorisation

Subject: Modification of ANF5A, ANF5B, Appendix 26 and Appendix 26A in Handbook of Procedures Vol. I (RE:2010)

05-PN(RE) In exercise of the powers
23.08.2010 conferred under Paragraph 2.4
(DGFT) of the Foreign Trade Policy,
2009-14 (RE:2010) and
Paragraph 1.1 of the Handbook of Procedures
(Vol.1), the Director General of Foreign Trade

hereby notifies ANF5A, ANF5B, Appendix 26 and Appendix 26A in Handbook of Procedures (Volume I) as contained in Annexure - I, II, III and IV to this Public Notice. This shall come into force from 23rd August, 2010.

2. This issues in Public interest.

Annexure – I

ANF 5A

Application Form for EPCG / Annual EPCG Authorisation (Under Zero Duty/3% Duty)

Please see guidelines given at the end before filing the application

1. Applicant Details

- i. Name:
 - ii. IEC No:
 - iii. Address:
- 2. Type of Exporter (please tick)**
- i. Merchant Exporter:
 - ii. Manufacturer Exporter:
 - iii. Service Provider:
 - iv. Others(please specify):
 - v. Merchant cum Manufacturer:

3. RCMC Details

- i. RCMC Number:
- ii. Date of Issue and valid upto:
- iii. Issuing Authority:
- iv. Products for which registered:

4. Industrial Registration Details

- i. SSI / IEM/LOI or IL Registration Number:
- ii. Date of Issue:
- iii. Issuing Authority:
- iv. Products for which registered:

5. Service Tax Registration Details (In case of Service providers registered with Service Tax authorities)

- i. Service Tax Registration Number
- ii. Issuing Authority
- iii. Services for which registered

6. Status House Details

- i. EH/SEH/TH/STH/PTH:
- ii. Certificate Number:
- iii. Date of Issue and valid upto:

iv. Issuing Authority:
7. Excise Details (For those registered with Central Excise Authority)

i. Excise Registration Number
 ii. Date of Issue / Issuing Authority

8. Application Fee Details

Amount (Rs):
 Electronic Fund Transfer No.:

9. Sector Classification of Capital Goods sought to be imported under the Scheme (Please tick)

i. Industrial sector:
 ii. Agricultural sector:
 iii. Service sector:

10. Products to be exported/services to be rendered.

ITC (HS) CODE:

11. Whether imports to be made are under Technological Upgradation Scheme Yes / No

If Yes, give following details:

Sr No:
 EPCG Authorisation No:
 EPCG Authorisation Date:
 CIF Value / duty saved:
 E.O. fixed in freely convertible currency:
 Percentage of E.O. fulfilled:
 Expiry date of E.O. period :

12. Details of exports of same/similar product/services made in the preceding 3 licensing years (excluding exports against all pending EPCG Authorizations)

SNo.	Financial Year	Total FOB Value of exports/ services rendered for the same/similar product / service(Rs in Crores)
1	2	3
1.		
2.		
3.		
Total		
Average export performance		

13. Details of pending EPCG Authorizations already obtained.

S.No:
 Authorisation No and Date:
 RA which issued Authorisation:
 CIF/ Duty Saved Value (Rs):
 EO fixed on duty saved amount (in freely convertible currency)/INR:
 Specific EO fulfilled on duty saved amount (Rs):
 Annual Average EO Fixed (Rs.):
 Average EO due till last financial year (Rs):
 Average EO fulfilled till last financial year (Rs):
 Expiry Date of EO period:

14. Details of Freely Importable Capital Goods applied for import(Not Applicable

for Annual EPCG Authorization)

S No:
 Description of the items of import:
 ITC(HS) Code:
 Nature of Capital Goods sought to be imported +:
 Quantity:
 Primary Use of Capital Goods sought to be imported ++:

15. Details of Restricted Capital Goods applied for import

S No:
 Description of the items of import:
 ITC(HS) Code:
 Nature of Capital Goods sought to be imported +:
 Primary Use of Capital Goods sought to be imported ++:
 Technical Specifications/Model No. etc:
 Quantity:
 CIF Value in freely convertible currency:

+ - whether Capital Goods / Spares / Tools /Jigs / Fixtures / Dies / Moulds /spare Refractories / Catalyst/

++ - whether used for Pre Production activity/ Production activity/ Post Production activity/ For rendering Services

(From amongst col.14 and 15 above please fill up whichever is applicable. In case applicant desires to import both restricted and freely importable capital goods appropriate information should be given in both the cols.)

16. Details of Duty Saved

1. Total effective Customs duty on items to be imported/deemed to be imported (in %)+:
 2. Duty to be levied under the Scheme (in %):
 3 = 1 - 2 Duty Saved (in %):
 4. CIF Value of imports/deemed imports (in Rs):
 5 = 3 * 4 / 100 Duty saved (in Rs):

Note: i. + In case of indigenous sourcing of CG, duty saved is to be calculated on notional Customs duties saved on FOR value of capital goods as per para 5.7 A of FTP.

ii. In case of EPCG Authorisation for Projects as per para 5.1B of Policy, the basic customs duty would be 7.5%. Wherever, CVD is paid in cash and not subsequently Cenvated, CVD would not be taken for computation of net duty saved.

17. Details of Export Obligation and Average Export Obligation to be imposed:

Total duty saved(Rs.) as per column no.5 at S.No.15.:
 Export Obligation (as a multiple of duty saved) to be imposed
 6 times ++ (Rs.): (USD):
 8 times (Rs.): (USD):
 Average Export Obligation to be imposed (Rs.): (USD):
 Export obligation period to be imposed (in

years) (indicate specifically)

8 years:

12 years +++:

++ In case of SSI units and technological upgradation scheme.

+++ i. In case of agro units and units in cottage and tiny sector.

ii. In respect of EPCG licences with a duty saved of Rs.100 crore or more.

18. Port of Registration (for the purpose of imports):

19. Address of the factory/premises of the applicant where the capital goods to be imported are proposed to be installed

20. In case the proposed CG sought to be imported are to be used by the supporting manufacturer, please furnish

i. Name of the supporting manufacturer:
 ii. Address of the supporting manufacturer:
 iii. SSI/LOI/IL regn. no. and date:
 iv. Products endorsed on SSI/IL/IEM:
 v. Excise Registration No. And issuing authority. (if applicable) :-

Declaration/Undertaking

1. I / We hereby declare that the particulars and the statements made in this application are true and correct to the best of my/our knowledge and belief and nothing has been concealed or held there from and if found incorrect or false will render me/us liable for any penal action or other consequences as may be prescribed in law or otherwise warranted.

2. I / We undertake to abide by the provisions of the Foreign Trade (Development and Regulation) Act, 1992, the Rules and Orders framed there under, the Foreign Trade Policy, the Handbook of Procedures and the ITC(HS) Classification of Export & Import Items.

3. I / We hereby certify that none of the Proprietor / Partner(s) / Director(s) / Karta / Trustee of the firm / company, as the case may be, is/are a Proprietor / Partner(s) / Director(s) / Karta / Trustee in any other firm / Company which has come to the adverse notice of DGFT.

4. I / We hereby certify that neither the Registered Office/Head Office of the firm/company nor any of its Branch Office(s) / Unit(s) / Division(s) has been declared a defaulter and has otherwise been made ineligible for undertaking import / export under any of the provisions of the Policy.

4A. I/We hereby certify that our applicant firm/company is NOT currently availing any benefits under Technology Upgradation Fund Scheme (TUFS), administered by Ministry of Textiles, Government of India. (Applicable to zero duty EPCG scheme only)

4B. I/We hereby certify that our applicant firm/company has NOT availed and shall not avail the benefit of Status Holder Incentive Scheme under Para 3.17 of FTP in the current year. (Applicable to zero duty EPCG scheme only)

5. I / We hereby declare that I/we have perused the list of SCOMET items as contained in the Appendix 3 to the Schedule 2 of the ITC (HS) Classifications of Export-Import Items, 2009-14 and that the item(s) exported / proposed to be exported does not fall within this list and that I / We agree to abide by the provisions of the Policy for export of SCOMET items contained in the Foreign Trade Policy, Schedule 2 of ITC (HS) and the Handbook of Procedures (Vol.1), irrespective of the scheme under which the item is exported / proposed to be exported.

6. I / We declare that no export proceeds are outstanding beyond the prescribed period as laid down by the RBI, or such extended period for which RBI permission has been obtained.

7. I / We hereby declare that the capital goods/spares sought for import in the application are actually required for use at pre production/production/post production stages for the export product(s) or for rendering services for fulfilment of export obligation.

8. I / We hereby declare that in respect of goods for which nexus is not established at a later date, I / We shall pay to the Government Customs duty saved together with 15% interest on such imported goods which are found having no relation with product exported or service rendered.

9. I / We hereby declare that in case of import of refurbished/reconditioned spares, the refurbished/reconditioned spares have a residual life which is not less than 80% of the life of the original spares.

10. I / We hereby declare that I / We do not come under the purview of Service Tax and therefore are not registered with the Service Tax Cell of the jurisdictional Central Excise Authorities. (In case of Service Providers who are not covered under service tax)

11. I / We hereby declare that I/We shall not exceed the SSI investment limit in plant and machinery after making imports under the EPCG Authorisation. (applicable in cases of imports made by SSI sector)

12. I / We hereby declare that the import of capital goods shall be used for building and operating shopping malls/super markets having a minimum covered area of 1000 sq meters. (Applicable in case of imports made by Retail sector).

13. I / We hereby declare that I/We have not made imports under the Technological Upgradation Scheme previously before any Licensing authority and the present imports of Capital Goods to be made under this Scheme (for which this application is made) are more than 10% of the my/our present investment in the plant and machinery. (applicable in case of imports under EPCG Technological Upgradation Scheme).

13A. I / we undertake to submit a self certified copy of 'Drug Manufacturing Licence' in case of export of Pharmaceutical Product(s) within a period of three years from the date of issue of EPCG Authorization failing which the Bank

Guarantee / Legal undertaking executed / furnished at the time of clearance of Capital Goods with Customs authorities / Regional Authorities of DGFT, as the case may be, is liable to be forfeited / invoked and I / We would be liable to pay Customs Duty saved amount together with applicable interest thereon from the date of first import till the date of final payment.

14. I hereby certify that I am authorised to verify and sign this declaration as per Paragraph 9.9 of the Policy.

(Note: Strike out the clause which is not applicable.)

Signature of the Applicant: Place:

Name: Date:

Designation:

Official Address:

Telephone:

Residential Address:

Email Address:

Guidelines for Applicants

1. Two copies of the application must be submitted unless otherwise mentioned.

2. Each individual page of the application has to be signed by the applicant.

3. In case CG sought to be imported is under restricted category, a copy of this application shall be sent to EFC at DGFT HQRS also. (In such cases no separate application fee shall be required to be submitted while sending the copy of the application to Hqrs. EFC). Upon clearance by EFC, EPCG Authorisation shall be issued by RA and will bear an endorsement that EFC has approved issue of EPCG Authorisation for restricted CG.

4. Application must be accompanied by documents as per details given below:

1. Bank Receipt / Demand Draft / EFT details evidencing payment of application fee in terms of Appendix 21B.

2. Self certified copy of IEM/SSI Registration Number in case of products or a self certified copy of Service Tax Registration in case of Service Providers.

(In case of Service Providers, who are not registered with Service Tax authorities and a declaration in this regard has been submitted as a part of the application (declaration no.10) , service tax registration is not required to be submitted. In such cases RCMC from EPC concerned will suffice).

5. Certificate from a Chartered Engineer in the format given in Appendix 32A certifying:

a. the end use/nexus of machinery sought for import under EPCG Scheme in the pre production/production/post production activity of the exported goods/services (explaining the end use of machinery in detail); and/or

b. the essentiality of spare parts sought for import and its required quantity for existing machinery manufacturing the goods to be exported/ machinery sought for import; and/or

c. complete usage of equipments/goods

sought for import under the EPCG Scheme for supply of service to overseas customers/ service consumers of any other country in India to earn free foreign exchange/supply of service in India relating to export paid in free foreign exchange.

6. Statement of exports made/services rendered by the applicant firm during the preceding three licensing years duly certified by a Chartered Accountant / Cost and Works Accountant in the format given in ANF 5A.

a. In case of import of spares for existing plant and machinery, a list of plant/machinery imported and already installed in the factory/premises of the applicant firm/supporting manufacturer for which the spares are required, duly certified by a Chartered Engineer or jurisdictional Central Excise authority

b. In case of EPCG applications made by EOU/SEZ units, a self certified copy of the 'No Objection Certificate' from the Development Commissioner concerned showing the details of the capital goods imported/indigenously procured by the applicant firm, its value at the time of import/sourcing and the depreciated value for the purpose of assessment of duty under the Scheme is to be submitted.

7. Copy of previous EPCG Authorisation (in case application is made under EPCG Technological Upgradation Scheme).

7A. In case of imports under zero duty EPCG scheme for textile sector, the applicants would be required to submit a certificate from the office of Textile Commissioner, Government of India to the effect that the firm/company is not currently availing any benefit under the Technology Upgradation Fund Scheme (TUFS), administered by Ministry of Textiles, Government of India.

In case of import of restricted capital goods under ITC(HS) a self certified copy of the recommendation letter by the Sponsoring authority.(To be enclosed in case the same has already been obtained)

Annexure – II

ANF 5B

Statement of Export for Redemption of EPCG/ Annual EPCG Authorization

1. Applicant Details

Name & address:

2. EPCG Authorisation Number & date:

Actual duty saved amount:

3. Export obligation period (EOP)

i. Original date:

ii. Extended EOP date:

iii. Actual EO Completion date:

4. Installation certificate No. & Date:

5. Export Product Details:

i. Same / similar product name & ITC(HS) code.:

ii. Alternate Product name & ITC(HS) code.:

6. Export Obligation (EO) imposed

In Indian Rs.:

In US\$:

EO as per actual duty saved amount/ Average EO

In Indian Rs.: In US\$:

+ In case of alternate product export of average EO of alternate product should be given.

7. Details of physical exports/deemed exports made/services rendered for maintaining specific EO of Authorization for which this redemption is sought

S No:

Products Exported/ Supplied/Services rendered ITC(HS) Code.

Same Product/Services ----- Alternative Product / Services:

Shipping Bill/ Voucher/Invoice/ CT 3 / ARE 3/ Lorry Receipt/ Railway Receipt Details + No:

Date:

FOB / FOR value(in FFE) ++

Direct exports:

Third Party exports:

Deemed Exports:

By Group Company:

Other R&D Services / Royalty:

Total:

+ not to be filled in by hotel industry

++ Only Exports/ Supplies made/ capable of being made/ services rendered out of capital goods imported under the Authorisation for discharge of export obligation imposed on the Authorisation and export proceeds realized to be included.

8. We further declare that we have made exports as under for maintenance of Average export obligation (other than that mentioned in 7 above) Exports.

(As per suggestion

Financial Year:

Total Value of Exports (other than Exports under Specific EO) IN:

Details of Shipping Bills for Fulfillment of Average Export Obligation:

*This column does not include exports covered under Sr. No.7 above.

*this column does not include exports rendered for maintaining specific EO of other EPCG authorizations.

Declaration/Undertaking

1. I/We hereby declare that the particulars and the statements made in this application are true and correct to the best of my/our knowledge and belief and nothing has been concealed or held there from and if found incorrect or false will render me/us liable for any penal action or other consequences as may be prescribed in law or otherwise warranted.

2. I/ We hereby declare that I/we have perused the list of SCOMET items as contained in the Appendix 3 to the Schedule 2 of the ITC (HS) Classifications of Export-Import Items, 2009-14 and that the item(s) exported / proposed to be

exported does not fall within this list and that I/ We agree to abide by the provisions of the Policy for export of SCOMET items contained in the Foreign Trade Policy, Schedule 2 of ITC (HS) and the Handbook of Procedures (Vol.1), irrespective of the scheme under which the item is exported / proposed to be exported (the underlined portion will be deleted in case an application for export license for SCOMET item is being filed).

3. I/We hereby declare that exports counted towards Specific Export Obligation against this licence have not been claimed /counted for fulfillment of annual average export performance / specific export obligation against other EPCG Authorization.

4. I hereby certify that I am authorized to verify and sign this declaration as per Paragraph 9.9 of the Policy.

Signature of the Applicant: Place:

Name: Dated:

Designation:

Official Address:

Telephone:

Residential Address:

Email Address:

5. It is certified that all physical exports made as shown in item Nos. 7 & 8 above are in freely convertible currency and payment of the same has been realized*.

Signature with Seal of the Chartered Accountant

*In case of 'Service Provider' submission of self attested copies of Foreign Inward Remittance Certificate (FIRC) / Bank Certificate alongwith ANF5B shall be mandatory.

Note: Realization of export proceeds shall not be insisted, if the Reserve Bank of India (RBI) writes off the requirement of realization of export proceeds on merits and the exporter also produces a certificate from the Foreign Mission of India about the fact of non recovery of export proceeds from the buyer. However this would not include self write off cases.

Guidelines for Applicants

1. Appendix 26A duly signed by Chartered Accountant must be submitted.

2. Each individual page of the application has to be signed by the applicant.

3. Application must be accompanied by documents as per above details.

Annexure – III

Appendix 26

Certificate of Chartered Accountant Cost and Works Accountant/Company Secretary (For Issue of EPCG/Annual EPCG Authorization)

I/We hereby confirm that I/We have examined the prescribed registers and also the relevant records of M/s..... and hereby certify that:

I. The following documents/ records have been

furnished by the applicant firm/company and have been examined and verified by me/us namely: -

(a) For deemed exports:

(i) Copy of ARO/Back to back inland letter of Credit of Advance Authorisation for intermediate Supplies or Supply invoices or CT3/ARE3 duly certified by the Bond Office of EOU concerned showing that supplies have been received.

(ii) Evidence of having received the payment through normal banking channel in the form given in Appendix-22B or a self certified copy of payment certificate issued by the Project Authority concerned in the form given in Appendix-22C.

(b) For export of goods:

(i) Export Order/Contract,

(ii) Shipping Bills,

(iii) Bill of Lading (and/or Airways Bills/PP Receipts),

(iv) Customs/Bank attested invoices,

(v) Bank Certificate of exports and realization,

(vi) GR declaration etc, and

(vii) Connected books of accounts

(c) For export of services:

(i) Bank Certificate of direct foreign exchange earning,

(ii) GR declaration,

(iii) Forward Inward Remittance Certificates (FIRCs),

(iv) Certificate from international credit card companies,

(v) C.A. certificate for the indirect sources, (In respect of indirect forex earnings duly certified by Chartered Accountant such as amount received from Travel agents/Tour Operators, Foreign Airlines for stay of Crew and Catering, UN organizations and Diplomatic Missions and Encashment Certificate from authorized dealers and others in terms of DGFT Policy circular no.60/97-2002 dated 24.12.1998).

(vi) Certified statements from the Banker/ Chartered Accountant of Foreign Exchange Earnings and connected books of accounts.

II. The relevant accounting and financial register(s) as prescribed under different Acts and Rules made thereunder have been maintained and authenticated under my/our seal and signature.

III. The information given by the applicant firm/company in the 'Aayaat Niryaat Form' including details on

(a.) imports/exports made and services rendered,

(b.) foreign exchange earnings/ realization (both from direct and indirect sources)

(c.) third party exports

(d.) deemed exports

Is in agreement with the Foreign Trade Policy 2009-14 and the rules and procedures made there under, the relevant register and records and the books of accounts maintained by M/s

..... and their subsidiaries and is also true and correct.

IV. Neither I, nor any of my/our partners is a partner, director, or an employee of the above-named entity, its Group companies or its associated concerns.

V. 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.

VI. Details of export of same/similar products made during the Preceding 3 years as in Column 12 of ANF 5A:

Financial Year	FOB Value
1.	US\$ Rs.
2.	US\$ Rs.
3.	US\$ Rs.

(Signature and Stamp/
Seal of the Signatory)

(Chartered Accountant/ Cost & Works
Accountant/Company Secretary)

Name of the Signatory:

Place: Address:

Date: Membership No:

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

- 1.
- 2.

Note: Each page of this annexure is to be signed by the Chartered Accountant with his registration number.

dix-22C.

(b) For export of goods:

- (i) Export Order/Contract,
- (ii) Shipping Bills,
- (iii) Bill of Lading (and/or Airways Bills/PP Receipts),
- (iv) Customs/Bank attested invoices,
- (v) Bank Certificate of exports and realization,
- (vi) GR declaration etc, and
- (vii) connected books of accounts

(c) For export of services:

- (i) Bank Certificate of direct foreign exchange earning,
- (ii) GR declaration,
- (iii) Forward Inward Remittance Certificates (FIRCs),
- (iv) Certificate from international credit card companies,
- (v) C.A. certificate for the indirect sources, (In respect of indirect forex earnings duly certified by Chartered Accountant such as amount received from Travel agents/Tour Operators, Foreign Airlines for stay of Crew and Catering, UN organizations and Diplomatic Missions and Encashment Certificate from authorized dealers and others in terms of DGFT Policy circular no.60/97-2002 dated 24.12.1998).

(vi) Certified statements from the Banker/Chartered Accountant of Foreign Exchange earnings and connected books of accounts.

II. The relevant accounting and financial register(s) as prescribed under different Acts and Rules made there under have been maintained and authenticated under my/our seal and

signature.

III. I/We hereby certify that the Shipping Bills containing the relevant EPCG Authorization Number and Date have been verified, in respect of specific export obligation. The Shipping Bill which do not contain EPCG Authorization Number and Date have been verified as per Policy Circular No. 7/2002 dated 11.07.2002(Copy of original documents submitted by the firm are enclosed).

IV. Neither I, nor any of my/our partners is a partner, director, or an employee of the above-named entity, its Group companies or its associated concerns;

V. 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.

(Signature and Stamp/
Seal of the Signatory)

(Chartered Accountant/ Cost &
Works Accountant)

Place: Name of the Signatory:

Date: Address:

Membership No:

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

- 1.
- 2.

Note: Each page of this annexure is to be signed by the Chartered Accountant/CWA/CS with his registration number.

Annexure – IV

Appendix 26 A Certificate of Chartered Accountant/ Cost and Works Accountant/Company Secretary (For Redemption EPCG/ Annual EPCG Authorization)

I/We hereby confirm that I/We have examined the prescribed registers and also the relevant records of M/s.....in respect of authorisation No..... dated..... and hereby certify that:

I. The following documents/ records have been furnished by the applicant firm/company and have been examined and verified by me/us namely: -

(a) For deemed exports:

(i) Copy of ARO/Back to back inland letter of Credit of Advance Authorisation for intermediate Supplies or Supply invoices or CT3/ARE3 duly certified by the Bond Office of EOU concerned showing that supplies have been received.

(ii) Evidence of having received the payment through normal banking channel in the form given in Appendix-22B or a self certified copy of payment certificate issued by the Project Authority concerned in the form given in Appen-

Coumarin from China – Final Findings

Ntfn 82 Whereas, in the matter of 20.08.2010 imports of Coumarin (DoR) (hereinafter referred to as the subject goods), falling under sub heading 2932 21 00 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the said Customs Tariff Act), originating in, or exported from, People's Republic of China (hereinafter referred to as the subject country) and imported into India, the designated authority in its preliminary findings vide notification No.14/17/2009-DGAD, dated the 29th January, 2010, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 29th January, 2010, had come to the conclusion that-

(a) the product under consideration had been exported to India from the subject country below normal values;

(b) the domestic industry had suffered material injury on account of imports from subject country;

(c) the material injury had been caused by the dumped imports of subject goods from the subject country;

and had recommended imposition of provi-

sional anti-dumping duty on the imports of 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 of the Government of India in the Ministry of Finance (Department of Revenue), No. 38/2010-Customs, dated the 23rd March, 2010, published in the Gazette of India Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R.209 (E), dated the 23rd March, 2010;

And whereas, the designated authority in its final findings vide notification No. 14/17/2009-DGAD dated the 7th July, 2010, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 7th July, 2010, had come to the conclusion that-

(a) the subject goods had been exported to India from the subject country below Normal values;

(b) the domestic industry had suffered material injury on account of subject imports from subject country;

(c) the material injury had been caused by the dumped imports of subject goods from the subject country;

and had recommended the imposition of definitive anti-dumping duty on 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 Customs Tariff Act, 1975 (51 of 1975) read with 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, after considering the aforesaid final findings of the designated authority, hereby imposes on the subject goods, the description of which is specified in column (3) of the Table below, falling under the said sub-heading of the First Schedule to the said Customs Tariff Act as specified in the corresponding entry in column (2), originating in the country as specified in the corresponding entry in column (4), and produced by the producer as specified in the corresponding entry in column

(6), when exported from the country as specified in the corresponding entry in column (5), by the exporter as specified in the corresponding entry in column (7), and imported into India, an anti-dumping duty at a rate which is equivalent to difference between the amount mentioned in the corresponding entry in column (8), in the currency as specified in the corresponding entry in column (10) and as per unit of measurement as specified in the corresponding entry in column (9), of the said Table and the landed value of imported goods in like currency as per like unit of measurement.

Table

SNo.	Sub-heading	Description of goods	Country of origin	Country of export	Producer	Exporter	Amount	Unit of measurement	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	2932 21 00	Coumarin of all types	People's Republic of China	People's Republic of China	Yinghai (Cangzhou) Aroma Chemical Co. Ltd.	Yinghai (Cangzhou) Aroma Chemical Co.Ltd.	14.02	Kg.	US Dollar
2	2932 21 00	Coumarin of all types	People's Republic of China	People's Republic of China	Any combination of producer and exporter other than at Sl. No. 1 & 2 above		14.02	Kg.	US Dollar
3	2932 21 00	Coumarin of all types	People's Republic of China	Any country other than People's Republic of China	Any	Any	14.02	Kg.	US Dollar
4	2932 21 00	Coumarin of all types	Any country other than People's Republic of China	People's Republic of China	Any	Any	14.02	Kg.	US Dollar

2. The anti-dumping duty imposed shall be levied for a period of five years (unless revoked, superseded or amended earlier) from the date of imposition of the provisional anti-dumping duty, that is, 23rd March, 2010 and shall be payable in Indian currency.

Explanation. - For the purposes of this notification,-

(a) "landed value" means the assessable value as determined under the Customs Act, 1962 (52 of 1962) and includes all duties of customs except duties levied under sections 3, 3A, 8B, 9 and 9A of the said Customs Tariff Act, 1975;

(b) rate of exchange applicable for the purposes of calculation of anti-dumping duty shall be the rate which is specified in the notification

of the Government of India, in the Ministry of Finance (Department of Revenue), in exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962) and the relevant date for determination of the rate of ex-

change shall be the date of presentation of the bill of entry under section 46 of the said Customs Act.

[F.No.354/22/2010 –TRU]

Provisional Anti-dumping Duty Notification on Coumarin Rescinded

Ntfn 83
20.08.2010
(DoR)
In exercise of the powers conferred by sub-sections (2) of section 9A of the Customs Tariff Act, 1975 (51 of 1975), read with rules 13 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 hereby **rescinds** the notifica-

tion of the Government of India in the Ministry of Finance (Department of Revenue), No. **38/2010-Customs, dated the 23rd March,2010**, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R.209(E), dated the 23rd March,2010, except as respect things done or omitted to be done before such rescission.

[F. No.354/22/2010-TRU]

Valuation of Goods for DTA Sale to be done under Valuation Rules 2007 only and not Rule 8 of Valuation Rules, 1988

Subject: Valuation of Goods cleared in DTA by EOU's.

933-CBEC
16.08.2010
(DoR)
Board has received references seeking clarification with regard to the valuation of goods cleared from an EOU for sale in DTA, when actual sale transaction does not take place at the time of clearance but on a subsequent date. In such cases 100% of the goods are cleared from the EOU to depot from where the sale is effected through consignment agents. CBEC has earlier issued Circular No 268/85-CX.8 dated 29-09.1994, clarifying that valuation of goods in such situations will have to be done in accordance with the Rule 8 of the Customs Valuation Rule (Determination of Price

of Imported Goods), 1988 as it existed then.

2. The issue has been re-examined. As per the proviso to Section 3(1) of the Central Excise Act, 1944, the value of such goods need to be determined in terms of section 14 of the Customs Act, 1962, read with Customs Valuation Rules (Determination of Price of Imported Goods), 2007.

3. In terms of the said rules the value will have to be determined by sequential application of Rules 3 to 9. The same view has been expressed by the CESTAT in following cases

- Endress Hauser Flowtec (I) Pvt Ltd. [2009

(237) ELT 598 (T)]

- Morarjee Brembana Ltd. [2003 (154) ELT 500 (T)]

- Uniworth Textile Ltd. [2009 (244) ELT 401 (T)]

5.0 In view of the position prevailing under Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, and the decisions of tribunal on the subject earlier Board Circular No 268/85- CX.8 dated 29.09.1994 on the subject is withdrawn. The field formations may follow the provisions of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 in such situations

6. Trade and field formations may be informed accordingly.

F No 06 / 06/2010-CX.1

Cotton Export Restriction Withdrawn from 1 October 2010

58-Ntfn(RE) In exercise of the powers
17.08.2010 conferred by Section 5 of the
(DGFT) Foreign Trade (Development &
Regulation) Act, 1992 (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 and Notification No. 44/2009-14 dated
21.05.2010, the Central Government hereby

makes the following amendments in the Sched-
ule 2, Table B of ITC HS Classifications of
Export and Import Items as under:-

2. With immediate effect, existing entries
against S. No. **161 A** of the table at the end of
Para 2 of Notification No. 44 /2009-14 dated
21.05.2010 shall be substituted as follows:

“Chapter 52

SNo.	Tariff Item Code	Unit	Item of Description	Export Policy	Nature of Restriction
161 A	5201		Cotton, not carded or combed		
	5201 00		Cotton, not carded or combed	Free	The contracts for export of cotton shall be registered with the Textile Commissioner prior to shipment. Clearance of cotton consignments by Customs should be after verifying that the contracts have been registered.
	5201 00 11		Indian cotton:	Free	
	5201 00 12		Bengal deshi Indian cotton of staple lengths 20.5 mm (25/32") and below (e. g. oomras, yellow picking, Assam Comillas)	Free	
	5201 00 13		Indian cotton of staple length exceeding 20.5mm (26/32") and but not exceeding 24.5mm (30/32")	Free	
	5201 00 14		Indian cotton of staple length over 24.5 mm (31/32") to 28mm	Free	
	5201 00 15		Indian cotton of staple length 28.5 mm (14/32") and above but below 34.5 mm	Free	
	5201 00 19		Indian cotton of all staple length 34.5 mm and above (112/32")	Free	
	5201 00 20		Cotton, other than Indian, of all staple lengths	Free	
		5202		Cotton waste (including yarn waste and garnetted stock)	
	5202 10 00		Yarn waste (including thread waste) Other:	Free	The contracts for export of cotton shall be registered with the Textile Commissioner prior to shipment. Clearance of cotton consignments by Customs should be after verifying that the contracts have been registered.
	5202 91 00		Garnetted stock	Free	
	5202 99 00		Other	Free	
	5203		Cotton, carded or combed		
	5203 00 00		Cotton, carded or combed	Free	The contracts for export of cotton shall be registered with the Textile Commissioner prior to shipment. Clearance of cotton consignments by Customs should be after verifying that the contracts have been registered.

3. The above shall come into effect from 1st October, 2010.

4. This issues in public interest.

No Service Tax on Donation to Coaching Institutes

Subject: Service tax on commercial training and coaching – clarification whether ‘donation’ is ‘consideration’.

127-ST A representation has been
16.08.2010 received seeking clarification
(DoR) whether donations and grants-
in-aid received from different
sources by a charitable Foundation imparting
free livelihood training to the poor and margina-
lized youth, will be treated as ‘consideration’

received for such training and subjected to
service tax under ‘commercial training or coach-
ing service’.

2. The matter has been examined. The impor-
tant point here is regarding the presence or
absence of a link between ‘consideration’ and

Basmati Rice Length Reduces and Ratio Changed for Exportability

57-Ntfn(RE) In exercise of the powers
17.08.2010 conferred by Section 5 read
(DGFT) with Section 3(2) of the
Foreign Trade (Develop-
ment & Regulation) Act, 1992 (No.22 of 1992)
and also read with Para 1.3 and Para 2.1 of
the Foreign Trade Policy, 2009-2014, the
Central Government hereby makes the fol-
lowing amendments to Notification No.55(RE-
2008)/2004-09 dated 5th November, 2008
read with Notification No.93(RE-2007)/2004-
2009 dated 1st April, 2008, Notification No. 37
(RE-2008)/2004-09 dated 3rd September,
2008, Notification No. 38 (RE-2008)/2004-
2009 dated 5th September, 2008 and Notifi-
cation No. 39(RE-2008)/2004-09 dated 16th
September, 2008.

2. With immediate effect existing entries at
point no. 1 in the ‘Nature of Restriction’
against SI. No. 45 AA (relating to export of
Basmati rice including PUSA Basmati 1121)
in Notification No. 55(RE-2008)/2004-09
dated 5th November, 2008 shall be substi-
tuted to read as under:-

“1. Grain of rice to be exported shall be
more than 6.61 mm of length and ratio of
length to breadth of the grain shall be more
than 3.5;”

2. This issues in public interest.

Corrigendum dated 20.08.2010 to Notification 80/10.08.2010

In the notification of the Government of India
in the Ministry of Finance (Department of
Revenue), No. **80/2010-Customs, dated the
10th August, 2010** published in the Gazette
of India, Extraordinary, Part II, Section 3,
Sub-section (i) vide number G.S.R. 665(E),
dated the 10th August, 2010, at page 5, in line
30, for the figure and letter “ 5B” read “5C”
and in the table, under the column “Condition
No.” for the figure and letter “5C”, read “5D”.

[F.No.354/48/2007 –TRU]

taxable service. It is a settled legal position that
unless the link or nexus between the amount
and the taxable activity can be established, the
amount cannot be subjected to service tax.
Donation or grant-in-aid is not specifically meant
for a person receiving such training or to the
specific activity, but is in general meant for the
charitable cause championed by the registered
Foundation. Between the provider of donation/
grant and the trainee there is no relationship
other than universal humanitarian interest. In
such a situation, service tax is not leviable,
since the donation or grant-in-aid is not linked to
specific trainee or training.

4. Trade Notice/Public Notice may be issued
to the field formations accordingly

F.No.354/119/2010-TRU

SEZ Decisions

[Instruction No. 64 – No. C.8/2/2009-SEZ dated 11th August 2010]

Sub: Role of Zonal DC.

I am directed say that for effective administration and implementation of the SEZ Scheme, the Development Commissioners of the Central Government owned SEZs were declared as Zonal Development Commissioners and the following responsibilities allocated to them.

A. Coordination and compilation of issues with State Government (Instruction No. 14)

A.1 Effective Single Window Mechanism is essential for the successful operation of SEZs. This mechanism has to work at the following levels:

- a) At the level of Zone through AC;
- b) At the level of State-level; and
- c) At the GOI-level through BOA.

A.2. Approval Committee

a) It is essential that the meetings of Approval Committee are held on a fixed day as decided by the Development Commissioner once in a fortnight;

Wherever the Development Commissioner and Director STPI are located at the same place, the meeting of the UAC shall be held at the Office of Development Commissioner and it will be a combined meeting with separate agendas. Minutes of all the meetings will be issued separately;

b) If there is no matter for approval, this meeting should be used for reviewing the progress of development of the Zone and Unit therein;

c) The meetings should be held after issue of a prior notice to the Members of the Committee;

d) These meetings could be done through Video Conference / Tele-Conference Mechanism as per the convenience of all concerned;

e) It is necessary to review the progress of the development of the Zone – new Zones which have not taking effective steps as per Rule 6(2)(a) and once in a month and Zones which have taken effective steps – once a quarter;

f) The Approval Committee will also update a list of pending cases for approval before State or any Department of Commerce (DOC) and BOA. The information pertaining to DOC and BOA and in any other department of GOI shall be prepared separately for each category on the land attached and will be sent to Ministry of Commerce for being placed before the BOA.

i) The review should include – development planning of infrastructure status of and implementation.

ii) Marketing of the Zone along with the State Government to attract units.

iii) Development of social and training infrastructure in the non processing area.

iv) Transport & Road connectivity to the Zone.

A.3. State Level High Powered Committee

i) For effective disposal of cases by the State

level Single Window Committees, it is necessary to provide a single interface on behalf of the Department of Commerce in each State. Hence, it has been decided that the Development Commissioners shall be the Zonal Development Commissioners for the States mentioned against their names in Annexure-I.

ii) The Zonal Developments Commissioners will have a compilation of all matters pending before the State Level Single Window Committee pertaining to all SEZs in the State, including IT SEZs, and will work with the respective coordinating department of the State for having a meeting to get the clearance.

iii) Some States, names, Gujarat, Maharashtra, Karnataka, Andhra Pradesh, Tamil Nadu where a large number of SEZs are coming up, it may be necessary to have a monthly meeting to facilitate the development of SEZs. In other States, at least a meeting in each quarter should be held in this meeting may be used as an opportunity to apprise the State Government of benefits flowing to the State from SEZ by way of investment, direct / indirect employment, revenue (from DTA sale).

iv) After each meeting the Chief Secretary may be requested to issue the Press Note or hold a Press Conference on the subject; as per may be deemed appropriate.

v) In each Zone one of the officers shall be nominated by the Development Commissioner as the Development Officer whose responsibility would be to facilitate clearances of the Developer and the Units which are pending with any Department of the State Government.

A.4. GOI

i) All matters pending with any other Department except Commerce will be sent to DOC and will be placed in the BOA as an agenda item;

ii) All matters which are pending with DOC must be sent to the Department immediately after fortnightly meeting of UAC so that these can be cleared.

B. Sanction of 'Reimbursement of Duty in lieu of drawback' claims to SEZ Developers (Instruction No.15)

B.1 Please refer to Instruction No.9 dated 18th February, 2009 on the above subject.

B.2.It is clarified that sanction for the claims against Reimbursement of duty in lieu of drawback for supply of goods to SEZ Developers shall be made by the Zonal Development Commissioner from the budget allocated to his office for DBK, CST claims. The jurisdiction of the Zonal Development Commissioner is placed at Annexure-I. Zonal Development Commissioners may also inform the additional fund requirements, if any, in this connection to Under Secretary (EOU Division), Department of Commerce.

C. Inspection of all SEZs to be notified. (Instruction No. 17)

C.1. Clarifications have been sought by offices of Development Commissioner regarding Inspections of SEZs to be notified and maintenance of the original files connected to it. In this connection, attention is invited to Instruction No.14 dated 3rd June, 2009 which has a mention about Zonal Development Commissioners. A list of Zonal Development Commissioners and their jurisdiction is again enclosed as Annexure-I.

C.2. It is clarified that all the original files of SEZs i.e. papers relating to notification of all SEZs (IT or otherwise) have to be maintained by the Zonal Development Commissioner. Further all inspections and reports etc. of SEZs till it is notified has to be done by the jurisdictional Zonal Development Commissioner.

D. Disbursement of DEPB claims. (Instruction No. 19)

This is to clarify that DEPB claims in respect of SEZs shall be handled by the jurisdictional Zonal Development Commissioners. Such claims may be received by the respective Development Commissioners and forwarded with their recommendation to the jurisdictional Zonal Development Commissioners.

A list of Zonal DCs and the States under their jurisdiction is placed at Annexure-I.

E. Rational distribution of officers posted in private SEZs (Letter No.A-4/11/2007-SEZ dated 8.9.2009).

References have been received in the Department Commerce that in number of cases where private SEZs are located at close distance to each other and the workload is also manageable, the officers/ staff posted at private sector SEZs work for more than one SEZ. Since these posts have been created on cost recovery basis, a request has been made to this department that the cost of such posts shall be apportioned between such SEZs. Accordingly, it has been decided to clarify as under:

a. The available officers/ officials shall be utilized fully, Depending on the geographical proximity and work load, they may be allocated more than one SEZ.

b. The cost of such posts may be shared among the zones being served by such officers/ officials.

F. Clarification on policy issues (Instruction No. 43).

F.1.I am directed to say that references are received from Development Commissioners in this department seeking clarification on various provisions of SEZ Act and Rules. It has been decided that such clarifications may first be considered for a decision in the meetings held by Zonal DC.

F.2.Meetings of all Zonal Development Commissioners under the chairmanship of AS(SEZ) would be held after BOA meeting in the Department of Commerce to discuss and clarify policy matters which required further discussion. Therefore, if Zonal DCs need any clarifications on

SEZ Policy issues, they may bring up such matters along with full details of the case in these meetings.

2. Zonal Development Commissioners and all Development Commissioners are to ensure that the above instructions are followed strictly. Further monthly meetings are to be held by Zonal Development Commissioner with all Development commissioners and specified officers to review performance of SEZ, clarify policy issues and resolve any pending problems.

3. Further Zonal Development Commission-

ers are to collect and maintain a database (in excel) in respect of all data viz exports, imports, employment, investment, import duty collected, duty foregone etc w.r.t all SEZs coming under their jurisdiction, so that whenever, Department of Commerce seeks such information it is provided in a consolidated form. All Development Commissioner should submit all such reports through the Zonal Development Commissioners.

4. Instructions (Number 14,15,17,19 and 43) are subsumed in this instruction.

Annexure-I

List of Zonal DCs and the States under their jurisdiction

S.No	Name of DC	States
1.	DC, KSEZ	Gujarat
2.	DC, MEPSEZ	Tamil Nadu, Andaman and Nicobar Islands, Union Territory of Pondicherry excluding Mahe and Yanam
3.	DC, SEEPZ SEZ	Maharashtra, Goa, Daman and Diu, Dadra and Nagar Haveli
4.	DC, NSEZ	Uttar Pradesh, Madhya Pradesh, Rajasthan, Delhi, Punjab, Haryana, Chandigarh, Uttarkhand, Himachal Pradesh and Jammu and Kashmir
5.	DC, CSEZ	Kerala, Karnataka, Lakshadweep and Mahe
6.	DC, FALTA SEZ	West Bengal, Orissa, Jharkhand, Nagaland, Tripura, Manipur, Meghalaya, Sikkim and Arunachal Pradesh
7.	DC, VSEZ	Andhra Pradesh, Chattisgarh and Yanam

Guidelines on Trading of Currency Options

Sub: Guidelines on trading of Currency Options on Recognised Stock / New Exchanges

AP(DIR Srs) Attention of Authorised
Cir.05 Dealers Category – I (AD
30.07.2010 Category – I) banks is invited
(RBI) 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. 05 dated August 6, 2008 in terms of which
persons resident in India were permitted to
participate in the currency futures market in
India subject to directions contained in the Cur-
rency Futures (Reserve Bank) Directions, 2008.

2. In order to expand the existing menu of
exchange traded hedging tools, it was an-
nounced in the Monetary Policy Statement 2010-
11 (para 62) that recognised stock exchanges
would be permitted to introduce plain vanilla
currency options on spot US Dollar/ Rupee
exchange rate for residents. Accordingly, it has
been decided to permit trading of currency
options on spot USD-INR rate in the currency
derivatives segment of the stock exchanges,
recognized by the Securities and Exchange
Board of India (SEBI). The currency options
market would function subject to the directions,
guidelines, instructions, rules, etc issued by the
Reserve Bank and the SEBI from time to time.

3. Persons resident in India are permitted to
participate in the currency options market, sub-
ject to the directions contained in the Exchange
Traded Currency Options (Reserve Bank) Di-
rections, 2010, [Notification No.FED.01 / ED
(HRK)-2010 dated July 30, 2010] (Directions)
issued by the Reserve Bank of India, a copy of
which is annexed (Annex-I).

4. Necessary amendments to Foreign Ex-
change Management (Foreign Exchange Deri-
vatives Contracts) Regulations, 2000 (Notifi-
cation No. FEMA.25/RB-2000 dated May 3,
2000) (Regulations) have been notified in the
Official Gazette vide G.S.R. No. 635(E) dated
July 27, 2010, a copy of which is annexed
(Annex-II).

5. The above Directions have been issued
under Section 45W of the Reserve Bank of India
Act, 1934 and the above Regulations have been
issued under clause (h) of sub-Section (2) of
Section 47 of the Foreign Exchange Manage-
ment Act, 1999 (42 of 1999).

6. This circular has been issued under Sec-
tions 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.

ing in currency options on recognised stock
exchanges.

1. Short title and commencement of the directions

These directions may be called the Exchange
Traded Currency Options (Reserve Bank) Di-
rections, 2010 and they shall come into force
with effect from July 30, 2010.

2. Applicability

These directions shall apply to currency options
traded on a stock exchange recognised under
Section 4 of the Securities Contract (Regula-
tion) Act, 1956.

3. Permission

(i) Currency option contracts are permitted in
US Dollar - Indian Rupee spot rate, or any other
currency pairs, as may be approved by the
Reserve Bank from time to time.

(ii) Only 'persons resident in India', as defined
in section 2(v) of the Foreign Exchange Man-
agement Act, 1999 (Act 42 of 1999) are permit-
ted to buy or sell exchange traded currency
options to hedge an exposure to foreign ex-
change rate risk or otherwise.

4. Features of currency option contracts

Standardized exchange traded currency op-
tions shall have the following features:

- The underlying for the currency option
shall be US Dollar – Indian Rupee (USD-INR)
spot rate.
- The options shall be premium styled Eu-
ropean call and put options.
- The size of each contract shall be USD
1000.
- The premium shall be quoted in Rupee
terms. The outstanding position shall be in
USD.
- The maturity of the contracts shall not
exceed twelve months.
- The contracts shall be settled in cash in
Indian Rupees.
- The settlement price shall be the Re-
serve Bank's Reference Rate on the date of
expiry of the contracts.

5. Participants

i) No person other than 'a person resident in
India', as defined in section 2(v) of the Foreign
Exchange Management Act, 1999 (Act 42 of
1999) shall participate in the exchange traded
currency options market.

ii) Notwithstanding sub-paragraph (i), no
scheduled bank or such other agency falling
under the regulatory purview of the Reserve
Bank under the Reserve Bank of India Act,
1934, the Banking Regulation Act, 1949 or any
other Act or instrument having the force of law
shall participate in the exchange traded cur-
rency options market without the permission
from the respective regulatory Departments of
the Reserve Bank.

iii) Entities falling under the regulatory purview
of any other regulators established by law shall

Annex – I [A.P. (DIR Series) Circular No. 05 dated July 30, 2010]

Exchange Traded Currency Options (Reserve Bank) Directions, 2010 Notification No. FED.01 / ED (HRK) - 2010 dated July 30, 2010

The Reserve Bank of India having considered
necessary in public interest and having regard
to the need for regulating the financial system of
the country to its advantage, in exercise of its

powers conferred by section 45W of the Re-
serve Bank of India Act, 1934 and of all the
powers enabling it in this behalf, hereby gives
the following directions to all the persons deal-

participate in the exchange traded currency options market only with the prior permission of their regulators concerned and participation of such entities as members or clients shall be in accordance with the guidelines issued by the regulator concerned.

6. Membership

i) Members registered with the SEBI for trading in currency futures market shall be eligible to trade in the exchange traded currency options market of a recognised stock exchange. Membership for both trading and clearing, in the exchange traded currency options market shall be subject to the guidelines issued by the SEBI.

ii) Banks authorized by the Reserve Bank under section 10 of the Foreign Exchange Management Act, 1999 as 'AD Category - I bank' are permitted to become trading and clearing members of the exchange traded currency options market of the recognized stock exchanges, on their own account and on behalf of their clients, subject to fulfilling the following minimum prudential requirements:

a) Minimum net worth of Rs. 500 crores. b) Minimum CRAR of 10 per cent. c) Net NPA should not exceed 3 per cent. d) Made net profit for last 3 years.

The AD Category - I banks, which fulfil the prudential requirements, should lay down detailed guidelines with the approval of their Boards for trading and clearing of the exchange traded currency options contracts and management of risks.

iii) AD Category - I banks, which do not meet the above minimum prudential requirements and AD Category - I banks, which are Urban Co-operative banks or State Co-operative banks, can participate in the exchange traded currency options market only as clients, subject to approval therefor from the respective regulatory Departments of the Reserve Bank.

7. Position limits

i) The position limits for various classes of participants for the currency options shall be subject to the guidelines issued by the SEBI.

ii) The AD Category - I banks shall operate within prudential limits, such as Net Open Position (NOP) and Aggregate Gap (AG) limits. The option position of the banks, on their own account, in the exchange traded currency options shall form part of their NOP and AG limits.

8. Risk Management measures

The trading of exchange traded currency options shall be subject to maintaining initial, extreme loss and calendar spread margins and the Clearing Corporations / Clearing Houses of the exchanges should ensure maintenance of such margins by the participants on the basis of the guidelines issued by the SEBI from time to time.

9. Surveillance and disclosures

The surveillance and disclosures of transactions, in the exchange traded currency options market, shall be carried out in accordance with the

Commodity Spot Prices in India – 26-28 August 2010

These commodity prices are taken from Multi Commodity Exchange of India (Mumbai) at 6 pm every day.

(Rs.)					
Commodity	Unit	Market	26-Aug	27-Aug	28-Aug
CER (Carbon Trading)	1 MT	Mumbai	808	801.5	801
Chana	100 KGS	Delhi	2226	2225	2254
Masur	100 KGS	Indore	3473	3454	3498
Potato	100 KGS	Agra	387	396.2	397.7
Potato TKR	100 KGS	Tarkeshwar	NA	NA	NA
Areca nut	100 KGS	Mangalore	NA	NA	NA
Cashew kern	1 KGS	Quilon	NA	NA	NA
Cardamom	1 KGS	Vandanmedu	1497.4	1501.8	1502.8
Coffee ROB	100 KGS	Kushalnagar	NA	NA	NA
Jeera	100 KGS	Unjha	NA	NA	NA
Pepper	100 KGS	Kochi	NA	NA	NA
Red Chili	100 KGS	Guntur	NA	NA	NA
Turmeric	100 KGS	Nzmbad	14156	14100	14100
Guar Gum	100 KGS	Jodhpur	NA	NA	NA
Maize	100 KGS	Nzmbad	1081.5	1080	1081
Wheat	100 KGS	Delhi	1255.8	1255.4	1254.2
Mentha Oil	1 KGS	Chandausi	852.1	853.2	860.1
Cotton Seed	100 KGS	Akola	NA	NA	NA
Castorsd RJK	100 KGS	Rajkot	3640	NA	3694
Guar Seed	100 KGS	Bikaner	2005	1960	1997
Soya Bean	100 KGS	Indore	2030	2066.5	2056
Mustrdsd JPR	20 KGS	Jaipur	540	541	541.7
Sesame Seed	100 KGS	Rajkot	5825	5775	5788
Coconut Oil Cake	100 KGS	Kochi	NA	NA	NA
RCBR Oil Cake	1 MT	Raipur	NA	NA	NA
Kapaskhali	50 KGS	Akola	1098.1	1082	1100.6
Coconut Oil	100 KGS	Kochi	6032	6032	6032
Refsoy Oil	10 KGS	Indore	488.5	493.25	492.75
CPO	10 KGS	Kandla	419.5	422	420.9
Mustard Oil	10 KGS	Jaipur	537.8	543.4	543.5
Gnutoilexp	10 KGS	Rajkot	848	842.5	840
Castor Oil	10 KGS	Kandla	NA	NA	NA
Crude Oil	1 BBL	Mumbai	3403	3434	3522
Furnace Oil	1000 KGS	Mumbai	NA	NA	NA
Sourcrd Oil	1 BBL	Mumbai	NA	NA	NA
Brent Crude	1 BBL	Mumbai	3448	3512	3592
Gur	40 KGS	Muzngr	NA	NA	NA
Sugars	100 KGS	Kolhapur	2495	2525	2526
Sugarm	100 KGS	Delhi	2736	2725	2706
Natural Gas	1 mmBtu	Hazirabad	181.7	178.7	173.6
Rubber	100 KGS	Kochi	17420	17267	16854
Cotton Long	1 Candy	Kadi	NA	NA	NA
Cotton Med	1 Maund	Sriganganagar	NA	NA	NA
Jute	100 KGS	Kolkata	2886.5	2927	2993
Gold	10 GRMS	Ahmd	18960	18910	18870
Gold Guinea	8 GRMS	Ahmd	15229	15189	15157
Silver	1 KGS	Ahmd	30180	30050	30215
Sponge Iron	1 MT	Raipur	NA	NA	NA
Steel Flat	1000 KGS	Mumbai	NA	NA	NA
Steel Long	1 MT	Gobindgarh	25650	25600	25610
Copper	1 KGS	Mumbai	332.2	341	347.4
Nickel	1 KGS	Mumbai	949	963.1	963.1
Aluminium	1 KGS	Mumbai	93.55	93.55	93.55
Lead	1 KGS	Mumbai	92.7	94.2	94.2
Zinc	1 KGS	Mumbai	93.4	94.2	94.2
Tin	1 KGS	Mumbai	976.5	1002.25	1002.25

(Source: MCX Spot Prices)

Customs Valuation Exchange Rates

August 2010	Imports	Exports	
Schedule I			
1 Australian Dollar	42.85	41.65	Rate of exchange of one unit of foreign currency equipment to Indian Rupees
2 Canadian Dollar	46.05	44.85	
3 Danish Kroner	8.30	8.05	
4 EURO	61.80	60.15	
5 Hong Kong Dollar	6.10	5.95	
6 Norwegian Kroner	7.75	7.50	
7 Pound Sterling	73.60	71.75	
8 Swedish Kroner	6.55	6.35	
9 Swiss Franc	45.30	44.10	
10 Singapore Dollar	34.85	33.95	
11 U.S. Dollar	47.35	46.45	
Schedule II			
1 Japanese Yen	54.75	53.15	Rate of exchange of 100 units of foreign currency equivalent to Indian rupees

(Source: Customs Notification 67(NT)/28.07.2010)

guidelines issued by the SEBI.

10. Authorisation to the Exchanges / the Clearing Corporations for dealing in Currency Options

Recognized stock exchanges and their respective Clearing Corporations / Clearing Houses shall not deal in or otherwise undertake the business relating to the exchange traded currency options unless they hold an authorisation issued by the Reserve Bank under section 10 (1) of the Foreign Exchange Management Act,

1999.

11. Powers of Reserve Bank

The Reserve Bank may from time to time modify the eligibility criteria for the participants and participant-wise position limits, prescribe margins and / or impose specific margins for identified participants, fix or modify any other prudential limits, or take such other actions as deemed necessary in public interest, in the interest of financial stability and orderly development and maintenance of the foreign exchange market in India.

2. Amendment of the Regulations

In the Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000 (Notification No. FEMA 25/RB-2000 dated May 3, 2000), for Regulation 5A, the following shall be substituted, namely:—

“5A. Permission to a person resident in India to enter into currency futures or currency options

A person resident in India may enter into currency futures or currency options on a stock exchange recognized under section 4 of the Securities Contract (Regulation) Act, 1956, to hedge an exposure to risk or otherwise, subject to such terms and conditions as may be set forth in the directions issued by the Reserve Bank of India from time to time.”

Annex – II [A.P. (DIR Series) Circular No. 05 dated July 30, 2010]

Notification No. FEMA 210 /RB-2010 dated July 19, 2010

Foreign Exchange Management (Foreign Exchange Derivative Contracts) (Amendment) Regulations, 2010

In exercise of the powers conferred by clause (h) of sub-section (2) of section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), the Reserve Bank of India makes the following amendments in the Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000, (Notification No. FEMA 25/RB-2000 dated May 3, 2000) namely:-

1. Short Title and Commencement

(i) These Regulations may be called the Foreign Exchange Management (Foreign Exchange Derivative Contracts) (Amendment) Regulations, 2010.

(ii) They shall come into force from the date of their publication in the Official Gazette.

Annual Activity Certificate by Branch Offices of Foreign Entities may be Submitted by 30 Sept of Each Year

Sub: Establishment of Branch Offices (BO) / Liaison Offices (LO) in India by Foreign Entities—Delegation of Powers

AP(DIR Srs) Attention of Authorised
Cir.06 Dealer Category – I banks
09.08.2010 is invited to paragraph 5 (i)
(RBI) of A.P. (DIR Series)
Circular No.24 dated

December 30, 2009 wherein it was stipulated that the Annual Activity Certificates (AACs) as at the end of March 31, shall be submitted by the Branch Office / Liaison Office (BO/ LO), on or before April 30 every year, to the designated AD Category-I bank and a copy to the Directorate General of Income Tax (International Taxation), New Delhi.

2. In view of the difficulties expressed by some Liaison Offices / Branch Offices in submitting the AACs within the prescribed period, it has been decided to review the current calendar for the same. Accordingly, the AACs from the Auditors, as at end of March 31, along with the audited Balance Sheet may be submitted on or before September 30 of that year. In case the annual accounts of the LO/ BO are finalized with reference to a date other than March 31, the AAC along with the audited Balance Sheet may be submitted within six months from the due date of the Balance Sheet.

3. All the other instructions of A.P. (DIR Series) Circular No.24 dated December 30, 2009 shall remain unchanged.

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.

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