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Gold Import Norms by 'Eligible Passengers' Tightened

The government has tightened norms for Indians bringing gold into the country following a spurt in smuggling and pressure on inward remittances as overseas workers prefer to bring their savings in gold.

Passengers will now have to mention the engraved serial number of gold bars in the baggage receipt issued by Customs. For bringing gold in any other form, including ornaments, passengers will have to declare item-wise inventory of the ornaments being imported with baggage receipt, according to a Central Board of Excise & Customs directive.

The apex indirect taxes body has also directed its field officials to ascertain the antecedents of such passengers, source of funding for gold as well as duty being paid in foreign currency, person responsible for booking of tickets to prevent the possibility of misuse of the facility by unscrupulous elements, who may hire such eligible passengers to carry gold for them.

"It has come to the notice of the board that there has been a spurt in import of gold by eligible passengers through various airports in the recent past across the country," the CBEC directive said on Thursday.

As per current rules, any passenger of Indian origin or a passenger holding a valid passport issued under the Passport Act, 1967 coming to India after a period of not less than six months of stay abroad is eligible to import gold in the form of bars and ornaments on payment of 10% Customs duty.

The board said there is no uniformity in clearance of such eligible passengers. At many airports, the engraved serial number of gold bars and tola bars are not mentioned in the baggage receipts when imported by passengers.

Subject: Import of Gold by 'eligible passengers' in terms of Notification No. 12/2012-Cus dated 17.03.2012 (Sl. No 321)

06-CBEC 06.03.2014 (DoR)

Attention is invited to Notification No 12/2012-Cus dated 17.03.2012 (Sl.No 321) regarding import of gold by 'eligible passengers' which provides that the gold in the form of bars and ornaments are allowed to be imported by 'eligible passengers' upon payment of 10% customs duty. As per the specified condition no. 35 of the notification, the duty is to be paid in the foreign currency and total gold so imported should not exceed 1 kg. The notification prescribes that 'eligible passenger' means passenger of Indian Origin or a passenger holding valid passport issued under the Passport Act, 1967 who is coming in to India after a period of not less than 6 months of stay abroad. Short visits, if any, made by the 'eligible passenger' during the aforesaid period of 6 months shall be ignored if the total duration of stay does not exceed 30 days. Further, the benefit of notification is available only if the passenger has not availed of this exemption in any of such short visits.

2. It has come to the notice of the Board that there has been a spurt in import of gold by eligible passengers through various airports in the recent past across the country. Further, it is also reported that there is no uniformity in clearance of such eligible passengers. At many airports, the engraved serial number of gold bars and tola bars are not mentioned in the baggage receipts when imported by the passengers. Board has taken note of the fact that, if this practice is followed, there is possibility of such documents being used by unscrupulous elements as cover documents for easy circulation of many more gold bars that are smuggled into the country. These documents may also be used to influence cases involving seizure of gold bars in areas other than Customs Area.

3. Recognizing the sensitivity of the matter, Board directs the Commissioners of Customs/ Customs and Central Excise having jurisdiction of airports to ensure the following:

(i) The engraved serial number of gold bars must be invariably mentioned in the baggage receipt issued by Customs.

(ii) In case of gold in any other form, including ornaments, the eligible passenger must be asked to declare item wise inventory of the ornaments being imported. This inventory, duly signed and duly certified by the eligible passenger and assessing officer, should be attached with the baggage receipt.

(iii) Wherever possible, the field officer, may, *inter alia*, ascertain the antecedents of such passengers, source for funding for gold as well as duty being paid in the foreign currency, person responsible for booking of tickets etc. so as to prevent the possibility of the misuse of the facility by unscrupulous elements who may hire such eligible passengers to carry gold for them.

4. Board desires that instructions mentioned in Para 3 should be complied with scrupulously by field formations.

5. Difficulty if any in implementation of these instructions may be brought to the notice of the Board.

F. No. 520/04/2014-Cus.VI

Imports Crash 17.1% Over Last Year as Official Inflow of Gold Dries Up, Exports Fall 3.7%

A. Exports (including re-exports)

Exports during February, 2014 were valued at US $ 25688.94 million (Rs.159858.16 crore) which was 3.67 per cent lower in Dollar terms (11.47 per cent higher in Rupee terms) than the level of US $ 26668.77 million (Rs. 143407.85 crore) during February, 2013. Cumulative value of exports for the period April-February 2013 -14 was US $ 282777.02 million (Rs 1712422.41 crore) as against US $ 269859.25 million (Rs 1468159.38 crore) registering a growth of 4.79 per cent in Dollar terms and growth of 16.64 per cent in Rupee terms over the same period last year.

B. Imports

Imports during February, 2014 were valued at US $ 33819.14 million (Rs.210451.11 crore) representing a negative growth of 17.09 per cent in Dollar terms and a negative growth of 4.06

per cent in Rupee terms over the level of imports valued at US $ 40791.98 million (Rs. 219353.56 crore) in February, 2013. Cumulative value of imports for the period April-February, 2013-14 was US $ 410863.28 million (Rs. 2474626.88 crore) as against US $ 449788.89 million (Rs. 2446387.26 crore) registering a negative growth of 8.65 per cent in Dollar terms and growth of 1.15 per cent in Rupee terms over the same period last year.

C. Crude Oil and Non-Oil Imports

Oil imports during February, 2014 were valued at US $ 13696.8 million which was 3.1 per cent lower than oil imports valued at US $ 14134.3 million in the corresponding period last year. Oil imports during April-February, 2013-14 were valued at US $ 151840.9 million which was 0.8 per cent higher than the oil imports of US $ 150632.3 million in the corresponding period last year.

Non-oil imports during February, 2014 were estimated at US $ 20122.3 million which was 24.5 per cent lower than non-oil imports of US $ 26657.7 million in February, 2013. Non-oil imports during April-February, 2013-14 were valued at US $ 259022.4 million which was 13.4 per cent lower than the level of such imports valued at US $ 299156.6 million in April-February, 2012-13.

D. Trade Balance

The trade deficit for April-February, 2013-14 was estimated at US $ 128086.26 million which was lower than the deficit of US $ 179929.64 million during April-February, 2012-13.

Exports & Imports: (US $ Million)

(Provisional)

	February	April-February
Exports (including re-exports)		
2012-13	26668.77	269859.25
2013-14	25688.94	282777.02
%Growth 2013-14/ 2012-2013	-3.67	4.79
Imports		
2012-13	40791.98	449788.89
2013-14	33819.14	410863.28
%Growth 2013-14/ 2012-2013	-17.09	-8.65
Trade Balance		
2012-13	-14123.21	-179929.64
2013-14	-8130.2	-128086.26

India's Iron Ore Exports Fall 28% to 12.57 MT in Apr-Feb

Country's iron ore exports witnessed a 27.56 per cent slump at 12.57 million tonnes (MT) during the April-February period of the current fiscal due to continuation of the export duty, mineral industries body FIMI said on 11 March.

India, once the third largest exporter of iron ore, had exported 17.35 MT of the mineral in the corresponding period of the last fiscal, data released by Federation of Indian Mineral Industries (FIMI) showed.

Paradip (4.6 MT), Vizag (4.46 MT) and Haldia (1.81 MT) are the major ports accounting for the bulk of mineral exports, according to FIMI data.

Indian iron ore exports have been hurt badly in last few years due to mining bans in Goa and Karnataka, leading to a drastic fall in domestic production. Besides, an increase in export duty to 30 per cent on both types of iron ore, lumps and fines, in December 2012, also impacted the sector.

However, China continues to be the biggest export market for Indian iron ore, though the quantity has declined by over 31 per cent to 10.44 MT in April-February. Japan is the second biggest market, where 1.65 MT ore has been shipped during the same period, the data said.

Presently, low grade iron ore (or fine) are being exported from Odisha, Jharkhand, Rajasthan and Madhya Pradesh as mining is still banned in Goa, while export of the mineral is not permitted from Karnataka at present.

In the last two months, the Goa government auctioned over a million tonne of iron ore, which was already mined before the imposition of ban.

Aussies in Tango with Japan-Korea-China

Australian Prime Minister Tony Abbott confirmed this week plans to visit Japan, Korea, and China in April, as part of a bid to advance Canberra's ongoing trade negotiations with each of these Asian partners.

"The prosperity of our country and other countries in our region depends on increased trade and investment," Abbott told domestic lawmakers this week in announcing the news. Forty percent of Australia's two-way trade in goods and services, valued A$250 billion is conducted with these three countries, he added.

Canberra already finalised trade talks with Seoul - its third-largest export market - in late December 2013, and the two sides are expected to sign the deal in April when Abbott visits the South Korean capital. Estimates place the potential gains of the deal at US$4.5 billion between 2015 and 2030.

The Australian prime minister is also hoping to "substantially advance" his country's planned trade agreement with Japan during his visit to Tokyo, in the hopes of hosting a formal signing in July in Canberra when Japanese Prime Minister Shinzo Abe returns the visit.

Japan is Australia's second biggest trading partner behind China, and the deal is expected to bring in hundreds of millions for Australian businesses, particularly agricultural exporters. Major sticking points have reportedly been Australian tariffs on automobile imports and Japanese restrictions on agricultural imports, both of which are expected to be lowered in the final pact.

Regarding China, Australian officials insist that those negotiations are well on track, despite recent tensions over Beijing's territorial dispute with Tokyo on islands in the East China Sea. The relationship is in "very good shape," Abbott said earlier this week, reiterating earlier promises that his government will do all in its power to clinch a trade pact with its Asian partner by the end of this year.

EU Offers Customs Union to Ukraine New Regime

The EU has reiterated its earlier pledge to ink a trade deal with Kiev, as international tensions over Ukraine's future escalated further over the weekend following the incursion of Russian military forces into the Crimean peninsula. The fall-out has also put Moscow's membership in the G-8 into question, while substantially worsening Russia's economic and political ties with the EU and US.

"If and when Ukraine is ready to sign the [trade] deal, then the European Union is ready to sign the deal," EU Trade Commissioner Karel De Gucht said after meeting with EU trade ministers in Athens on 28 February. He added that any decision from the EU would be taken by the Council, pledging an appropriate response "to any request from a new inclusive government committed to political and economic reforms."

The upheaval in Ukraine began late last year, after President Viktor Yanukovich withdrew from signing an Association Agreement with the EU that would have included a trade pact. The decision to pull back from the deal was largely seen as the result of pressure from neighbouring Moscow, and sparked months' worth of protests in Kiev.

Russia had argued that signing onto the EU deal would make it impossible for Ukraine to join the customs union that it has formed with Belarus and Kazakhstan, given that it would involve Kiev being party to two conflicting sets of tariff rules. It could also lead to a massive influx of European products across Russian borders, Moscow warned.

The protests ultimately led to Yanukovich being driven from Kiev, with a new pro-Western government being instated in the days following. Last week, Russian military forces entered the Ukrainian peninsula of Crimea, on the grounds that it needed to protect the Russian-speaking citizens living there.

Economic situation

While the Russian military manoeuvres have since been halted, the next steps for the embattled Ukraine, however, remain uncertain. The Ukrainian economy is facing severe difficulties, with estimates placing Ukraine's needs at US$15 billion in loans, and US$35 billion over two years.

Question Mark on G-8 with Russia

The recent move of Russian forces into the Crimean region of Ukraine has also placed Moscow's status in the G-8 coalition of industrialised economies in question, even as it prepares to host this year's summit.

Leaders from the G-8 countries - which along with Russia also includes Canada, France, Germany, Italy, Japan, the UK, and the US, with participation of EU Commission and Council presidents - are set to meet in the Russian city of Sochi in June for their annual gathering. However, US Secretary of State John Kerry warned on Sunday that "there is no way, to start with, that if Russia persists in this, that the G8 countries are going to assemble in Sochi."

WEEKLY INDEX OF CHANGES

2% FPS Bonus Benefits for Twine Cordage, Ropes and Cables of Polyethylene or Polypropylene

Subject: Corrigendum in Public Notice number 53 dated 27.02.2014 and amendment in Public Notice number 52 dated 25.02.2014.

54-PN(RE) 28.02.2014 (DGFT) In exercise of powers conferred under paragraph 2.4 of the Foreign Trade Policy 2009-2014, the Director General of Foreign Trade hereby makes the following correction in the Public Notice number 53 dated 27.02.2014 and amendment in Public Notice number 52 dated 25.02.2014.

2. In the table below para 3 of Public Notice number 53 issued on 27.02.2014 [which contained serial numbers 1066,1067,1068 and 1069], the following corrections are made:

(i) Existing serial number 1068 along with the entire description stands deleted.

(ii) Existing serial number 1069 becomes serial number 1068.

Thus the corrected table [at para 3 of Public Notice number 53 issued on 27.02.2014] would be as under:

S No.	FPS Sl. No.	ITC HS Code	Description	Rate Percentage	Bonus Benefits
1066	1066	5511	Yarn (Other than Sewing Thread) of Man-made Staple Fibres, Put up for Retail Sale	5%	-
1067	1067	70193100	Glass Fibre Mats	2%	-
1068	1068	05080020	Hand Worked Seashells within the General Description “Chanks”	5%	-

3. In Table 1 of Appendix 37D as notified in Public Notice number 52 dated 25.02.2014, the entry at serial number 687 is amended with effect from 1.03.2014 as:

S No.	FPS Sl. No.	ITC HS Code	Description	Rate Percentage	Bonus Benefits
687	687	56074900	Other: Twine Cordage, Ropes and Cables of Polyethylene or Polypropylene	2%	2%

DGFT Invites Feedback on Revised VKGUY, FPS Products with New ITC HS Codes to ‘Align and Harmonize’ Incentive with Code

Subject: Revision in Appendix 37 A and 37 D of Handbook of Procedure Volume I.

09-TN 07.03.2014 (DGFT) An exercise has been done to align the product description and ITC HS codes of items mentioned in Appendix 37-A and 37-D of HBP v1. This has been notified through Public Notice No. 52 on 25.02.2014. The intention behind this exercise was to align/ harmonize description with the ITC HS codes and hence there has been no addition / deletion in entitlement. However after alignment there may have been an error in the description or entitlement.

2. All exporters are requested / encouraged to give feedback /suggestion on such cases preferably through e-mail to hardeep.singh@nic.in with a copy to ramankumar@nic.in by 30.04.2014. All suggestion received will be examined and appropriate action will be taken to correct the discrepancy if any, by 31.05.2014.

CBEC Instructions on Standards and Procedure for Packing of Ammonium Nitrate

[Ref: CBEC Instructions dated 5th March 2014]

Subject: Import of Ammonium Nitrate-Compliance of Ammonium Nitrate Rules, 2012

Attention is invited to provisions of Ammonium Nitrate (AN) Rules, 2012 which lays down the guidelines for import /export of Ammonium Nitrate.

2. **Rule 8** of the AN Rules, 2012 stipulates standard and procedure for packing of Ammonium Nitrate as under:-

No person shall import, export, transport, possess or sell Ammonium Nitrate unless;

(i) it is duly packed in a suitable waterproof bag or container or is suitably bagged by stevedore or converter;

(ii) the container or package is marked in accordance with the provisions of rule 8;

(iii) the package conform to the relevant standard of Bureau of Indian Standards or other standards accepted and approved by the Chief Controller; and

(iv) the packages of Ammonium Nitrate for export or import conform to the requirements of the tests as specified under International Maritime Dangerous Goods Code (hereinafter referred to as the IMDG Code in these rules) or United Nations recommendations on the transport of Dangerous Goods.

3. Further, Rules 16 to 19 under Chapter IV of the said Rules lay down restrictions on transport, delivery/dispatch, handling and also provide for recovery of spillage during handling for import and export of Ammonium Nitrate.

4. Considering the sensitive nature of import/ export of Ammonium Nitrate, Board desires that guidelines contained in Ammonium Nitrate Rules, 2012 for import/export of ammonium nitrate be scrupulously followed by the field formations. All Commissioners of Customs concerned should ensure that consignment of Ammonium Nitrate is allowed clearance only in bagged form as specified in the subject Rules and not in loose form.

5. Difficulty, if any, in implementation of these guidelines may be brought to the notice of the Board.

F. No.450/37/2014-Cus.IV

MEP on Onion Export Lifted

Subject: Export Policy of Onions.

72-Ntfn(RE) 04.03.2014 (DGFT) In exercise of powers conferred by Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No. 22 of 1992) read with Para 1.3 of the Foreign Trade Policy, 2009-2014, the Central Government amend para 2 of Notification No.03(RE-2012)/2009-14 dated 29.06.2012 read with Notification No.61(RE-2013)/2009-14 dated 26.12.2013 with immediate effect .

2. The amended para 2 of Notification No. 03(RE-2012)/2009-14 dated 29.06.2012 will now read as:

“MEP (Minimum Export Price) on export of onions is removed till further orders.

3. Effect of this Notification

Requirement of MEP(Minimum Export Price) on export of onions stands removed.

CBEC Steps in to Monitor Export Obligation with Monthly Reporting by Chief Commissioners to DG Inspection

[CBEC Instruction dated 25th February 2014]

Subject: - Formulation of action plan to monitor cases where export obligation period and time prescribed for furnishing evidence of fulfilling of EO are over - Board’s Instruction No. 609/119/2010-DBK dated 18.01.2011

Attention of field formations is drawn to para 7 (iii) and (iv) of Board’s Instruction No. 609/119/2010-DBK dated 18.01.2011 which require field formations to formulate action plan to monitor cases where export obligation period and time prescribed for furnishing evidence of fulfilling of EO are over, but the same is not furnished, and to take timely action to safeguard revenue in such cases. Field formations were also directed to periodically exchange information, including on such cases, with the RLA of DGFT though an institutional mechanism. Instances of delayed action in cases where export obligation period and time prescribed for furnishing evidence of fulfilling of EO are over, but the same is not furnished, have come to the notice of the Board.

2. Board has decided to strengthen the monitoring and make it uniform so that timely initiation of action to safeguard revenue can be invariably ensured as well as progress effectively tracked. Accordingly, the report already prescribed for Chief Commissioners vide DG (Inspection) D.O.

No.1350/2/2008 dated 26.02.2008 shall hence forth be a monthly report in the template enclosed and it shall no longer be limited upto the year 2004-05 for Advance Authorizations/DFIAs or upto the year 2003-04 for EPCG Authorizations, but shall be upto the current period. The Zones shall ensure that the report reaches the office of DGI within 7 days of the close of the month. The DGI shall compile report All-India/Zone-Wise and make this available to Ministry within 15 days of the close of the month. The first report shall be as on the end of February, 2014. A copy of this first report due on 7.3.2014 should be endorsed by the Zone to this Division (dirdbk-rev@nic.in) as a onetime measure. Chief Commissioners & Commissioners are directed to use this report for detailed monitoring of these cases and ensure that timely action is taken.

[F.No.609/156/2013-DBK]

Report for AA/DFIA (from year 1991-92) or EPCG (from year 1994-95) [please strike out inapplicable portion]

As on End of the Month _________ Year ______

Zone:

1. Year of registration of license:
2. No. of Licenses Registered:

No. of cases where EO fulfilled

3(A) During the Month:

3(B) Upto the Month:

4. No. of cases where time to produce evidence of EO fulfillment is not over [not including 3(B)]:
5. No. of cases where time to produce evidence of EO fulfillment is over [not including 3(B)]:

Status of Cases indicated in column 5

6(A) No. of cases where action not yet initiated:

No. of cases where adjudication order passed in the Zone

6(B)(i) During the Month:

6(B)(ii) Upto the Month:

No. of cases where notice issued in the Zone (in terms of bond or undertaking) to importer, but not adjudicated

6(C)(i) During the Month:

6(C)(ii) Upto the Month:

Status of Cases indicated in column 6(C)(ii)

7(A) No. of cases pending with RLA of DGFT:

7(B) No. of remaining cases:

Note: Figures in Col. "2" should be Equal to Sum of Col. "3(B), 4 and 5";

Figures in Col. "5" should be Equal to Sum of Col. "6(A), 6(B)(ii) and 6C(ii)";

Figures in Col. "6C(ii)" should be Equal to Sum of Col. "7A and 7B".

New Shipping Bill Exchange Control Thru EDI from 1 March to Run in Parallel with Old System

Sub: Export of Goods and Services: Export Data Processing and Monitoring System (EDPMS)

AP(DIR Srs) Cir.109 28.02.2014 (RBI) Attention of Authorised Dealers is invited to A. P. (DIR Series) Circular No. 12 dated September 9, 2000 read with A.P. (DIR Series) Circular No.101 dated February 04, 2014 in terms of which a comprehensive IT- based system called Export Data Processing and Monitoring System (EDPMS) has been developed for better monitoring of export of goods and software and facilitating AD banks to report various returns through a single platform. It has been further advised that the date of inception of the system along with user credentials and web link for accessing the system would be communicated to the AD banks shortly.

2. It is now advised that EDPMS has been operationalized with effect from February 28, 2014 and the same would be available to AD banks with effect from March 01, 2014. Accordingly, AD banks are advised to use web link https://edpms.rbi.org.in/edpms for accessing the system. The user credentials for accessing the system have already been shared with the AD banks.

3. Henceforth, the entire shipping documents should be reported in the new system and old shipping documents would continue to be reported in the old system till completion of the cycle. Both the old and new systems will run parallel to each other for some time before the old system is discontinued. This will be advised to AD banks separately.

4. Authorised Dealers may bring the contents of this circular to the notice of their constituents concerned.

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

Refund Rules for Partial Reverse Service Tax on Car Hire, Manpower Supply and Works Contract

12-CE(NT) 03.03.2014 (DoR) In exercise of the powers conferred by rule 5B of the CENVAT Credit Rules, 2004 (hereinafter referred to as the said rules), the Central Board of Excise and Customs hereby directs that the refund of CENVAT credit shall be allowed to a provider of services notified under sub-section (2) of section 68 of the Finance Act, 1994, subject to the procedures, safeguards, conditions and limitations, as specified below, namely:-

1. Safeguards, conditions and limitations

(a) the refund shall be claimed of unutilised CENVAT credit taken on inputs and input services during the half year for which refund is claimed, for providing following output services namely:-

(i) renting of a motor vehicle designed to carry passengers on non abated value, to any person who is not engaged in a similar business;

(ii) supply of manpower for any purpose or security services; or

(iii) service portion in the execution of a works contract;

(hereinafter the above mentioned services will be termed as partial reverse charge services).

Explanation:- For the purpose of this notification,-

$$\text{Unutilised CENVAT credit taken on inputs and input services during the half year for providing partial reverse charge services} = (A) - (B)$$

Where,

$$A = \text{CENVAT credit taken on inputs and input services during the half year} \; (*) \; \frac{\text{turnover of output service under partial reverse charge during the half year}}{\text{total turnover of goods and services during the half year}}$$

$$B = \text{Service tax paid by the service provider for such partial reverse charge services during the half year;}$$

(b) the refund of unutilised CENVAT credit shall not exceed an amount of service tax liability paid or payable by the recipient of service with respect to the partial reverse charge services provided during the period of half year for which refund is claimed;

(c) the amount claimed as refund shall be debited by the claimant from his CENVAT credit account at the time of making the claim;

(d) in case the amount of refund sanctioned is less than the amount of refund claimed, then the claimant may take back the credit of the difference between the amount claimed and the amount sanctioned;

(e) the claimant shall submit not more than one claim of refund under this notification for every half year;

(f) the refund claim shall be filed after filing of service tax return as prescribed under rule 7 of the Service Tax Rules for the period for which refund is claimed;

(g) no refund shall be admissible for the CENVAT credit taken on input or input services received prior to the 1st day of July,2012;

Explanation. – For the purposes of this notification, half year means a period of six consecutive months with the first half year beginning from the 1st day of April every year and second half year from the 1st day of October of every year.

2. Procedure for filing the refund claim

(a) the provider of output service, shall submit an application in Form A annexed hereto, along with the documents and enclosures specified therein, to the jurisdictional Assistant Commissioner of Central Excise or Deputy Commissioner of Central Excise, as the case may be, before the expiry of one year from the due date of filing of return for the half year:

Provided that the last date of filing of application in Form A, for the period starting from the 1st day of July,2012 to the 30th day of September,2012, shall be the 30th day of June,2014;

(b) if more than one return is required to be filed for the half year, then the time limit of one year shall be calculated from the due date of filing of the return for the later period;

(c) the applicant shall file the refund claim along with copies of the return(s) filed for the half year for which the refund is claimed;

(d) the Assistant Commissioner or Deputy Commissioner to whom the application for refund is made may call for any document in case he has reason to believe that information provided in the refund claim is incorrect or insufficient and further enquiry needs to be caused before the sanction of refund claim;

(e) at the time of sanctioning the refund claim, the Assistant Commissioner or Deputy Commissioner shall satisfy himself or herself in respect of the correctness of the refund claim and that the refund claim is complete in every respect;

[Form A is available at our website www.worldtradescanner.com]

DG Safeguards Initiates Investigation on Bare Elastomeric Filament Yarn

[Ref: F.No. D-22011/ 23/2013 dated 28 February 2014]

Sub: Initiation of safeguard investigation concerning imports of Bare Elastomeric Filament Yarn into India.

An application has been filed before me under Rule 5 of the Customs Tariff (Identification and Assessment of Safeguard Duty) Rules, 1997 by M/S Indorama Industries Ltd, Plot No.10, Industrial Area, Lodhi Majra, Baddi, Distt. Solan(H.P.) for imposition of Safeguard Duty on imports of Bare Elastomeric Filament Yarn into India to protect the domestic producer of Bare Elastomeric Filament Yarn against serious injury/threat of serious injury caused by the increased imports of Bare Elastomeric Filament Yarn into India.

2. Domestic Industry

M/S Indorama Industries Ltd, claimed that they are the only producer in India who are producing the Bare Elastomeric filament Yarn in India and hence they account for 100% of total domestic production and thus have the standing to file the present petition.

3. Product Involved

The product under consideration in the present case is “Bare Elastomeric Filament Yarn of all deniers and varieties” classified under Customs Tariff sub-heading nos. 54024400 and 54041100 of Chapter 54 of the Customs Tariff Act, 1975. The applicant claimed that this product is also commonly referred to as “Spandex” or “Elastane**”.** Elastomeric filament Yarn is manufactured from two main raw materials, namely Poly Tera Methylene Ether Glycol and Mono Diphenyl Methane Diisocynate and is used in various applications such as denim jeans, Sportswear, T-Shirts, Suitings Socks & other garments.

4. Period of Investigation (POI)

As the applicant has started the commercial production of Elastomeric filament Yarn in March,2012, the domestic data related to production, sales and capacity etc. provided by the applicant is for one month of the year 2011-12, for 12 months of the year 2012-13 and for nine months of the year 2013-14. The period of investigation selected for injury analysis is 2012-13 to 2013-14 which is a reasonable period considering the fact that prior to this period there was no Domestic Industry for this product in India at all.

5. Source of information

The import data for the product under consideration has been received from DGCI&S, Kolkata till October,2013 and same has been taken into consideration for analysis. The domestic data from 2012-13 to 2013-14 (upto Dec.,2013) has been submitted by the domestic industry and same has been verified by on-site visit by the department to the extent deemed necessary and the verified data has been taken into consideration for injury analysis.

6. Increased Imports (Absolute & in relative terms)

Bare Elastomeric Filament Yarn is imported into India from a number of countries, and primarily from Vietnam, Korea, China, Singapore, Taiwan and Thailand. The imports and production of Bare Elastomeric Filament Yarn during financial year 2012-13 to 2013-14(up to Dec,13) remained as under:

Financial Year	Total Imports (MT)	All India Production (MT)	Domestic Sales(MT)	Total Demand (MT)	% of import with respect to production
2012-13(Q1)	2488	683	220	2708	364
2012-13(Q2)	2628	400	293	2921	657
2012-13(Q3)	2114	363	351	2465	582
2012-13(Q4)	2111	921	815	2926	229
2013-14(Q1)	2428	1247	931	3359	195
2013-14(Q2)	2565	1152	892	3457	223
Oct,13	894				
2013-14(Q3)	2682	1127	670	3352	238

The Imports decreased from 2488MT in Q1 of 2012-13 to 2111MT in Q4 of 2012-13 and then increased to 2682MT in Q3(extrapolated) of 2013-14. Further the import with respect to total production decreased from 364% to 229% and then increased to 238% during the same period. Thus imports of Bare Elastomeric Filament Yarn have shown an increasing trend in absolute terms as well as in relative terms, when compared to the total production during recent past.

7. Injury

The applicant has claimed that the increased imports of Bare Elastomeric Filament Yarn has caused and is threatening to cause serious injury to the domestic producers of Bare Elastomeric Filament as indicated by the following factors:

a) Production: Though the production of the domestic industry increased upto Q1 of 2013-14, it declined from 1247 MT in Q1 of 2013-14 to 1127 MT in Q3 of 2013-14.

Financial Year	All India Production (MT)
2012-13(Q1)	683
2012-13(Q2)	400
2012-13(Q3)	363
2012-13(Q4)	921
2013-14(Q1)	1247
2013-14(Q2)	1152
2013-14(Q3)	1127

b) Capacity Utilization: Capacity utilization of the domestic industry has declined in the most recent period, from 99.8% in Q1 of 2013-14 to 90.2% in Q3 of 2013-14.

Financial Year/ Quarter	Installed Capacity (MT)	Capacity utilized(%)
2012-13(Q1)	1250	54.6
2012-13(Q2)	1250	32.0
2012-13(Q3)	1250	29.0
2012-13(Q4)	1250	73.7
2013-14(Q1)	1250	99.8
2013-14(Q2)	1250	92.2
2013-14(Q3)	1250	90.2

c) Market share in domestic demand:

Financial Year/ Quarter	Total Import (MT)	Domestic Sales of DI (MT)	Total Demand (MT)	Market Share(%)	
				DI	Import
2012-13(Q1)	2488	220	2708	9	92
2012-13(Q2)	2628	293	2921	11	90
2012-13(Q3)	2114	351	2465	17	86
2012-13(Q4)	2111	815	2926	39	72
2013-14(Q1)	2428	931	3359	38	72
2013-14(Q2)	2565	892	3457	35	74
Oct,13	894				
2013-14(Q3)	2682	670	3352	25	80

Market share of domestic producer has increased from 9% in Q1 of 2012-13 to 25% in Q3 of 2013-14 and during same period market share of import has decreased from 92% to 80%. However in the recent quarters, market share of the domestic producer has decreased from 39% in Q4 of 2012-13 to 25% in Q3 of 2013-14 and during same period market share of import has increased from 72% to 80% .

d) Changes in the level of Sales: -Though the sales of the domestic industry increased up to Q1 of 2013-14, it declined from 931MT in Q1 of 2013-14 to 670 MT in Q3 of 2013-14. This clearly shows that the domestic industry suffered losses in sales in the recent past.

e) Profit/loss – the profitability claimed by the domestic industry is as under:-

Financial Year/ Quarter	Profitability (Rs.lacs) Indexed
2012-13(Q1)	-100
2012-13(Q2)	-127
2012-13(Q3)	-138
2012-13(Q4)	-96
2013-14(Q1)	-89
2013-14(Q2)	-122
2013-14(Q3)	-54

f) Productivity & Employment- There is increase in the level of employment .The productivity too has been rising till (Q1)2013-14 but has since gone down in Q2 & Q3 of 2013-14:

Financial Year/ Quarter	Production (MT)	Avg. Employment	Productivity per employee(MT)
2012-13(Q1)	683	221	3.0
2012-13(Q2)	400	230	1.7
2012-13(Q3)	363	227	1.5
2012-13(Q4)	921	236	3.9
2013-14(Q1)	1247	249	5.0
2013-14(Q2)	1152	252	4.5
2013-14(Q3)	1127	256	4.4

g) Inventory- The table below depicts the inventory levels which have witnessed a surge from 477 MT (Q1) 2012-13 to 601 MT (Q3) 2013-14 reflecting the plight of the domestic industry.

Financial Year/ Quarter	Inventory (MT)
2012-13(Q1)	477
2012-13(Q2)	584
2012-13(Q3)	521
2012-13(Q4)	528
2013-14(Q1)	646
2013-14(Q2)	675
2013-14(Q3)	601

8. The domestic industry has requested for immediate imposition of safeguard measures for a period of three year in their application. The domestic industry has also requested for imposition of provisional safeguard duty in view of steep deterioration in performance of the domestic industry as a result of increased imports of product under consideration.

9. The application has been examined and it has been found that prima facie increased imports of Bare Elastomeric Filament Yarn have caused or are threatening to cause serious injury to the domestic producers of Bare Elastomeric Filament Yarn and such increase in imports has caused irreparable damage to the domestic industry and accordingly, it has been decided to initiate an investigation through this notice.

10. All interested parties may make their views known within a period of 30 days from the date of this notice to:

The Director General (Safeguards)
Bhai Vir Singh Sahitya Sadan: 2nd Floor,
Bhai Vir Singh Marg, Gole Market,
New Delhi-110 001, INDIA.
Telefax: 011-23741542/ 23741537
E-mail: dgsafeguards@nic.in

11. All known interested parties are also being addressed separately.

12. Any other party to the investigation who wishes to be considered as an interested party may submit its request so as to reach the Director General (Safeguards) on the aforementioned address within 15 days from the date of this notice.

13. In terms of Rule 6(7) of Customs Tariff (Identification and Assessment of Safeguard Duty) Rules, 1997, any interested party may inspect the public file containing non-confidential versions of the evidence submitted by the other interested parties after the expiry of 30 days from the date of this notice.

Safeguard Investigation Initiated on Sodium Citrate

[Ref: F.No. D-22011/ 20/2013 dated 4 March 2014]

Sub: Initiation of safeguard investigation in respect of "Sodium Citrate" being imported into India, falling under sub-heading 29181520 of the Customs Tariff Act 1975.

An application has been filed before me under Rule 5 of the Customs Tariff (Identification and Assessment of Safeguard Duty) Rules, 1997 by M/s. Posy Pharmachem Private Limited, No. 187/1A, Karoli, Nr. Khatraj Chokdi, Ta. Kalol, Dist. Gandhinagar, Gujarat, through his consultant M/S TPM Consultants, New Delhi for imposition of Safeguard Duty on imports of " Sodium Citrate" **(Product under consideration)** into India to protect the domestic producers of " Sodium Citrate" against serious injury/threat of serious injury caused by the increased imports of " Sodium Citrate" into India. The " Sodium Citrate" is being imported falling under sub-heading 29181520 of the Customs Tariff Act 1975. The classification is however indicative only and in no way binding on the scope of the present investigations.

2. Domestic Industry

M/s. Posy Pharmachem Private Limited, Gandhinagar, claimed that his production account for 46% of the total production of " Sodium Citrate" in the country and other domestic producer who support the application M/s Sunil Chemicals, Mumbai accounts 44% and total share is 90% which represent a major proportion of the Indian production of " Sodium Citrate" in the country and thus have the standing to file the present petition.

3. Product Involved

The product under consideration is "Sodium Citrate" which is a chemical compound that comes in the form of monosodium citrate, disodium citrate and trisodium citrate. It is sodium salt of citric Acid and has a sour and salty taste. Sodium Citrate is mainly used as an expectorant and urine alkanizer. It is also used as a pharmaceutical aid, food additive in dairy Industries laboratory reagent in water treatment, acidity regulator in drinks, an emulsifier for oils when making cheese and an antioxidant in food etc.

4. Period of Investigation (POI)

The applicant for the purpose of the present application has considered the data for four years period. The applicant has submitted all the data from 2010-11 to 2013-14 (up to Jan.2014). The period for investigation selected is 2010-11 to 2013-14 (Annualised) which is long enough in order to take into consideration the market conditions and to ascertain the need of imposition of Safeguard Duty.

5. Source of information

The import data for the "Sodium Citrate" has been taken from DGCI&S, Kolkata(Transaction wise) from 2010-11 till September,2013 and remaining period from Oct,13 to Jan.2014 has been procured from IBIS, Mumbai. The same has been taken into consideration for analysis. The domestic data from 2010-11 to 2013-14 (up to Jan.2014) has been submitted by the domestic industry and the same has been taken into consideration for injury analysis. The domestic data from 2010-11 to 2013-14 (up to Oct.2013) has been verified by on site visit by the department to the extent deemed necessary and available during visit.

6. Increased Imports (Absolute & in relative terms)

"Sodium Citrate" are imported into India from a number of countries, and primarily from China. The imports of "Sodium Citrate" have shown an increasing trend in absolute terms as well as in relative terms. The imports of "Sodium Citrate" during the financial year 2010-11 to 2013-14 (Annualised) remained as under:

Imports & Trend

2010-11	2011-12	2012-13	2013-14 (upto Jan.2014)	2013-14 (Annualised)
2621	2877	3721	3992	4791
100	110	142	152	183

The Imports have increased from 2621MT in 2010-11 to 4791MT in 2013-14 (Annualised) which shows an increasing trend both in absolute terms as compared to base year and with preceding year i.e. 2012-13 and from base year in relative terms.

6.(a) Imports in relation to Production:

During the period 2010-11 to 2013-14 (Annualised) the market percentage of import in relation to production has increased from 99% to 162% as evident from the following details:

Financial Year	Total Imports (MT)	All India Production (MT)	% of import with respect to production
2010-11	2621	2556	99
2011-12	2877	2881	97
2012-13	3721	3227	112
2013-14 (Annualised)	4791	4032	162

7. Injury

The applicant have claimed that the increased imports of "Sodium Citrate" have caused or threatening to cause serious injury to the domestic producers of "Sodium Citrate" as indicated by the following factors:

a) Production: The production of the domestic industry declined in 2013-14 (Annualised) as compared to the previous year 2012-13, however, it has increased during the period 2010-11 to 2012-13.

Year	Qty(MT)
2010-11	1184
2011-12	1211
2012-13	1531
2013-14 (Annualised)	1498

b) Share of domestic producers in domestic demand: The market share of import increased from 57% in 2010-11 to 67% in 2013-14 (Annualised) whereas the market share of domestic Industry also increased during the same period.

Financial Year	Total Import (MT)	Sales of DI (MT)	Sales of other Indian Producers (MT)	Total Demand (MT)	Market Share(%)	
					DI	Import
2010-11	2621	505	1454	4580	11	57
2011-12	2877	632	1769	5278	12	55
2012-13	3721	1036	1787	6544	16	57
2013-14 (Annualised)	4791	1214	1236	7120	17	67

c) Changes in the level of Sales:- The sales of the domestic industry has increased during the period from 2010-11 to 2013-14 (Annualised) .

d) Profit/loss – the profitability of the domestic industry has steeply deteriorated to such a situation that the domestic industry is now suffering financial losses. This is evident from the table below:-

Financial Year	Profitability (Rs./MT) (Indexed)
2010-11	-100
2011-12	-249
2012-13	-378
2013-14(Annualised)	-487

8. Productivity

During the period 2010-11 to 2012-13, in comparison, the productivity has increased and decreased in 2013-14 (Annualised) in comparison to preceding year 2012-13 on indexed basis.

2010-11	2011-12	2012-13	2013-14 (upto Dec.13)	2013-14 (Annualised)
(Indexed) 100	102	129	105	127

9. The domestic industry has requested for immediate imposition of safeguard measures for a period of four years in their application. The domestic industry has also requested for imposition of provisional safeguard duty in view of performance of the domestic industry as a result of increased imports of product under consideration.

10. The application has been examined and it has been found that prima facie increased imports of " Sodium Citrate" have caused or are threatening to cause serious injury to the domestic producers " Sodium Citrate" and such increase in imports has caused irreparable damage to the domestic industry and accordingly, it has been decided to initiate an investigation through this notice.

11. All interested parties may make their views known within a period of 30 days from the date of this notice to:

The Director General (Safeguards)
Bhai Vir Singh Sahitya Sadan: 2nd Floor, Bhai Vir Singh Marg,
Gole Market, New Delhi-110 001, INDIA. Telefax: 011-23741542/ 23741537
E-mail: dgsafeguards@nic.in

12. All known interested parties are also being addressed separately.

13. Any other party to the investigation who wishes to be considered as an interested party may submit its request so as to reach the Director General (Safeguards) on the aforementioned address within 15 days from the date of this notice.

14. In terms of Rule 6 (7) of Customs Tariff (Identification and Assessment of Safeguard Duty) Rules, 1997, any interested party may inspect the public file containing non-confidential versions of the evidence submitted by the other interested parties after the expiry of 30 days from the date of this notice.

Exchange Rates for Customs Valuation

Rupee Gains to Rs. 62.00 for Imports w.e.f. 7 March 2014

15-Cus(NT) 06.03.2014 (DoR) In exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and in super session of the notification of the Government of India in the Ministry of Finance (Department of Revenue) No.13/ 2014-CUSTOMS (N.T.), dated the 20th February, 2014 *vide* number S.O.496(E), dated the 20th February, 2014, except as respects things done or omitted to be done before such super session, the Central Board of Excise and Customs hereby determines that the rate of exchange of conversion of each of the foreign currency specified in column (2) of each of Schedule I and Schedule II annexed hereto into Indian currency or *vice versa* shall, ***with effect from 7th March, 2014*** be the rate mentioned against it in the corresponding entry in column (3) thereof, for the purpose of the said section, relating to imported and export goods.

SNo.	Currency	Imprted Goods Current	Imprted Goods Previous	Exported Goods Current	Exported Goods Previous
(1)	(2)	(3)			
		(a)		(b)	
Schedule I *– Rate of exchange of one unit of foreign currency equivalent to Indian rupees*					
1.	Australian Dollar	56.10	56.65	54.75	55.15
2.	Bahrain Dinar	167.85	170.40	158.65	161.05
3.	Canadian Dollar	56.35	57.10	55.10	55.70
4.	Danish Kroner	11.50	11.70	11.15	11.35
5.	EURO	85.40	86.85	83.45	84.85
6.	Hong Kong Dollar	8.00	8.10	7.85	8.00
7.	Kuwait Dinar	224.80	228.40	212.35	215.30
8.	Newzeland Dollar	52.55	52.25	51.10	50.95
9.	Norwegian Kroner	10.40	10.45	10.10	10.15
10.	Pound Sterling	103.85	105.30	101.75	103.00
11.	Singapore Dollar	49.10	49.95	47.95	48.75
12.	South African Rand	5.95	5.85	5.55	5.45
13.	Saudi Arabian Riyal	16.85	17.15	15.95	16.20
14.	Swedish Kroner	9.70	9.75	9.40	9.45
15.	Swiss Franc	70.05	71.35	68.35	69.40
16.	UAE Dirham	17.25	17.50	16.30	16.55
17.	US Dollar	62.00	62.95	61.00	61.95
Schedule II *– Rate of exchange of 100 units of foreign currency equivalent to Indian rupees*					
1.	Japanese Yen	60.65	62.00	59.20	60.50
2.	Kenya Shilling	73.15	74.70	69.00	70.35

[F.No.468/01/2014-Cus.V]

Money Transfer Only to KYC Compliant Bank Account, Orders RBI

Sub: Money Transfer Service Scheme – 'Direct to Account' facility

AP(DIR Srs) Cir.110 04.03.2014 (RBI) Attention of Authorised Persons, who are Indian Agents under Money Transfer Service Scheme (MTSS) is invited to Para 4.4 (e) Payment to Beneficiaries of Annex II - Section I of the A.P. (DIR Series) Circular No. 89 dated March 12, 2013 on Money Transfer Service Scheme – Revised Guidelines, as amended from time to time.

2. To facilitate receipt of foreign inward remittances directly into bank account of the beneficiary, it has been decided to allow foreign inward remittances received under MTSS to be transferred to the KYC compliant beneficiary bank account through electronic mode, such as NEFT, IMPS etc. The procedure to be followed for the purpose is as under.

Foreign inward remittances received by the bank acting as Indian Agent under MTSS (termed as 'Partner Bank'), may be electronically credited directly to the account of the beneficiary, held with a bank other than the Indian Agent Bank (termed as 'Recipient Bank'), subject to the following conditions:

A. The Recipient Bank will credit the amount transferred by the Partner bank only to KYC compliant bank accounts.

B. In respect of the bank accounts which are not KYC compliant, the Recipient Bank shall carry out KYC/CDD of the recipient before the remittance to such account is credited or allowed to be withdrawn.

C. The Partner Bank shall appropriately mark the direct-to-account remittances to indicate to the Recipient Bank that it is a foreign inward remittance.

D. The Partner Bank shall ensure that accurate originator information and necessary beneficiary information is included in the electronic message while transferring the fund to the Recipient Bank. This information should be available in the remittance message throughout the payment chain i.e. the overseas principal, the Partner Bank and the Recipient Bank. The Partner Bank should add an appropriate alert in the electronic message indicating that this is a foreign inward remittance and should not be credited to KYC non-compliant account and NRE/NRO account.

E. The identification and other documents of the recipient shall be maintained by the Recipient Bank as per the provisions of Prevention of Money Laundering (Maintenance of Records) Rules, 2005. All other requirements under KYC/AML/CFT guidelines issued by the Reserve Bank of India for MTSS from time to time shall be adhered to by the Partner Bank.

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

3. All other instructions issued vide A. P. (DIR Series) Circular No. 89 dated March 12, 2013, as amended from time to time, will remain unchanged.

4. Authorised Persons (Indian Agents) may bring the contents of this circular to the notice of their constituents concerned.

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

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EU Trade Ministers Pledge T-TIP Support

EU trade ministers meeting in Athens last week pledged their full support to the ongoing trade talks with the US, as part of a broader push on both sides to allay concerns from public interest groups over the proposed Transatlantic Trade and Investment Partnership (T-TIP). With the fourth round of negotiations set to begin in less than one week, the planned agreement has received amped-up attacks from a diverse collection of critics on both sides of the Atlantic.

With both the EU and US working their way out of a prolonged financial crisis, advocates for T-TIP have said that the deal could provide a much-needed boost to their economies. For instance, figures cited by the EU place the increase in the bloc's GDP at an additional 0.5 percent each year, netting an additional €275 billion in total trade per annum.

Substantively, the US labour organisation is particularly opposed to investor-state dispute settlement systems, an issue that has also sparked concern in the EU. Brussels, for instance, has already pledged to publish its negotiating objectives for the investment part of the deal this month, which will be followed by a three-month public comment period.

Ukraine Crisis Endangers Exxon's Black Sea Gas Drilling

Crimea's hastily organized vote this weekend on whether to leave Ukraine to join Russia is threatening Black Sea oil and natural gas drilling prospects coveted by Exxon Mobil Corp. (XOM) and Eni SpA. (ENI)

Before violent protests in Kiev overthrew pro-Moscow President Viktor Yanukovych and Russian troops occupied parts of Crimea, a group including Exxon and Royal Dutch Shell Plc (RDSA) planned to spend $735 million drilling two wells about 50 miles (80 kilometers) from the region's southwest coast.

Today it's not even clear whether the government in Kiev will have the power to award oil and gas licenses in Black Sea waters around the disputed region. The parliament in Crimea, where Russian speakers are in the majority, said last week it voted to join the Russian Federation and would put the plan to a referendum on March 16.

Shale Deals

For the government in Kiev, offshore exploration is part of a strategy to wean itself off gas imports from Russia, which supplies more than 50 percent of Ukraine's fuel. It also signed shale-gas exploration deals with Shell and Chevron Corp. and has worked to reduce consumption.

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