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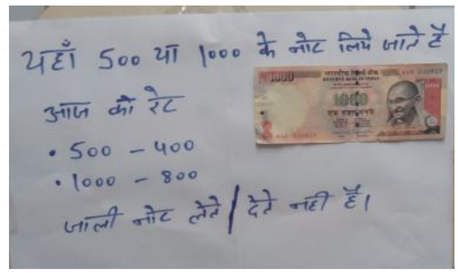
Finance Ministry Freezes 60% of the Economy with Demonetization of 500 and 1000 Rupee Bank Notes



4 New RBI Governor Plays Fin Min Game

4 Board Passes Resolution to Impose Ban on Ground of Black Money Curb and Terrorist Financing which are not in RBI Mandate

4 Fin Min Reneges on Resolution to Honor Promise and Support Currency to Meet Bank Note Value on Demand

4 Gross Violation of Negotiable Instruments Act, 1881 on Promissory Notes with Government itself Dishonouring its own Issue of Rs. 16 lakh crores in Circulation

4 RBI Liable under Promissory Estoppel Law as Cash with User Loses Volume Suddenly

4 New Procedures Onerous and Discretionary, Nothing to do with Value of Currency which is fully Transferable Negotiable Instrument

Scanner Comments

Finance Ministry Issues Notification but under RBI Act, 1934 which is for Bank Management. Reserve Bank has nothing to do with Black Money and Terrorism. Why use RBI Sec 26(2) can be used by Finance Ministry only on RBI Board Recommendation.

This alone will not curb terrorism, they can, and do, use dollars and will fake the new series too in due course.

Only one out of 4000 are Fake (Finding of Indian Statistical Institute Study), Normal Ratio in All Currencies, Nothing Special for Indian Rupees

Will this Stop Now? Rs. 2,000 Note makes it easier to store and transport cash. Foreign currency dollars are also used widely to store currency.

This cannot be stopped by demonetization. In fact, this will be easier now with the availability of 2000 note in new dispensation. Will the Government limit the print runs to control black money? Making currency available to the public is a sovereign function of the Government, like law and order and relations with foreign Governments.

Notification on Denomination of Bank Note of Rs. 500 and Rs. 1000

Ministry of Finance Department of Economic Affairs Notification dated 8 November 2016

S.O. 3407(E).— Whereas, the Central Board of Directors of the Reserve Bank of India (hereinafter referred to as the Board) has recommended that bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees (hereinafter referred to as specified bank notes) shall be ceased to be legal tender;

And whereas, it has been found that fake currency notes of the specified bank notes have been largely in circulation and it has been found to be difficult to easily identify genuine bank notes from the fake ones and that the use of fake currency notes is causing adverse effect to the economy of the country;

And whereas, it has been found that high denomination bank notes are used for storage of unaccounted wealth as has been evident from the large cash recoveries made by law enforcement agencies;

And whereas, it has also been found that fake currency is being used for financing subversive activities such as drug trafficking and terrorism, causing damage to the economy and security of the country and the Central Government after due consideration has decided to implement the recommendations of the Board;

Now, therefore, in exercise of the powers conferred by sub-section (2) of section 26 of the Reserve Bank of India Act, 1934 (2 of 1934) (hereinafter referred to as the said Act), the Central Government hereby declares that the specified bank notes shall cease to be legal tender with effect from the 9th November, 2016 to the extent specified below, namely:-

Scanner Comments

Will this be used as base to conduct raids? Who will do it? Income Tax? CBI? Local Police?

1. (1) Every banking company defined under the Banking Regulation Act, 1949 (10 of 1949) and every Government Treasury shall complete and forward a return showing the details of specified bank notes held by it at the close of business as on the 8th November, 2016, not later than 13:00 hours on the 10th November, 2016 to the designated Regional Office of the Reserve Bank of India (hereinafter referred to as the Reserve Bank) in the format specified by it.

(2) Immediately after forwarding the return referred to in sub-paragraph (1), the specified bank notes shall be remitted to the linked or nearest currency chest, or the branch or office of the Reserve Bank, for credit to their accounts.

Exchange period ends 30 December, Cases after this date? Go to local RBI Branch.

2. The specified bank notes held by a person other than a banking company referred to in sub-paragraph (1) of paragraph 1 or Government Treasury may be exchanged at any Issue Office of the Reserve Bank or any branch of public sector banks, private sector banks, foreign banks, Regional Rural Banks, Urban Cooperative Banks and State Cooperative Banks for a period up to and including the 30th December, 2016, subject to the following conditions, namely:-

There are only 30mn income tax payers in India but 170mn PAN Card holder, many multiple card holder. Misuse of PAN No. is common. Who will monitor these cases?

(i) the specified bank notes of aggregate value of Rs.4,000/- or below may be exchanged for any denomination of bank notes having legal tender character, with a requisition slip in the format specified by the Reserve Bank and proof of identity;

(ii) the limit of Rs.4,000/- for exchanging specified bank notes shall be reviewed after fifteen days from the date of commencement of this notification and appropriate orders may be issued, where necessary;

(iii) there shall not be any limit on the quantity or value of the specified bank notes to be credited to the account maintained with the bank by a person, where the specified bank notes are tendered; however, where compliance with extant Know Your Customer (KYC) norms is not complete in an account, the maximum value of specified bank notes as may be deposited shall be Rs.50,000/-;

(iv) the equivalent value of specified bank notes tendered may be credited to an account maintained by the tenderer at any bank in accordance with standard banking procedure and on production of valid proof of Identity;

(v) the equivalent value of specified bank notes tendered may be credited to a third party account, provided specific authorisation therefor accorded by the third party is presented to the bank, following standard banking procedure and on production of valid proof of identity of the person actually tendering;

(vi) cash withdrawal from a bank account over the counter shall be restricted to Rs.10,000/- per day subject to an overall limit of Rs. 20,000/- a week from the date of commencement of this notification until the end of business hours on 24th November, 2016, after which these limits shall be reviewed;

(vii) there shall be no restriction on the use of any non-cash method of operating the account of a person including cheques, demand drafts, credit or debit cards, mobile wallets and electronic fund transfer mechanisms or the like;

Value limit too small for companies and business.

(viii) withdrawal from Automatic Teller Machines (hereinafter referred to as ATMs) shall be restricted to Rs.2,000 per day per card up to 18th November, 2016 and the limit shall be raised to Rs.4,000 per day per card from 19th November, 2016;

Can they handle the traffic?

(ix) any person who is unable to exchange or deposit the specified bank notes in their bank accounts on or before the 30th December, 2016, shall be given an opportunity to do so at specified offices of the Reserve Bank or such other facility until a later date as may be specified by it.

The process will fail on account of volumes. Who is accountable for the loss to users.

3. (1) Every banking company and every Government Treasury referred to in sub-paragraph (1) of paragraph 1 shall be closed for the transaction of all business on 9th November, 2016, except the preparation for implementing this scheme and remittance of the specified bank notes to nearby currency chests or the branches or offices of the Reserve Bank and receipt of bank notes having legal tender character.

(2) All ATMs, Cash Deposit Machines, Cash Recyclers and any other machine used for receipt and payment of cash shall be shut on 9th and 10th November, 2016.

(3) Every bank referred to in sub-paragraph (1) of paragraph 1 shall recall the specified bank notes from ATMs and replace them with bank notes having legal tender character prior to reactivation of the machines on 11th November, 2016.

(4) The sponsor banks of White Label ATMs shall be responsible to recall the specified bank notes from the White Label ATMs and replacing the same with bank notes having legal tender character prior to reactivation of the machines on 11th November, 2016.

This could have been done earlier to tide over shortage of small value tender. Rs. 200 notes should have been released by Nov.

(5) All banks referred to in sub-paragraph (1) of paragraph 1 shall ensure that their ATMs and White Label ATMs shall dispense bank notes of denomination of Rs.100 or Rs. 50, until further instructions from the Reserve Bank.

(6) The banking company referred to in sub-paragraph (1) of paragraph 1 and Government Treasuries shall resume their normal transactions from 10th November, 2016.

More work for banks, RBI has no staff of interest in the returns.

4. Every banking company referred to sub-paragraph (1) of paragraph 1, shall at the close of business of each day starting from 10th November, 2016, submit to the Reserve Bank, a statement showing the details of specified bank notes exchanged by it in such format as may be specified by the Reserve Bank.

[F.No.10/03/2016-Cy.I]

Telecom Ministry Starts Trend on Checks on Manufacture Value Addition (VA) for Export Subsides

4 Other Ministries can Follow Suite to Ensure VA for Export Incentives

The Government of India has a scheme of extending export subsidy of three percent interest subsidy on pre shipment and post shipment credit. In other words, if the bank charges 12 percent interest to exporters in the normal course, the exporter is actually charged only nine percent, the bank gets the three percent subsidy from Reserve Bank of India out of the funds allocated by the Ministry of Commerce.

The subsidy in its present form is effective from 1 April 2015 for a period of five years. Telecom products of interest are covered in the scheme as under

Sl NO 330

Code 8517 Telecom Instruments Telephone Sets, Including Telephones For Cellular Networks or For Other Wireless Networks; Other Apparatus For The Transmission or Reception of Voice, Images or Other Data, Including Apparatus For Communication In A Wired or Wireless Network (Such As A Local or Wide Area Network), Other Than Transmission or Reception Apparatus of Heading 8443, 8525, 8527 or 8528.

2. The details of the Scheme are:

(a) The rate of interest equalization @ 3% per annum is available on Pre

Contd.. 264

AEO (T-2 and T-3) may be Allowed to Pay Fortnightly Customs Duty on Standard 17th and 2nd of Each Month

4 Discretion to Allow Facility Lies with Customs Commissioner

4 CBEC Claims 450 Approved as AEOs Inspite Cumbersome Rules and Procedures

[Customs Notification No. 134 (Non Tariff) dated 2nd November 2016]

In exercise of the powers conferred by the proviso to sub-section (1) of sections 47 and section 156 of the Customs Act, 1962 (52 of 1962), the Central Government hereby makes the following rules, namely :-

1. Short title and commencement.-(1) These rules may be called the Deferred Payment of Import Duty Rules, 2016.

(2) They shall come into force on the 16th day of November, 2016.

2. Definitions. -(1) In these rules, unless the context otherwise requires,-

(a) "Act" means the Customs Act, 1962 (52 of 1962);

(b) "due date" means the date specified in rule 5 of these rules;

(c) "eligible importer" means any class of importers notified under proviso to sub section (1) of section 47 of the Act.

(2) Words and expressions used and not defined herein but defined in the Act, shall have the meanings respectively assigned to them in the Act.

3. Application.- These rules shall apply to eligible importer who have been notified under the proviso to sub-section (1) of section 47 of the Act.

4. Information about intent to avail benefit of notification.- (1) An eligible importer who intends to avail the benefit under sub-section (1) of section 47 of the Act shall intimate to the Principal Commissioner of Customs or the Commissioner of Customs, as the case may be, having jurisdiction over the port of clearance, his intention to avail the said benefit.

(2) The Principal Commissioner of Customs or the Commissioner of Customs, as the case may be, shall, upon being satisfied with the eligibility of the importer to pay the duty under these rules, allow the eligible importer to pay the duty by due dates specified in rule 5.

5. Payment of duty.- The eligible importer shall pay the duty by the dates specified hereunder inclusive of the period (excluding holidays) as mentioned in sub-section (2) of section 47 of the Act, namely:-

(a) for goods corresponding to Bill of Entry returned for payment from 1st day to 15th day of any month, the duty shall be paid by the 17th day of that month;

(b) for goods corresponding to Bill of Entry returned for payment from 16th day till the last day of any month other than March the duty shall be paid by the 2nd day of the following month;

(c) for goods corresponding to Bill of Entry returned for payment from 16th day till the 29th day of March, the duty shall be paid by the 31st March;

(d) for goods corresponding to Bill of Entry returned for payment from 30th day of March to 31st day of March, the duty shall be paid by the 2nd April.

6. Manner of payment.- The eligible importer shall pay the duty electronically:

Provided that the Assistant Commissioner or the Deputy Commissioner of Customs, as the case may be, for reasons to be recorded in writing, may allow payment of duty by any mode other than electronic payment.

7. Deferred payment not to apply in certain cases.- An eligible importer who fails to pay duty in full by due date more than once in a period of three consecutive months shall not be permitted to make deferred payment.

Provided that the facility of deferred payment shall not be restored unless the eligible importer has paid the duty in full along with the interest.

8. Exemption in respect of certain goods.- Nothing contained in these rules shall apply to the goods which have not been assessed or not declared by the importer in the entry made under the Act.

[F.No. 450/81/2016-Cus.IV]

[Customs Notification No. 135 (Non Tariff) dated 2nd November 2016]

In exercise of the powers conferred by proviso to sub-section (1) of section 47 of the Customs Act, 1962 (52 of 1962), the Central Government permits the following class of importers to make deferred payment of import duty:

(i) Importers certified under Authorized Economic Operator programme as **AEO (Tier-Two) and AEO (Tier-Three)**

Explanation.- For the purpose of this notification, AEO means Authorized Economic Operator certified by the Directorate General of Performance Management under the Central Board of Excise and Customs.

[F. No. 450/81/2016-Cus.IV]

DRI Claims Major Mandrax (23.5 MTs) Seizure in Udaipur with the Help of BSF

4 Western Rajasthan Emerging as Synthetic Drug Capital

[CBEC Press Note dated 2nd November 2016]

In one of the biggest seizure of Narcotic Drugs & Psychotropic Substances, the officers of Directorate of Revenue Intelligence (DRI), apex counter-smuggling agency of the Central Board of Excise and Customs (CBEC), have seized about 23.5 metric tonnes of Mandrax Tablets (Methaqualone), a banned psychotropic substance under Schedule I of NDPS Rules, 1985. Active assistance of officials of Border Security Force at Udaipur has been taken by the officers of DRI for the operation.

Information was received that huge quantities of Mandrax Tablets have been concealed in a premises at Udaipur (Rajasthan) by one Mumbai-based mastermind. On 28th October 2016, a team of officers of DRI raided the premises of M/s Marudhar Drinks, Bhamasha Industial Area, Kaladwas, Udaipur.

During the search, DRI officers detected a hidden room filled with cartons of Mandrax tablets. The total number of tablets are estimated to be about 2 crore in numbers with a weight of about 23.5 metric tonnes (23500 kgs). The international market value of seized tablets is estimated to be over Rs. 3000 crores. This is one of the largest seizures of Methaqualone not only in India but also in the world. The mastermind of the syndicate has been arrested by DRI and follow-up operation is underway to nab others involved with the drug syndicate.

In last five years, DRI has seized more than 540 kgs of Heroin, and 7400 kgs of ephedrine along with other narcotics and psychotropic substances under NDPS Act 1985. DRI has been in active liaison with international enforcement agencies for combating the menace of drug abuse.

Rupee Value under Indo-USSR Deferred Payment Protocols Revised to Rs. 81.0297640 from 20 Oct 2016

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

12-RBI
27.10.2016
RBI

Attention of Authorized Category-I (AD Category-I) Dealer banks is invited to A.P. (DIR Series) Circular No. 79 dated June 30, 2016 wherein the Rupee value of the Special Currency Basket was indicated as Rs. 83.5796140 effective from June 23, 2016.

2. AD Category-I banks are advised that a further revision has taken place on October 17, 2016 and accordingly, the Rupee value of the Special Currency Basket has been fixed at Rs. 81.0297640 with effect from October 20, 2016.

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

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

World Bank Pink Sheet – November 2016

Coal, Crude, Metals, Sugar, Rubber and Urea Rise in October

- Precious Metals, Edible Oil, Food, Rice, Timber Down
- Groundnuts, Woodpulp, Rock Phosphate Steady

In October 2016, energy prices increased by 9.5%, and the prices of non-energy commodities decreased by 0.3%. Food prices dropped by 0.9%. And so did beverages by 0.4%.

Up↑

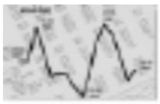
Coal; Crude; Natural gas; Coffee and Tea
Soybean oil; Maize; Wheat; Oranges; Shrimp
World Sugar; Cotton and Rubber; Potassium chloride and Urea
Aluminium, Copper, Iron Ore, Lead, Nickel, Tin and Zinc

Down↓

Cocoa; Coconut oil; Copra; Fishmeal; Groundnut oil; Palm oil; Palmkernel oil; Soybean meal and Soybeans
Barley; Rice; Sorghum; Bananas; Beef; Sheep Meat
Logs; Plywood; Sawnwood; DAP and TSP
Gold, Silver and Platinum

Steady ↔

Groundnuts; Chicken Meat
Woodpulp; Rock phosphate



	Monthly averages				Quarterly averages					Annual averages		
	2016				2015		2016			2013	2014	2015
	Aug	Sept	Oct		Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Jan-Dec	Jan-Dec	Jan-Dec
Energy												
Coal, Australia $/mt	67.4	72.9	93.2	↑	57.5	52.3	50.9	51.9	67.5	84.6	70.1	57.5
Coal, Colombia $/mt	57.9	61.0	78.9	↑	50.4	48.0	42.7	44.8	57.7	71.9	65.9	52.5
Coal, South Africa $/mt	66.0	67.4	83.5	↑	54.3	51.1	51.5	54.8	65.3	80.2	72.3	57.0
Crude oil, average $/bbl	44.9	45.0	49.3	↑	48.8	42.2	32.7	44.8	44.7	104.1	96.2	50.8
Crude oil, Brent $/bbl	46.1	46.2	49.7	↑	50.0	43.4	34.4	46.0	45.8	108.9	98.9	52.4
Crude oil, Dubai $/bbl	43.7	43.7	48.3	↑	49.9	41.2	30.6	42.9	43.4	105.4	96.7	51.2
Crude oil, WTI $/bbl	44.8	45.2	49.9	↑	46.4	42.0	33.2	45.5	44.9	97.9	93.1	48.7
Natural gas, Index 2010=100	59.7	60.3	60.5	↑	72.2	61.4	52.2	49.5	59.8	112.1	111.7	73.3
Natural gas, Europe $/mmbtu	4.47	4.21	4.29	↑	6.86	6.26	4.84	4.10	4.40	11.79	10.05	7.26
Natural gas, US $/mmbtu	2.79	2.97	2.95	↓	2.75	2.11	1.98	2.13	2.85	3.73	4.37	2.61
Natural gas, LNG Japan $/mmbtu	6.67	6.25	6.38	↑	9.23	8.94	7.70	6.08	6.41	15.96	16.04	10.40
Beverages												
Cocoa $/kg	3.03	2.88	2.71	↓	3.25	3.30	2.98	3.10	2.99	2.44	3.06	3.14
Coffee, arabica $/kg	3.69	3.89	3.94	↑	3.36	3.31	3.31	3.49	3.79	3.08	4.42	3.53
Coffee, robusta $/kg	2.02	2.14	2.28	↑	1.87	1.79	1.65	1.84	2.05	2.08	2.22	1.94
Tea, average $/kg	2.69	2.74	2.81	↑	2.85	2.76	2.36	2.57	2.72	2.86	2.72	2.71
Tea, Colombo auctions $/kg	3.27	3.52	3.76	↑	2.83	2.85	2.82	2.98	3.29	3.45	3.54	2.96
Tea, Kolkata auctions $/kg	2.63	2.48	2.44	↓	2.78	2.52	1.89	2.59	2.64	2.73	2.58	2.42
Tea, Mombasa auctions $/kg	2.18	2.22	2.22	↔	2.95	2.91	2.38	2.14	2.24	2.40	2.05	2.74
Food												
Oils and Meals												
Coconut oil $/mt	1,529	1,547	1,446	↓	1,067	1,109	1,273	1,531	1,528	941	1,280	1,110
Copra $/mt	1,018	1,025	964	↓	708	737	855	1,019	1,017	627	854	735
Fishmeal $/mt	1,574	1,535	1,493	↓	1,472	1,524	1,465	1,526	1,553	1,747	1,709	1,558
Groundnuts $/mt	1,550	1,550	1,550	↔	1,193	1,175	1,158	1,208	1,500	1,378	1,296	1,248
Groundnut oil $/mt	1,650	1,620	1,575	↓	1,332	1,298	1,277	1,550	1,648	1,773	1,313	1,337
Palm oil $/mt	736	756	712	↓	574	570	631	704	715	857	821	623
Palmkernel oil $/mt	1,360	1,437	1,299	↓	802	831	1,032	1,283	1,358	897	1,121	909
Soybean meal $/mt	403	372	368	↓	398	358	328	419	405	545	528	395
Soybean oil $/mt	814	829	853	↑	736	743	749	795	810	1,057	909	757
Soybeans $/mt	413	405	404	↓	385	372	370	424	417	538	492	390
Grains												
Barley $/mt	138.0	135.5	132.5	↓	199.9	186.8	183.1	172.0	142.8	202.2	138.2	194.3
Maize $/mt	150.2	148.4	152.3	↑	169.3	167.2	159.9	171.1	153.4	259.4	192.9	169.8

	Monthly averages				Quarterly averages					Annual averages		
	2016				2015		2016			2013	2014	2015
	Aug	Sept	Oct		Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Jan-Dec	Jan-Dec	Jan-Dec
Rice, Thailand 5% $/mt	415.0	384.0	369.0	↓	374.0	368.0	379.0	423.0	413.7	505.9	422.8	386.0
Rice, Thailand 25% $/mt	403.0	378.0	365.0	↓	361.7	359.0	370.0	407.7	401.7	473.0	382.2	372.6
Rice, Thailand A1 $/mt	393.8	365.3	350.3	↓	375.8	365.3	372.8	408.2	392.3	474.0	425.1	386.0
Rice, Vietnam 5% $/mt	347.5	342.7	336.4	↓	337.4	355.7	361.7	373.6	350.6	392.4	407.2	351.8
Sorghum $/mt	140.8	140.9	138.6	↓	190.0	176.3	173.9	173.9	151.9	243.3	207.2	204.7
Wheat, US HRW $/mt	149.2	150.8	151.8	↑	183.3	179.6	190.5	177.4	150.5	312.2	284.9	204.5
Wheat, US SRW $/mt	159.3	157.6	164.4	↑	196.4	200.6	190.0	189.9	161.1	276.7	245.2	206.4
Other Food												
Bananas, EU $/kg	0.90	0.91	0.90	↓	0.90	0.88	0.91	0.94	0.91	1.02	1.04	0.90
Bananas, US $/kg	1.05	1.00	0.97	↓	0.95	0.93	1.03	0.99	1.02	0.92	0.93	0.96
Meat, beef $/kg	4.09	4.02	3.94	↓	4.55	3.91	3.72	3.95	4.09	4.07	4.95	4.42
Meat, chicken $/kg	2.45	2.43	2.43	↔	2.55	2.50	2.47	2.46	2.45	2.29	2.43	2.53
Meat, sheep $/kg	4.67	4.83	4.82	↓	5.07	4.82	4.51	4.64	4.64	5.17	6.39	5.22
Oranges $/kg	0.96	1.05	1.06	↑	0.65	0.73	0.69	0.78	0.99	0.97	0.78	0.68
Shrimp, Mexico $/kg	10.69	10.69	12.79	↑	15.43	10.50	10.83	10.80	10.69	13.84	17.25	14.36
Sugar, EU domestic $/kg	0.37	0.37	0.36	↓	0.36	0.36	0.36	0.37	0.36	0.43	0.43	0.36
Sugar, US domestic $/kg	0.63	0.62	0.63	↑	0.54	0.56	0.57	0.61	0.62	0.45	0.53	0.55
Sugar, World $/kg	0.44	0.47	0.49	↑	0.27	0.32	0.31	0.38	0.45	0.39	0.37	0.30
Raw Materials												
Timber												
Logs, Cameroon $/cum	392.3	392.4	386.0	↓	389.3	383.2	385.8	395.2	390.7	463.5	465.2	388.6
Logs, Malaysia $/cum	294.0	292.2	286.9	↓	243.6	245.2	258.2	275.7	290.7	305.4	282.0	246.0
Plywood ¢/sheets	539.3	535.9	526.2	↓	446.8	449.8	473.7	505.8	533.2	560.2	517.3	451.2
Sawnwood, Cameroon $/cum	628.5	630.0	591.6	↓	742.8	727.2	686.0	687.7	629.6	749.2	789.5	732.6
Sawnwood, Malaysia $/cum	714.8	716.6	672.9	↓	844.9	827.1	780.3	782.3	716.2	852.8	897.9	833.3
Woodpulp $/mt	875.0	875.0	875.0	↔	875.0	875.0	875.0	875.0	875.0	823.1	876.9	875.0
Other Raw Materials												
Cotton, A Index $/kg	1.77	1.72	1.73	↑	1.56	1.53	1.48	1.57	1.76	1.99	1.83	1.55
Rubber, RSS3 $/kg	1.55	1.57	1.66	↑	1.48	1.28	1.32	1.61	1.57	2.79	1.95	1.57
Rubber, TSR20 $/kg	1.30	1.36	1.48	↑	1.34	1.19	1.15	1.37	1.31	2.52	1.71	1.37
Fertilizers												
DAP $/mt	340.0	339.0	333.0	↓	464.3	419.3	366.7	351.0	340.0	444.9	472.5	458.9
Phosphate rock $/mt	111.0	110.0	110.0	↔	117.0	122.8	116.0	115.0	112.0	148.1	110.2	117.5
Potassium chloride $/mt	220.0	215.0	216.0	↑	302.7	297.0	283.0	263.0	221.0	379.2	297.2	302.9
TSP $/mt	283.0	277.0	273.0	↓	380.0	380.0	328.0	282.3	281.7	382.1	388.3	385.0
Urea, E. Europe $/mt	182.0	191.0	193.0	↑	268.3	250.6	208.7	198.3	183.3	340.1	316.2	272.9
Metals and Minerals												
Aluminum $/mt	1,639	1,592	1,663	↑	1,592	1,494	1,514	1,572	1,620	1,847	1,867	1,665
Copper $/mt	4,752	4,722	4,726	↑	5,267	4,885	4,675	4,736	4,780	7,332	6,863	5,510
Iron ore $/dmt	61	58	59	↑	55	47	48	56	59	135	97	56
Lead $/mt	1,836	1,948	2,023	↑	1,717	1,682	1,738	1,718	1,873	2,140	2,095	1,788
Nickel $/mt	10,336	10,192	10,251	↑	10,579	9,423	8,508	8,823	10,264	15,032	16,893	11,863
Tin $/mt	18,427	19,500	20,061	↑	15,230	15,077	15,439	16,902	18,584	22,283	21,899	16,067
Zinc $/mt	2,279	2,292	2,304	↑	1,843	1,612	1,677	1,917	2,252	1,910	2,161	1,932
Precious Metals												
Gold $/toz	1,340	1,327	1,266	↓	1,124	1,107	1,181	1,260	1,334	1,411	1,266	1,161
Platinum $/toz	1,122	1,047	958	↓	986	907	914	1,005	1,085	1,487	1,384	1,053
Silver $/toz	19.6	19.4	17.6	↓	14.9	14.8	14.9	16.9	19.6	23.8	19.1	15.7

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

Wire Rods from China Slapped in $538/MT Anti-dumping Duty

4 Minmetals Gets Lower Duty of $499/MT

4 Both Alloy Steel and Carbon Steel Get the Same Duty of $499/MT

51-Cus(ADD) 02.11.2016 (DoR) Whereas, in the matter of "Wire Rod of Alloy or Non-Alloy Steel'' (hereinafter referred to as the 'subject goods'), falling under headings 7213 and 7227 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the 'Customs Tariff Act'), originating in, or exported from China PR, (hereinafter referred to as the 'subject country'), and imported into India, the designated authority in its preliminary findings published in the Gazette of India, Extraordinary, Part I, Section 1, vide notification number 14/17/2016-DGAD, dated the 27th September, 2016, has come to the provisional conclusion that –

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

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

(c) the injury has been caused by the dumped imports of the subject goods from the subject country,

and has recommended imposition of provisional anti-dumping duty on imports of the subject goods, originating in, or exported from subject country and imported into India, in order to remove injury to the domestic industry;

Now, therefore, in exercise of the powers conferred by sub-section (2) of section 9A of the Customs Tariff Act, 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, after considering the aforesaid preliminary 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 heading of the First Schedule to the Customs Tariff Act as specified in the corresponding entry in column (2), originating in the countries as specified in the corresponding entry in column (4), exported from the countries as specified in the corresponding entry in column (5), produced by the producers as specified in the corresponding entry in column (6), exported by the exporters as specified in the corresponding entry in column (7), imported into India, an anti-dumping duty at a rate which is equivalent to difference between the landed value of the subject goods and the amount mentioned in the corresponding entry in column (8), provided the landed value is less than the value specified 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, namely :-

Table

SNo.	Heading	Description of goods	Country of origin	Country of export	Producer	Exporter	Amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1.	7213 and 7227	Bars and rods, hot- rolled, in irregularly wound coils, of iron or non-alloy steel or alloy steel, excluding,- (i) bars and rods containing indentations, ribs, grooves or other deformations produced during the rolling process falling under tariff item 7213 10 90 (commonly known as rebars or TMT bars); (ii) bars and rods of stainless steel falling under tariff heading 7221; and (iii) bars and rods of high speed steel falling under tariff heading 7227 10 00.	People's Republic of China	People's Republic of China	Minmetals Yingkou Medium Plate Co., Ltd.	Minmetals Yingkou Medium Plate Co., Ltd.	499	MT	USD
2.	-do-	-do-	People's Republic of China	People's Republic of China	Any combination other than at S. No.1		538	MT	USD
3.	-do-	-do-	People's Republic of China	Any country other than China PR	Any	Any	538	MT	USD
4.	-do-	-do-	Any country other than China PR	People's Republic of China	Any	Any	538	MT	USD

The anti-dumping duty imposed under this notification shall be effective for a period not exceeding six months (unless revoked, superseded or amended earlier) from the date of publication of this notification in the Official Gazette and shall be paid in Indian currency.

Explanation.- For the purposes of this notification,-

(a) "landed value" of imports for the purpose of this notification means the assessable value as determined by the customs 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 Customs Tariff Act, 1975;

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

[F.No. 354/177/2016-TRU]

Filing of Combined Annual Return for 2015-16 Due on 30.11.2016 is not Required

[CBEC Circular No. 1050 dated 8th November 2016]

Sub: Combined Annual Return Form for Central Excise and Service Tax.

Kind attention is invited to Notification No. 8/2016-CE(N.T.) (SI.NO.5) dated 01.03.2016 and Notification No.13/2016-CE(N.T.) (Sl.NO.9) dated 01.03.2016 vide which Rule 12 of Central Excise Rules, 2002 and Rule 9A of CENVAT Credit Rules, 2004, respectively, were amended to replace the existing Central Excise Forms ER-4 to ER-7 with an Annual Return form. On the service tax side, vide Notification No. 19/2016-ST dated 01/03/2016, Rule 7of the Service Tax Rules, 1994 was amended to prescribe an annual return. In terms of Rule 12 of Central Excise Rules, 2002 and Rule 7 of the Service Tax Rules, 1994, the format of the Annual Return, which was required to be filed by 30th day of November, was to be specified by the Board by notification.

2. In view of impending implementation of Goods & Services Tax (GST) it has been decided that, the aforesaid Annual Return shall not be required to be filed for the year 2015-16, which is due to be filed by 30.11.2016. After implementation of GST, Annual Return for non-GST goods only may be required. A final view on the same would be taken after due consultation with the trade.

3. Trade may be suitably informed that the aforesaid Combined Annual Return for 2015-16 is not required to be filed. Difficulties, if any, in the implementation of above Circular may be brought to the notice of the Board.

F. No, 207/05/2014-CX.6

RBI Clarifications on Hedging in ECB Framework

[RBI Circular No. 15 dated 7th November 2016]

Sub: External Commercial Borrowings (ECB) – Clarifications on hedging

Attention of Authorized Dealer Category-I (AD Category-I) banks is invited to paragraphs 2.i and 3 of A.P. (DIR Series) Circular No.56 dated March 30, 2016 and paragraph no. 2.5 of Master Direction No.5 dated January 1, 2016 on 'External Commercial Borrowings, Trade Credit, Borrowing and Lending in Foreign Currency by Authorised Dealers and Persons other than Authorised Dealers' as amended from time to time, on the provisions of hedging in the ECB framework.

2. With a view to provide clarity on the aforesaid directions and bring uniformity in hedging practices in the market so as to effectively address currency risk at a systemic level, the following clarifications are issued:

i. Coverage: Wherever hedging has been mandated by the RBI, the ECB borrower will be required to cover principal as well as coupon through financial hedges. The financial hedge for all exposures on account of ECB should start from the time of each such exposure (i.e. the day liability is created in the books of the borrower).

ii. Tenor and rollover: A minimum tenor of one year of financial hedge would be required with periodic rollover duly ensuring that the exposure on account of ECB is not unhedged at any point during the currency of ECB.

iii. Natural Hedge: Natural hedge, in lieu of financial hedge, will be considered only to the extent of offsetting projected cash flows/ revenues in matching currency, net of all other projected outflows. For this purpose, an ECB may be considered naturally hedged if the offsetting exposure has the maturity/cash flow within the same accounting year. Any other arrangements/ structures, where revenues are indexed to foreign currency will not be considered as natural hedge.

3. The designated AD Category-I bank will have the responsibility of verifying that 100 per cent hedging requirement is complied with. All other aspects of the ECB policy shall remain unchanged.

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

5. Relevant paragraph of the Master Direction No. 5 dated January 01, 2016 is being updated to reflect the changes.

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

Food Products SION Tightened with Insertion of Actual User Condition

4 DGFT Yet to Issue updated SION Book, No release even in 2015-2020 FTP

Effects of this public notice: *Various amendments have been carried out in the Standard Input Output Norms (SION) of Product group: Food products.*

Subject: Amendments in Standard Input Output Norms (SION) of Product group: Food products.

41-PN 02.11.2016 (DGFT) In exercise of the powers conferred under Paragraph 1.03 of the Foreign Trade Policy, 2015- 2020, the Director General of Foreign Trade hereby make the following amendments in Standard Input Output Norms (SION) with immediate effect.

1. The following Standard Input Output Norms are deleted:

E7, E21, E22, E23, E24, E25, E26, E44, E50, E64, E65, E66 and E72.

No Advance authorisation under para 4.7 of Handbook of Procedures shall be issued for the export products covered under the above SIONs. Applicants may apply under para 4.06 of Handbook of Procedures.

2. The following Standard Input Output Norms are suspended:

E45, E80, E94 and E105.

No Advance authorisation under para 4.7 of Handbook of Procedures shall be issued for the export products covered under the above SIONs. Applicants may apply under para 4.06 of Handbook of Procedures.

[Full text on 3-20 Entry in E Group on worldtradescanner.com]

Boric Acid Import SION Tightened with Insertion of Actual User Condition

4 No Import under DFIA Scheme

Effects of this public notice: *Import of Boric Acid is subjected to 'Actual User' condition. Therefore Boric Acid is made ineligible for imports under Duty Free Import Authorisation (DFIA) Scheme.*

Subject: Amendments in Standard Input Output Norms (SION).

42-PN 08.11.2016 (DGFT) In exercise of the powers con ferred under Paragraph 1.03 of the Foreign Trade Policy, 2015-2020, the Director General of Foreign Trade hereby make the following amendments in Standard Input Output Norms (SION) with immediate effect.

2. Following amendments are made in SION Sl.Nos: A379, A437, A439, A457, A469, A475, A521, A611, A619, A625, A629, A633, A634, A693, A695, A940, A941, A974, A977, A986, A993, A1026, A1028, A1033, A1047, A1106, A1110, A1154, A1178, A1199, A1281, A1480, A1758, A1937, A2877, A3335, and C1981.

i. Following note is added below existing SION:

'Note-I: Import of Boric Acid is subjected to actual user condition."

3. Following amendments are made in SION Sl.Nos: A3130, A3131, A3132 and A3627.

i. Existing note below SION is renumbered as Note-1

ii. Following note is added below Note-1 of existing SION:

'Note-2: Import of Boric Acid is subjected to actual user condition."

4. Following amendments are made in SION Sl.No: A3016

i. Following note is added below Note-iv of existing SION:

"Note-v: Import of Boric Acid is subjected to actual user condition."

Customs Exchange Rates

[As on 09 Nov 2016]

Currency	Imports	Exports
1 FC = IC		
US Dollar	67.60	65.90
EURO	75.50	73.00
Pound Sterling	83.65	80.90
Australian Dollar	52.05	50.25
Bahrain Dinar	183.20	171.10
Canadian Dollar	50.70	49.10
Danish Kroner	10.15	9.80
Hong Kong Dollar	8.70	8.50
Kuwait Dinar	228.10	213.10
Newzeland Dollar	49.65	47.95
Norwegian Kroner	8.30	8.00
Singapore Dollar	48.95	47.50
South African Rand	5.10	4.80
Saudi Arabian Riyal	18.40	17.20
Swedish Kroner	7.60	7.35
Swiss Franc	70.05	67.60
UAE Dirham	18.80	17.60
Chinese Yuan	10.05	9.70
100 FC = IC		
Japanese Yen	66.15	63.95
Kenya Shilling	67.95	63.55

[F.No.468/01/2016-Cus.V]

[Ref: 136-Cus (NT) dated 3rd Nov 2016]

Crude Down to $43.34

Crude Oil (Indian Basket) from 02 - 08 Nov 2016

	02 Nov	03 Nov	04 Nov	07 Nov	08 Nov
($/bbl)	44.35	43.86	43.01	43.08	43.34
(Rs/bbl)	2964.15	2925.05	2869.75	2874.94	2890.77
(Rs/$)	66.83	66.69	66.72	66.73	66.71

(Previous Trading Day Price)

Source: Ministry of Petroleum & Natural Gas

GST Scanner

Rates of Tax is GST Draft Law

The government will include the rates of the tax and the cess under Goods and Services Tax (GST) in the legislations, which will be introduced in upcoming Winter Session of Parliament.

"The rates of tax will be included in the legislations on the lines of the schedules given for Central excise duty and service tax," said a senior official, adding that it will be included in the Centre and State GST Bills.

Sources also said that the CGST, SGST and integrated GST Bills will be introduced in Parliament and State assemblies as Money Bills.

These provisions will ensure smooth passage of the Bills in the Winter Session, beginning November 16, to ensure that the GST meets its targeted roll-out date of April 1, 2017. The GST Council in its meeting last week finalised four rates of 5 per cent, 12, per cent, 18 per cent and 28 per cent for the new indirect tax levy. Officials from the State and Centre have begun working on four draft model legislations on the CGST, SGST, IGST and compensation. These are expected to be finalised by November 15 and will then be circulated to States for feedback.

The GST Council is likely to take up the draft Bills for approval in its next meeting on November 24 and 25, in time for their introduction in Parliament and State legislatures in the Winter Session.

Meanwhile, the proposed Bill on compensation will include the rates of the cess that will be levied on tobacco, pan masala and aerated drinks, as well as luxury cars to provide for compensation to the Rs. 50,000 crs compensation to the States.

It will also include a sunset clause stipulating that the cess will be in operation for a period of five years as well as details of the compensation fund into which the proceeds from this cess will flow in directly.

GST: More the Rates, More the Exemption and More the Exceptions

What's going on? Why is the government frittering away the opportunity to vastly boost Indian productivity and growth? The answer goes to the heart of the Modi government's failure on economic policy-making. By and large, the Prime Minister has shut out the kind of domain experts who are needed to frame complex reforms of this sort. Instead, he has relied extensively on bureaucrats.

The mess the Finance Ministry has made of the GST reveals exactly why this is dangerous. For Delhi's bureaucrats, more control is always a good thing. And note what the multiple-rate GST means: Private companies have an incentive to go to New Delhi and press for their products to be shifted to a lower tax slab. It's an "open invitation to producers' and traders' associations" to lobby.

The powerful automobile manufacturer lobby, for example, must be girding its loins to do battle in the capital's corridors of power: Small cars are to be taxed at 28 percent and not 18 percent, and SUVs a couple of percentage points higher.

Chief Economic Adviser produced a report earlier this year arguing for two rates, with a maximum rate of 18 percent. That's close to the worldwide best practice. New Zealand, for example, introduced a GST with a single rate in 1986 that's changed only twice since; Canada introduced a GST in 1990 and then didn't touch it for 15 years.

It's still possible that, over time, the government will realize its mistake and cut down the number of exemptions, the number of different rates and the amount of paperwork required. That will require India's elected politicians, in both New Delhi and state capitals, to look carefully at the data, be nimble and ignore the protestations of their bureaucrats. The alternative is that the GST will simply not make enough of a difference to India's absurdly complex tax system to shift the country's growth trajectory. It would be - a "name changer, rather than a game-changer."

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Shipment Rupee Export Credit and Post Shipment Rupee Export Credit.

(b) The scheme is applicable w.e.f 01.04.2015 for 5 years .Government,

(c) All exports under 416 tariff lines [at ITC (HS) code of 4 digit] as per Annexure A and exports made by Micro, Small & Medium Enterprises (MSMEs) across all ITC (HS) codes.

(d) Scheme is not applicable to merchant exporters.

(e) Banks are required to completely pass on the benefit of interest equalization, as applicable, to the eligible exporters upfront and submit the claims to RBI for reimbursement, duly certified by the external auditor.

(f) Ministry of Commerce and Industry Places funds in advance with RBI for a requirement of one month and reimbursement is made on a monthly basis through a revolving fund system.

Please Note:

1. The scheme is applicable only to Manufacturer exporters. The export the conditions of what amounts to manufacture as defined in the FTP

(Para 9.31 "Manufacture" means to make, produce, fabricate, assemble, process or bring into existence, by hand or by machine, a new product having a distinctive name, character or use and shall include processes such as refrigeration, re-packing, polishing, labeling, Re-conditioning repair, remaking, refurbishing, testing, calibration, re-engineering.))

2. Manufacturing must satisfy the Origin Rules on what constitutes manufacture. This means para 2.108 of the FTP must be followed. It states:

2.108 Rules of Origin (Non-Preferential)

(a) Rules of Origin (Non-Preferential) criteria are as under:

(I) Goods are to be manufactured by the exporting entity as per the definition of "Manufacture" in Paragraph 9.31 of FTP; and

(II) If imported inputs (Duty Paid or Duty Free) have been used for the production of export product, the export product can be considered to be originating in India (Non Preferential) only if the imported inputs undergo the processing / operations that exceed the following:

(i) simple operations consisting of removal of dust, sifting or screening, sorting, classifying, matching (including the making-up of sets of articles), washing, painting, cutting; - 4 –

(ii) changes of packing and breaking up and assembly of consignments;

(iii) simple cutting, slicing and repacking or placing in bottles, flasks, bags, boxes, fixing on cards or boards, and all other simple packing operations;

(iv) operations to ensure the preservation of products in good condition during transport and storage (such as drying, freezing, keeping in brine, ventilation, spreading out, chilling, placing in salt, sulphur dioxide or other aqueous solutions, removal of damaged parts, and like operations);

(v) affixing of marks, labels or other like distinguishing signs on products or their packaging;

(vi) simple mixing of products ;

(vii) simple assembly of parts of products to constitute a complete product;

(viii) disassembly;

(ix) slaughter which means the mere killing of animals; and

(x) mere dilution with water or another substance that does not materially alter the characteristics of the products.

Special Value Add Norms for Telecom sector:

The Ministry of Commerce, however, said in the scheme that Telecom products would be covered under a special scheme for value addition. The extract from the circular states:

"(h) Telecom product exports would, after notification of the guidelines by the Department of Telecommunications, however, be subject to minimum value addition as notified by Department of Telecommunications, to be eligible under the scheme"

The Department of Telecomm has now released the value addition norms for this sector. Notification no 18-34/2013/IP dated 28th November, 2016 is attached.

The Highlights are:

1. Value addition norms are very high. Imported inputs must not more than 60 percent in the final products and

2. Manufacture must be from CKD including PCBA.

3. In the case of mobiles which fall under 85171290 HS for complete mobiles and 851770 HS for Parts, the criteria for import content is lowered to 80 percent of the export value.

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