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## DGFT Releases Detail of 2% IEIS (Incremental Exports Incentivisation Scheme)

- 2% FPS on Incremental Exports in Q1 2013 Over Q1 2012
- Benefit Over and Above FPS/FMS/Drawback
- Commodities and Sensitive Goods excluded along with Exports to Singapore/UAE/Hong Kong)
- Scheme only on Exports to EU, USA and Asian Countries (Proof of landing necessary)
- Disbursal only after Payment Realisation

*[Editor Comments: Immediate impact may not come since incentives against shipment is against orders already booked. Shipment for April/May 2013 may be brought forward to March to avail benefit. Shift in export turnover to non performing unit within same group likely without any gain in overall exports.*

*Good attempt to go beyond the now defunct Target Plus incremental export incentives which covered only Export Houses with limited shopping lists and actual user condition].*

27-Ntfn(RE) In exercise of the powers conferred by  
28.12.2012 Section 5 of the Foreign Trade (Development  
(DGFT) and Regulation) Act, 1992 read with Para 2.1  
of the Foreign Trade Policy, 2009-2014, the

Central Government hereby makes the following amendments  
in the Foreign Trade Policy (FTP) 2009-14 with immediate  
effect:

1. The word "marine products" is deleted from para 1 B.1(iii)  
of FTP 2009-14.

2. The following sub para is added at the end of paragraph  
3.14.3 of Foreign Trade Policy under the  
Heading "Ineligible Exports Categories /  
Sectors for FMS":

(x) Export of Meat and Meat Products.

3. A new paragraph is added at the end of  
Para 3.14.3 of FTP 2009-14 as 3.14.4:

"3.14.4: **Incremental Exports Incentivisation  
Scheme**

**Objective:** (a) The objective of the Scheme  
is to incentivize incremental exports.

**Entitlement:** (b) An IEC holder would be entitled for a duty  
credit scrip @ 2% on the incremental growth (achieved by the  
IEC holder) during the period 01.01.2013 to 31.3.2013 com-  
pared to the period from 01.01.2012 to 31.3.2012 on the FOB  
value of exports. Incremental growth shall be in respect of  
each exporter (IEC holder) without any scope for combining  
the exports for Group Company.

(c) Incentive will be admissible only if the IEC holder has  
achieved growth in the financial year 2012-2013 vis a vis  
financial year 2011-2012. Quantum of benefit will be calcu-  
lated on the incremental growth achieved subject to eligibility  
criteria given in para 3.14.4(d) of FTP 2009-14.

**Eligibility Criteria:** (d) For the purpose of the scheme, export  
performance shall not be allowed to be transferred from any  
other IEC holder. Benefit under this scheme will not be allowed  
to an exporter who had made no export between 01/01/12 to  
31/03/12. The following exports shall not be taken into account  
for calculation of export performance or for computation of  
entitlement under the Scheme:

(i) Export of imported goods or exports made through trans-  
shipment.

(ii) Export from SEZ/ EOU /EHTP /STPI /BTP/FTWZ

(iii) Deemed Exports

(iv) Service Exports

(v) Third Party exports

(vi) Diamond, Gold, Silver, Platinum, other precious metal in  
any form including plain and studded jewellery and other  
precious and semi-precious stones.

(vii) Ores and concentrates of all types and in all formations.

(viii) Cereals of all types.

(ix) Sugar of all types and all forms.

(x) Crude / petroleum oil and crude / primary  
and base products of all types and all formu-  
lations.

(xi) Export of milk and milk products.

(xii) Export performance made by one ex-  
porter on behalf of other exporter.

(xiii) Supplies made to SEZ units.

(xiv) Items, export of which requires an export authorisation  
(except SCOMET), will not be considered.

(xv) Export of Meat and Meat Products.

(xvi) Exports to Singapore, UAE and Hong Kong.

**Special Provision:** (e) The scheme is region specific and will  
cover exports to USA, Europe and Asian countries only. Dis-  
claimer provisions of para 3.17.10 (b) of FTP shall not be  
admissible. This benefit will be over and above any benefit  
being claimed by the exporter under any of the Chapter 3  
Schemes, therefore, provisions of para 3.17.8 of FTP 2009-14  
will not be invoked for such benefit.

**Utilisation of Scrip:** (f) The duty credit scrip will be freely  
transferable. Such scrips shall also be eligible for domestic  
sourcing as per para 3.17.5 of FTP 2009-14.

4. The following is added at the end of para 3.17.8 of FTP  
2009-14:

"Benefit under para 3.14.4 of FTP will not be covered under  
this para."

**Effect of this Notification:** The Scheme to incentivize incre-  
mental exports is being notified.



## DGFT Releases Detail of New Additions to Reward Scheme under Chapter 3 of FTP

- Castor Oil Deleted from VKGUY/FPS
- Food Preparations NES in 5% VKGUY
- Soya Meal and other Oil Seed Meals in 5% VKGUY along with Shellac Wax
- 102 New Items in 2% FPS – 6 More for 2% Bonus FPS
- 11 Moved Up from 2% to 5% FPS
- 62 Goods Inserted in Market Linked Focus Product for 2% Incentive
- 5 New Markets for 3% FMS
- Export from 1 January 2013 Covered. No Retrospective Effect

Subject: Amendments in the Reward/Incentive Schemes of Chapter 3 of Foreign Trade Policy 2009-14 - Appendix 37A, Appendix 37C and Appendix 37D of Handbook of Procedure (Vol. I).

42-PN(RE) In exercise of powers conferred under paragraph 2.4  
31.12.2012 of the Foreign Trade Policy 2009-2014, the Director  
(DGFT) General of Foreign Trade hereby makes the following  
amendments in the Handbook of Procedures (Vol. I)

(Appendices and Aayat Niryat Forms) 2009-2014:

1. In **Appendix 37A** of Vishesh Krishi and Gram Udyog Yojana (VKGUY) and **Appendix 37D** of FPS, the following products are **deleted** from respective Table for exports made with effect from 01.01.2013:

SNo./ Table	VKGUY/FPS Product Code	ITC HS Code	Items
456/ Table 1	FPS	15153090	Castor Oil and its fractions other than Edible Grade
650/ Table 1	FPS	15162039	Other Hydrogenated castor Oil (OPL WAX)
32/ Table 2	VKGUY	15180029	Castor Oil Dehydrated – Other than Edible Grade

2. In **Appendix 37A** of Vishesh Krishi and Gram Udyog Yojana (VKGUY), the following products are **added** in Table 2 for export made with effect from 01.01.2013:

SNo./ Table	VKGUY Product Code	ITC HS Code	Items	Admissible Rate
797	797	2105	Food preparations, not elsewhere specified or included	5%
798	798	1208	Flours and Meals of Oil Seeds or Oleaginous Fruits, other than those of Mustard	5%
799	799	15219020	Shellac Wax W/N Coloured	5%

3. The following products are **added** in Table 1 of **Appendix 37D** (Focus Product Scheme) after **Sl. No. 653** for export made with effect from 01.01.2013:

SNo.	FPS Product Code	ITC (HS) Code	Description	Rate Percent- tage	Bonus Benefit
654	654	520841	Cotn Fabrics Contng >=85% By Wt Of Cotn Plain Weave, Weighing Not More Than 100 Gmper Sqm Of Yarn Of Different Colours	2%	
655	655	520842	Cotn Fabrics Contng >=85% By Wt Of Cotn Plain Weave, Weighing More Than 100 Gm Per Sqm Of Yarn Of Different Colours	2%	
656	656	72112950	Other: Strips of iron or steel, flat rolled	2%	
657	657	82073000	Tools for pressing, stamping or punching	2%	
658	658	82074090	Tools for tapping or threading: Others	2%	

## Application to be Filled in Form ANF 3F to be Notified Later to Concerned Regional Authorities

41-PN(RE) In exercise of the powers conferred under  
28.12.2012 Paragraph 2.4 of the Foreign Trade Policy, 2009-  
(DGFT) 14, the Director General of Foreign Trade hereby  
adds a new paragraph i.e. Para 3.8.3 in the  
Handbook of Procedures Vol. I (RE 2012)/ 2009-14 with immediate  
effect:

### “3.8.3.Procedure for Incremental Exports Incentivisation Scheme.

(a) The policy pertaining to Incremental Export Incentive Scheme is given in para 3.14.4 of FTP.

(b) An application for grant of benefit under this scheme shall be filed in ANF 3F (this ANF 3F will be notified subsequently) to RA concerned. For the purpose of the scheme, export performance shall not be allowed to be transferred from any other IEC holder. Since the benefit is admissible on realisation basis, applications can be filed after 1<sup>st</sup> April 2013. Last date for filing application will be as per para 3.11.9 of HBP v1 and late cut provisions of para 9.3 of HBP v1 2009-14 will be applicable.

(c) Incremental growth should be in terms of freely convertible currency to the designated markets.

(d) For proof of landing in designated markets, provisions of para 3.8.2 of HBP v1 shall be applicable.

659	659	84501100	Fully automatic washing machines	2%
660	660	84512100	Drying Machines: Each of a dry linen capacity not exceeding 10 Kg.	2%
661	661	72269952	Hoops and strips: cold rolled	2%
662	662	85030090	Parts of Electric motor: Other	2%
663	663	85452000	Electrodes: Carbon Brushes	2%
664	664	73158900	Other: Chain and Parts Thereof, of Iron or Steel	2%
665	665	560749	Twine Cordage, Ropes and Cables of Polyethylene or Polypropylene: Other	2%
666	666	180690	Chocolate and other Food preparations containing Cocoa: OTHER	2%
667	667	170490	Sugar Confectionery (including white chocolate), Not containing Cocoa: Other	2%
668	668	82159900	Spoons, forks, ladles, skimmers, cake-serves, fish-knives, butter-knives, sugar tongs and similar or tableware : OTHER (not in sets)	2%
669	669	630221	Other bed linen, printed: of Cotton	2%
670	670	850431	Other transformers having a power capacity not exceeding 1 kVA	2%
671	671	850421	Electrical transformers: Liquid dielectric transformers having a power capacity not exceeding 650 kVA	2%
672	672	850422	Electrical transformers: Liquid dielectric transformers having a power handling capacity exceeding 650 kVA but not exceeding 10000 kVA	2%
673	673	850423	Electrical Transformers having a Power Handling Capacity exceeding 10000 KVA	2%
674	674	851711	Line Telephone Sets with Cordless Handsets	2%
675	675	85171890	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%
676	676	847690	Vending machines and parts thereof	2%
677	677	52115120	Furnishing Fabrics (Excluding Pile / Chennai Fabrics)	2%
678	678	58013410	Velvet	2%
679	679	580136	Chennai Fabrics of Man-Made Fibres	2%
680	680	63041990	Other Bedsheets and Bed Covers	2%
681	681	30049041	Cyclophosphamide - Life saving Drugs (Anti Cancer drug)	2%

682	682	30049042	Methotrexate, 5-fluorouracil (5-FU) and Ftorafur - Anti cancer drugs - Life saving drug	2%	715	715	62031910	Garments - Flame Retardant / Anti Static /Anti Acid Finish (with one or more of these finishes) Garments - Boiler Suit /Overall of cotton	2%
683	683	30049043	Bincristine and Vimblastine - Anti cancer drugs.	2%	716	716	62011290	Other: Overcoats, raincoats, car-coats, capes, cloaks and similar articles of cotton garments - Flame Retardant / Anti Static /Anti Acid Finish (with one or more of these finishes)	2%
684	684	30049045	Etoposide - Life saving drug (Anti cancer drug)	2%	717	717	520941	Plain Weave Cotton Fabrics Of Yarn Of Diff Clrs, Weighing >= 200 G/M2	2%
685	685	30049046	Actinomycin D-Dactinomycin and Doxorubicin - Life saving drug (Anti cancer drug)	2%	718	718	39076090	PET chips Other Polyethylene Terephthalate( including clean, colourless grades)	2%
686	686	30049047	L-Asparaginase, Cisplatin and Carboplatin I64- Life saving drug (Anti cancer drug)	2%	719	719	84879000	Other: Dish ends, heads, cones, rolled shells etc. Other than Machinery parts of heading 84871000	2%
687	687	30049048	Tamoxifen - Life saving drug (Anti cancer drug)	2%	720	720	29161290	Other: Other Esters Of Acrylic Acid	2%
688	688	72022100	Ferro Silicon containing by weight more than 55% of silicon	2%	721	721	84829900	Other: Ball / Roller bearing parts	2%
689	689	3823	Behenyl Alcohol C22 (Min 70%)	2%	722	722	72112350	Strip of Flat Rolled products of Iron or non alloy Steel of a width less than 600 mm not clad, plated or coated	2%
690	690	2916	Erucic Acid	2%	723	723	51	Wool, fine or coarse animal hair, yarn and woven fabric	2%
691	691	29419020	Cephalexin & it's Salts	2%	724	724	60	Knitted or Crocheted Fabrics	2%
692	692	29420011	Cefadroxil & its Salts	2%	725	725	73069090	Other Tubes,Pipes etc.of Iron/Steel N.E.S	2%
693	693	29419011	Rifampicin	2%	726	726	520943	Other Fabrics Of 3-thread Or 4-thread Twill, Including Cross Twill	2%
694	694	29051410	Ethambutol, Ethambutol HCL	2%	727	727	72139110	Other Bars & Rods hot rolled of Free Cutting Steel Electrode Quality	2%
695	695	29242960	Pyrazinamide (pyrazine carboxamide)	2%	728	728	72142090	Others: Containing indentations, ribs, grooves or other deformations produced during the rolling process or twisted after rolling	2%
696	696	36020010	Industrial Explosives	2%	729	729	721710	Wire Of Iron/Non-Aloy Stl, Nt Pltd/Cotd, Whether Or Not Polishd	2%
697	697	36030020	Detonating fuses	2%	730	730	721720	Wire Of Iron/Non-Aloy Stl,Pltd/Cotd Wth Znc	2%
698	698	36030031	Percussion & Detonating Caps Non-Ordnance	2%	731	731	721730	Wire Of Iron/Non-Aloy Stl Pltd/Cotd Wth Othr Base Metl (Excl Zinc)	2%
699	699	36030051	Electric Detonators containing Explosives Electrically ignited, Non-ordnance	2%	732	732	721012	Flat rolled Prdcts of iron or non alloy steel Pltd/Coatd Wth Tin, of Thckns <0.5 Mm	2%
700	700	61171090	Other: Shawls, scarves, mufflers, mantillas, veils and the like of silk/wool/cotton/man-made fibre	2%	733	733	85392910	Bulbs	2%
701	701	62149090	Other: Shawls, scarves, mufflers mantillas veils and the like	2%	734	734	85393110	Compact Fluorescent Lamps	2%
702	702	61099090	Other: T-shirts, singlet and other vests knitted or crocheted of cotton/synthetic fibres/artificial fibres/silk/wool or fine animal hair	2%	735	735	85393190	Othr Fluorescent, Hot Cathode Tubelight	2%
703	703	62114990	Other: Textile made ups - T Shirt, Cardigans 'Woven' hand printed or hand dye printed made of 'Blends' of Silk/wool/Fine Animal Hair.	2%	736	736	70111010	Glass Envelops For Fluorescent Lamps	2%
704	704	30049082	Other Antiepileptic Drugs	2%	737	737	70111020	Glass Envelops For Filament Lamps	2%
705	705	30049094	Theophulline, Aminophylline and Other Broncho Dilators	2%	738	738	73063090	Other, Welded, Of Circular Cross-Section, Made Up Of Non-Ally Steel Tube/Pipes	2%
706	706	32041759	Other Pigment Blue	2%	739	739	73066100	Of Square Or Rectangular Cross-Section: MS square pipes & tubes	2%
707	707	38021000	Coconut Shell Based Activated Carbon	2%	740	740	73061929	Other :Non-Galvan Pipe Of Other For Oil Or Gas pipelines	2%
708	708	48026210	Drawing Paper : In sheets with one side not exceeding 435 mm and the other side not exceeding 297 mm in the unfolded state	2%	741	741	4820	Registers, Account Books, Note Books, Order Books, Receipt Books, Letter Pads, Memorandum Pads, Diaries And Similar Artic	2%
709	709	30049033	Cimetidine, Rantidine, Nizatidine and Roxatidine	2%	742	742	4901	Printed Books, Brochures, Leaflets And Similar Printed Matter, Whether Or Not In Single Sheets	2%
710	710	520843	Cotn Fabrics Comtmg>85% By Wt Of Cotn 3-Thread/4-Thread Twill Imcl Cross Twill Of Yarn Of Diff Clrs Weighng <=200 Gsm	2%	743	743	63059000	Sports bag/kit bags Of Other Textile Materials	2%
711	711	52083230	Fabrics - Dyed Cotton Fabric with Flame Retardant / Anti Static / Anti Acid Finish (With any one or more or above finishes) weighing more than 100gm/m2 but less than 200gm/m2	2%	744	744	73261910	Other Articles of iron or steel Forged Or Stamped For Automobiles And Earth Moving Equipments	2%
712	712	52093230	Fabrics - Dyed Cotton Fabric with Flame Retardant / Anti Static / Anti Acid Finish (With any one or more or above finishes)weighing more than 200gm/m2	2%	745	745	72230010	Electrode Quality Wire Of Stainless Steel	2%
713	713	52103990	Fabrics - Dyed Cotton Fabric with Flame Retardant / Anti Static / Anti Acid Finish (With any one or more or above finishes) mixed mainly with man made fibres weighing not more than 200gm/m2	2%	746	746	72230091	Wire Of Stainls Stl Thicker Than 1.5Mm	2%
714	714	52113990	Fabrics - Dyed Cotton Fabric with Flame Retardant / Anti Static / Anti Acid Finish (With any one or more or above finishes) mixed mainly with man made fibres weighing more than 200 gm/m2	2%	747	747	72230092	Wire Of Stains Stl Of Thckns 0.46 mm To 1.5mm	2%
					748	748	72230099	Wire Of Stnls Stl Of Thickns < 0.46 Mm	2%

749	749	63013000	Blankets(Other Than Electric Blankets) And Travelling Rugs, of Cotton	2%
750	750	85371000	PC Boards Etc For A Voltage <=1000 VIts	2%
751	751	85044090	Other: Power supply Module	2%
752	752	84149090	Other: Parts of Air or Vacuum Pumps	2%
753	753	84679900	Parts of Other Tools for Working In Hand	2%
754	754	40169100	Articles of Vulcanised Rubber Other than Hard Rubber -Floor coverings & Mats	5%
755	755	40082120	Plate, Sheets and Strips of Vulcanised Rubber for repairing or retreading rubber tyres	5%

4. The following products under Table 1 of **Appendix 37D** (Focus Product Scheme) are entitled for bonus benefit @ **2%** for export made with effect from 01.01.2013:

SNo.	FPS Product Code	ITC HS Code	Description	
246	246	73051129	Non-Galvan Pipe Of Other For Oil Or Gas Longitudinally Submerged Arc Welded	
252	252	84148011	Gas Compressors of a kind used in Air Conditioning	
76	76	84143000	Compressors used in Refrigerating Equipment	
312	312	59112000	Industrial Synthetic Forming Fabric of Multilayer and Single Layer made of Polyester and Polyamide Monofilament yarn, Spiral Linked Canvas for paper machine Dryer Fabric	
616	616	63041910	Tufted Bedsheets and bed covers, of cotton excluding those of heading 9404	
583	583	94049099	Handmade Pouffes/ articles of bedding, cushions etc	

5. The admissible rate for the following items is amended as **5%** under Table 1 of **Appendix 37D** (Focus Product Scheme) for export made with effect from 01.01.2013:

SNo.	ITC HS Code	Description
156	84729090	Coin-sorting & cashing machines etc.
192	590310	PVC Leather Cloth With polyvinyl chloride: Imitation leather fabrics of cotton
255	73030030	Ductile Iron Spun Pipes
246	73051929	Other Line Pipe Used For Oil/Gas Pipelines Made Of Non Galvanised Black Pipe Of Other
221	730791	Other, Flanges: Galvanised
172	854011	Colour Picture Tube (CPT)
450	391000	Silicones in primary forms: Silicon resins
215	85176960	Set Top Box / Set Top Unit (STB/STU)for gaining access to Internet
178	56072900	Sisal Rope /Twine/Yarn
179	53089090	Sisal Yarn (Other Yarn)
35	56079010	Manila Rope /Twine/yarn

6. The following products are **added** in Table 2 of **Appendix 37D** (MLFPS), for export made with effect from 01.01.2013:

**MLFPS:**

SNo.	FPS Code	Description	ITC HS Code	Country	Rate Percentage
182	182	Other Articles Of Vulcanised Rubber Other Than Hard Rubber	4016	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 U K)	2%
183	183	Motor Cars	8703	Taiwan	2%
184	184	Copper Cathode	740311	Thailand, Saudi Arabia, Malaysia, Singapore, South Korea, Taiwan, UAE	2%
185	185	ISO Butyl Benzene	29029050	USA	2%

186	186	Ethyl Acetate	29152100	Saudi Arabia, Bangladesh	2%
187	187	Ibuprofen	29420012	Saudi Arabia, Indonesia, Thailand, Kuwait, Iran	2%
188	188	Other - Fatty Alcohol (Ceto Stearyl Alcohol)	38237090	Brazil, Netherlands, Italy, Germany, Belgium, Spain, Greece, France, UK	2%
189	189	Lace Made out of polyester/man made Fiber	58042100	Egypt	2%
190	190	Narrow Woven Fabrics of man made fiber	58063200	Egypt	2%
191	191	Curtains (including drapes) and interior blends :Curtain or bed valances of cotton	63039100	USA	2%
192	192	Curtains (including drapes) and interior blends :Curtain or bed valances of synthetic fibres	63039200	USA	2%
193	193	Curtains (including drapes) and interior blends :Curtain or bed valances of other textiles materials	63039990	USA	2%
194	194	Bedspreads knitted or crocheted	63041100	USA	2%
195	195	Bed spread of silk	63041920	USA	2%
196	196	Bed sheets and bed spread of man made fibre	63041930	USA	2%
197	197	Pillow cases and pillow slips not knitted or crocheted of cotton	63049239	USA	2%
198	198	Table cloth and table covers not knitted or crocheted of cotton	63049249	USA	2%
199	199	Cushion Covers not knitted or crocheted of cotton	63049289	USA	2%
200	200	Other Furnishing Articles not knitted or crocheted of cotton	63049299	USA	2%
201	201	Wire, 18 SWG & Thicker of Iron or Non-Alloy Steel	72172010	Kenya	2%
202	202	Wire Ropes, Galvanised of Iron or Steel	73121020	Kenya	2%
203	203	All Other Articles Of Iron/Steel Nes Forged or stamped but not further worked	73269099	USA	2%
204	204	Aluminium Wire - Not alloyed of maximum cross - sectional Dimension exceeding 7 MM	76051100	Kenya	2%
205	205	Tractors (Other than Tractors of Heading 8709)	8701	USA	2%
206	206	Switch Gear, Control Gear for Electrical Switching systems	85365010	USA	2%
207	207	Other - Piston	87081090	USA	2%
208	208	Wire Of Refined Copper, With A Maximum Cross-Section exceeding 6mm	740811	Czech Republic	2%

209	209	Motor Cars And Other Motor Vehicles exceeding 1000 cc but not 1500 cc	870322	Czech Republic	2%
210	210	Articles Of Iron Or Steel, N.E.S.	732690	Czech Republic	2%
211	211	Motor Vehicles For The Transport Of Goods, gvw not exceeding 5 tonnes	870421	Czech Republic	2%
212	212	Aluminium, Not Alloyed, Unwrought	760110	Czech Republic	2%
213	213	Parts Of Valves And Similar Articles For Pipes, Boilers, tubes etc	848190	Czech Republic	2%
214	214	Static converters	850440	Czech Republic	2%
215	215	Parts Of Machines And Mechanical Appliances Having individual function NES in this chapter	847990	Czech Republic	2%
216	216	Parts Of Pumps For Liquids, NES	841391	Czech Republic	2%
217	217	Machines, Apparatus And Mechanical Appliances, N.E	847989	Czech Republic	2%
218	218	Agricultural Tractors And Forestry Tractors, of capacity not exceeding 1800cc	870190	Czech Republic	2%
219	219	Parts Of Machinery Of Heading 8426, 8429 And 8430,	843149	Czech Republic	2%
220	220	Gear Boxes And Parts Thereof, For The articles of heading 8701 to 8705	87084000	Czech Republic	2%
221	221	Parts Of Aeroplanes Or Helicopters, N.E.S. (Excl.	88033000	Czech Republic	2%
222	222	Transmission shafts	848310	Czech Republic	2%
223	223	Flat-Rolled Products Of Iron Or Non-Alloy Steel, painted	72107000	Czech Republic	2%
224	224	Structures And Parts Of Structures Of Iron Or Steel	730890	Czech Republic	2%
225	225	Motor Vehicles For The Transport Of Goods, With gvw exceeding 5 tonnes & not exceeding 20 tonnes	870422	Czech Republic	2%
226	226	Motor Cars And Other Motor Vehicles exceeding 1500 cc but not 3000 cc	870323	Czech Republic	2%
227	227	Flat-Rolled Products Of Iron Or Non-Alloy Steel,	720917	Czech Republic	2%
228	228	Central Heating Boilers, Non-Electric, of Material	84031000	Czech Republic	2%
229	229	Other appliances	848180	Czech Republic	2%
230	230	Heat-Exchange Units (Excl. Instantaneous Heaters,	841950	Czech Republic	2%
231	231	Articles Of Non-Malleable Cast Iron, N.E.S. (Excl.	73251000	Czech Republic	2%

232	232	Tinplate Of Iron Or Non-Alloy Steel, Of A Width Of	721012	Czech Republic	2%
233	233	Unwrought Lead, Refined	780110	Czech Republic	2%
234	234	Instruments And Appliances Used In Medical, Surgical	901890	Czech Republic	2%
235	235	Articles Of Aluminium, Uncast, NES	761699	Czech Republic	2%
236	236	Flat-Rolled Products Of Iron Or Non-Alloy Steel,	720839	Czech Republic	2%
237	237	Parts And Accessories For Machine Tools For Working	846693	Czech Republic	2%
238	238	Bars And Rods Of Stainless Steel, Hot-Rolled, In Irregularly wound coils	722100	Czech Republic	2%
239	239	Appliances For Pipes, Boiler Shells, Tanks, Vats	848180	Czech Republic	2%
240	240	Equipment For Scaffolding, Shuttering, Pit propping	730840	Czech Republic	2%
241	241	Parts Of Transformers And Inductors, N.E.S. (Excl.	850490	Czech Republic	2%
242	242	Motor Cars And Other Motor Vehicles for less than 1500 cc capacity	870331	Czech Republic	2%
243	243	Dc Motors Of An Output <= 37,5 W	850110	Czech Republic	2%

7. The following markets are **added** in Table 2 of **Appendix 37C** (Focus Market Scheme), for export made with effect from 01.01.2013:

**Table-2 New Focus Market**

SNo.	Focus Market Code	Country Code	Country
37	37	KY	Cayman Islands
38	38	NZ	New Zealand
39	39	LV	Latvia
40	40	LT	Lithuania
41	41	BG	Bulgaria

8. The following markets are **added** in Table 3 of **Appendix 37C**, for export made with effect from 01.01.2013:

**Table-3 Special Focus Market**

SNo.	Focus Market Code	Country Code	Country
49	A14	ER	ERITREA

### Anti-dumping Duty Imposed on Phthalic Anhydride from Korea, Taiwan and Israel for Five Years Safeguard Duty to Lapse on 16 January 2013

Ntnfn 58-ADD 24.12.2013 (hereinafter referred to as the subject goods), falling under Chapter 29 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), originating in, or exported from, Korea RP, Taiwan (Chinese Taipei) and Israel (hereinafter referred to as the subject countries), and imported into India, the designated authority in its final findings published in the Gazette of India, Extraordinary, Part I, Section 1, vide notification No. 14/1/2011-DGAD, dated the 28<sup>th</sup> September, 2012, had come to the conclusion that –

(i) the subject goods have been exported to India from the subject countries below its associated normal value, except in the cases wherein the dumping margin has been found to be negative;

(ii) the domestic industry has suffered material injury in respect of the subject goods;

(iii) the injury has been caused by the dumped imports of the subject goods from subject countries.

And Whereas, the designated authority in its aforesaid findings, has recommended imposition of definitive anti-dumping duty on imports of the subject goods, originating in or exported from the subject countries and imported into India, in order to remove injury to the domestic industry;

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 tariff item 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 pro-

duced 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 the rate equal to the amount as indicated 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.

**Table**

SNo.	Tariff Item	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.	2917 35 00	Phthalic Anhydride	Korea RP	Korea RP	M/s Aekyung Petrochemical Co., Ltd	M/s Humade Corporation	NIL	MT	US Dollar
2.	2917 35 00	Phthalic Anhydride	Korea RP	Any other than subject countries	Any	Any	91.12	MT	US Dollar
3.	2917 35 00	Phthalic Anhydride	Any other than subject countries	Korea RP	Any	Any	91.12	MT	US Dollar
4.	2917 35 00	Phthalic Anhydride	Taiwan	Taiwan	Nan Ya Plastics Corporation	Nan Ya Plastics Corporation	63.33	MT	US Dollar
5.	2917 35 00	Phthalic Anhydride	Taiwan	Any other than subject countries	Any	Any	150.88	MT	US Dollar
6.	2917 35 00	Phthalic Anhydride	Any other than subject countries	Taiwan	Any	Any	150.88	MT	US Dollar
7.	2917 35 00	Phthalic Anhydride	Israel	Israel	Gadiv Petrochemicals Industries Ltd.	Gadiv Petrochemicals Industries Ltd.	17.99	MT	US Dollar
8.	2917 35 00	Phthalic Anhydride	Any other than subject countries	Israel	Any	Any	139.76	MT	US Dollar
9.	2917 35 00	Phthalic Anhydride	Israel	Any other than subject countries	Any	Any	139.76	MT	US Dollar

2. The anti-dumping duty imposed under this notification shall be levied for a period of five years (unless revoked, amended or superseded earlier) from the date of publication of this notification in the Gazette of India and shall be paid in Indian currency.

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

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

[F.No.354/206/2012 -TRU]

### Previous Circulars on EO Re-fixation Following Export Decline

*Subject: Operationalisation of provisions of Para 5.11.2 of Hand Book of Procedure Vol.-1 (2009-14) [RE: 2012] – Policy Circulars issued, so far, in this regard.*

10-Pol.Cir 27.12.2012 (DGFT) Para 5.11.2 of the Hand Book of Procedure Volume – 1 (HBP V-I) permits re-fixation of Annual Average Export

Obligation, in case the export in any sector/product group decline by more than 5%. This implies that for the sector/product group that witnessed such decline in a licensing year as compared to the previous licensing year would be entitled for such relief.

2. The following five Policy Circulars have earlier been issued in this regard:

- Policy Circular 43 dated 02.12.2008 was issued for granting relief to the sectors which witnessed decline in 2007-08 as compared to 2006-07
- Policy Circular 13 dated 27.10.2009 was issued for granting relief to the sectors which witnessed decline in 2008-09 compared to 2007-08
- Policy Circular 8 dated 24.12.2010 was issued for granting relief to the sectors which witnessed decline in 2009-10 compared to 2008-09
- Policy Circular 53 dated 23.02.2012 was

### 226 Items Identified in Export Decline of (-)5% Plus in 2011-12 for Refixation of EPCG Export Obligation

*Subject: Operationalisation of provisions of Para 5.11.2 of Hand Book of Procedure Vol.-1 (2009-14) [RE: 2012]*

09-Pol.Cir 27.12.2012 (DGFT) Para 5.11.2 of the Hand Book of Procedure Volume – 1 (HBP V-I) permits re-fixation of Annual Average Export

Obligation, in case the export in any sector/product group decline by more than 5%. This implies that for the sector/product group that witnessed such decline in 2011-12 as compared to 2010-11, would be entitled for such relief.

2. A list of such product groups showing the percentage decline in exports during 2011-12 as compared to 2010-11 is **enclosed**.

3. All Regional Offices are requested to re-fix the annual average export obligation for EPCG Authorizations for the year 2011-12 accordingly. Reduction, if any, in the EO should be

appropriately endorsed in the licence file of the office of RA as also in the Amendment Sheet to be issued to the EPCG Authorisation holder.

4. Regional Offices while considering requests of discharge of Export Obligation will ensure that in case of shortfall of Export Obligation Policy Circulars earlier issued in terms of Para 5.11.2 of HBP 2009-14 are also considered before issuance of demand notice etc. This stipulation should also form part of Check-Sheet for the purpose of EODC.

5. This issues with the approval of DGFT.

**Enclosure:** List of Product Groups which experienced a decline in exports in 2011-12 as compared to 2010-11 (13 pages) is available at our website [www.worldtradescanner.com](http://www.worldtradescanner.com).

- issued for granting relief to the sectors which witnessed decline in 2010-11 compared to 2009-10
- e. Policy Circular 09 dated 27.12.2012 issued today for granting relief to the sectors which witnessed decline in 2011-12 compared to 2010-11
3. Regional Offices while considering requests

of discharge of Export Obligation will ensure that in case of shortfall of Export Obligation Policy Circulars issued in terms of Para 5.11.2 of HBP 2009-14 are also considered before issuance of demand notice etc. This stipulation should also form part of Check-Sheet for the purpose of EODC.

4. This issues with the approval of DGFT.

receivers, video recorders, or other electrical equipment (8543)".

4. In view of the aforesaid, the Board of the considered view that:

(a) When cordless infrared devices for the remote control are presented in a set put up for retail sale, that is, they are put up in a manner suitable for sale directly to users without re-packing, along with principal/ main device with which they are to be used, they shall be classified along with the principal / main device by application of GRI 3(b) and 6.

(b) In cases where cordless infrared devices for the remote control are presented separately, they shall be classified under heading 8543, sub-heading 8543.70, by application of GRI 1 and 6

5. Accordingly, all pending assessments, if any, may be finalized and suitable instructions may be given to the field formations.

6. Difficulties, if any, faced in the implementation of this circular, may be immediately brought to the notice of the Board.

F.No.528/48/2012-STO(TU)

## Remote Control Classified in heading 8543 70, when Separately Imported

Subject: Classification of Cordless Infrared Devices for the Remote Control.

01-CBEC The issue of classification of 01.01.2013 cordless infrared devices for (DoR) the remote control was taken up for discussion in the May, 2012 Mumbai Conference of Chief Commissioners of Customs and Directors General. The entries in National Import Data Base (NIDB) in tariff item 84159000 (Parts of heading 8415), 85299090 (Part of TV, etc), indicated that cordless infrared devices for the remote control is often being treated as a part of the main device /equipment, while the entry in heading 85437099 – "Other", under the heading 8543 provided that it is treated as, "electrical machines and apparatus having individual functions, not specified or including elsewhere in this chapter". During the conference it was decided to further examine this issue in the Board.

2. Accordingly, this issue was examined in the Board. It emerged that when cordless infrared devices for the remote control are imported along with the main equipment as a set, then the "essential character rule" of GRI 3(b) has to be applied in order to determine under which single heading the set had to be classified. However, when this product is presented separately, then the classification is to be determined by application of the General Rule for the Interpretation (GRIs) of the First Schedule to the Customs Tariff Act (CTA), 1975. GRI 1 requires that in classifying articles, for legal purpose it shall be determined according to the terms of the headings and any relative Section or Chapter Notes,...". Hence, all relevant legal texts must be considered.

Chapter Note 1(m) to Chapter 95 reads as:

"Pumps for liquids (heading 84.13), filtering or purifying machinery and apparatus for liquids or gases (heading 84.21), electric motors (heading 85.01), electric transformers (heading 85.04), discs, tapes, solid-state non-volatile storage devices, "smart cards" and other media for the recording of sound or of other phenomena, whether or not recorded (heading 85.23), radio remote control apparatus (heading 85.26) or cordless infrared remote control devices (heading 85.43);". Heading 8543 provides for "Electrical ... apparatus, having individual functions, not specified or included elsewhere ...".

Chapter Note 7 to Chapter 85 reads as:

"Heading 8537 does not include cordless infrared devices for the remote control of television receivers or other electrical equipment (heading 8543).

3. The Explanatory Notes to the Harmonized Commodity Description and Coding System,

which represent the official interpretation of the tariff at the international level, facilitate classification under the CTA, 1975 by offering guidance in understanding the scope of the headings and the GRIs, and for the harmonised Customs Tariff Heading 85.43, it states that, "the heading includes, "Cordless infrared devices for the remote control of television receivers, video recorders, or other electrical equipment". In addition, the exclusion clause in the Explanatory Notes to Chapter 8537 provides that the heading excludes, "Cordless infrared devices for the remote control of television

## Gold and Silver Tariff Value Fall by US\$11 per 10 gm and US\$83 per kg Respectively

Tariff Value of Poppy Seeds Down by US\$476/MT and Brass Scrap US\$21/MT

115-Cus(NT) In exercise of the powers 31.12.2012 conferred by sub-section (2) (DoR) of section 14 of the Customs Act, 1962 (52 of 1962), the Central Board of Excise & Customs, being satisfied that it is necessary and expedient so to do, hereby makes the following amendment in the notification of the Government of India in the Ministry of Finance (Department of Rev-

enue), No. **36/2001-Customs (N.T.)**, dated the 3<sup>rd</sup> August, 2001, published in the Gazette of India, Extraordinary, Part-II, Section-3, Sub-section (ii), vide number S. O. 748 (E), dated the 3<sup>rd</sup> August, 2001, namely:-

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

"Table-1

S.No.	Chapter/ heading/ sub-heading/ tariff item	Description of goods	Tariff Value US \$ (Per Metric Tonne)
(1)	(2)	(3)	(4)
1	1511 10 00	Crude Palm Oil	447 (i.e. no change)
2	1511 90 10	RBD Palm Oil	476 (i.e. no change)
3	1511 90 90	Others – Palm Oil	462 (i.e. no change)
4	1511 10 00	Crude Palmolein	481 (i.e. no change)
5	1511 90 20	RBD Palmolein	<b>835</b>
6	1511 90 90	Others – Palmolein	483 (i.e. no change)
7	1507 10 00	Crude Soyabean Oil	580 (i.e. no change)
8	7404 00 22	Brass Scrap (all grades)	<b>4090</b>
9	1207 91 00	Poppy seeds	<b>4870</b>

Table-2

SNo.	Chapter/ heading/sub-heading/tariff item	Description of goods	Tariff value (US\$)
(1)	(2)	(3)	(4)
1	71 or 98	Gold, in any form, in respect of which the benefit of entries at serial number 321 and 323 of the Notification No. 12/2012-Customs dated 17.03.2012 is availed	<b>539</b> per 10 grams
2	71 or 98	Silver, in any form, in respect of which the benefit of entries at serial number 322 and 324 of the Notification No. 12/2012-Customs dated 17.03.2012 is availed	<b>979</b> per kilogram"

[F. No. 467/01/2012-Cus.V Pt. I]

## Replacement of Fixed Deposit Receipts with a BG Allowed for Mega and Ultra Mega Power Projects

Sub: Replacement of Fixed Deposit Receipts (FDRs) furnished in respect of provisional Mega or Ultra Mega Power Projects with Bank Guarantees (BGs).

02-CBEC I am directed to invite your attention to notification Nos. 01.01.2013 (DoR) 12/2012-Customs (S.No.507) and 12/2012-Central Excise (S.No. 337 and 338), both dated 17-03-2012, granting exemption from customs and excise duties for provisional mega and ultra-mega power projects. One of the conditions specified for availing of the said exemption is that the importer/project developer furnishes a security in the form of a Fixed Deposit Receipt (FDR) or Bank Guarantee from a Scheduled Bank for a term of 36 months or more for an amount equal to the duty payable but for this exemption. This condition was amended w.e.f 27-06-2012 when the importer/ project developer was given the option of furnishing either FDR or Bank Guarantee from a Scheduled Bank.

2. It has been represented by the Association of Power Producers that the developers should be allowed to secure release of the FDRs sub-

mitted by them prior to 27-06-2012 (i.e. date of DoR notifications) and the same should be substituted with Bank Guarantees. The matter has been examined by the Ministry. It has been felt that as long as a FDR was furnished as security, the FDR continued to operate as security. If an importer/ developer wishes to replace the FDR by a Bank Guarantee, the Bank Guarantee will operate from the date of replacement. Since under the amended notifications, FDR and Bank Guarantee are considered equally effective securities, it has been decided that there should not be any difficulty in allowing the importer/ project developer to replace the FDR with the Bank Guarantee.

3. It is requested that action may be taken accordingly to deal with such requests.

4. Difficulties, if any, faced in the implementation of the instructions may be brought to the notice of the Ministry at an early date.

F.No.354/94/2011-TRU

## US Slaps Anti-Dumping and CVD on Wind Towers from China, Vietnam

The US Commerce Department has determined final anti-dumping and countervailing duties on wind tower imports from China, as well as anti-dumping duties for the same products from Vietnam, the government agency announced on Tuesday.

The investigation comes as a result of a peti-

tion filed almost a year ago by the Wind Tower Trade Coalition, a group comprised of four companies based in the US states of Nebraska, North Dakota, Texas, and Wisconsin.

"Five major US producers, two of whom were petitioners in this investigation, have shut down tower operations and left the industry," Paul

Smith, president of Broadwind Towers, told the US International Trade Commission last week ahead of the Commerce announcement.

The specific products at issue in this investigation were utility scale wind towers, which are the steel towers that support the nacelle - an enclosure for an engine. Also under review were rotor blades for use in wind turbines that have electrical power generation capacities in excess of 100 kilowatts. The Commerce investigation did not include nacelles and rotor blades, regardless of whether they are attached to the wind tower; nor did the US agency include in its review any internal or external components not attached to the towers.

In its final determination announced on Tuesday, Commerce found that imports from

China and Vietnam were being dumped at margins of 44.99 percent to 70.63 percent and 51.50 percent to 58.49 percent, respectively. Meanwhile, the US agency ultimately determined that producers/exporters from China have received countervailable subsidies of 21.86 percent to 34.81 percent.

According to Commerce, the China anti-dumping rates will be adjusted to account for the export subsidies found in the countervailing duty investigations. The cash deposits collected to account for the determined dumping will therefore be reduced by the relevant export subsidy rates.

In other words, while the dumping margins for China were between 44.99 percent to 70.64 percent, US customs officials will only collect cash deposits of between 34.33 percent to 60.02 percent, in order to account for the effect of the export subsidies that were found in the countervailing duty investigation - and thus not charge twice for the same violation.

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Customs Valuation Exchange Rates		
21 December 2012	Imports	Exports
<b>Schedule I</b> [Rate of exchange of one unit of foreign currency equipment to Indian Rupees]		
1 Australian Dollar	58.35	56.90
2 Bahraini Dinar	149.65	141.25
3 Canadian Dollar	56.25	54.85
4 Danish Kroner	9.90	9.60
5 EURO	73.55	71.70
6 Hong Kong Dollar	7.15	7.00
7 Kenyan Shilling	65.75	61.85
8 Kuwaiti Dinar	200.90	188.95
9 New Zealand Dollar	46.60	45.35
10 Norwegian Kroner	9.95	9.65
11 Pound Sterling	90.25	88.15
12 Singapore Dollar	45.50	44.45
13 South African Rand	6.70	6.30
14 South Arabian Riyal	15.05	14.20
15 Swedish Kroner	8.45	8.20
16 Swiss Franc	60.95	59.35
17 UAE Dirham	15.35	14.50
18 U.S. Dollar	55.30	54.30
<b>Schedule II</b> – [Rate of exchange of 100 units of foreign currency equivalent to Indian rupees ]		
1 Japanese Yen	65.90	64.15

(Source: Customs Notification 111(NT)/20.12.2012)