

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

Policy Circular No. 20 (RE-2010)/2009-14

Dated 14th February, 2011

**All Regional Authorities
All Customs Authorities
Member of Trade**

Subject: Restriction on export of Cotton yarn- Exemption from the quantity ceiling of 720 million Kg for export of (i) cotton yarn manufactured out of imported raw cotton (ii) cotton yarn by 100% EOUs and (iii) Value Added Special Yarn and Technical Yarn upto 31.03.2011.

Export of cotton yarn was restricted by Notification No. 14(RE-2010)/2009-14 of 22.12.2010 and therefore its export is now permitted under licence to be issued by DGFT. Vide Policy Circular No. 07(RE-2010)/2009-14 Dated: 22.12.2010, it was informed that the Government has put a quantity ceiling of 720 million Kgs. for export of cotton yarn during the year 2010-11(i.e. upto 31.03.2011).

2. Subsequently, through Notification No. 18(RE-2010)/2009-14 of 24.01.2011, export of cotton yarn by manufacturers who manufacture and export cotton yarn exclusively out of imported raw cotton was exempted from the restriction imposed on export of cotton yarn subject to a certificate from the jurisdictional Central Excise Authority certifying that the yarn has been manufactured exclusively out of the imported raw cotton.

3. It is clarified that the quantity ceiling of 720 million Kgs. for export of cotton yarn during the year 2010-11 shall not be applicable on following:

(i) Export of Cotton Yarn manufactured exclusively out of imported raw cotton

Procedure to obtain export licence:- Concerned manufacturers only can apply for licence to the concerned RA alongwith (a) ANF 2D (b) Proof of import of raw cotton having been imported on or after 01.10.2010 (c) Details of cotton yarn manufactured by using the cotton so imported (d) Quantity exported already out of cotton yarn so manufactured. Export against the licences so issued must be completed by 31.03.2011.

(ii) Export of Value Added Special Yarn and Technical Yarn by the original manufacturers of such yarn

Procedure to obtain export licence:- Concerned manufacturers only can apply. Licence to be obtained from concerned RA. Applications must contain (a) ANF 2D (b) Proof of export of such yarn during the previous two years i.e. FY, 2008-09 and FY, 2009-10 (c) certificate from the concerned Export Promotion Council certifying that the yarn is Value Added Special Yarn/Technical Yarn. Export against the licences so issued must be completed by 31.03.2011.

(iii) Export of Cotton Yarn by the 100% Export Oriented Units(EOUs) in the cotton yarn sector

Export of cotton yarn by 100% EOUs in the cotton yarn sector is exempted from the restriction imposed on export of cotton yarn vide above notifications in terms of para 6.2(a) of Foreign Trade Policy, 2009-14 which stipulates that an EOU unit may export all kinds of goods and services except items that are prohibited in ITC (HS).

4. The RAs are requested to send a weekly report of the licences issued for the above categories addressed to hardeep.singh@nic.in and daya.shankar@nic.in.

5. This issues with the approval of Director General of Foreign Trade.

(Daya Shankar)
Deputy Director General of Foreign Trade

(Issued from File No.01/91/180/1843/AM11/Export Cell)