

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

Policy Circular No. 34 (RE-2010)/2009-14

Dated the 1st July, 2011

To

All Customs Authorities / All Regional Authorities / Members of Trade.

Subject:- Conditions and modalities for registration of contracts of cotton waste including yarn waste and garneted stock [ITC(HS) Code 5202] with DGFT.

Notification No. 57 (RE-2010)/2009-14 dated 09.06.2011 has raised the cap on export of cotton for the cotton season 2010-11 (upto 30.09.2011) to 65 lakh bales, thereby allowing export of additional 10 lakh bales of cotton, upto 30.09.2011. Through Notification No. (RE-2010)/2009-14 dated .06.2011, it has been notified that the cap of additional 10 lakh bales, on export of cotton during the cotton season 2010-11 (upto 30.09.2011), will apply only to Tariff codes 5201 and 5203. This cap shall not apply to export of cotton waste including yarn waste and garneted stock(Tariff code 5202).

2. Thus, Export of cotton waste including yarn waste and garneted stock [ITC(HS) Code 5202] is "Free" subject to registration of export contracts with DGFT. Procedure for registration of contracts for export of cotton waste including yarn waste and garneted stock(Tariff code 5202), which are to be registered with the Regional Authorities of DGFT, is described below. This is similar to Policy Circular No. 27 of 01.04.2011 relating to export of cotton yarn except that period of shipment against the RCs will be 45 days for export of cotton waste. It is 30 days for export of cotton yarn.

3. All applications for grant of registration certificate shall be submitted to the concerned RAs alongwith the following documents:

- (i) Copy of Export Contract alongwith,
 - (a) A copy of irrevocable Letter of Credit(LC) duly authenticated by an Indian Bank,
or
 - (b) FIRC from Bank showing receipt of remittance from the concerned foreign buyer as proof of having received 100% Advance Payment
or
 - (c) a minimum of 25% Advance Payment and balance Cash Against Delivery(CAD).
- (ii) Declaration/Undertaking as given in Annexure-I of this Policy Circular, on the letter head of the firm.
- (iii) Copy of IEC

4. If the documents received are found in order, the applicant shall be issued a Registration Certificate. Export against this registration certificate shall be completed within a period of 45 days from the date of issuance of such certificate. The firms would be required to submit proof of export to the concerned RA within 10 days of last shipment.

5. Failure to export the allowed quantity within the stipulated time would invite debarment from further registration. 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."

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

(L.B. Singhal)
Joint Director General of Foreign Trade
Email: lb.singhal@nic.in

(Issued from F.No 01/91/180/1194/AM10/Export Cell)

Annexure-1 to Policy Circular No. 34(RE-2010)/2009-14

Dated : 1st July,2011

DECLARATION / UNDERTAKING

1. I / We hereby declare that the item exported by me/us is cotton waste / yarn waste /garneted stock [ITC(HS) Code 5202].
2. I / We hereby further declare that the particulars and the statements made in this application are true and correct to the best of my / our knowledge and belief and nothing has been concealed or held there from.
3. I / We fully understand that any information furnished in the application if found incorrect or false will render me / us liable for any penal action or other consequences as may be prescribed in law or otherwise warranted.
4. I / We undertake to abide by the provisions of the FT (D & R) Act, 1992, as amended, the Rules and Orders framed there under, FTP, HBP v 1 and HBP v2 and ITC (HS). I also undertake that in the event of non-performance after grant of Registration Certificate by the Directorate General of Foreign Trade for export of cotton waste / yarn waste /garneted stock, I shall be liable to Penal Action under Section 11(2) of Foreign Trade(Development & Regulation) Act, 1992, (as amended), including debarment from future allocations.
5. I hereby certify that I am authorized to verify and sign this declaration.

Signature of the Applicant
Name
Designation

Place
Date

Official Address(if different than given in the letter head):

Line 1: Number of the office premises.
Line 2: Street name.
Line 3: City name.
Line 4: Pin code.

Telephone No.(with STD code):

Cell Phone No.:

Fax No.:

E-mail of the firm/company: E-mail of the signatory:

Residential Address of the signatory:
Line 1: House Number.
Line 2: Street name.
Line 3: City name.
Line 4: Pin code.
