

Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Foreign Trade
Udyog Bhavan, New Delhi

Policy Circular No. 15 (RE-2010)/2009-14

Dated : 01.02.2011

To

All Customs Authorities
All Regional Authorities
Members of Trade

Subject:- Conditions and modalities for applications for grant of quota for export of cotton yarn.

Attention is invited to Notification No. 14 (RE-2010)/2009-14 dated 22.12.2010 whereby export of cotton yarn under ITC(HS) codes 5205 , 5206 & 5207 was placed under the restricted category with export allowed subject to licensing. The data for export made from 1/4/2010 to 15/1/2011 is being collected and allocation will be made for the balance quantity keeping in view the decision of GoM to limit the export of cotton yarn to 720 Million Kg. during the year 2010-11. Accordingly, it has been decided to invite applications for allocation of quota for export of cotton yarn from 02.02.2011 to 07.02.2011 (till 5.00 PM).

2. All applications for grant of quota shall be sent only through E-mail at cottonyarnexport-dgft@nic.in. Annexure-1 of this Policy Circular gives a sample email for the purpose.

3. Allocation will be made after scrutiny of applications, as per the following criteria:-

- (i) Allocation will be done on a prorata basis. The maximum that an applicant can apply is 100,000 Kg. per IEC or what has been exported by such IEC holder during 2009-10, whichever is more.(Example : if an applicant has exported 120,000 kg in 2009-10, then such applicant can apply for a maximum amount of 120,000 kg only ; similarly an applicant who has not exported at all in 2009-10 can apply upto 100,000 kg)
- (ii) Only one application per IEC will be accepted and any subsequent application made by the same IEC holder will be rejected and not considered for allocation.
- (iii) After the allocation is made, the applicants will be required to submit applications in prescribed format (i.e. ANF 2D) to concerned RAs from 11th February 2011 to 18th February 2011. The concerned RAs will then issue the export authorizations for the allocated quantities after scrutiny of the documents. The following documents will be submitted by allottees to the RA's:
 - (a) Application form (ANF 2D) duly filled and signed,
 - (b) Copy of Export Contract alongwith :
 - either (i) A copy of irrevocable Letter of Credit(LC) duly authenticated by an Indian Bank.
 - Or (ii) FIRC showing receipt of remittance from the concerned foreign buyer as proof of having received 100% Advance Payment.
 - Or (iii) FIRC showing a minimum of 25% Advance Payment and balance Cash Against Delivery(CAD),
 - (c) Copy of IEC (against which the original application to DGFT has been sent)

The process of issuance of authorizations would be completed by 18th February, 2011. The export under such authorizations would need to be completed before 31st March, 2011 so as to ensure export of 720

Million Kg. of cotton yarn as per GoM decision.

- (iv) Applicants who fail to submit the stipulated documents within prescribed time or where documents are found to be incorrect or erroneous, that applicant shall be declared ineligible. They will forfeit their right to seek further allocation.
- (v) Failure to export the allocated quantity within the stipulated time would invite debarment from further allocation. In addition, penal action as per Section 11(2) of the Foreign Trade(D&R) Act would be initiated. For ready reference Section 11(2) is extracted below:-

“11(2). Where any person makes or abets or attempts to make any export or import in contravention of any provisions of this Act or any rules or order made thereunder or the Foreign Trade Policy, he shall be liable to a penalty of not less than ten thousand rupees and not more than five times the value of the goods or services or technology in respect of which any contravention is made or attempted to be made, whichever is more.”

- 4. Calendar for process of applications, issue of Export Authorizations and export is provided in Annexure-2 to this Policy Circular.
- 5. This issues with the approval of Commerce Secretary.

(Hardeep Singh)
Joint Director General of Foreign Trade
Email: hardeep.singh@nic.in

(File No. 01/91/180/1843/AM11/EC)

Annexure-1 to Policy Circular No. 15 (RE-2010)/2009-14 Dated : 01.02.2011

SAMPLE FORMAT FOR SENDING APPLICATION BY E-MAIL TO
(cottonyarnexport-dgft@nic.in)

Subject header of E-mail : IE Code- Name of the Firm/Applicant-Quantity applied for
(Example : 0500030001-ABC Exports-10,000 Kg.)
(Fill this in the “Subject” field)

Message Body	(Content of E-mail)
--------------	---------------------

Line 1	: IE Code (Example : 0500030001)
Line 2	: Name (Example : ABC Exports)
Line 3	: Quantity applied for (In Kgs., both in figure and words).(Example 10,000 Kg., Ten Thousand Kilograms)
Line 4	: ITC(HS) Code (Example : 5205 or 5206 or 5207)
Line 5	: Blank
Lines 6-7	: Export of cotton yarn made by applicant in 2009-10.
Line 6	: Export quantity in Kg. in figures (Example : 250,000 Kg.)

Line 7 : Export quantity in Kg. in words (Example : Two hundred fifty thousand Kg.)

Lines 8-15 : Any other information that the applicant wishes to submit.

Lines 16-26 : Details of Applicant

Line 16 : Name of the Applicant (in whose name IEC has been issued)
(Example : ABC Exports)

Line 17 : I Exact Postal Address

Line 18 : I (Example: D-402, 1st Floor, Karim Nagar, New Delhi- 110010)

Line 19 : I

Line 20 : Phone Number(s) with STD Code (Example: 011-23456789)

Line 21 : Fax Number (Example: 011-23456793)

Line 22 : E-mail (Example : abcexports@yahoo.com)

Line 23 : Alternative E-mail (Example : ashokbhalla@gmail.com)
(Application must be from one of these two E-mails)

Line 24 : Name of the authorised person sending the application
(Example : Ashok Bhalla)

Line 25 : E-mail of the authorised person(Example : ashokbhalla@gmail.com)

Line 26 : Phone No of the authorized person (Landline & Cell phone)

End of E-mail

-

Annexure -II

CALENDAR OF EVENTS

1.	Policy Circular to be issued on	1 st February 2011
2	Receipt of Application by E-mail	
	Start Date:	1200 hours, 2 nd February 2011
	Close Date:	1700 hours, 7 th February 2011
3	Compilation Work	8 th , 9 th & 10 th February 2011
4	Declaration of Allocation	Thursday, 10 th February 2011
5	Document submission, Scrutiny & Issue of Export Authorizations (with the respective Regional Authorities)	
	Start Date:	1000 hours, Friday 11.02. 2011
	Close Date:	1700 hours, Friday 18.02.2011
6	Date by which Exports must be completed	Thursday, 31 st March 2011