

CHAPTER 1

INTRODUCTION & TRADE FACILITATION

1.01 Notification of Procedure

In pursuance of the provisions of paragraph 1.03 of Foreign Trade Policy (FTP), the Director General of Foreign Trade (DGFT) hereby notifies the procedure to be followed by an exporter or importer or by the licensing/Regional Authority or by any other authority for purpose of implementing the provisions of Foreign Trade (Development & Regulation) Act, the Rules/orders made there under and the provisions of Foreign Trade Policy. The said procedure is contained in following compilations:

- (a) Hand Book of Procedures
- (b) Appendices & Aayat Niryat Forms and
- (c) Standard Input Output Norms (SION)

These compilations, as amended from time to time, shall come into force from the date of their notification and shall remain in force until 31st March, 2020.

1.02 Objective

The objective is to implement provisions of FT (D&R) Act, Rules and Orders made there under and provisions of FTP (2015-20) by laying down simple, transparent and EDI compatible procedures which are user friendly and are easy to comply with and administer for efficient management of foreign trade.

1.03 Definition

For the purpose of this Handbook, definitions and glossary contained in FT (D&R) Act, Rules and orders made there under and in the FTP (2015-20) shall apply.

1.04 E-governance of Foreign Trade

- (a) DGFT delivers most of its services on a transparent and efficient EDI platform using tools like Online filing of Applications, Message Exchange with Community Partners, Digital Signatures and Electronic payment of application fee. Use of EDI at DGFT has enabled faster processing, speedier communication by e-mail and on-line availability of application processing status. The endeavor is to achieve higher level of information sharing through SMS.
- (b) Export Import related information including Acts, Rules, Policy & Procedures thereof including online DGFT portal can be accessed at <http://dgft.gov.in/>.
- (c) All the DGFT Regional Authorities are EDI enabled and connected with the DGFT Central Server to provide online connectivity to EXIM community in a 24x7 environment.
- (d) DGFT keeps expanding the scope and domain of EDI on a continuous basis. The endeavor is to achieve higher level of integration with community partners.

1.05 Procedure

An exporter shall file his application online on DGFT website at <http://dgft.gov.in/>. Application will then be processed in accordance with prevalent rules and regulations. The processing of applications will be made online. DGFT shall issue deficiency letters, if any, in online mode or through use of e-mail. No communication shall be issued by DGFT in manual mode.

1.06 Use of Digital Signature

- (a) DGFT allows online filing of applications with Class-II digital signature with IEC number embedded in it. A list of DGFT approved digital signature issuing authorities is given as under:

- (i) (n) Code Solutions CA
- (ii) e-Mudhra
- (iii) Safescrypt (Siffy Communication Limited)

(b) For purposes other than submission of the application, such as an enquiry or uploading/processing of e-BRC data, class II or above digital signature certificate issued by any approved entity of Controller of Certifying Authority of India is accepted.

1.07 Separate applications for exports from EDI and on EDI ports

Separate applications shall be filed to DGFT for exports from EDI ports and Non EDI ports.

1.08 Application for exports from Non EDI ports

An exporter would be able to file his application on DGFT website at <http://dgft.gov.in/>. Applicant will then submit to concerned RA the hard copy of application along with requisite documents. Authorisation/Scrip shall be issued on the basis of hard copies of documents as prescribed in HBP after due scrutiny.

1.09 Application for exports from EDI ports

Applications relating to exports from EDI ports will be filed online as per relevant provisions. Physical or Hard copy of the following documents shall not be required to be submitted:

- (i) Applications to DGFT
- (ii) EDI shipping bills
- (iii) Electronic Bank Realisation Certificate (eBRC)
- (iv) RCMC

1.10 No manual feeding allowed for EDI shipments

For EDI shipping Bills, no manual feeding of Shipping bill details will be allowed to the applicants in the online software and benefits will accordingly be granted by RAs without the need for cross verifying EDI Shipping Bill details.

1.11 Dispensing with hard copy of documents

Hard copy of documents already submitted online in exporter's profile shall not be called for.

1.12 Processing of Non EDI Shipping bill sat RA

In case of the Non EDI shipping bills or the shipping bills not received through the Message Exchange from Customs, concerned RA shall verify the details entered by the exporter from the original shipping bills before grant of benefits.

1.13 Instructions for filing of applications

Detailed step by step instructions for online filing of an application are available at the relevant HELP files at DGFT website and at scheme specific ANF of the HBP

1.14 EDI Procedure for claiming benefits in respect of Third Party exports

For claiming benefits under EDI system in respect of Third Party exports the process will be initiated by the First party who will link shipping bills and BRCs to repository. If the First Party chooses not to claim benefit for a particular shipping bill item/s, it may authorize Third Party to claim benefit for such shipping bill item/s. After such authorization by First party, Third Party will be able to utilize the shipping bill item/s in its application".

1.15 Conversion of Currencies in e-BRCs

- (a) Currencies, where Exchange rates are notified by CBEC:** The foreign exchange realized (as mentioned by bank in the e BRC) is converted to Indian Rupee (INR) using the monthly exchange rates published by CBEC as on Let Export Order (LEO).
- (b) Currencies, where Exchange rates are not notified by CBEC:** In such cases, total realized value in INR (as mentioned by bank in the e BRC), will be converted into US\$ by using the US\$ /INR exchange rate prevailing on the date of realization as published by CBEC.

1.16 Guidelines for Processing of claims where an exporter gets payment through Insurance Agencies (and not through banks) towards realization of export proceeds

- (a) An applicant realizing export proceeds through Insurance Agency will approach the concerned RA with the proof of payment issued by the concerned Insurance Agency. RA, after satisfying itself of the bona fide of the payment, will obtain approval of Additional DGFT (EDI) and then will upload the value (in lieu of eBRC value) in EDI system of DGFT for processing of the case.
- (b) If the proof of payment issued by the Insurance Agency mentions claim value both in foreign exchange and INR, RA will use the foreign exchange value for processing. If the claim value is mentioned only in equivalent INR, RA will convert this INR value in equivalent US\$ using the exchange rate (published by CBEC) applicable on the date of settlement of insurance claim.

1.17 EDI Help Desk & Online Complaint registration and monitoring system

An EDI Help Desk is available to assist the exporters in filing online applications on the DGFT portal and resolving other EDI related issues. For assistance an email may be sent at dgftedi@nic.in or Toll Free number 1800111550 can be used. Help Desk facility is also operational at the 4 Zonal Offices of DGFT, namely, CLA (New Delhi), Mumbai, Chennai & Kolkata. An Online Complaint registration and monitoring system allows users to register complaint and receive status/ reply online (details at <http://dgft.gov.in>).

1.18 E-Mail

Use of Email for queries relating to import/export is encouraged. Contact email ids are available at <http://dgft.gov.in/exim/2000/dgftContactUS.html>.

1.19 e Trade Project

The e TRADE project facilitates users to carry out all their foreign trade related compliances, regulatory or otherwise, online. Department of Commerce pilots this project.

The major stake holders of the project are Customs, Directorate General of Foreign Trade (DGFT), Seaports, Airports, Container Corporation of India (CONCOR), Inland container Depots(ICDs)/ Container Freight Stations (CFSs), Banks, importers/exporters, agents, airlines/shipping lines.

The project emphasizes automation of internal processes for quicker processing of trade requests. Transparency is induced in the system by reduced personal interface of importers/exporters with Government agencies.

The project provides for following key services:

- (i) e-delivery of services / clearances by community partners like Customs and Custodians at Sea ports, Airports and ICD/CFSs. These services are extended to exporter, importer, agents etc.
- (ii) E-filing of export/ import documents by exporter, importer, agents etc to Customs and Custodians at Sea Ports, Airports and ICD/CFSs.
- (iii) Electronic exchange of documents between community partners i.e. Customs and Custodians at Sea Ports, Airports, ICD/CFSs.
- (iv) e-Payment by exporter, importer, agents for Custom duties; DGFT's application and other fee and Charges (handling/freight, etc) of Custodians at Sea Ports, Airports, ICD/CFSs.

CHAPTER 2

GENERAL PROVISIONS REGARDING EXPORTS AND IMPORTS

2.00 Policy

Policy relating to general provisions regarding exports and imports is given in Chapter-2 of FTP.

2.01 Coverage

This chapter covers procedure for various applications including their complete documentation. Procedure for applications for authorisations/ license/ permissions/ certificates for import/export and applications for benefits under FTP are spelt out.

2.02 Countries of Imports / Exports

Unless otherwise specifically provided, international trade (i.e. import into India and /or export from India) can take place from/to any country. Country specific prohibitions/limitations, if any, are specified in the FTP/ITC (HS).

Applications:

2.03 Filing of Application

- (a) Applications seeking authorisation for import/export of “restricted” goods, for claiming benefits under the schemes in FTP or for seeking clarifications and for other purposes may be made to the Regional Authority (RA).
- (b) Applicants may ensure while submitting documents that documents are either in English or Hindi. Documents in regional languages may be got translated into English or Hindi and the translated copy may be self-certified and submitted along with the Original copy.

2.04 Territorial Jurisdiction of RA

Territorial jurisdiction of RAs is given in **Appendix 1A** of Appendices and Aayat Niryat Forms. The address of applicant determines the jurisdiction of RA. Each application, unless otherwise specified, shall be submitted to jurisdictional RA .

2.05 Incomplete Application

- (a) An incomplete or unauthorised application is liable to be rejected by the competent authority with specific reason for rejection. Such incomplete application may be re-opened on rectifying the deficiencies.
- (b) If the deficiencies are not rectified by the applicant within a period of 90 days, the application will be deemed to have been withdrawn.

2.06 Application Fee

The scale of fee, mode of payment, procedure for refund of fee and categories of persons exempted from payment of fee are provided for in **Appendix-2K**.

Importer Exporter Code (IEC):

2.07 IEC Number Exempted Categories

- (a) IEC is compulsory for import and /or exports. However, the following categories of importers or exporters are exempted from obtaining IEC.

Sl. No.	Categories Exempted from obtaining IEC
(i)	Importers covered by clause 3(1) [except sub- clauses (e) and (l)] and exporters covered by clause 3(2) [except sub-clauses (i) and (k)] of Foreign Trade (Exemption from application of Rules in certain cases) Order, 1993.

(ii)	Ministries /Departments of Central or State Government
(iii)	Persons importing or exporting goods for personal use not connected with trade or manufacture or agriculture.
(iv)	Persons importing/exporting goods from/to Nepal; Bhutan; Myanmar (through Indo-Myanmar border areas); and China (through Gunji, Namgaya Shipkila and Nathula ports), provided that the CIF value of single consignment of import/export of goods from/to Nepal; Bhutan and Myanmar (through Indo-Myanmar border areas) does not exceed Indian Rs. 25,000/-; and in the case of China, (a) for import/export of goods through Gunji and Namgaya Shipkila, CIF value of single consignment does not exceed Indian Rs.1,00,000/-;and (b) for import/export of goods through Nathula, CIF value of single consignment does not exceed Rs.2,00,000/-.

Further, exemption from obtaining IEC shall not be applicable for export of Special Chemicals, Organisms, Materials, Equipments and Technologies (SCOMET) as listed in Appendix - 3, Schedule 2 of ITC (HS) except in case of exports by category (ii) above.

- (b) Following permanent IEC numbers shall be used by non – commercial PSUs and categories or importers / exporters mentioned against them for import / export purposes :

Sr. No.	Permanent IEC	Categories of Importer / Exporter
1	AMDCG0111E	All Ministries / Departments of Central Government and agencies wholly or partially owned by them.
2	ADSGA0129E	All Departments of any State Government and agencies wholly or partially owned by them.

3	DCUN00137E	Diplomatic personnel, Counsellor officers in India and officials of UNO and its specialised agencies.
4	IABBR0145E	Indians returning from / going abroad and claiming benefit under Baggage Rules.
5	IIHIE0153E	Persons /Institutions /Hospitals importing or exporting goods for personal use, not connected with trade or manufacture or agriculture.
6	IIEGN0161E	Persons importing/exporting goods from /to Nepal
7	IIEGM0170E	Persons importing / exporting goods from / to Myanmar through Indo-Myanmar border areas
8	IFFIE0188E	Ford Foundation.
9	ATAEF1096E	Importers importing goods for display or use in fairs/ exhibitions or similar events under provisions of ATA carnet. This IEC number can also be used by importers importing for exhibitions/fairs as per Paragraph 2.63 of Handbook of Procedures
10	IDNBG1100E	Director, National Blood Group
11	ICIRN1126E	Individuals /Charitable Institution /Registered NGOs importing goods, which have been exempted from Customs duty under Notification issued by Ministry of Finance for bonafide use by victims affected by natural calamity.
12	IIEGC1134E	Persons importing/exporting permissible goods as notified from time to time, from /to China through Gunji, Namgaya Shipkila and Nathula ports, subject to value ceilings of single consignment as given in Paragraph 2.07 (iv) above.
13	NCIEE1169E	Non-commercial imports and exports by entities who have been authorised by Reserve Bank of India.

2.08 Application for IEC

- (a) Exports/ Importers shall file online application in ANF 2A format with applicable fee and requisite documents.
- (b) IEC will be system auto generated and applicant will be informed through e-mail and sms that a computer generated e-IEC is available on its registered email id. Applicant can also view and print its e-IEC after completion of the submission process of application by logging into the IEC module.
- (c) The applicant is required to submit online application with the following details/documents (scanned copies to be submitted/uploaded) along with the IEC application:
 - (i) Cancelled cheque bearing entity's pre-printed name or Bank certificate in prescribed format ANF-2A(I);
 - (ii) Address proof of the applicant entity as detailed in the application.
- (d) RAs would conduct post-verification of online IECs as per the guidelines.ⁱ

2.09 IEC Format

An IEC will be issued in prescribed format (**ANF 2(A) (II)**). A copy of such IEC shall be endorsed to concerned banker (as per details given in **ANF 2A**). Such endorsement should ordinarily be done using emails.

2.10 Validity of IEC

An IEC allotted to an applicant shall have permanent validity unless cancelled by the competent authority. The IEC will cover all branches / divisions / units / factories of the applicant.

2.11 Validity of IEC for EOUs / SEZs

An IEC will remain valid irrespective of a firm's status as a DTA unit or an EOU or a SEZ/ EHTP/STP/BTP unit and the procedure to be followed in case a firm/unit is de-bonded and converted to DTA is as under:

- (a) An unit which is an EOU or in SEZ/EHTP/STP/BTP after de-bonding will not surrender the IEC obtained from its jurisdictional DC, SEZ.
- (b) The jurisdictional DC, SEZ will send the original IEC file to concerned RA of DGFT after de-bonding.
- (c) RA becomes the custodian of such file and will allow de-bonded unit to make necessary modification in IEC.
- (d) The de-bonded unit to be eligible for benefits from the RA as per FTP.

2.12 One PAN-One IEC

Only one IEC shall be issued against a single PAN. Multiple IECs against a single PAN stands deactivated suo-motu after 31.03.2015.

2.13 Surrender of IEC

If an IEC holder does not wish to operate allotted IEC, he may surrender the same to the issuing authority. On receipt, the issuing authority shall immediately cancel the IEC and electronically transmit it to DGFT and Customs authorities.

2.14 Modification of IEC

- (a) Modifications in IECs / e-IEC's can be done online only. Applicants seeking modification in their IECs / e-IEC's may log on to dgft.nic.in and click on Importer Exporter Code (IEC) under Quick Links and select "Modify your IEC" to amend their e-IECs and IECs in physical format with applicable fees and requisite documents.

Applicant shall upload relevant document/s to substantiate the changes sought to be made, besides uploading the signed copy of the modification application. The modification application has to be signed by Proprietor/ Managing Partner/ Designated Partner /Director / Company Secretary in case of companies or Chief Executive of the Society/ Managing Trustee / Karta as the case may be, before uploading/submitting the online application.

However, request for (i) Cancellation of existing numeric IEC and (ii) PAN change in existing numeric IECs has to be made to the concerned jurisdictional Regional Authority. Once RAs have changed the PAN and the change is reflected on central server, such applicant can seek further modifications online, if any so desired.ⁱⁱ

- (b) An application for modification may be made for change in details like name, address, constitution, ownership in Proprietorship firms, change in nature of the firm e.g. from proprietorship to partnership etc.
- (c) RAs shall consider applications seeking modification in IEC (**all numeric**), involving change in PAN, by ensuring that liabilities of the previous applicant/applicant firm are transferred to the new applicant/applicant firm whose PAN will be reflecting in the modified IEC.
- (d) In case of change in constitution of a PAN based IEC by way of merger, acquisition, liquidation, inheritance etc. such that PAN of the new entity so formed is different from the earlier one, an IEC can be availed against the new PAN, if not existing already. Previous IEC (s) can also be operationally linked to the PAN/IEC of the new entity.ⁱⁱⁱ
- (e) An application for linking the obligations under the old/ previous IEC may be submitted online to the jurisdictional RA of the new entity along with supporting documents. Concerned RA may sanction the given linkage after due scrutiny of the evidence provided by the applicant including submission of affidavits etc. After RA's approval, previous IEC (s) shall be treated as surrendered.^{iv}

2.14 (A) Modifications / Change in Branch Office / Head Office / Registered Office Address in IEC involving a shift in jurisdictional RA.

When an IEC holder seeks modification/ change of Branch Office/ Head Office/ Registered Office address in its IEC and which involves a

shift in its jurisdictional RA, a request to that effect will have to be made to RA concerned under whose jurisdiction the applicant exists.

On the basis of this request, the RA (Custodian of the IEC File till now) will process such requests and amend IEC, if found appropriate, under intimation to the RA under whose jurisdiction the applicant wants transfer. The new RA shall allow the person in its new address to carry out necessary functions and also apply for eligible benefits as per FTP.

2.15 Profile of Importer / Exporter

- (a) ANF-1 contains the profile of the importer/exporter. IEC Holder shall be responsible for updating the same as and when a change takes place immediately or in any case at least once in a year.
- (b) Documents which are uploaded in the Importer-Exporter Profile are not required to be filed each time the importer/exporter applies for authorisations/scrips under different schemes of this FTP. However, persons seeking any benefit from any authority, by claiming status as manufacturer exporter, have to prove its credence for the same independently to that authority.

Issue of Authorisation:

2.16 Validity period of Authorisation/ Licence / Certificate / Authorisation / Permissions / CCPs

- (a) Validity period of Import / Export Authorisations from the date of issue shall be as follows, unless specified otherwise:

Sr. No	Type of Authorisation	Validity Period
(i)	Export Authorisation for restricted (Non SCOMET) goods	24 months ^v

(ii)	Export Authorisation for SCOMET items	24 months
(iii)	Import Authorisations for restricted items and CCP	18 months
(iv)	EPCG Authorisation	24 months ^{vi}
(v)	Advance Authorisations (AA) for Deemed Export	Coterminous with contracted duration of project execution or 12 months, whichever is more.
(vi)	AA {except (v) above}, DFIA, Replenishment Authorisation for Gems & Jewellery as per Chapter 4 of FTP.	12 months from issue date.

However, EXIM Facilitation Committee (EFC) (for non-SCOMET items) and Inter Ministerial Working Group (IMWG) (for SCOMET items) may approve the grant of Export Authorisation for a shorter / longer duration in specific cases to meet contractual obligations/delivery schedule or on specific recommendation of the concerned Technical / Administrative Ministry / Department / or any other agency.

- (b) DGFT may decide to issue specific authorisation/ class of authorisations for a longer/shorter validity period. Any extension /revalidation in such cases to be allowed only by DGFT.

2.17 Date of reckoning of Import / Export

- (a) Date of reckoning of import is decided with reference to date of shipment / dispatch of goods from supplying country as given in **Paragraph 9.11** of Handbook of Procedures and not the date of arrival of goods at an Indian port.
- (b) Date of reckoning of export is decided with reference to date of shipment / dispatch of goods from India as given in **Paragraph 9.12** of Handbook of Procedures. However, for benefit under FTP, Let Export Order (LEO) date shall be the date of reckoning of export.

2.18 Validity of Authorisation/ Licence for import/export

- (a) Authorisations must be valid on the date of import.
- (b) Similarly, export obligation period of an Authorization must be valid on the date of export.

2.19 Validity of Scrips

Scrips under Chapter 3 and 5 must be valid on the date on which actual debit of duty is made.

2.20 Revalidation of Import / Export Licence Certificate/ Authorisation / Permissions for Non-SCOMET and SCOMET items

- (a) RA concerned may revalidate import authorisation on merits for six months from date of expiry of validity.
- (b) Export Authorisation, including for SCOMET items, may be revalidated, on merits for a period of six months at a time and maximum upto 12 months by the DGFT (Hqrs).^{vii}
- (c) However, revalidation of freely transferable authorisation / duty credit scrips and stock and sale (excluding SCOMET items) authorisation shall not be permitted unless validity has expired while in custody of Customs Authority / RA / Government Authority.
- (d) Revalidation of Authorisation/Duty Credit Scrip shall also be allowed without charging any fee for the period of delay (the period for which authorisation/scrip holder was unable to utilise the same) or six months, whichever is less, due to the following reasons:
 - (i) If Authorisation/Scrip or any amendment thereof could not be transmitted to Customs Server within fifteen working days from the date of issue/amendment;
 - (ii) If Authorisation/Scrip rejected by Customs server with error Code;
 - (iii) If request for issue of waiver of Bond/EODC was not considered within the period specified under Para 9.10 of HBP, 2015-2020

where complete application was submitted within the validity of the Authorisation.

In such cases, revalidation shall be allowed from the date of endorsement for the period of delay or six months, whichever is less. For example: Authorisation is issued having initial validity of 12 months on 01.04.2017. It was transmitted to Customs server on 01.04.2017 by DGFT server but it is accepted by Customs server on 31.10.2017. So the Authorisation holder loses 7 months (still 5 months validity is left). In such a case, RA shall allow revalidation for a period of 6 months (validity of 5 months is subsumed) from the date of endorsement.

The applicant shall submit request for endorsement of Authorisation/Scrip along with screen shot of DGFT server as well as Customs Server in support of his claim. RA shall verify the same before revalidation is allowed.

However, request must be made to RA concerned within a month from the date of final acceptance of Authorisation/Scrip in the Customs Server.

Notwithstanding anything contained above, these provisions of revalidation shall not apply wherever, the authorisation/scrip holder had clear 6 months period in hand for utilisation.

2.21 Authority to Revalidate

Such revalidation under **Paragraph 2.20** above would be permitted under specific orders of Head of concerned Office and such revalidation would be maximum up to the extent of custody period.

2.22 Application for Revalidation

An application for revalidation of authorisation, may be made to RA concerned. RA would consider such application as per FTP/ HBP. Where DGFT is concerned authority, original application shall be submitted to RA concerned and self-attested copy of same shall be submitted to DGFT.

Procedure for issuing Duplicate copies:

2.23 Duplicate copies of Export / Import Authorisation

Where an Authorisation/ Permissions/ CCPs / Licence / Certificate / is lost or misplaced, an application for issue of a duplicate may be made along with Self declaration, as given in **Appendix 2M**, to concerned RA where the original license was issued.

2.24 Documents required for duplicate copy of freely transferable Authorisation

Duplicate copy of freely transferable Authorisation may be issued against an application accompanied with following documents:

- (i) An application with fee equivalent to 10% of duty saved or duty credit (of unutilized balance).
- (ii) A copy of FIR reporting loss.
- (iii) Self- declaration to indemnify revenue loss, which may be caused on account of issue of such duplicate.

2.25 Exception

When an Authorisation is lost by a Government agency and a proof to this effect is submitted, documents at serial nos. (i) to (iii) of **Paragraph 2.24** above shall not be required. In such cases, revalidation shall be for six months from date of endorsement.

2.26 Mechanism for issuing duplicates

RA concerned shall obtain a report regarding utilization of such Authorisation from Custom authority at port of registration before issuing duplicate, for balance unutilized.

2.27 Validity of duplicate Authorisation

Validity of duplicate Authorisation shall be co-terminus with original period. No request shall be entertained if validity has expired.

2.28 Applicability of the provision

Provision of **Paragraph 2.26 and 2.27** shall be applicable for cases covered under both **Paragraph 2.23 and 2.24**

Bank Guarantee /LUT:

2.29 Execution of BG/Legal undertaking for Advance Authorisation/ EPCG Authorisation

- (a) Before clearance of goods through Customs, Authorisation holder shall execute a BG/LUT with Customs Authorities. In such cases, RA shall endorse the following condition on the licence/ Authorisation: "BG / LUT as applicable, to be executed with concerned Customs Authorities.
- (b) In case of indigenous sourcing, Authorisation holder shall furnish BG/ LUT to RA as per Customs Circular No.58/2004 dated 31.10.04, as amended from time to time. In case, the firm has already executed BG/LUT for the full value of the licence/ certificate/ authorisation/ permission (covering the items indigenously procured) to the Customs and furnishes proof of the same to Regional Authority (RA), no BG/LUT shall be required to be executed with the RA. The RA concerned shall endorse on the authorisation that the Customs Authority shall release/redeem BG/LUT only after receipt of NOC or EODC from the RA concerned. RA shall endorse a copy of the same along with a forwarding letter to the Customs Authority at the Port of registration for their information and record.

2.29A Any firm/ company coming under the NCLT proceedings shall make a summary of statement of outstanding export obligations/liabilities under the FTP schemes, indicating duty saved amounts and applicable interest till the date of start of proceedings before the National Company Law Tribunal (NCLT), any penalty imposed under FTD&R Act, any other dues such as fee etc., and submit the same to the RA concerned and to NCLT, before the start of NCLT proceedings

as part of the statutory filings. The statement of consumption of inputs/procurement of capital goods, attested by chartered engineer/chartered accountant, shall also be submitted along with other documentary details of any partial fulfilment of Export Obligation claimed towards offsetting the duty saved amount.^{viii}

2.30 Corporate Guarantee

A status holder or a PSU may also submit Corporate Guarantee in lieu of Bank Guarantee/LUT in terms of the provisions of relevant Customs Circular in this regard.

2.31 Advance Payment

In case, payment is received in advance and export / deemed export takes place subsequently, application for an Authorisation shall be filed within specific period following the month during which exports/ deemed export is made, unless otherwise specified.

2.32 Import under Lease Financing

Import under lease financing shall be available under EOU/ SEZ scheme. Domestic supply of capital goods to eligible categories of deemed exports shall be eligible for benefits of deemed export as in paragraph 7.03 of FTP, even in cases where supplies are under lease financing.

In case of loss of Documents:

2.33 Issuance of scrips against lost EP copy of the Shipping Bills

Where EP copy of Shipping Bill is lost, claim for Scrips under Chapter 3 and Chapter 5 can be considered subject to submission of following documents:

- (i) A duplicate /certified copy of relevant document issued by Customs Authority in lieu of original;

- (ii) An application fee equivalent to 2% of relevant entitlement. However, no fee shall be charged when such document is lost by Government agencies and a documentary proof to this effect is submitted
- (iii) Self-declaration by exporter about loss of document and an undertaking to surrender it immediately to concerned RA, if found subsequently
- (iv) Self-declaration by exporter to effect that he would indemnify Government for financial loss if any on account of duty credit issued against lost Shipping Bills. Customs Authority, before allowing clearance, shall ensure that benefit / duty credit against such shipping bill has not been availed.

2.34 Claims against lost copy of shipping bill

Claim against lost Shipping Bill shall be preferred within a period of six months from date of release of duplicate copy of Shipping Bill. Any application received thereafter shall be rejected.

2.35 Submission of Certified Copies of Documents

Wherever original documents have been submitted to a different RA / nominated agencies or to a different division of same RA, applicant can furnish photocopy of documents duly certified by him in lieu of original.

Warehousing Facility:

2.36 Warehousing Facility

- (a) Public / Private Customs Bonded Warehouses may be set up in DTA as per Chapter-IX of Customs Act, 1962, to import items in terms of **Paragraph 2.36** of FTP. On receipt of goods, such warehouses shall keep these goods for one year without payment of applicable customs duties. Goods can be cleared against Bill of Entry for home consumption, on payment of custom duty and on submission of Authorisation wherever required, after an order for clearance of

such goods for home consumption is issued by competent customs authorities. In case of clearance against duty free categories /concessional duty categories, exemption / concession from duty shall be allowed.

- (b) Goods can be re-exported without payment of customs duty provided shipping bill or a bill of export is presented in respect of such goods; and order for export of such goods has been made by competent customs authorities.

Certificates:

2.37 Free Sale and Commerce Certificate

- (a) (i) RAs may issue, on application, Free Sale and Commerce certificate for export of items not covered under Drugs & Cosmetics Act, 1940, which have usage in hospitals, nursing homes and clinics, for medical and surgical purposes and are not prohibited for export. Validity of such certificate shall be two years from date of issue unless otherwise specified.

(ii) An application for grant of Free Sale and Commerce Certificate may be made to RA concerned as per format in **ANF 2 H** of Appendices and Aayat Niryat Forms with Annexure A therein. RA shall issue Free Sale and Commerce Certificate as per Annexure B of ANF2H.
- (b) (i) RAs may also issue, on application, Free Sale and Commerce Certificate for export of any other item which is not restricted or prohibited for export. Validity of such certificate shall be two year from date of issue unless otherwise specified.

(ii) An application for grant of Free Sale and Commerce Certificate for these items may be made to RA concerned as per format in **ANF 2H** of Appendices and Aayat Niryat Forms along with Annexure A therein. RA shall issue Free Sale and Commerce Certificate as per Annexure B of **ANF 2H**.

2.38 End User Certificate

In case of import of any freely importable item in India, if a foreign Government insists on certification of end user of the item, before permitting export of the same from their country, RA may issue such certificates as per **Appendix 2Q** of Appendices and Aayat Niryat Forms. The certificate shall be issued based on application made under **ANF 2 J** along with documents prescribed therein.

2.39 Imports under Indo-US Memorandum of Understanding

- (a) Import of specified capital goods, raw materials and components, from United States of America (USA) is subject to US Export Control Regulations. US suppliers of such items are required to obtain an export authorisation based on import certificate issued in India. The following are designated Import Certificate Issuing Authorities (ICIA):
 - (i) Department of Electronics (DoE), for computer and computer based systems
 - (ii) Department of Industrial Policy and Promotion (DIPP), Technical Support Wing (TSW), for organised sector units registered under it, except for computers and computer based systems;
 - (iii) Ministry of Defence (MoD), for defence related items;
 - (iv) DGFT for small scale industries and entities not covered above as well as on behalf of any of the above;
 - (v) Embassy of India, Washington, DC, on behalf of any of the above.
- (b) Application for an import certificate shall be made in **ANF 2K(i)**. Import certificate in **Appendix-2P(Ia)** may be issued by ICIA directly to importer with a copy to (i) Ministry of External Affairs (MEA) (AMS Section), New Delhi, (ii) DoE, New Delhi; and (iii) DGFT.

- (c) However, this import certificate will not be regarded as a substitute for an import authorisation in respect of items mentioned as restricted in ITC (HS) and an import authorisation will have to be obtained for such items.
- (d) India's import and export with regard to USA's unilateral export control items [**Crime Control (CC)** Items as listed in **Appendix 2P(ia)** and **Regional Security (RS)** items as listed in **Appendix 2P(iib)**] will be governed by the following regulations:

Items listed at both **Appendix 2P (ia)** and **Appendix 2P(iib)** will be allowed by DGFT for import from USA provided the importer submits the following documents in **ANF 2K(i)** :

- (i) documentary proof of Bill of Lading indicating Port of USA,
 - (ii) legal undertaking that goods shall not be exported/ alienated; and
 - (iii) Import is with Actual User condition.
- (e) In case the importer wants to subsequently export the imported items from USA,, or any part thereof, such export will require an authorisation from DGFT as per ANF 2K(ii) and Export certificate will be issued in the format **Appendix-2P(ib)**.
- (f) Import /export of such items shall be allowed only through EDI enabled ports of India.

Imports:

2.40 Import of Consumer or Other goods as Gifts

- (a) In terms of provisions contained in **Paragraph 2.25** of FTP, an application for grant of CCP for import as gifts of items appearing as restricted for imports in ITC (HS) shall be made to the DGFT as in **ANF 2M** along with documents prescribed therein.
- (b) Where recipient of a gift is a charitable, religious or an educational institution registered under any law in force, and gift sought to be

imported has been exempted from payment of customs duty, such import shall be allowed by customs authorities without a CCP.

2.41 Import of Cheque Books /Ticket Forms etc.

Indian branches of foreign banks, insurance companies and travel agencies may import chequebooks, bank draft forms and travellers cheque forms without a CCP. Similarly, airlines / shipping companies operating in India, including persons authorised by such airlines / shipping companies, may import passenger ticket forms without a CCP.

2.42 Import of Reconditioned/ Second Hand Aircraft Spares

Import Authorisation for reconditioned / second hand aircraft spares is not needed on recommendation of Director General of Civil Aviation, Government of India (DGCA).

2.43 Import of Replacement Goods

Goods or parts thereof on being imported and found defective or otherwise unfit for use or which have been damaged after import, may be exported without an Authorisation, and goods in replacement thereof may be supplied free of charge by foreign suppliers or imported against a marine insurance or marine-cum-erection insurance claim settled by an insurance company. Such goods shall be allowed clearance by the customs authorities without an import Authorisation provided that:

- (a) Shipment of replacement goods is made within 24 months from date of clearance of previously imported goods through Customs or within guarantee period in case of machines or parts thereof where such period is more than 24 months; and
- (b) No remittance shall be allowed except for payment of insurance and freight charges where replacement of goods by foreign suppliers is subject to payment of insurance and / or freight by importer and documentary evidence to this effect is produced while making remittance.

2.44 Other Conditions for Import of Replacement Goods

- (a) In case of short-shipment, short-landing or loss in transit, import of replacement goods will be permitted based on certificate issued by customs authorities without an import Authorisation.
- (b) This procedure shall also apply to cases in which short shipment of goods is certified by foreign supplier, who has agreed to replace free of cost.
- (c) Cases not covered by above provisions will be considered on merits by DGFT for grant of Authorisation for replacement of goods for which an application may be made as per paragraph 2.50 of HBP.

2.45 Import of Overseas Office Equipment

On winding up of overseas offices, set up with approval of RBI, used office equipments and other items may be imported without Authorisation.

2.46 Import of Ammunition by Licensed /Authorised Arms Dealers

- (a) Import of following types of ammunition are allowed against an Authorisation by licensed arms dealers subject to conditions as may be specified:
 - (i) Shotgun Cartridges 28 bore;
 - (ii) Revolver Cartridges of .450, .455 and .45 bores;
 - (iii) Pistol Cartridges of .25, .30 Mauser, .450 and .45 bores;
 - (iv) Rifle Cartridges of 6.5 mm, .22 savage, .22 Hornet, 300 Sherwood, 32/40, .256, .275, .280, 7m/m Mauser, 7 m/m Man Schoener, 9m/m Mauser, 9 m/m Man Schoener, 8x57, 8x57S, 9.3 m/m, 9.5 m/m, .375 Magnum, .405, .30.06, .270, .30/30 Winch, .318, .33 Winch, .275 Mag., .350 Mag., 400/350, .369 Purdey, .450/400, .470, .32 Win., .458 Win, .380 Rook, .220 Swift and .44 Win. bores.

- (b) An import Authorisation shall be issued at 5% of value of annual average sales turnover of ammunition (whether indigenous or imported) during preceding three licensing years subject to a minimum of Rs. 2000.
- (c) An application for grant of an Authorisation for items listed above may be made to RA in **ANF 2M** along with documents prescribed therein.

2.47 Duty Free Imports for specific Sectors:

(A) R&D Equipment for Pharmaceuticals and Bio- technology Sector

- (i) Duty free import of goods (as specified in list 28 of Customs notification No.21/2012 dated 17.3.2012, as amended from time to time) upto 25% of FOB value of exports during preceding licensing year, shall be allowed.
- (ii) The eligible unit may furnish an application given in Appendix-8A to RA concerned duly countersigned by Chartered Accountant.
- (iii) In respect of duty free import of R&D equipment, units not registered with jurisdictional Customs authority shall be allowed to give Installation Certificate issued by an independent Chartered Engineer.

(B) Agro-Chemicals Sector :

- (i) Duty free imports of goods as specified in list 28A of Customs notification No. 21/2012 dated 17.3.2012, upto 1% of FOB value of exports made during preceding licensing year, shall be allowed to agro chemicals sector unit having export turnover of Rs. 20 crore or above during preceding licensing year.
- (ii) The eligible unit shall apply in form given in Appendix-8B to RA concerned duly countersigned by Chartered Accountant.
- (iii) In respect of duty free import of R&D equipment, units not registered with jurisdictional Customs authority shall be

allowed to give Installation Certificate issued by an independent Chartered Engineer.

2.48 Import under Govt. to Govt. Agreements

Import of goods under Government to Government agreements may be allowed without an Authorisation or CCP on production of necessary evidence to satisfaction of Customs authorities.

2.49 Transfer of Imported Goods

(a) Cases where prior permission is required:

Transfer of imported goods which are subject to Actual User condition and have become surplus to needs of Actual User, shall be made only with prior permission of RA concerned. Following information alongwith supporting documents shall be furnished with request for grant of permission for transfer, to RA concerned:

- (i) Reasons for transfer of imported material;
- (ii) Name, address, IEC number and industrial Authorisation registration, if any, of transferee;
- (iii) Description, quantity and value of goods imported and those sought to be transferred;
- (iv) Copies of import Authorisation and bills of entry relating to imports made;
- (v) Terms and conditions of transfer as agreed upon between buyer and seller.

(b) Cases where prior permission is not required

- (i) in case of sale or otherwise by importer of freely importable goods;
- (ii) for goods imported with Actual User condition, provided such good is freely importable without Actual User condition on date of transfer

- (iii) for goods with AU Condition after a period of two years from the date of import.
- (iv) for transfer of Imported Firearms (a) after 10 years of import or (b) on attaining the age of 60 years by such importer, subject to condition that transferee fulfils conditions as in Arms Act and Rules thereunder.
- (v) for transfer of weapon/s (firearm/s) imported by a Renowned Shooter (as defined in Policy Condition 3 of Chapter 93 of ITC (HS) 2012) for the purpose of his/her pursuing shooting as a sport to any upcoming shooter as certified either by the National Rifle Association of India (NRAI) or the Department of Sports, Ministry of Youth Affairs & Sports after two years from the date of import. The transferee can subsequently transfer/resell to any buyer as certified by the NRAI or Department of Sports for the sole purpose of pursuing shooting as a sport after one year from the date of its first sale. Such transfer/sale is subject to the provisions of the Arms Act, 1959 and other rules/regulations by state/local police. NRAI/Department of Sports will maintain the required records.

Import of Restricted Items:

2.50 Import of Restricted Items

An application for grant of an Authorisation for import or export of items mentioned as 'Restricted' in ITC (HS) may be made to RA, with a copy to DGFT Hqrs in **ANF 2M** along with documents prescribed therein. Original application along with Treasury Receipt (TR) / Demand Draft shall be submitted to RA concerned and self-attested copy of same shall be submitted to DGFT in duplicate along with proof of submission of application to concerned RA.

2.51 EXIM Facilitation Committee

- (a) Restricted item Authorisation may be granted by DGFT or any other RA authorised by him in this behalf. DGFT / RA may take

assistance and advice of a Facilitation Committee while granting authorisation. The Assistance of technical authorities may also be taken by seeking their comments in writing. Facilitation Committee will consist of representatives of Technical Authorities and Departments / Ministries concerned.

- (b) Import authorisations for a restricted item, if so directed by the competent authority, shall be issued for import through one of the sea ports or air ports or ICDs or LCS, as per the option indicated, in writing, by the applicant. Authorisation holder shall register the import authorisation at the port specified in the Authorisation and thereafter all imports against said authorisation shall be made only through that port, unless the authorisation holder obtains permission from customs authority concerned to import through any other specified port.
- (c) EXIM Facilitation Committee (EFC) shall normally meet once every month. Where a case has been deferred in EFC for want of comments from the Technical Authorities and Departments / Ministries concerned but subsequently, NOC(s) has / have been received from the concerned agency(ies) with no divergence in views, authorisation shall be issued with the approval of Chairman, EFC and the case shall be brought before EFC in its subsequent meeting for approval on ex-post facto basis.

2.52 Import of Restricted items required by Hotels, Restaurants, Travel Agents, Tour Operators and other Specified Categories

Items mentioned as restricted for imports in ITC (HS) required by hotels, restaurants, travel agents and tour operators may be allowed against an Authorisation, based on recommendation of Director General, Tourism, Government of India.

- (a) Hotels, including tourist hotels, recognised by Director General of Tourism, Government of India or a State Government shall be entitled to import Authorisation upto a value of 25% of foreign exchange earned by them from foreign tourists during preceding

licensing year, for import of essential goods related to hotel and tourism industry.

- (b) Travel agents, tour operators, restaurants, and tourist transport operators and other units for tourism, like adventure/wildlife and convention units, recognized by Director General of Tourism, Government of India, shall be entitled to import authorisation up to a value of 10% of foreign exchange earned by them during preceding licensing year, for import of essential goods which are restricted for imports related to travel and tourism industry, including office and other equipment required for their own professional use.
- (c) Import entitlement under paragraphs **2.52 (a)** and **2.52 (b)** of any one licensing year can be carried forward, either in full or in part, and added to import entitlement of two succeeding licensing years.
- (d) Such imported goods may be transferred after 2 years with permission of DGFT. No permission for transfer will be required in case the imported goods are re-exported. However, re-export shall be subject to all conditionality, or requirement of licence, or permission, as may be required under Schedule II of ITC (HS).
- (e) An application for grant of an Authorisation under paragraphs **2.52 (a)** and **2.52 (b)** may be made in **ANF 2 M** to DGFT through Director of Tourism, Government of India who will forward application to RA concerned along with their recommendations.

2.53 Import of Restricted items for R&D by units of Government

All restricted items and items permitted to be imported by STEs, except live animals, required for R&D purpose may be imported without an Authorisation by Government recognized Research and Development units.

2.54 Import of Metallic Waste and Scrap

Import of any form of metallic waste, scrap will be subject to the condition that it will not contain hazardous, toxic waste, radioactive contaminated waste / scrap containing radioactive material, any type of arms,

ammunition, mines, shells, live or used cartridge or any other explosive material in any form either used or otherwise.

- (a) Import of following types of metallic waste and scrap will be free subject to conditions detailed below:

Sl.	Exim Code	Item description
1.	720410 00	Waste and scrap of cast iron
2.	72042190	Other
3.	72042920	Of High speed steel
4.	72042990	Other
5.	72043000	Waste and scrap of tinned iron or Steel
6.	72044100	Turnings, shavings, chips, milling waste, saw dust, fillings, trimmings and stampings, whether or not in bundles.
7.	72044900	Other
8.	72045000	Re-melting scrap ingots
9.	74040012	Copper scrap
10.	74040022	Brass scrap
11.	75030010	Nickel scrap
12.	76020010	Aluminium scrap
13.	79020010	Zinc scrap
14.	80020010	Tin scrap
15.	81042010	Magnesium scrap

- (b) 'Freely' Importable metallic waste and scraps (shredded) as listed above shall be permitted through all ports of India subject to following conditions:

- (i) At the time of the clearance of goods, importer shall furnish to the Customs pre-shipment inspection certificate as per the format to Appendix 2H from any of the Inspection & Certification agencies given in Appendix-2G, to the effect that the consignment was checked for radiation level and scrap does not contain radiation level (gamma and neutron) in excess of natural background. The certificate shall give the value of background radiation level at that place as also the maximum radiation level on the scrap; and

- (ii) Importer shall also furnish copy of the contract with the exporter stipulating that the consignment does not contain any radioactive contaminated material in any form.
- (c) Import from Hodaideh, Yemen and Bandar Abbas, Iran will be in shredded form only.
- (d) Import of un-shredded compressed and loose form of metallic waste, scrap listed in paragraph 2.54(a) above in shall be subject to the following conditions:-
 - (i) At the time of the clearance of goods, importer shall furnish to the Customs pre-shipment inspection certificate as per the format in Appendix 2H from any of the Inspection& Certification agencies given in Appendix-2G to the effect that the consignment does not contain any type of arms, ammunition, mines, shells, cartridges, or any other explosive material in any form either used or otherwise, and that the consignment was checked for radiation level and it does not contain radiation level (gamma and neutron) in excess of natural background. The certificate shall give the value of background radiation level at that place as also the maximum radiation level on the scrap.
 - (ii) The imported item (s) is actually a metallic waste/ scrap /seconds /defective as per the internationally accepted parameters for such a classification.
 - (iii) Copy of the contract between the importer and the exporter stipulating that the consignment does not contain any type of arms, ammunition, mines, shells, cartridges, radioactive contaminated, or any other explosive material in any form either used or otherwise.
 - (iv) Import of scrap would take place only through following designated ports and no exceptions would be allowed even in case of EOUs, SEZs:-
 1. Chennai, 2. Cochin, 3. Ennore, 4. JNPT, 5. Kandla, 6. Mormugao, 7. Mumbai, 8. New Mangalore, 9. Paradip, 10.

Tuticorin, 11.Vishakhapatnam, 12.Pipava 13.Mundra, 14. Kolkata 15. Krishnapatnam and 16. Kattupalli 17. Hazira and 18.Kamarajar. ix

(v) Only entry sea ports will be designated and notified for import of un- shredded Metallic Waste and Scrap subject to the following:

- (i) Any sea port to be designated for import of un-shredded metallic scrap will be required to install Radiation Portal Monitors and Container Scanner with adequate security. The sea port having completed the above shall approach jurisdictional Customs for inspection and certification. Customs may give necessary clearance on receipt of certification from AERB. On getting clearance from Customs, DGFT will notify such a port as designated port for import of un-shredded scrap.
- (ii) The existing designated sea ports namely Chennai, Cochin, Ennore, JNPT, Kandla, Mormugao, Mumbai, New Mangalore, Paradeep, Tuticorin, Vishakhapatnam, Pipava, Mundra and Kolkata will be allowed to import un-shredded scrap till 30.09.2022 by which time they are required to install and operationalize Radiation Portal Monitors and Container Scanner. Such sea ports which fail to meet the deadline will be derecognised for the purpose of import of un-shredded metallic scrap w.e.f 01.10.2022.x
- (iii) Further, any ICD can handle clearance of un-shredded metallic scrap provided the same passes through any of the designated sea ports as mentioned above or any new ports to be notified/designated from time to time, where Radiation Portal Monitors and Container Scanner are in operation and the consignment is subjected to risk based scanning/ monitoring as per the protocol laid down by Customs.

- (iv) Import consignments of metallic waste and scrap shall be subject to pre-shipment inspection certificate (PSIC) from the country of origin. However, metallic waste and scrap (both shredded and unshredded) imported from safe countries / region i.e. the USA, the UK, Canada, New Zealand, Australia and the EU will not require PSIC if consignments are cleared through these ten (10) ports namely, Chennai, Tuticorin, Kandla, JNPT, Mumbai Krishnapatnam, Mundra, Kattupalli, Hazira and Kamarajar. Consignments from these six countries / regions will be accompanied by certificate from the supplier / scrap yard authority to the effect that it does not contain any radioactive materials / explosives. These will however be subject to radiation and explosive checks through portal monitors and container scanner at these ports. Trans-shipments through these countries / regions will not be allowed this facility. Import through remaining eight (8) other ports (for both shredded and unshredded scrap / waste), irrespective of country of origin, will be subject to PSIC.^{xi}

2.55 Recognition as Pre-shipment Inspection Agency (PSIA) and issuance of Pre- shipment Certificate (PSIC)

- (a) Applications for recognition in respect of PSIAs have to be made in proforma prescribed in **ANF 2L**. The scanned copy of application in **ANF 2L**, along with relevant annexures and documents should be sent by e-mail to DGFT (at psia-dgft@nic.in), in addition to sending the same by post.
- (b) For applicants based in India application fee will be Rs. 7500/- and for applicants based abroad the application fee will be US \$200. The fees may be amended from time to time by DGFT.
- (c) The applications will be considered by an Inter- Ministerial Committee.
- (d) The recognized PSIAs will be notified under **Appendix 2G** for a period of three years. At the end of 3 years PSIA has to make a fresh application for further recognition.

- (e) PSIA shall issue Pre-Shipment Inspection Certificate (PSIC) in the format given in **Appendix 2H**. PSIC would also carry uniquely numbered hologram of the PSIA.
- (f) A PSIA can also carry out inspections in countries, where it does not have a full time equipped branch office but which falls within its area of operation, by deputing its Inspectors. However, for such inspections in other countries, the PSIA will be required to give prior intimation to DGFT by sending an email (at psia-travel-dgft@gov.in) and furnishing details of visit / inspection done by the Inspector in PSIC.
- (g) The applicants may submit their applications initially without bank guarantee, as required under S.No.9 of **ANF-2L**. Their applications would not be rejected only on the ground of non-submission of bank guarantee. Applicants would, however, be required to submit bank guarantee or an equivalent financial instrument, before they are notified as PSIA, by the competent authority, as per FTP/HBP 2015-20.

2.56 Responsibility and Liability of PSIA and Importer

- (a) In case of any mis-declaration in PSIC or mis-declaration in application form for recognition as PSIA, PSIA would be liable for penal action under Foreign Trade (Development & Regulation) Act, 1992, as amended, in addition to suspension/cancellation of recognition.
- (b) The importer and exporter would be jointly and severally responsible for ensuring that the material imported is in accordance with the declaration given in PSIC. In case of any mis-declaration, they shall be liable for penal action under Foreign Trade (Development & Regulation) Act, 1992, as amended.
- (c) The scanned copy of the PSIC (in pdf format) shall have to be uploaded by the PSIA on DGFT website or emailed to DGFT (at

psic-dgft@gov.in). The certificate shall be issued in prescribed form **Appendix 2H**.

- (d) The PSIA will also be required to take photographs or make video of the inspection carried out, duly capturing the following activities/details:
 - (i) Photograph(s) or video clipping of the place of inspection with PSIA inspector (mandatory) and representatives of exporter / importer, if available (optional); with time, date of the inspection (at least 1 photograph or video clipping);
 - (ii) Photograph(s) or video clipping of the testing instrument(s) used for inspection;
 - (iii) Photograph(s) or video clipping of the process of stuffing of containers showing the container number (at least 1 photograph or video clipping per container)
 - (iv) Photograph(s) or video clipping of the sealing process (at least 1 photograph or video clipping per container)
- (e) The photographs and/or video clippings [as per 2.56 (d) above] and PSIC shall be uploaded on DGFT website by PSIA, through digital signatures or sent to psicdgft@gov.in through registered e-mail of PSIA. Till such time the DGFT website link is operationalized, the PSIC and photographs/videos will be e-mailed to the DGFT (at psicdgft@gov.in).

2.57 Import of other kinds of metallic waste and scraps

Import of other kinds of metallic waste and scrap will be allowed in terms of conditions of ITC (HS).

2.58 Imports of seconds and defectives

Import policy for second and defective, rags, PET bottles /waste, and ships is given in ITC (HS).

2.59 Services of Inspection and Certification Agencies

Customs or any other Central or State Government authority may avail of services of Inspection and Certification Agencies in **Appendix 2I** of the Appendices and Aayat Niryat Forms, for certifying residual life as well as valuation / purchase price of capital goods.

Tariff Rate Quota Scheme:

2.60 Procedure for import under the Tariff Rate Quota Scheme

- (a) Imports under the Tariff Rate Quota Scheme is governed as per the Customs Notification No. 28/2020-Customs dated 23.06.2020 of Department of Revenue, Ministry of Finance, Government of India as amended from time to time. ^{xii}
- (b) Tariff Rate Quota (TRQ) Imports shall be allocated during financial years 2022-23 and 2023-24, up to quantities per year as indicated below. The duty exemption under the said TRQs may be availed as per the Ministry of Finance (Department of Revenue) Notification No. 30/2022-Customs dated 24.05.2022.

Item Description	ITC(HS)	TRQ per Year (in MT)
Crude Soya-bean oil, whether or not degummed	1507 10 00	20,00,000
Crude Sunflower seed oil	1512 11 10	20,00,000 ^{xiii}

2.61 Eligible entities for allocation of quota

- (a) Milk Powder (Tariff Code No. 0402.10 or 0402.21) and White Butter, Butter oil, Anhydrous Milk Fat (0405): National Dairy Development Board (NDDB), National Cooperative Dairy Federation (NCDF) and National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED).
- (b) Maize (corn) (Tariff Code No. 1005.90): National Agricultural Cooperative Marketing Federation of India Ltd (NAFED) and State Cooperative Marketing Federations.
- (c) Crude sunflower seed or safflower oil or fractions thereof (Tariff Code No. 1512.11) and Refined rape, colza, canola or mustard oil, other (Tariff

Code No. 1514.19 or 1514.99): National Dairy Development Board (NDDB), National Agricultural Cooperative Marketing Federation of India Ltd.(NAFED) and Central Warehousing Corporation (CWC), State Cooperative Marketing Federation & State Cooperative Civil Supplies Corporation.^{xiv}

(d) DGFT invites fresh applications for allocation of said Tariff Rate Quotas (TRQ) during FY 2022-23 with effect from 27.05.2022 and not later than **18.06.2022** as follows -

- i. Applications where the date of issuance of their Importer-Exporter Code (IEC) is on or after the date of this Public Notice shall not be considered.
- ii. The applications shall be considered on Actual User basis to processors/refiners only based upon their own processing capacity.
- iii. For each processing unit, applicants shall provide a self-certified copy of documentary proof issued by Central/State Authorities, indicating its processing capacity. The certificate should be dated prior to 24.05.2022. The process capacity for Edible oils should be mentioned in the said certificate.^{xv}
- iv. Applicants shall also provide a valid FSSAI License for the said categories.
- v. Only one application against one IEC shall be considered.
- vi. The TRQs shall be valid for 1 year from the date of issuance.^{xvi}
- vii. Details of turnover for processing of Crude Edible Oils in the last three financial years, i.e., from 2019-20 to 2021-22, are to be submitted. Self-certified GST Returns shall be provided by the applicants.
- viii. Imports made under TRQ are for domestic processing and consumption only. No part of the said TRQ Imports can be exported before or after processing.
- ix. The TRQs issued for financial year 2022-23 shall be valid for clearance of import for a period of one year or till 30th June, 2023, whichever is earlier. TRQs issued for FY 2023-24 shall be valid for clearance of imports till 31st March, 2024
- x. Import consignments landing at Indian Ports after the date of issuance of TRQ licence shall only be considered for clearance under TRQ. Any quantities lying at the Indian ports (under

warehousing etc) before the date of issuance of the TRQ license shall not be considered for import clearance under TRQ.

- xi. The un-utilized quantities i.e., quantities not imported by the TRQ Licencees by the end of the current import period, shall be deducted from their proposed allocations (in case allocation is considered) during the next TRQ period, i.e., 2023-24.^{xvii}

2.62 Conditions applicable on availing quotas

All eligible entities are eligible to avail quotas subject to the conditions as detailed below:

- (i) All eligible entities desiring availment of quota as mentioned above, may make application to EFC in **ANF 2M** to DGFT, Udyog Bhavan, New Delhi – 110 011. Completed application forms along with prescribed documents must reach on or before 1st March of each financial year preceding to the year of quota
- (ii) Imports have to be completed before 31st March of financial year i.e. consignments must be cleared by customs authorities before this date.
- (iii) Since import of maize (corn) is through STEs, the allottees of quota i.e. designated agencies in paragraph 2.61 (b) above for this item shall also be granted an import Authorisation for allotted quantities as indicated at Sl. No. 21 (b) of Customs Notification No. 21/2002 dated 1.3.2002 in terms of paragraph 2.20 of FTP, 2015-2020.
- (iv) Application fee for these applications shall be paid according to procedure contained in **Appendix 2K of Appendices & Aayat Niryat Forms**.
- (v) EFC in DGFT will evaluate and allot quota among applicants by 31st March of each financial year preceeding to year of quota.

Exhibits and Samples:

2.63 Exhibits Required for National and International Exhibitions or Fairs and Demonstration

- (a) Import / export of exhibits, including the construction and decorative materials, except items in the 'Prohibited' or SCOMET List, required for the temporary stands of foreign / Indian exhibitors at exhibitions, fair or similar show or display for a period of six months on re-export / re-import basis, shall be allowed without an Authorisation on submission of a bond/ security to Customs or ATA Carnet.^{xviii}
- (b) Extension beyond six months for re-export / re-import will be considered by Customs authorities on merits. Consumables such as paints, printed material, pamphlets, literature etc. pertaining to exhibits need not be re-exported/re-imported.

2.64 Sale of Exhibits

- (a) Restricted Items: Sale of exhibits of restricted items, mentioned in ITC (HS), imported for an international exhibition / fair may also be made, without an Authorisation within bond period allowed for re-export, on payment of applicable customs duties, subject to a ceiling limit of Rs.5 lakh (CIF) for such exhibits for each exhibitor.
- (b) Freely importable items: However, sale of exhibits of items which are freely importable shall be allowed within bond period allowed for re-export on payment of applicable customs duties.
- (c) If goods brought for exhibition are not re-exported or sold within bond period due to circumstances beyond control of importer, Customs Authorities may allow extension of bond period on merits.

2.65 Import of Samples

- (a) No Authorisation shall be required for Import of bonafide technical and trade samples of items restricted in ITC (HS) except

vegetable seeds, bees and new drugs. Samples of tea not exceeding Rs.2000 (CIF) in one consignment shall be allowed without an Authorisation by any person connected with Tea industry.

- (b) Duty free import of samples upto Rs.3,00,000 for all exporters shall be allowed as per terms and conditions of Customs Notification.

2.66 Exports of Samples / Exhibits

- (a) Exports of bonafide trade and technical samples of freely exportable item shall be allowed without any limit.
- (b) An application for export of samples/exhibits, which are restricted for export, may be made to DGFT as per **ANF-2Q**.

Exports :

2.67 Export Policy

Policy relating to Exports is given in Chapter-2 of FTP. Further, Schedule 2, Appendix-1 of ITC (HS) specifies list of items, which may be exported without an Authorisation but subject to terms and conditions specified.

2.68 Gifts / Spares / Replacement Goods

For export of gifts, indigenous / imported warranty spares and replacement goods in excess of ceiling / period prescribed for exports of Gifts; export of Spares and export of replacement goods in FTP, an application may be made to DGFT in **ANF 2Q**.

2.69 Export of Items Reserved for MSME Sector

Units other than small scale units are permitted to expand or create new capacities in respect of items reserved for small scale sector, subject to condition that they obtain an Industrial licence under the Industries (Development and Regulation) Act, 1951, with export obligation as may be

specified. Such licensee is required to furnish a LUT to RA and DGFT in this regard. DGFT / RA concerned shall monitor export obligation.

2.70 Export by post

In case of export by post, exporter shall submit following documents in lieu of documents prescribed for export by sea/air:

- (a) Bank Certificate of Export and Realisation as in e-BRC in Appendix 2U
- (b) Relevant postal receipt
- (c) Invoice duly attested by Customs Authorities.

2.71 Direct negotiation of export documents

In cases where exporter directly negotiates document (not through authorised dealer) with permission of RBI, he is required to submit following documents for availing of benefits under export promotion schemes:

- (a) Permission from RBI allowing direct negotiation of documents (not required for status holders),
- (b) Copy of Foreign Inward Remittance Certificate (FIRC) as per Form 10-H of Income Tax department in lieu of BRC, and
- (c) Statement giving details of shipping bills / invoice against which FIRC was issued.

SCOMET:

2.72 Application for Grant of Export Authorisation/Certificate/Permission for non-SCOMET Items

- (a) An application for grant of Export Authorisation in respect of restricted items [other than Special Chemicals, Organisms, Materials, Equipment and Technologies (SCOMET)] mentioned in Schedule 2 of ITC (HS) Classifications of Export and Import Items may be made in **ANF 2 N** to DGFT (Headquarters) along with documents prescribed therein. EFC shall consider applications on merits for issue of export Authorisation.

- (b) If the exporter has been notified in writing by DGFT or he knows or has reason to believe that an item not covered in the SCOMET list has a potential risk of use in or diversion to weapons of mass destruction (WMD) or in their missile system or military end use (including by terrorists and non-state actors), the export of such an item may be denied or permitted subject to the grant of a license, as per the procedure provided for SCOMET items in Paragraph 2.73.

Note: “**Military use**” shall mean incorporation into items listed in SCOMET Categories 5D or 6 or for the use, development, or production of military items listed in these categories.’

2.73 Application for SCOMET Authorisation

- (a) An application for grant of Export Authorisation in respect of SCOMET items mentioned in Appendix 3 to Schedule 2 of ITC (HS) Classifications of Export and Import Items may be made in **ANF 2 O** to DGFT (Hqrs) along with documents prescribed therein.
- (b) However, such applications are mandatorily to be filed through online system under the Icon E-COM on the website of DGFT. The Uniform Resource Locator [URL] for online application is <http://dgft.gov.in/CallModule.asp?sch =SCOMET>. While submitting the online application, all the required documents including End User Certificates (EUCs) are to be uploaded as PDF files. Manual submission of application is dispensed with except the original End User Certificate(s) in **Appendix 2 S** from all entities in the chain of supply viz. the foreign buyer, end user and intermediary/consignee (if they are different from the foreign buyer & end user), which is/are to be submitted in hard copy to SCOMET Section of DGFT (HQ), besides electronic submission.

(c) Maintenance of Records:

Every SCOMET authorisation holder shall maintain the following records in manual or electronic form for a period of 5 years from the date of export or import, as applicable:

- a) All documents submitted while making an application for SCOMET Authorization.
- b) Correspondence with buyer/consignee/end-user or DGFT or relevant Government agency;
- c) Relevant Contracts;
- d) Relevant Books of account;
- e) Relevant Financial records;
- f) Any communication from any government agency related to an application for authorization for any item on the SCOMET list or a commodity classification request;
- g) Shipping documents including shipping bill, bill of entry and bill of lading.

2.74 Inter Ministerial Working Group

An Inter-Ministerial Working Group (IMWG) in DGFT (Hqrs.) shall consider applications for export of SCOMET items as specified in Appendix-3 to Schedule 2 of ITC (HS) Classifications of Export and Import Items based on following guidelines:

- I. Applications for Authorisation to export items or technology on SCOMET List are considered on the basis of following general criteria:
 - (a) Credential of end-user, credibility of declaration of end-use of the item or technology, integrity of chain of transmission of item from supplier to end-user, and on potential of the item or technology, including timing of its export, to contribute to end-uses that are not

in conformity with India's national security or foreign policy goals and objectives, goals and objectives of global non-proliferation, or India's obligations under International treaties/Agreements to which it is a State party.

- (b) Assessed risk that exported items will fall into hands of terrorists, terrorist groups, and non-State actors;
 - (c) Export control measures instituted by the recipient State;
 - (d) Capabilities and objectives of programmes of the recipient State relating to weapons and their delivery;
 - (e) Assessment of end-use(s) of item(s);
 - (f) Applicability of provisions of relevant bilateral or multilateral Agreements and Arrangements, to which India is a party, or adherent. This is including but not limited to control lists of the Nuclear Suppliers Group, Missile Technology Control Regime, Australia Group (and its Warning List or Awareness Raising Guidelines) and Wassenaar Arrangement (and its Sensitive List and Very Sensitive List) as updated from time to time.^{xix}
- II. Application shall be accompanied by an end user certificate as per **Appendix 2S**, certifying that:
- (a) The item will be used only for stated purpose and that such use will not be changed, nor items modified or replicated without consent of Government of India;
 - (b) Neither the items nor replicas nor derivatives thereof will be re-transferred without consent of Government of India;
 - (c) End-user shall facilitate such verifications as are required by Government of India.
- III. The end-user certificate will indicate the name of the item to be exported, the name of the importer, the specific end-use of the subject goods and details of Purchase Order/Contract.

- IV. Government of India may also require additional formal assurances, as deemed appropriate, including those on end-use and non-retransfer, from the State of the recipient.
- V. (a) Licensing authority for items in Category 0 and Note 2 of the 'Commodity Identification Note' in Appendix 3 to Schedule 2 of ITC (HS) is Department of Atomic Energy. Applicable guidelines are notified by the Department of Atomic Energy under Atomic Energy Act, 1962. For certain items in Category 0, formal assurances from the recipient State will include non-use in any nuclear explosive device. Authorisations for export of certain items in Category 0 will not be granted unless transfer is additionally under adequate physical protection and is covered by appropriate International Atomic Energy Agency (IAEA) safeguards, or any other mutually agreed controls on transferred items.
- (b) Licensing authority for items in Category 6 in Appendix 3 to Schedule 2 of ITC (HS) is Department of Defence Production. Export of items in Category 6 is governed by the extant Standard Operating Procedure issued by the Department of Defence Production in the Ministry of Defence. Export of items covered in Note 3 of the 'Commodity Identification Note' in Appendix 3 to Schedule 2 of ITC (HS) is prohibited.
- VI. Additional end-use conditions may be stipulated in Authorisations for export of items or technology that bear possibility of diversion to or use in development or manufacture of, or use as, systems capable of delivery of weapons of mass destruction.
- VII. Authorisations for export of items in SCOMET List (other than those under Category 0, 1 and 2) solely for purposes of display or exhibition shall not require any end-use or end-user certification. However, no export Authorisation for display or exhibition shall be issued for 'Technology' in any category. IMWG would seek comments from technical agencies as deemed necessary.
- VIII. Authorization for export of items in Categories 0, 3 (other than 3D), 4, 5 and 7 of the SCOMET list to Iran would be subject to the relevant

provisions contained in Annex B to the UN Security Council resolution 2231 (2015). The licensing authority, i.e. DGFT or Department of Atomic Energy, as the case may be, on completion of the IMWG process or the applicable internal process, shall seek the concurrence of Disarmament and International Security Affairs (D&ISA) Division in the Ministry of External Affairs, as required.

- IX. The Inter Ministerial Working Group shall normally meet once every month. Where a case has been deferred in the IMWG and subsequently, NOC(s) has / have been received from all concerned agencies with no divergence in views, authorisation shall be issued with the approval of Chairman, IMWG and the case shall be brought before IMWG in its subsequent meeting for approval on ex-post facto basis. Case(s) where a decision could not be arrived at in IMWG shall be placed before Director General of Foreign Trade for appropriate decision on grant of authorization.

2.75 Applicability of WMD Act

Export of items not on SCOMET List may also be regulated under provisions of the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005.

- Note 1: Export or attempt to export in violation of any of conditions of Authorisation shall invite civil and/or criminal prosecution.
- Note 2: Authorisations for export of items in SCOMET List for display or exhibition abroad are subject to a condition of re-import within a period not exceeding six months. Exporters are entitled to apply for an export authorisation for such items exhibited abroad. If exhibitor intends to offer that item for sale during exhibition abroad, such sale shall not take place without a valid Authorisation.
- Note 3: Export of items in Category 2 of SCOMET list may also be controlled by other applicable guidelines issued from time-to time.

Note 4: Exporters are entitled to request that only such conditions need be imposed as are subject of government-to-government instruments of accord over export of items on SCOMET List.

Note 5: 'Technology' (see also entry 'Technology' in glossary in Appendix-3 to Schedule 2 of ITC (HS) Classifications of Export and Import Items): Approval of export of an item on the SCOMET List also authorizes the export to same end-user of minimum 'technology' required for installation, operation, maintenance and repair of the item.

2.76 Supply of SCOMET Items from DTA to SEZ

No export authorisation is required for supply of SCOMET items from DTA to SEZ/EOU. Export Authorisation is, however, required if the SCOMET items are to be physically exported outside the country from SEZ/EOU, i.e. to another country (Refer Rule 26 of the SEZ Rules, 2006). All suppliers of SCOMET items from DTA to SEZ/EOU will be reported to the Development Commissioner (DC) of the respective SEZ/EOU by the supplier in the prescribed proforma [Annexure 1 to Appendix-3 to Schedule 2 of ITC (HS) Classifications of Export and Import Items] within one week of the supplies getting effected. An annual report of such supplies from DTA to SEZ/EOU shall be reported to SCOMET Section, DGFT (Hqrs), Udyog Bhawan, New Delhi-110011, by the DC of the respective SEZ/EOU in the prescribed proforma [Annexure 2 to Appendix-3 to Schedule 2 of ITC (HS) Classifications of Export and Import Items] by 15th May of every financial year, in respect of supplies effected from DTA to SEZ/EOU during the preceding financial year. ^{xx}

2.77 Outreach Programmes on SCOMET Export Control System

DGFT in association with Administrative Ministries/ Departments and Trade Associations will organize Industry Outreach Programme on regular basis for an effective awareness among the exporters/ importers dealing with trade, in particular, in SCOMET items.

2.78 Procedure/ Guidelines for filing / Evaluation of Applications for Entering into an Arrangement or Understanding for Site Visits, On-site Verification and Access to Records / Documentation

An application for entering into an arrangement or understanding involving site visit, on-site verification or access to records/documentation by a foreign government or a foreign third party either acting directly or through an Indian party as mentioned in Appendix 3 of Schedule 2 of ITC (HS) Classifications of Export and Import Items shall be made in **ANF 2 P** to DGFT (Hqrs.), New Delhi along with documents prescribed therein. These applications shall be considered by an Inter-Ministerial Working Group (IMWG) in DGFT (Hqrs.) based on following guidelines/general criteria:

- I. Following factors, among others, will be taken into account in the evaluation of applications for entering into an arrangement or understanding for site visits, on-site verification and access to records/ documentation:
 - (a) Purpose for which arrangement / understanding is proposed under which site visit or on-site verification or access to records/documentation is to be undertaken.
 - (b) Credentials and details of the parties involved.
 - (c) Credentials of end-user, credibility of declarations of end-use of the items or technology, the integrity of chain of transmission of the item from the supplier to the end-user, and on the potential of the item or technology, including the timing of its export, to contribute to end-uses that are not in conformity with India's national security or foreign policy goals and objectives, the objectives of global non-proliferation, or its obligations under treaties to which it is a State party.
 - (d) The assessed risk that the arrangement / understanding could lead to dual-use items and technology falling into the hands of terrorists, terrorist groups and non-State actors.
 - (e) In case site visit, on-site verification or access to records/ documentation is to be carried out by a foreign government

or its representative(s), the following shall be taken into consideration :-

- (i) Export control measures instituted by the foreign government;
 - (ii) Capabilities and objectives of programs of the foreign government relating to weapons and their delivery.
- (f) Applicability of relevant bilateral and multilateral agreements to which India is a party.
- (g) Assessment of any threat that such site visit, on-site verification or access to records/ documentation may pose to India's national security, and relations with any other country.
- (h) Assessment of possible links of the foreign parties with terrorist organizations and non-state actors within their own country or in any other country.
- II. Permission for arrangement or understanding involving site visit, on-site verification or access to records / documentation will be subject to the following conditions:
- (a) Site visit, on-site verification or access to records /documentation will be confined to the purpose, sites and activity for which permission given/which have been mentioned in the authorisation.
 - (b) Site visit, on-site verification or access to records/ documentation will be allowed only to individuals mentioned in the authorisation.
 - (c) Site visit, on-site verification or access to records/ documentation shall be concluded during the period mentioned in the authorisation.
 - (d) Exporter/Importer will keep a record of site visit, on site verification or access to records/documentation alongwith detail of individuals who visited the premises during this visit

and produce the same as and when required to do so by the Government of India.

- (e) No exchange of goods, services and technologies and any documentation including drawings, specification sheets etc. will take place during the visit.
 - (f) Exporter/importer may be required to give any additional assurance that the Government of India may require.
 - (g) Any other condition that may be stipulated in the permission.
- III. Provisions of Weapons of Mass Destruction Act, 2005 shall also apply to an arrangement or understanding that involves site visit, on-site verification or access to records/ documentation.
- IV. Any violation of any condition of the license shall invite civil/ criminal prosecution as per law.

2.79 Issue of authorisation for repeat orders

Applications for grant of authorizations for repeat orders to the applicant exporter for export of same SCOMET items to the same country/ entities shall be approved by Chairman IMWG, without any consultation with IMWG members. However, in cases of repeat orders for export of same SCOMET item to different country/ entities, approval will be granted by Chairman, IMWG after verification of the credentials of foreign buyer/ consignee/ end user only.

The approval will be subject to the fulfillment of the following criteria:

- (i) Same SCOMET items would imply that the products, along with the technical specifications, are exactly the same for which export authorization has been issued to the applicant exporter earlier after due consultation/verification;
- (ii) Same country/entities would imply that (a) the foreign buyer (b) the consignee or the intermediaries, if any (c) the end user and (d) the end use are exactly the same for which export authorization has been

issued to the applicant exporter earlier after due consultation/verification;

- (iii) Only the applications submitted within three years from the date of issue of original SCOMET authorization, after due verification/consultation process, will be eligible for repeat authorization;
- (iv) The cumulative quantity permitted against repeat export authorizations shall be commensurate with the operational capacity of the end user in respect of the relevant product, as certified by the end user. A certificate to this effect from the end user shall be submitted by the exporter alongwith the application for a repeat authorization;
- (v) A declaration by the authorized signatory on the qualifying conditions as per (i) to (iv) above shall be submitted by the exporter along with the application for consideration under the repeat order route;
- (vi) The authorizations(s) for repeat orders shall be liable for recall/termination by the DGFT on receipt of an adverse report in respect of any of the export consignments;
- (vii) All authorizations for repeat orders shall be brought before IMWG in its subsequent meeting for confirmation of approval, on ex-post facto basis, and the IMWG would reserve its right to refuse further repeat authorizations based on its assessment of proliferation concerns.^{xxi}

2.79A Issue of export authorisation for "Stock and Sale" of SCOMET items

Application for grant of authorization for bulk export of SCOMET items (excluding Category 0, Category 3A4001, Category 6 and transfer of technology under any category) from an Indian exporter to an entity abroad (hereinafter referred to as 'stockist') for subsequent transfer to the ultimate end users shall be considered by IMWG, on the following conditions:

Applicability and scope of policy

- a. 'Stockist' refers to the entity abroad to whom the SCOMET items are originally exported by Indian principal/wholly owned subsidiary. The Stockist entity should be a subsidiary/principal company abroad of the Indian exporter;
- b. Export shall be permitted only from the principal company/the wholly owned subsidiary in India (exporter) to their subsidiaries/principal company abroad (stockist) on the basis of an End Use declaration from the stockist, through the specified End User Certificate (EUC) for 'stock & sale' purpose;

Application for export to stockist abroad and transfer to end users in specific countries

- c. The exporter shall submit application in prescribed proforma (ANF-2 O) alongwith following documents from the stockist:
 - i. Documentary proof regarding corporate relationship between the Indian exporter and stockist;
 - ii. End-use/End-user certificate from stockist entity abroad in Appendix-2S (iii);
 - iii. List of countries (in the EUC) to which the items imported from India would be exported by the stockist;
 - iv. Purchase Order (s) or a document in lieu thereof;
 - v. Technical specifications of the product(s);
 - vi. Copy of Internal Compliance Program (if applicant exporter/ stockist entity has one)

In-Principle approval for export to the stockist , and, for sale by stockist within the country of the stockist, and, for re-export by stockist to end user in other countries

- d. The application would be assessed for grant of authorization for export to the stockist, and, for grant of in-principle approval for re-

export to specified countries of ultimate end use approved by the IMWG;

- e. No authorization would be required for transfer from the stockist to the ultimate end user(s) within the country of the stockist and for re-export to end users in such approved countries;
- f. Re-export to such approved countries would be subject to the export control regulations of the country of the stockist;
- g. Country would denote an independent sovereign entity which is a distinct national entity in political geography. Hence, transfers within an economic union or a customs union would not qualify as “same country transfers”;

Post-reporting for same country transfer and re-export to pre-approved countries by the stockist

- h. In case of sale/transfer by the stockist within the same country and for re-export/re-transfer to the end users in countries, for which, in-principle approval has been granted, the Indian exporter/licensee shall submit details of all such transfers to SCOMET Division of DGFT (Hqrs) in ANF-2 O(a), including EUCs [Appendix-2S (i)/2S(ii), as applicable] from all ultimate end users and Bill of Entry into the ultimate destination countries (for export outside the country of stockist), within 3 months of every such transfer;

Application for re-export to other countries (other than pre-approved)

- i. In respect of re-export/re-transfer of items from the stockist entity to the end users outside the country of the stockist, for which, in-principle approval has not been granted at the initial stage, the Indian exporter (stock and sale authorization holder) shall submit application for re-export/re-transfer to SCOMET Division in DGFT (Hqrs), in ANF 20(a), through email (scomet-dgft@nic.in), after obtaining following documents from the stockist entity

- i) End-use/End-user Certificate from each link in the supply chain as per Appendix-2S (i)/2S(ii), as applicable;
 - ii) Purchase Order (s)/Invoice(s) or a document in lieu thereof;
 - iii) Technical specifications of the product to be transferred (only if there is any value addition in the product by the stockist)
- j. IMWG shall consider export authorizations for allowing such re-export/re-transfer based on end use/end user verification;

Repeat Order cases

- k. Applications for re-export/re-transfer of SCOMET items from the stockist entity to the end-users for repeat orders shall be considered by IMWG in accordance with paragraph 2.79 of HBP;

Annual reporting on inventory of the stockist and transfers/re-exports

- l. The Indian exporter (Stock & Sale Authorization holder) shall submit a statement of exports made from India to the stockist, transfers made by the stockist to the final end-users and inventory with the stockist, as on 31st December of each calendar year, by 31st January of the following year. A failure to do so may entail imposition of penalty and / or cancellation of authorization under the stock and sale policy;
- m. The items exported to the stockist entity under the stock and sale authorization should be transferred to the final end-user (s) within the validity period of the authorization as in paragraph 2.16 of HBP;
- n. The authorization may be revalidated as per the procedure mentioned in paragraph 2.80 of HBP;^{xxii}

2.79B Issue of export authorisation for spare parts of SCOMET items under stock and sale

At the request of the applicant, export permission for spare parts covered under SCOMET may be considered by IMWG along with the application for

the main item/ equipment which shall be considered on the same conditions, as applicable for main item/component. Accordingly, the applicant seeking permission for export of spares parts, under stock and sales arrangement, may indicate the requirement of spares parts in the application for main item/equipment after judicious and reasonable assessment thereof, and provide the justification for the same.^{xxiii}

2.79C Issue of authorizations for repair/replacement of SCOMET items

A. Authorization for export of imported SCOMET items for repair/replacement:

i. Conditions to be fulfilled:

- (a) The SCOMET items were imported to India and are to be exported for the purpose of repair and replacement, on being defective;
- (b) There has been no change to the original characteristics/specifications of the SCOMET item(s);
- (c) The SCOMET items are to be exported to the same entity from which they have been imported or to the OEM (including, agency¹ authorized by OEM);
- (d) No Export Authorisation would be granted if the initial export authorisation has been suspended, modified or revoked by the exporting country;
- (e) No Export authorisation would be granted for UNSC sanctioned destinations or countries/entities of high risk, as assessed by the IMWG, from time to time; and
- (f) No 'End Use' and 'End Use Certificate' would be required.

ii. Documents required:

1. Proof of import of the item(s):

- a. Bill of entry containing details of the items to be repaired/replaced;

¹Agency can include 'Approved Repair Centre' (facility approved by the original equipment manufacturer to repair the goods being exported under license).

- b. Export License(if applicable) issued by the foreign country for original import of the items to India;
- c. Documentary proof and/or self declaration that the item exempted from license requirement or place under no license requirement for India.

2. **Proof of obligation for replacement or repair of defective/damaged items:**

Any of the applicable document(s):

- a. Contract agreement with the supplier/OEM(including agency authorized by OEM);or
- b. Purchase order containing terms of import;or
- c. Warranty policy/conditionson replacement/repair of defective/damaged items;

3. **An Undertaking from the applicant firm;**

An Undertaking from the applicant exporter (on the letter head of the firm duly signed and stamped by the authorized signatory) stating:

- a. Details of imported items to be exported after repair alongwith their SCOMET Category /Sub-category number(s), quantity, item description and ECCN of foreign country;
- a. That item (s) are being exported to the entity from which it was imported or to the OEM (including agency authorized by OEM) (whichever is applicable) for replacement/ repair;
- b. That there has been no change to the original characteristics/specifications of the item(s) after import;
- c. That the replacement or repair of defective/damaged items (whichever is applicable) is allowed under the conditions of import or contractual agreement;
- d. That the defective/damaged item(s)after repair/replacement shall be brought back to India within 90 days of its export;
- e. That, in case the defective/damaged item(s)cannot be imported due to any reason (beyond repair, testing failure analysis etc.), evidenceof destruction in the importing country shall be submitted to DGFT within 90 days of export.
- f. That, in case time beyond 90 days is required for repair of imported defective/damaged item(s) before re-import, permission from DGFT shall have to be obtained in advance indicating detailed justification for seeking extension of time.

- iii. Applications for grant of authorizations for export to the entity from which it was imported or to the OEM (including agency authorized by OEM) shall be approved by Chairman IMWG, without any consultation with IMWG members. However, in cases of export to an entity other than the OEM(including agencyauthorized by OEM), approval will be granted by Chairman, IMWG after verification of the credentials of the foreign entity to which the item(s) are to be exported.

B. Authorization for re-export of indigenous SCOMET items after repair/replacement:

i. Conditions to be fulfilled:

- (a) The SCOMET items manufactured in India,were exported and brought back to India for repair or being replaced, on being found defective/damaged;
- (b) The items are to be re-exported after repair/replacementto the same entity to which the item(s) were originally exported by the applicant exporter;
- (c) Therehas been no change to the original characteristics/specifications of SCOMET item(s);
- (d) That the defective/damaged item(s)has/have already been brought back or would be brought back to India within 90 days of its replacement(if applicable);
- (e) No authorization for re-export would be granted if the original licence has been suspended, modified or revoked.
- (f) No Export authorisation would be granted for UNSC sanctioned destinations or countries/entities of high risk, as assessed by the IMWG, from time to time;and
- (g) No 'End Use' and 'End Use Certificate' would be required;

ii. Documents Required

1. Proof of the original export of the item(s):

- a. Copy of the SCOMET License issued for the export of the items to be replaced/repaird;
- b. Shipping bills containing the details of the initial export of these items;
- c. Bill of Entry containing details of the items imported for replacement or repair;

2. **Proof of obligation for replacement or repair of defective/damaged items:**

Letter from the foreign buyer on its letter head, duly signed and stamped, raising the demand for the repair or replacement of the item(s) to be exported and the reason thereof and any of the applicable document(s):

- a. Contract agreement of the Indian exporter/OEM(including agency authorized by OEM) with the foreign buyer; **or**
- b. Purchase order containing terms of replacement/repair;**or**
- c. Warranty policy/conditions on replacement/repair of defective/damaged items;

3. **An Undertaking from the applicant firm;**

An Undertaking from the applicant exporter (on the letter head of the firm duly signed and stamped by the authorized signatory) stating:

- a. Details of items to be exported as replacement or after repair alongwith their SCOMET Category /Sub-category number(s);
- b. That there has been no change to the original characteristics/specifications of the item(s) after repair (if imported and repaired) or is of the same specifications as of the item(s) being replaced;
- c. That they are being exported to the same entity (ultimate end user) after repair or as replacement (as applicable) to which it was exported earlier;
- d. That replacement/repair(whichever is applicable) is allowed under the conditions of export or purchase order or contractual agreement;
- e. That the defective/damaged item(s) has/have already been brought back or would be brought back to India within 90 days of its replacement (in case of replacement);
- f. That, in case the defective/damaged item(s) cannot be imported due to any reason (beyond repair, testing failure analysis etc.), evidence of destruction in the importing country shall be submitted to DGFT within 90 days of export of replacement.

- iii. Applications for grant of authorizations to export the replaced/repaired item(s) to/through the same entity (ies), as specified in the original SCOMET license, shall be approved by Chairman IMWG, without any consultation with IMWG members. However, in cases of export through a new entity (consignee), approval will be granted by Chairman, IMWG after verification of the credentials of the new foreign entity (ies) through which the item(s) are to be exported.

C. Authorization for export of imported SCOMET items to same entity abroad, or any authorised entity after repair in India:

i. Conditions to be fulfilled:

- (a) The SCOMET items were imported to a designated/authorized repair facility in India for the purpose of repair under a contract agreement/Master Service agreement (MSA); **or** Imported under a contract agreement between Indian exporter, entities of repair facility (if different from exporter) and entity abroad defining 'Statement of Work (SOW)'/ 'Scope of Work' including conditions for undertaking repair in India;
- (b) The items are to be exported to the same entity abroad from which the item(s) has/have been imported or to the OEM (including agency² authorised by OEM);
- (c) There has been no change to the original characteristics/specifications of the SCOMET item(s) after repair;
- (d) No Export Authorisation would be granted when the initial export authorisation has been suspended, modified or revoked by country of import;
- (e) No Export authorisation would be granted for UNSC sanctioned destinations or countries/entities of high risk, as assessed by the IMWG, from time to time;

²Agency can include 'Approved Repair Centre' (facility approved by the original equipment manufacturer to repair the goods being exported under license).

(f) No details of 'End Use' and 'End Use Certificate' would be required;

ii. Documents Required

1. Proof of import of the item(s):

- a. Bill of entry containing details of the items to be repaired;
- b. Export License(if applicable) issued by the foreign country for original import of the items to India;
- c. Documentary proof and/or self declaration that the item exempted from license requirement or place under no license requirement for India.

2. Proof of obligation for repair of defective/damaged items:

Contract agreement and/or 'Statement of Work (SOW)'/ Master Service agreement(MSA) between Indian exporter and entities of repair facility (if different from exporter)with theentity abroad /OEM(including agencyauthorized byOEM)definingconditionsfor undertaking repair inIndia.

3. An Undertaking from the Indianexporter;

An Undertaking from the applicant exporter (on the letter head of the firm duly signed and stamped by the authorizedsignatory) stating:

- a. Details of imported items to be exported after repair alongwith their SCOMET Category /Sub-category number(s), quantity, item description and ECCN of foreign country;
- b. That item(s) are being exported to the same entity from which it was originally imported for repairand return purpose or to the OEM (including agency authorized by OEM);
- c. That there has been no change to the original characteristics/specifications of the item(s) after import;
- d. That the repair of defective/damaged items is allowed under the conditions of import or contractual agreement between Indian exporter, entities of repair facility (if different from exporter) and theentity abroad /OEM(including agencyauthorized byOEM)(name and address);

- iii. Applications for grant of authorizations for export to the entity from which it was imported or to the OEM (including agency authorized by OEM) shall be approved by Chairman IMWG, without any consultation with IMWG members. However, in cases of export to an entity other than the OEM (including agency authorized by OEM), approval will be granted by Chairman, IMWG after verification of the credentials of the foreign entity to which the item(s) are to be exported.
3. All such authorizations shall be brought before IMWG in its subsequent meeting for confirmation of approval, on ex-post facto basis.^{xxiv}

2.79D Issue of export authorizations for demo/display/exhibition/tenders/RFP/RFQ/NIT of SCOMET items

(A) Authorization for export of indigenous/imported SCOMET item(s) for demo/display/exhibition/tender/RFP/RFQ/NIT abroad

Authorizations for export of items in SCOMET List (other than those under Category 0, 1, 2 and 6 or 'Technology' or 'Software' in any category) solely for purposes of (a) Demo (b) Display (c) Exhibition (d) Tenders/RFP/RFQ/NIT shall be considered by Chairman IMWG, on the following conditions:

- (a) Such cases would be considered purely on temporary export basis for a specified time period;
- (b) No end user certificate would be insisted upon in such cases;
- (c) There shall not be any commercial transaction in the form of selling/buying/renting/leasing;
- (d) The number of item(s) should be commensurate with the nature of export items and the purpose for which the application is being made;

- (e) There shall not be any exchange/disclosure of information which could lead to transfer of technology;
- (f) No export authorisation would be granted for UNSC sanctioned destinations or countries/entities of high risk, as assessed by the IMWG, from time to time;
- (g) The application is accompanied with the following additional documents (depending on whichever is applicable):

(i) **Proof of event (Demo/Display/Exhibition/Tenders/RFP/RFQ/NIT)**

Invitation letter / Advertisement/Notice for RFP/RFQ/NIT or any other document to authenticate (i) the event or purpose of participation (ii) schedule (in case dates not decided, probable time period) (iii) specific location of event [venue, city, country etc.];

(ii) **Proof of participation :**

Documents confirming participation of applicant in the event (demo/display/exhibition/tender/RFP/RFQ/NIT);

(iii) **An undertaking from the applicant firm:**

An Undertaking on the letter head of the firm duly signed and stamped by the authorized signatory stating:

- a. Purpose of export, details of invitee alongwith schedule and specific location of event;
- b. Details of items to be exported for Demo/Display/Exhibition/tender/RFP/RFQ/NIT alongwith their SCOMET Category/Sub-category number (s), quantity and item description.
- c. that the exported items will be in the custody of the exporter during the entire period of export;

- d. that the exported items shall be brought back to India within 90 days after the event gets over or within the extended time, as allowed by DGFT;
- e. that the Bill of Entry confirming the return back of the exported items to India shall be submitted to DGFT;
- (h) Applications for grant of authorizations shall be approved by Chairman, IMWG after verifying the credentials of the event/organizer.

(B) Authorization for export of imported SCOMET items after participation in demo/display/exhibition/tenders/RFP/RFQ/NIT in India

Application of grant of authorization for export of imported SCOMET items to the entity from which it has been originally imported or to its OEM(including agency authorized by OEM), after Demo/Display/Exhibition/tender/RFP/RFQ/NIT, shall be considered by Chairman IMWG, on the following conditions:

- a) The SCOMET item(s) were imported in India for the purpose of demo/display/exhibition/tender/RFP/RFQ/NIT under a contract agreement between Indian exporter and supplier/OEM (including agency authorized by OEM);
- b) The export should only be to the entity from which the item(s) has/have been imported or to the OEM (including agency authorized by OEM);
- c) No details on 'End Use' and 'End Use Certificate' would be required;
- d) No export authorisation would be granted for UNSC sanctioned destinations or countries/entities of high risk, as assessed by the IMWG, from time to time;

e) The application is accompanied with the following additional documents (depending on whichever is applicable/appropriate):

i. **Proof of import of the item(s):**

- a. Bill of entry containing details of the items being exported after completion of Demo/Display/Exhibition/tender/RFP/RFQ/NIT;
- b. Export License (if applicable) issued by the foreign country for original import of the items to India;

ii. **Proof of event/participation (Exhibition/Demo/Display/Tenders/RFP/RFQ/NIT)**

Invitation letter/Advertisement/Notice for RFP/RFQ/NIT or any other document to authenticate (i) the event or purpose of participation (ii) schedule (iii) specific location of event [venue, city etc.] iv) Documents confirming participation of applicant in the event exhibition/display/demo/tender/RFP/RFQ/NIT

iii. **An Undertaking from the applicant firm:**

An Undertaking on the letter head of the firm duly signed and stamped by the authorized signatory stating:

- a. Purpose of import of item in India, invitee alongwith schedule and specific location of event;
- b. Details of imported items to be exported after Demo/Display/Exhibition tenders/ RFP/RFQ/NIT alongwith their SCOMET Category /Sub-category number(s), quantity, item description and ECCN of foreign country;
- c. That item (s) are being exported to the entity from which it was originally imported or to the OEM (including agency authorized by OEM) (whichever is applicable) for Demo/Display/Exhibition/tenders/RFP/RFQ/NIT;

- d. That there has been no change in the specifications of the item(s) after import;
 - e. That the Demo/Display/Exhibition tenders/RFP/RFQ/NIT items (whichever is applicable) is allowed under the conditions of import or contractual agreement;
 - f. That the export of the imported item(s) is allowed under the conditions of import or contractual agreement between Indian exporter and entity abroad/OEM (including agency authorized by OEM).
- f)** Applications for grant of authorizations for export to the entity from which it was originally imported or to the OEM (including agency authorized by OEM) shall be approved by Chairman IMWG, without any consultation with IMWG members. However, in cases of export of an entity other than the original supplier or OEM (including agency authorized by OEM), approval will be granted by Chairman, IMWG after verification of the credentials of the foreign entity to which the item(s) are to be exported.

3. All such authorizations shall be brought before IMWG in its subsequent meeting for confirmation of approval, on ex-post facto basis.

Note:-

- RFP refers to Request for Proposal
- RFQ refers to Request for Quotation
- NIT refers to Notice Inviting Tender^{xxv}

2.79E Issue of export authorizations for re-export/return of imported SCOMET items to the same foreign entity or to its OEM (including agencies authorized by OEM)

Application for grant of authorization for re-export/return of imported SCOMET items to the foreign entity from which it has been originally imported or to its OEM (including agency authorized by OEM), for reasons such as obsolescence of technology of imported

items; cancellation of order by the Indian buyer / end user; dead on arrival etc., shall be considered by Chairman IMWG, on the following conditions:

- (a) The export should only be to the entity from which the item(s) has/have been imported or to the OEM (including agency/ies authorized by OEM);
- (b) No details on 'End Use Certificate' would be required;
- (c) No export authorisation would be granted for UNSC sanctioned destinations or countries/ entities of high risk, as assessed by the IMWG, from time to time;
- (d) The application is accompanied with the following additional documents (depending on whichever is applicable/appropriate):

i. Proof of import of the item(s):

- a. Documentary proof that the item(s) originally imported, match with intended item(s) of re-export/return;
- b. Bill of entry containing details of the items to be returned;
- c. Export License (if applicable) or any other documents showing that export regulation of the country of export does not have any restriction on re-export/return from India;
- d. In case of any such restriction, the exporter will provide a letter of explanation detailing the list of countries/entities, to which re-export/return is restricted/regulated;

ii. Proof of obsolescence/cancellation of order for intended items:

Any of the applicable document(s):

- a. Proof of obsolescence of technology of imported items;
- b. Cancellation of order by Indian importer;
- c. Inspection report in case of dead on arrival etc;
- d. Any other document in support of the claim for return

iii. Proof of obligation for re-export/return for intended items:

Any of the applicable document(s):

- a. Contract agreement between exporter and the supplier/OEM (including agency authorized by OEM) for re-export/return;
- b. Purchase order containing terms of import with specific mention of re-export/return due to any of the reasons explained above;
- c. Warranty policy/conditions on replacement of damaged/dead on arrival items;

iv. An Undertaking from the applicant firm:

An Undertaking on the letter head of the firm duly signed and stamped by the authorized signatory stating:

- a. Details of imported items to be re-exported/returned alongwith their SCOMET Category/ Sub-category number(s);
- b. That item (s) are being exported to the same foreign entity from which it was originally imported or to the OEM [including agency(ies) authorized by OEM] (whichever is applicable);
- c. That there has been no change in the specifications of the item(s) after import in India;
- d. That the re-export/return of items due to reasons such as obsolescence of technology of imported items; cancellation of order by Indian buyer/end user; dead on arrival etc. (whichever is applicable) is allowed under the conditions of import or contractual agreement.

(e) Applications for grant of authorizations for export to the entity from which it was originally imported or to the OEM (including agency authorized by OEM) shall be approved by Chairmen IMWG, without any consultation with IMWG members. However, in cases of re-export/return to an entity other than the OEM (including agencies authorized by OEM), approval will be granted by Chairmen, IMWG after verification of the credentials of the foreign entity to which the item(s) are to be exported.

(f) All such authorizations shall be brought before IMWG in its subsequent meeting for confirmation of approval, on ex-post facto basis.^{xxvi}

2.79F Global Authorisation for Intra-Company Transfers (GAICT) OF SCOMET¹ Items/Software/Technology

A. Scope and Eligibility: Pre-export authorization will not be required for re-export of imported SCOMET items, software and technology [excluding items under SCOMET Categories 0, 1B, 1C², 3A401, 5 and 6] under following conditions:

- i. where the re-export is an Intra-company transfer from an Indian subsidiary (applicant exporter) to its foreign parent company and/or to subsidiaries of the foreign parent company for re-export of imported SCOMET items (covered under para 2.A above) from India and;
- ii. where the transfer fulfils the conditions mentioned at (a) to (g) below:
 - a) The items/software/technology to be re-exported, by Indian subsidiary, have been imported under a License Exception available in the country of the parent company abroad or from subsidiaries of the parent company abroad;

Note: The licence exception should clarify the control list classification, equivalent to the SCOMET item number and whether the licence exception is available for the subsidiaries of the parent company abroad;

- b) The items/software/technology to be re-exported is based on a Master Service Agreement/Contact between the parent company and the Indian subsidiaries for carrying out certain services including design/encryption/research/development /delivery /validation/testing;

Note: As a result of the service carried out by the Indian exporter, the items/software/technology should not undergo change in functionality and classification.

- c) These items/software/technology to be re-exported to the foreign parent company and /or subsidiaries of foreign parent company;
- d) The applicant exporter declares that the re-exported items would be used for the purposes for which it is intended by the parent company and/or its subsidiaries;
- e) The exporter furnishes either a certified/approved Internal Compliance Programme (ICP) or demonstrates compliance to the ICP of the parent company;
- f) The exporter agrees to allow on-site inspection, if required by the DGFT or authorised representatives of Government of India;
- g) The exporter is granted a Global Authorisation for Intra-Company Transfers (GAICT) as per procedure mentioned in para 2.B below.

B. Procedure for grant of Global Authorization for Intra-Company Transfers (GAICT)

Filling and Assessment of application

- a. In respect of re-export of SCOMET items/software/technology against Licence Exception which has been granted by the export control licensing authority of the country of parent company, the Indian exporter shall submit application for GAICT through online SCOMET portal and attach information in proforma -ANF 20(b);
- b. The application would be assessed for the issue of GAICT by Inter-Ministerial Working Group (IMWG) based on the submission of the application and other supporting documents by the Indian exporter in the prescribed proforma:
 - i. Documentary proof of the corporate relationship between the foreign parent company and /or its subsidiaries abroad with the Indian subsidiaries (applicant exporter);

- ii. Copy of Master Service Agreement (MSA)/Contract and other related documents (if any), as may be relevant, between the foreign parent company and the Indian subsidiary;
- iii. Classification of item/software/technology in SCOMET (indicating SCOMET category and sub-category);
- iv. Detailed description of the item intended to be re-exported with relevant technical details, such as model, part number, etc. and in case of software/technology, details of encryption algorithm, key length encryption functionality, eligibility under cryptography note etc. to be provided;
- v. Documentary proof of licence exception granted by the export control licensing authority of country of the foreign parent company and the subsidiaries of the parent company in different countries where it is valid;
- vi. Certified/approved ICP of the exporter or self-certified copy of the ICP of the parent company being adopted by Indian subsidiary/exporter along with an undertaking thereon;
- vii. Additional details, if any sought by DGFT.

A. Post reporting for re-export of items/software/technology under GAICT

- a. The Indian exporter shall submit post-shipment details of each transfer/consignment of exports of SCOMET items/software/technology under GAICT to the SCOMET Division of DGFT (Hqrs), New Delhi, via E-mail (scomet-dgft-pr@nic.in) on quarterly basis (March/ June/ September/ December), by the end of subsequent month of each quarter, in respect of the exports made in the previous quarter;
- b. The post-shipment details shall be submitted in proforma ANF 20(c) alongwith a copy of EUC in Appendix 2S (iv), from the parent company abroad;
- c. Failure to do so may entail imposition of penalty and/or suspension/revocation of GAICT.

Note: ANF (Aryat Niryat Form) -ANF 20(b), ANF 20(c) and End Use Certificate proforma Appendix 2S(iv) would be notified separately.

D. Record Keeping

The exporter will be required to keep records of all the export documents, in manual or electronic form, in terms of Para 2.73 (c) of HBP, for a period of 5 years from the date of GAICT issued by DGFT.

E. General conditions

- a. GAICT would not be issued in case of item/software and/or technology to be used to design, develop, acquire, manufacture, possess, transport, transfer and / or used for chemical, biological, nuclear weapons or for missiles capable of delivering weapons of mass destruction and their delivery system;
- b. GAICT would not be issued for countries or entities covered under UNSC embargo or sanctions list or to the countries or entities assessed for risk of proliferation concern, based on national security and foreign policy considerations;
- c. IMWG shall reserve the right to deny issue of GAICT without assigning any reason(s).

F. Subsequent re-exporters /re-transfer of the item/software/ technology from the foreign parent company or its subsidiaries to end users in other countries

Further re-export/re-transfer of the item/software/technology from the foreign parent company or its subsidiaries to end users in other countries would be subject to the export control regulations of the country of the foreign parent company or its subsidiary.

G. Validity

- a) GAICT issued for intra-company transfers of SCOMET items/software/technology shall be valid for a period of **three years** from the date of issue of GAICT by DGFT and shall be

further subject to the following validity time line, whichever is earlier:

- i. Till the validity of license exception of foreign parent company for that product (items/Software/technology);
or
 - ii. Till the validity of license exception of foreign parent company for subsidiaries of the parent company abroad;
or
 - iii. Till the validity of Master Service Agreement (MSA) /Contract with the foreign parent company and the Indian subsidiary.
- b) GAICT cannot be revalidated in terms of Paragraph 2.80 of HBP of FTP 2015-20.

H. Suspension / Revocation

GAICT issued shall be liable to be suspended/revoked by the DGFT on receipt of an adverse report on proliferation concern or for non-submission of mandatory reports within the prescribed time lines or for non-compliance with the conditions of this Public Notice.^{xxvii}

2.79G General Authorisation for Export of Chemicals and related equipment (GAEC) under SCOMET List

A. Procedure for grant of General Authorization for Export of Chemicals and related equipment (GAEC)

- I. In respect of export/re-export of SCOMET items under the Categories / Sub Categories of 1C, 1D, 1E, 3D001 and 3D004 (excluding software and technology), the applicant exporter shall submit an application for GAEC through online SCOMET portal and attach information in proforma -ANF 20;
- II. The application would be reviewed/examined for the issuance of GAEC by Inter-Ministerial Working Group (IMWG) based on the submitted application and other supporting documents submitted by the applicant exporter in the prescribed proforma including;

- a. Detailed description of the items that are intended to be exported under this authorization with relevant technical details / specifications, such as model, part number, etc. to be provided (as applicable); In case of first intended export of items under the above Categories / Sub Categories, details of the entire supply chain (buyer, consignee, end user, etc.) of an intended export is to be provided. In case of previous exports of items under the above Categories / Sub Categories having been carried out, details of past exports including the EUC is to be provided.
- b. Undertaking on the letterhead of the firm duly signed and stamped by the authorized signatory stating the following:
 - i. Any on-site inspection will be allowed by the applicant exporter, if required by the DGFT or authorized representatives of Government of India;
 - ii. The applicant exporter declares that the items that are intended to be exported shall not be used for any purpose other than the purpose(s) stated in the EUC and that such use shall not be changed nor the items modified or replicated without the prior consent of the Government of India.;
 - iii. The applicant exporter declares that subsequent to issue of export authorisation, if the licensee has been notified in writing by DGFT or if they know or has reason to believe that an item may be intended for military end use or has a potential risk of use in or diversion to weapons of mass destruction (WMD) or in their missile system, the exporter would not be eligible for GAEC for export of that/those item(s) and would apply separately to DGFT for a fresh authorization in terms of regular policy.
 - iv. Action will be taken against the exporter under FT (D & R) Act, 1992 for any mis-declaration.
- c. After issuance of GAEC authorization and before actual export, the applicant exporter must ensure the following:
 - i. They shall notify the relevant government authorities in the online portal of DGFT, within 30 days of such export in the prescribed format [Aayat Niryat Form (ANF) - 20], along with the End-Use Certificate (EUC) in the prescribed proforma [Appendix 2S(ii)] and a copy of the

bill of entry into the destination country within 30 days of delivery at destination point.

- ii. They have an agreement or a purchase order, excerpt of contract from entity (consignee / end user) receiving the items which states that the export is for a permitted use / an end use as declared in the EUC before actual export;
- iii. They possess documents include the name, contact number and email id of the authority signing the EUC before actual export.
- iv. Additional details, if any sought by DGFT

B. Post reporting for export / re-export of items under GAEC

- a. The Indian exporter shall submit post-shipment details of each export/ re-export of SCOMET items under the above Categories/ sub-categories under GAEC, as mentioned above at II.c. (i) and within the timelines specified therein;
- b. Failure to do so may entail imposition of penalty and / or suspension/revocation of GAEC.

C. Record Keeping

The exporter will be required to keep records of all the export documents, in manual or electronic form, in terms of Para 2.73 (c) of HBP, for a period of 5 years from the date of GAEC issued by DGFT.

D. General Conditions & Exclusions

- a. GAEC would not be issued in case of items to be used to design, develop, acquire, manufacture, possess, transport, transfer and / or used for chemical, biological, nuclear weapons or for missiles capable of delivering weapons of mass destruction and their delivery system;
- b. GAEC would not be issued for countries or entities covered under UNSC embargo or sanctions list or on assessment of proliferation concerns, or national security and foreign policy considerations, etc.;
- c. IMWG shall reserve the right to deny issue of GAEC without assigning any reason(s).

E. Validity

- a. GAEC issued for export / re-export of SCOMET items under the above Categories / Sub Categories (excluding software and technology) shall be valid for a period of **five years** from the date of issue of GAEC subject to subsequent post reporting(s) on quarterly basis to be reported within 30 days from the last quarter;
- b. GAEC cannot be revalidated in terms of Paragraph 2.80 of HBP of [FTP 2015-20](#).

F. Suspension / Revocation

GAEC issued shall be liable to be suspended / revoked by the DGFT on receipt of an adverse report on proliferation concern or for non-submission of mandatory post-shipment details / reports / documents within the prescribed timelines or for non-compliance with the conditions of the proposed policy.^{xxviii}

2.80 Revalidation of SCOMET Authorisation

Export license for SCOMET items may be revalidated by RA concerned as per para 2.20 (b) of HBP.

2.81 Export of SCOMET Category 6 items

Notwithstanding anything contained in Paragraphs 2.73 to 2.80, Export of SCOMET Category 6 items will be permitted against an authorisation issued by Department of Defence Production. The grant of authorisation will be governed by the Standard Operating Procedure (SOP) issued for the purpose by Department of Defence Production.

2.82 Timeline for comments/NOC

The members of IMWG will endeavour to furnish their written comments/views/No Objection to DGFT within 30 days from the date of forwarding of applications by DGFT (Hqrs.). If no comments/views/No Objection is received within the stipulated period. The cases will be placed before IMWG for taking a decision as deemed appropriate.

Export through State Trading Enterprises (STE):

2.83 Export of Items under (STE)

An application under ANF 2N for export of items mentioned in ITC (HS), 2012 under STE regime may be made to DGFT as per paragraph 2.20 of FTP.

Provisions for exporters/other provisions for doing trade and business:

2.84 Free of Cost Exports for status holders

Status holders shall be entitled to export freely exportable items on free of cost basis for export promotion subject to an annual limit of Rs.10 lakh or 2% of average annual export realisation during preceding three licensing years whichever is lower. For Pharma exports, the annual limit would be 2% of the annual export realisation during preceding three licensing years. In case of government supplies and supplies of vaccines and lifesaving drugs to health programmes of international agencies such as UN and WHO-PAHO, the annual limit shall be upto 8% of the average annual export realisation during preceding three licensing years. Such free of cost supplies shall not be entitled to Duty Drawback or any other export incentive under any export promotion scheme.

2.85 Admissibility of benefits on payment through insurance cover

(I) Payment through ECGC cover would count for benefits under FTP.

(II) Payment through General/ Private Insurance companies:

Amount of Insurance Cover for transit loss by General Insurance and Private Approved Insurance Companies in India would be treated as payment realized for exports under various export promotion schemes.

(a) An applicant realizing export proceeds through Insurance Agency will approach the concerned RA with the proof of payment issued by the concerned Insurance Agency. RA after satisfying itself of the bona fide of the claim, will obtain approval of Additional DGFT (EDI) and

then will upload the value (in lieu of e BRC value) in EDI system of DGFT for processing of the case.

- (b) If the proof of payment issued by the Insurance Agency mentions claim value both in foreign exchange and INR, RA will use the foreign exchange value for processing. If the claim value is mentioned only in equivalent INR, RA will convert this INR value in equivalent US\$ using the exchange rate (published by CBEC) applicable on the date of settlement of insurance claim”.

2.86 Irrevocable Letter of Credit

In case where applicant applies for duty credit scrip / discharge of EO against confirmed irrevocable letter of credit (or bill of exchange which is unconditionally Avalised / Co-Accepted / Guaranteed by a bank) and this is confirmed and certified by exporter’s bank in relevant Bank Certificate of Export and Realization, payment of export proceeds shall be deemed to have been realized. For Status Holders, irrevocable letter of credit would suffice.

2.87 RBI write-off on export proceeds realization

Realization of export proceeds shall not be insisted under Foreign Trade Policy, if the Reserve Bank of India (RBI) or any “Authorised Bank” (authorised by RBI for this purpose) writes off the requirement of realization of export proceeds on merits and the exporter produces a certificate from the concerned Foreign Mission of India about the fact of non-recovery of export proceeds from the buyer. However, this would not be applicable in self – write off cases.

2.88 Conversion of E.P. copy of shipping bill from one Scheme to another

If Customs Authorities, after recording reasons in writing, permit conversion of an E.P. copy of any scheme-shipping bill on which benefit of that scheme has not been availed, exporter would be entitled to benefit under scheme in which shipment is subsequently converted.

2.89 Offsetting of Export Proceeds

Subject to specific approval of RBI, any payables, or equity investment made by an Authorisation holder under any export promotion scheme, can be used to offset receipts of his export proceeds. In such cases, offsetting would be equal to realisation of export proceeds and exporter would have to submit following additional documents:

- (a) **Appendix-2L** in lieu of Bank Realisation Certificate.
- (b) Specific permission of RBI.

Provisions related to Quality Certification:

2.90 Quality Certification

It has been a constant endeavour to promote quality standards in export product / units manufacturing export product.

Agencies authorised to grant Quality Certification:

- (a) List of such agencies authorised to grant quality certification is given in **Appendix-2I**
- (b) For ISO 9000 (Series) and for ISO 14000 (Series), the Agencies accredited with National Accreditation Board for Certification Bodies (NABCB) under Quality Council of India shall be deemed to be authorised under this Policy. List of such accredited agencies is available on the web site www.qcin.org and also provided under **Appendix 2I**
- (c) The agencies for ISO (9000) Series & ISO 14000 Series have been accredited on further classification of:
 - (i) Quality Management System(QMS)-
<http://www.qcin.org/nabcb/accreditation/reg.bod qms.php>
for Quality Management Systems

- (ii) Environmental Management System(EMS) -
http://www.qcin.org/nabcb/accreditation/reg_bod_ems.php
for Environmental Management system .

These agencies are listed in **Appendix 2I** of the AANF.

- (d) Any agency desirous of enlistment in **Appendix 2I** may submit their application as per Annexure I to **Appendix 2I** to the DGFT.

2.90 A Track and Trace system for export of drug formulations

Procedure for Implementation of the Track and Trace system for export of drug formulations will be as under :

- i. The manufacturer or the exporter of drug formulations will print the barcode as per **GS1 Global Standard** at different packaging levels to facilitate tracking and tracing of their products. The details are as follows:

a) Primary Level:

Incorporation of two dimensional (2D) barcode encoding unique and **universal global product identification** code in the format of 14 digits Global Trade Item Number (GTIN) along with batch number, expiry date and a unique serial number of the primary pack. The bar code labeling at primary level is exempted till further notification; however, the above mentioned details are required to be printed in human readable form on **optional basis** till further notification.

b) Secondary level:

Incorporation of one or two dimensional (1D or 2D) barcode encoding unique and universal global product identification code in the format of 14 digits Global Trade Item Number (GTIN) along with batch number, expiry date and a unique serial number of the secondary pack. However, incase of monocartons manufacturer or exporter shall affix bar code on mono carton containing one primary pack on optional basis till further notification.

c) Tertiary Level:

Incorporation of one dimensional (1D) barcode encoding unique and universal global product identification code in the format of 14 digits Global Trade Item Number (GTIN) along with batch number, expiry date and a unique serial number of the tertiary pack i.e. Serial Shipping Container Code (SSCC).

ii. Parent-Child Relationship for SSI and Non-SSI Manufacturers:

The manufacturer or exporter shall maintain the data in the parent-child relationship for three levels of packaging i.e. Primary, Secondary and Tertiary packaging and their movement in its supply chain.

iii. Maintenance of data of Parent-Child relationship:

The data mentioned in (ii) above shall be uploaded on the central portal of the Government of India (<http://dava.gov.in>) by the manufacturer or exporter or its designated agency before release of the drug formulations for sale or distribution.

iv. The responsibility of the correctness, completeness and ensuring timely upload of data on the central portal shall be with the manufacturer or exporter.

v. In case, the Government of the importing country has mandated a specific requirement, the exporter has the option of adhering to the same and in such a case, it would not be necessary to comply with the stipulation under sub para (i) to (iv) above and if an exporter is seeking to avail such exemption from bar coding prescribed by the Government of India as above, the exporter is given the option to move an application to the Pharmaceutical Export Promotion Council of India (Pharmexcil) for this purpose, clearly specifying the nature of such an exemption in the interest of the exports from the country. Pharmexcil shall dispose of such applications on case to case basis with prior approval of Government. However, the tertiary level of

packaging will have additional printing of barcode as per Para 2 (i) (c) in addition to importing country's requirement, if any.

- vi.** Export of drugs manufactured by SSI and non-SSI units and having manufacturing date on or before 01.04.2022^{xxix} are exempted from maintenance of data in the Parent-Child relationship for three levels of packaging and its uploading on Central Portal (<http://dava.gov.in>).^{xxx}
- vii** All drugs manufactured by SSI or non SSI units and having manufacturing date after 01.04.2022^{xxxi} can be exported only if both tertiary and secondary packaging carry barcoding as applicable and the relevant data as prescribed by DGFT is uploaded on the Central Portal.^{xxxii}

Explanation:

(a) For the purpose of this rule,

- (i) Drug formulation means a formulation manufactured with a license from Drug Control Authority under the provisions of Drugs & Cosmetics Act and Rules made there under and registered as “Drug” with the FDA of importing country.
- (ii) Primary packaging means the package which is in direct physical contact with the active ingredient.
- (iii) Secondary packaging means a carton containing one or more primary packs and includes a mono carton containing one primary pack.
- (iv) Tertiary packaging means a shipper containing one or more secondary packs.

(b) All relevant guidelines regarding grant of specific exemption(s) if any, procedure of data requirement / maintenance / upload

on central portal and clarifications issued under this notification etc. will be available on the central portal i.e. <http://dava.gov.in>

- (c) It will be the responsibility of the drug manufactures/exporters as the case may be, to satisfy the customs authorities that the export consignment satisfies the conditions of the Notification.

Export Promotion Council (EPC)/ Commodity Boards:

2.91 Registering Authorities

- (a) Registering Authority is a body notified by DGFT in this regard to register importers/ exporters as its members by issuing RCMC.
- (b) The list of notified Registering Authorities is at **Appendix-2 T**.
- (c) EPCs acting as the Registering Authorities for RCMC at present will continue to act as Registering Authorities and issue RCMC to their members till 31st March, 2016. EPCs wishing to continue as Registering Authority for their product group thereafter shall have to comply and fulfil the conditions as specified in Paragraph 2.92 below before 31st March, 2016.

2.92 Criteria for EPCs as Registering Authorities

In order to make the EPCs truly democratic and participative in nature and for better governance and transparency, the criteria for them to function as Registering Authority are being laid down as under:

- (a) **e-Voting:** Electronic Voting would be mandatory for election to the posts of Vice Chairman/Vice President and Executive Committee members with a view to ensuring wider participation.
- (b) **Tenure of Elected Heads:** The tenure of an elected head shall not be for more than two years. The election of Chairman/President of the EPC shall be via Vice Chairman/Vice President route. However, any

member having held the post of Chairman/President and/or Vice Chairman/Vice President may come back as Vice Chairman/Vice President in the same council after a gap of not less than 4 years.

- (c) **Directions of the Central Government:** EPCs acting as the Registering Authorities shall abide by all directions of the Central Government in respect of promotion and development of international trade.

2.93 Registration- cum- Membership Certificate (RCMC)

- (a) An exporter may, on application given in **ANF 2C** register and become a member of EPC. On being admitted to membership, applicant shall be granted forthwith Registration-cum-Membership Certificate (RCMC) of EPC concerned, in format given in **Appendix 2R**. In case an exporter desires to get registration as a manufacturer exporter, he shall furnish evidence to that effect.
- (b) Prospective / potential exporters may also, on application, register and become an associate member of an EPC.

2.94 Applying for RCMC

- (a) While applying for RCMC, an exporter has to declare his main line of business in the application. The exporter is required to obtain RCMC from the Council which is concerned with the product of his main line of business.
- (b) In case an export product is not covered by any Export Promotion Council/Commodity Board etc., RCMC in respect thereof is to be obtained from FIEO. Further, in case of multi product exporters, not registered with any EPC, where main line of business is yet to be settled, the exporter has an option to obtain RCMC from Federation of Indian Exporters Organization (FIEO).
- (c) In respect of multi product exporters having their head office/ registered office in the North Eastern States, RCMC may be obtained from Shellac & Forest Products Export Promotion Council (except for the products looked after by APEDA, Spices Board and Tea Board).

- (d) In respect of exporters of handicrafts and handloom products from the State of Jammu & Kashmir, Director, Handicrafts, Government of Jammu & Kashmir is authorised to issue Registration Cum Membership Certificate (RCMC).

2.95 Validity Period of RCMC

RCMC shall be deemed to be valid from 1st April of licensing year in which it was issued and shall be valid for five years ending 31st March of the licensing year, unless otherwise specified.

2.96 Intimation Regarding Change in Constitution of Business of RCMC holder

- (a) In case of change in ownership, constitution, name or address of an exporter, it shall be obligatory on part of RCMC holder to intimate such change to registering authority within a period of one month from date of such change. Registering authority, however, may condone delays on merits.

2.97 De- Registration

Registering authority may de-register an RCMC holder for a specified period for violation of conditions of registration. Before such de-registration, RCMC holder shall be given a show cause notice by registering authority, and an adequate and reasonable opportunity to make a representation against the proposed de-registration. Upon de-registration, concerned EPC shall intimate the same to all RAs.

2.98 Appeal Against De-registration

A person aggrieved by a decision of registering authority in respect of any matter connected with issue of RCMC may prefer an appeal to DGFT or an officer designated in this behalf within 45 days against said decision and decision of appellate authority shall be final.

2.99 Directives of DGFT

DGFT may direct any registering authority to register or deregister an exporter or otherwise issue such other directions to them consistent with and in order to implement provisions of FT (D&R) Act, Rules and Orders made there under, FTP or this Handbook.

Other General Provisions:

2.100 Identity Cards for Importers /Exporters

- (a) To facilitate collection of Authorisation and other documents from DGFT Head Quarters and RA, identity cards (as in **Appendix 2W** valid for 3 years) may be issued to proprietor/ partners / directors and authorised employees (not more than three), of importers and exporters, upon application in **ANF 2B**
- (b) In addition, Identity Card may also be issued by the applicant firms on their letterhead to the concerned employees. These Identity Cards may be countersigned by the concerned RA. However, application for identity card in **ANF 2 B** will require to be made by the applicant and all other parameters would need to be met.
- (c) In case of limited companies, RA may approve allotment of more than three identity cards per company. In case of loss of an identity card, a duplicate card may be issued on the basis of an self-declaration . RA may issue multiple identity cards, after recording reasons in writing, in cases of Directors/Partners of companies.

2.101 Interview with authorised Officers

Officers may grant interview at their discretion to authorised representative of importer / exporter. Interviews /clarifications may also be sought through E-mails.

2.102 Authorised signatory

Any communication from the Exporter/Importer to DGFT's office including the RA's must have the name, signature, email id of the person duly authorised by the firm/company to send such communications.

Preferential Trade Agreements:

2.103 Free Trade Agreements (FTAs) / Preferential Trade Agreements (PTAs)

- (a) India has always stood for a transparent, equitable, inclusive, predictable, non-discriminatory and rules based international trading system. In this context, India's trade agreements may be seen as a measured and calibrated exposure of the Indian economy to international competition. As of October, 2014; India has signed 10 FTAs and 6 limited Preferential Trade Agreements (PTAs). India is also negotiating around 18 other FTAs.
- (b) The list of the FTAs that have been signed by India are:
 - (i) India - Sri Lanka FTA
 - (ii) Agreement on South Asian Free Trade Agreement (SAFTA)
 - (iii) Revised Agreement of Cooperation between Government of India and Nepal to control unauthorised trade
 - (iv) India - Bhutan Agreement on Trade Commerce and Transit
 - (v) India - Thailand FTA - Early Harvest Scheme (EHS)
 - (vi) India - Singapore Comprehensive Economic Cooperation Agreement (CECA)
 - (vii) India - ASEAN CECA (Goods, Services and Investment)
 - (viii) India - South Korea Comprehensive Economic Partnership Agreement (CEPA)
 - (ix) India - Japan CEPA
 - (x) India - Malaysia CECA
- (c) The list of Preferential Trade Agreements (PTAs) signed by India are:
 - (i) Asia Pacific Trade Agreement (APTA)
 - (ii) Global System of Trade Preferences (GSTP)
 - (iii) India - Afghanistan PTA
 - (iv) India - MERCOSUR PTA

- (v) India - Chile PTA
 - (vi) SAARC Preferential Trading Arrangement (SAPTA)
- (d) The list of these agreements with the participating countries as well as their entry into force is given in **Appendix 2A**.
- (e) Fees chargeable for issuance of preferential Certificate of Origin is as detailed in Appendix – 2K. The same would also be applicable as verification fee for Rules of Origin Certificate issued under any Free Trade Agreements, in case of verification as detailed in Appendix – 2K. However, the provision of Tatkal certificate of origin as being provided by some of the agencies would be discontinued. The Certificate of origin will be delivered within 24 hours/1(one) working day of the application made.^{xxxiii}

2.104 Unilateral Tariff Preferences

Under these schemes, both developed and developing countries grant unilateral tariff preferences to exports from developing countries including Least Developed Countries (LDCs). Some of these schemes are:

(A) Generalised System of Preferences (GSP):

- (a) GSP is a non-contractual instrument by which industrialized (developed) countries unilaterally and based on non-reciprocity extend tariff concessions to developing countries. Following countries extend tariff preferences under their GSP Scheme: (i) United States of America (ii) New Zealand (iii) Belarus (iv) European Union (v) Japan (vi) Russia (vii) Canada (viii) Norway (ix) Australia (only to LDCs) and (x) Switzerland
- (b) GSP schemes of these countries detail sectors / products and tariff lines under which benefits are available, including conditions and procedures governing benefits. These schemes are renewed and modified from time to time. Normally Customs of GSP offering countries require information in Form 'A' (prescribed for GSP Rules Of Origin) duly filled by exporters

of beneficiary countries and certified by authorised agencies. List of agencies authorised to issue GSP CoO is given in **Appendix-2 C**.

(c) (i) The European Union (EU) has introduced a self-certification scheme for certifying the rules of origin under GSP from 1.1.2017 onwards. Under the Registered Exporter System (REX), exporters with a REX number are able to self-certify the Statement on Origin of their goods being exported to EU under the GSP Scheme. The registration on REX is without any fee or charges. The details of the scheme are at Annex 1 to Appendix 2C.

(ii) The competent Local Authorities would undertake post verification of self certified Certificate of Origin based on the request of the importers/customs agencies of the importing country and the fee to be charged is detailed in Appendix 2K. Agencies may charge TA and DA, as per government rates, separately from the unit.

(iii) Further, as per the conditions required to avail GSP benefit under self certification system, the beneficiary country needs to have a verification system of such self certified certificates of origin. The standard operating procedure for verification of the self certified eCoOs, to be followed by all Authorized agencies/Local Administrators is detailed in Annex II to Appendix 2C.^{xxxiv}

(B) Duty Free Tariff Preference (DFTP) Scheme for LDCs:

(a) The mandate for Duty Free Quota Free (DFQF) access to Least Developed Countries (LDCs) came from Paragraph 47 of the Hong Kong Ministerial Declaration of December 2005. India became the first developing country to extend this facility to LDCs through its Duty Free Tariff Preference (DFTP) Scheme for LDCs which came into effect in August, 2008 with tariff reductions spread over five years. The Scheme provided

preferential market access on tariff lines that comprise 92.5% of global exports of all LDCs.

- (b) Subsequently in 2014, the Scheme was modified both with reference to increase in coverage as well as its simplification. This was in response to requests from several LDCs for additional product coverage on lines of their export interest and simplification of the Rules of Origin procedures. Under the new expanded DFTP Scheme, India is granting duty free access on 96.4% of the total tariff lines, thereby retaining only about 3.6% of lines in the Exclusion and Positive Lists. For details Department of Commerce's website: http://commerce.gov.in/trade/international_tpp_DFTP.pdf. and Customs' Notification No.8/2014 dated 1st April, 2014 may also be referred to in this regard.

2.105 Certificates of Origin (CoO)

- (a) Certificate of Origin (CoO) is an instrument to establish evidence on origin of goods imported into any country.
- (b) There are two categories of CoO viz.
 - (i) Preferential and
 - (ii) Non preferential

2.106 Rules of Origin (Preferential)

- (a) The rules of origin are the rules that determine the origin of a good for the purpose of exports to a trading partner. Under an FTA, PTA or a unilateral tariff concession, the tariff concessions are granted by an importing country only when these prescribed rules of origin are adhered to. Rules of origin also facilitate in computation of trade statistics and for determination and imposition of trade remedial measures.

- (b) Some of the key criteria used in the determination of the rules of origin are:
- (i) Wholly obtained
 - (ii) Change in tariff classification
 - (iii) Value addition
 - (iv) Non minimal operations
- (c) For exports under India's FTAs, PTAs and GSP, specified agencies are authorised to issue the certificates of origin, They shall also provide services relating to issue of CoO, including details regarding rules of origin, list of items covered by an agreement, extent of tariff preference, verification and certification of eligibility. The list of these agencies authorised under the various FTAs/ PTAs is given in **Appendix 2B**
- (d) Export Inspection Council (EIC) is the agency authorised to print blank certificates. The website of the EIC (www.eicindia.gov.in) provides procedural details (including fee) for issuance of the certificate of origin.

2.107 TRQ under FTA/CECA

Government, from time to time, undertakes commitments for import under Tariff Rate Quota (TRQ) in various FTA/CECA. Accordingly, DGFT notifies the procedure for administration of TRQ from time to time. The Tariff Rate Quotas as existing is as under:

Description	HS No.	In/out of quota rate (%) as per WTO	In/out of quota rate (%) As per Indian Tariff	Notification	TRQ

Crude soya oil from Paraguay under India- Mercosur Trade Agreement	1507 10 00	-	10%	57/2009 dated 30/05/2009	30,000 MT
Vanaspati, bakery shortening and margarine from Sri Lanka	1516, 1517 or 1518 (other than 15161000, 15171010, 15179030 and 15180040 which are prohibited for import)	-	-	No.2/2007- Customs dated 5 th January 2007	*2,50,000 MT
Pepper from Sri Lanka	0904	-	-	No.2/2007- Customs dated 5 th January 2007	*2500 MT
Desiccated Coconut from Sri Lanka	08011100	-	-	No.2/2007- Customs dated 5 th January 2007	*500 MT
Articles of apparel and clothing accessories imported from Sri Lanka	61, 62	-	5%/10 %	26/2000- Cus List 3	8 million pieces
Tea and preparagraphions thereof imported from Sri Lanka	2101	-	15%/30 %	26/2000- Cus List 4	15 million kgs.
Vegetable fats (Vanaspati) from Nepal				22/2007- Cus 5 th June 2007	1 Lakh MT
Acrylic Yarn from Nepal				-do-	10,000 MT
Copper products from Nepal	Chapter 74 of ITC(HS) and 8544			-do-	10,000 MT

Zinc Oxide from Nepal				-do-	2500MT
The following items are permitted under the TRQ under India-Mauritius CECPA#					
Fresh : -- Other	06031900	-	30%	No. 25/2021- Customs dated 31 st March, 2021	15 tons
Pineapples	08043000	-	10%		1000 tons
Lichi	08109060	-	10%		250 tons
Vanilla : Neither crushed nor ground	09051000	-	10%		15 tons
Vanilla : Crushed or ground	09052000	-	10%		1 ton
Tunas	16041410	-	0%		7000 tons
Other	16041490	-	0%		7000 tons
Other prepared or preserved fish	16042000	-	0%		7000 tons
Other (Specialty Sugar)	17011490	-	10%		15000 tons
Beer made from malt.	22030000	-	25%		2,000,000 litres
Fruit Wine: Other fermented beverages (for example, cider, perry, mead, sake);mixtures of fermented beverages and mixtures of fermented beverages and non- alcoholic beverages, not elsewhere specified or included.	22060000	-	0%		5000 litres
In containers holding 2 l or less: -- --Rum	22084011	-	0%	No. 25/2021- Customs dated 31 st March, 2021	1.50 million litres
In containers holding 2 l or less: -- --Other	22084012	-	0%		1.50 million litres
Other: ---- Rum	22084091	-	0%		1.50 million litres

Other: ---- other	22084092	-	0%		1.50 million litres
Articles of Apparel and Clothing Accessories.	6102; 6103; 6104; 6105; 6106; 6109;6110; 6111; 6112 6203; 6304;	-	-	Details of the HS Codes as in Table 3 of the above Notification	7.5 million pieces\$

Imports of Items under the TRQ of the India- UAE CEPA

HS 8 Code	Description	Effective Rate (%)	Tariff Modality Offered	Schedule of Tariff Rate Concessions (%)									
39011010	Linear low-density polyethylene (LLDPE), in which ethylene monomer unit contributes 95% or more by weight of the total polymer content	7.5	TR of 50% in 5 years with specified year-wise TRQs	7.0	6.5	6.0	5.0	3.75	3.75	3.75	3.75	3.75	3.75
				(TRQ - 45,000 MT)	(TRQ - 50,500 MT)	(TRQ - 56,000 MT)	(TRQ - 61,500 MT)	(TRQ - 67,500 MT)	(TRQ - 86,300 MT)	(TRQ - 105,000 MT)	(TRQ - 105,000 MT)	(TRQ - 105,000 MT)	(TRQ - 105,000 MT)
39011020	Low density pol	7.5											

	polyethylene (LDP E)												
3901 1090	Other Polyethylene having a specific gravity of less than 0.94	7.5											
3901 2000	Polyethylene having a specific gravity of 0.94 or more	7.5	TR of 50% in 5 years with specified year-wise TRQs	7.0 (TRQ - 150,000 MT)	6.5 (TRQ - 168,000 MT)	6.0 (TRQ - 186,000 MT)	5.0 (TRQ - 204,000 MT)	3.75 (TRQ - 222,000 MT)	3.75 (TRQ - 252,000 MT)	3.75 (TRQ - 285,000 MT)	3.75 (TRQ - 285,000 MT)	3.75 (TRQ - 285,000 MT)	3.75 (TRQ - 285,000 MT)
3901 4010	Linear low-density polyethylene (LLDPE), in which ethylene monomer unit contributes less than	7.5	TR of 50% in 5 years with specified year-wise TRQs	7.0 (TRQ - 45,000 MT)	6.5 (TRQ - 50,500 MT)	6.0 (TRQ - 56,000 MT)	5.0 (TRQ - 61,500 MT)	3.75 (TRQ - 67,500 MT)	3.75 (TRQ - 86,300 MT)	3.75 (TRQ - 105,000 MT)	3.75 (TRQ - 105,000 MT)	3.75 (TRQ - 105,000 MT)	3.75 (TRQ - 105,000 MT)

	95 % by w eight of the total poly mer c onten t										
3901 4090	Other Ethyl ene-al pha-o lefin copol ymers , havi ng a s pecifi c grav ity of less t han 0. 94	7.5									
3901 9000	Other poly mers of eth ylene, in pri mary sourc es	7.5	7.0 (TRQ - 11,000 MT)	6.5 (TRQ - 12,000 MT)	6.0 (TRQ - 13,000 MT)	5.0 (TRQ - 14,000 MT)	3.75 (TRQ - 16,000 MT)	3.75 (TRQ - 20,600 MT)	3.75 (TRQ - 25,000 MT)	3.75 (TRQ - 25,000 MT)	3.75 (TRQ - 25,000 MT)
3902 1000	Polyp ropyl ene	7.5	7.0 (TRQ - 70,000 MT)	6.5 (TRQ - 77,500 MT)	6.0 (TRQ - 85,000 MT)	5.0 (TRQ - 92,500 MT)	3.75 (TRQ - 100,00 0 MT)	3.75 (TRQ - 129,20 0 MT)	3.75 (TRQ - 158,50 0 MT)	3.75 (TRQ - 158,50 0 MT)	3.75 (TRQ - 158,50 0 MT)
3902 3000	Propy lene c opoly mers	7.5	7.0 (TRQ - 50,000	6.5 (TRQ - 55,000	6.0 (TRQ - 60,000	5.0 (TRQ - 65,000	3.75 (TRQ - 70,000	3.75 (TRQ - 90,900	3.75 (TRQ - 112,00	3.75 (TRQ - 112,00	3.75 (TRQ - 112,00

				MT)	MT)	MT)	MT)	MT)	MT)	0 MT)	0 MT)	0 MT)	0 MT)
3902 9000	Other polymers of propylene or of other olefins, in primary forms	7.5		7.0 (TRQ - 4,000 MT)	6.5 (TRQ - 4,500 MT)	6.0 (TRQ - 5,000 MT)	5.0 (TRQ - 5,500 MT)	3.75 (TRQ - 6,000 MT)	3.75 (TRQ - 7,700 MT)	3.75 (TRQ - 9,500 MT)	3.75 (TRQ - 9,500 MT)	3.75 (TRQ - 9,500 MT)	3.75 (TRQ - 9,500 MT)
3904 1010	Emulsion grade PVC resin / PVC Paste resin/ PVC dispersion resin	10	TR (Cumulative Annual TRQ of 60,000 MT)	9	8	7	6	5	5	5	5	5	5
3904 1020	Suspension grade PVC resin	10		9	8	7	6	5	5	5	5	5	5
3904 1090	Other Poly (vinyl chloride), not mixed with any other substance	10		9	8	7	6	5	5	5	5	5	5

	ces											
3904 2100	Non-plasti cised poly (vinyl chlori de), mixe d wit h othe r subs tance s	10		9	8	7	6	5	5	5	5	5
3904 3010	Poly(vinyl deriv atives)	10		9	8	7	6	5	5	5	5	5
3904 3090	Other Viny l chlo ride-v inyl a cetate copol ymers	10		9	8	7	6	5	5	5	5	5
3904 6910	Poly (vinyl fluori de), i n one of the form s men tione d in Note 6(b) t o this	7.5		7	6.5	6	5	3.75	3.75	3.75	3.75	3.75

	Chapter												
3904 9010	Chlorinated poly vinyl chloride (C PVC) resin	10		9	8	7	6	5	5	5	5	5	5
3904 9090	Other Polymers of vinyl chloride or of other halogenated olefins, in primary forms	7.5		7	6.5	6	5	3.75	3.75	3.75	3.75	3.75	3.75
7108 1100	Non-monetary gold powder	10	TR (Tariff concession/relief of 1% in absolute percentage terms, TRQ of 200 tons phased in 5 years)	1% absolute duty reduction over the applied rate (TRQ of 120 tonnes)	1% absolute duty reduction over the applied rate (TRQ of 140 tonnes)	1% absolute duty reduction over the applied rate (TRQ of 160 tonnes)	1% absolute duty reduction over the applied rate (TRQ of 180 tonnes)	1% absolute duty reduction over the applied rate (TRQ of 200 tonnes)	1% absolute duty reduction over the applied rate (TRQ of 200 tonnes)	1% absolute duty reduction over the applied rate (TRQ of 200 tonnes)	1% absolute duty reduction over the applied rate (TRQ of 200 tonnes)	1% absolute duty reduction over the applied rate (TRQ of 200 tonnes)	1% absolute duty reduction over the applied rate (TRQ of 200 tonnes)
7108 1200	Other unwrought forms of non-monetary gold	10		1% absolute duty reduction over the applied rate (TRQ of 120 tonnes)	1% absolute duty reduction over the applied rate (TRQ of 140 tonnes)	1% absolute duty reduction over the applied rate (TRQ of 160 tonnes)	1% absolute duty reduction over the applied rate (TRQ of 180 tonnes)	1% absolute duty reduction over the applied rate (TRQ of 200 tonnes)	1% absolute duty reduction over the applied rate (TRQ of 200 tonnes)	1% absolute duty reduction over the applied rate (TRQ of 200 tonnes)	1% absolute duty reduction over the applied rate (TRQ of 200 tonnes)	1% absolute duty reduction over the applied rate (TRQ of 200 tonnes)	1% absolute duty reduction over the applied rate (TRQ of 200 tonnes)

7108 1300	Other semi-manufactured forms of non-monetary gold	10	ars)										
7113 1910	Articles of jewellery of gold, unstruck	20	TR (TRQ of 2.5 Tonnes)	19 (TRQ of 2100 kg)	18 (TRQ of 2200 kg)	17 (TRQ of 2300 kg)	16 (TRQ of 2400 kg)	15 (TRQ of 2500 kg)	15 (TRQ of 2500 kg)	15 (TRQ of 2500 kg)	15 (TRQ of 2500 kg)	15 (TRQ of 2500 kg)	15 (TRQ of 2500 kg)
7113 1920	Articles of jewellery of gold, set with pearls	20											
7113 1930	Articles of jewellery of gold set with diamonds	20											
7113 1940	Articles of jewellery of gold, set with other pre	20											

	cious and semi-precious stones												
74081110	Copper welded wire, cross sectional dimension > 6mm	5	TEP over 5 years (TRQ of 150% of 3 years moving average volume)	4.0 (TRQ - 85,000 MT)	3.0 (TRQ - 95,000 MT)	2.0 (TRQ - 105,000 MT)	1.0 (TRQ - 115,000 MT)	0.0 (TRQ - 125,000 MT)	0.0 (TRQ - Moving Average of Years 2 to 4 in MT)	0.0 (TRQ - Moving Average of Years 3 to 5 in MT)	0.0 (TRQ - Moving Average of Years 4 to 6 in MT)	0.0 (TRQ - Moving Average of Years 5 to 7 in MT)	0.0 (TRQ - Moving Average of Years 6 to 8 in MT)
74081190	Other wire of refined copper, which the maximum cross-sectional dimension exceeds 6 mm	5											
74081910	Copper welded wire, cross sectional dimension < 6mm	5	TEP over 5 years (TRQ of 150% of 3 years moving average volume)	4.0 (TRQ - 270 MT)	3.0 (TRQ - 302.5 MT)	2.0 (TRQ - 335 MT)	1.0 (TRQ - 367.5 MT)	0.0 (TRQ - 400 MT)	0.0 (TRQ - Moving Average of	0.0 (TRQ - Moving Average of	0.0 (TRQ - Moving Average of	0.0 (TRQ - Moving Average of	0.0 (TRQ - Moving Average of

7408 1920	Welding wire of copper, cross sectional dimension < 6mm	5	e)						Years 2 to 4 in MT)	Years 3 to 5 in MT)	Years 4 to 6 in MT)	Years 5 to 7 in MT)	Years 6 to 8 in MT)
7408 1990	Other wire of refined copper, cross sectional dimension < 6mm	5											
# Imports will be permitted subject to the arrangements / Procedure as laid down in Annexure-I, II , III ^{xxxv} & IV ^{xxxvi} of Appendix-2A.													

2.108 Rules of Origin (Non-Preferential)

(a) Rules of Origin (Non-Preferential) criteria are as under:

- (I) Goods are to be manufactured by the exporting entity as per the definition of “Manufacture” in Paragraph 9.31 of FTP; and
- (II) If imported inputs (Duty Paid or Duty Free) have been used for the production of export product, the export product can be considered to be originating in India (Non Preferential) only if the imported inputs undergo the processing/ operations that exceed the following:

- (i) simple operations consisting of removal of dust, sifting or screening, sorting, classifying, matching (including the making-up of sets of articles), washing, painting, cutting;
 - (ii) changes of packing and breaking up and assembly of consignments;
 - (iii) simple cutting, slicing and repacking or placing in bottles, flasks, bags, boxes, fixing on cards or boards, and all other simple packing operations;
 - (iv) operations to ensure the preservation of products in good condition during transport and storage (such as drying, freezing, keeping in brine, ventilation, spreading out, chilling, placing in salt, sulphur dioxide or other aqueous solutions, removal of damaged parts, and like operations);
 - (v) affixing of marks, labels or other like distinguishing signs on products or their packaging;
 - (vi) simple mixing of products ;
 - (vii) simple assembly of parts of products to constitute a complete product;
 - (viii) disassembly;
 - (ix) slaughter which means the mere killing of animals; and
 - (x) mere dilution with water or another substance that does not materially alter the characteristics of the products.
- (b) Government has also nominated certain agencies to issue Non-Preferential Certificate of Origin (CoO). These CoOs evidence origin of goods and do not bestow any right to preferential tariffs. List of notified agencies is provided in **Appendix-2 E**. In addition, agencies authorised to issue Preferential CoO are also authorised to issue Non-Preferential CoO.

- (c) All exporters who are required to submit CoO (Non Preferential) would have to apply to any of agencies enlisted in **Appendix-2 E** with following documents:
- (i) Details of quantum / origin of inputs / consumables used in export product.
 - (ii) Two copies of invoices.
 - (iii) Packing list in duplicate for concerned invoice.
 - (iv) Fee of Rs.200/- per certificate.^{xxxvii}
- (d) The agency would ensure that goods are of Indian origin as per criteria defined in (a) above before granting CoO (non preferential). Certificate would be issued as per format given in **Annexure-II to Appendix 2 E**. It should be ensured that no correction/re-type is made on certificate. Any agency desirous of enlistment in **Appendix-2 E** may submit their application as per **Annexure-I to Appendix 2 E** to DGFT.
- (e) **Non-preferential - Self Certification:** Manufacturer exporters who are also Status Holders shall be eligible to self-certify their goods as originating from India, if goods qualify the criteria, as laid down in (a) above, as per **Annexure -III to Appendix 2 E**.

2.109 Approved Exporter Scheme (AES) for self -certification

Details of the Scheme are provided in Appendix 2F of AANF.

Policy Interpretation and Relaxations:

2.110 Application to PIC

Application for seeking interpretation of any policy provision shall be made in ANF-2F to Policy Interpretation Committee (in the Hqrs.) under Para 2.57(b) of FTP.

2.111 Application to PRC

- (a) Application to the Policy Relaxation Committee (PRC) under Para 2.58 FTP is to be made in ANF-2D with the prescribed fee and documents with a copy to the RA concerned for its comments. Similarly, under Para 2.59 of FTP, application for review of decision of any committee or a decision/order by any subordinate Authority in the Directorate General of Foreign Trade is required to be submitted in ANF-2E.
- (b) Director General of Foreign Trade shall be the Chairman of PRC with all Additional DGFTs, all Joint DGFTs in charge of Policy Divisions in Hqrs as members. The Joint DGFT (PRC) shall act as Member Secretary; and the Committee can Co-opt member/s with specific expertise/experience as and when required.

ⁱ Amended vide Public Notice No. 27/2015-2020, dated 08.08.2018.

ⁱⁱ Amended vide Public Notice No. 27/2015-2020, dated 08.08.2018.

ⁱⁱⁱ Amended vide Public Notice No. 34/2015-2020 dated 24.12.2020.

^{iv} Amended vide Public Notice No. 34/2015-2020 dated 24.12.2020.

^v Amended vide Public Notice No. 01/2015-20, dated 04.04.2019.

^{vi} Amended vide Public Notice No. 47/2015-2020, dated 16.11.2018.

^{vii} Amended vide Public Notice No. 10/2015-2020 dated 08.06.2020.

^{viii} Inserted vide public Notice No. 39/2015-2020 dated 18.10.2019.

^{ix} Inserted vide Public Notice No. 15/2015-2020, dated 20.07.2021.

^x Amended vide Public Notice No. 51/2015-2020, dated 23.03.2022.

^{xi} Amended vide Public Notice No. 46/2015-2020, dated 14.01.2022.

^{xii} Amended vide Public Notice No. 32/2015-2020, dated 16.12.2020.

^{xiii} Inserted vide Public Notice No. 10/2015-2020, dated 24.05.2022.

^{xiv} Amendment vide Public Notice No. 41/2015-2020 dated 08.12.2022.

^{xv} Amended vide Public Notice No. 15/2015-2020 dated 14.06.2022.

^{xvi} Inserted vide Public Notice No. 10/2015-2020, dated 24.05.2022.

^{xvii} Inserted vide Public Notice No. 15/2015-2020 dated 14.06.2022.

^{xviii} Amended vide Public Notice No. 58/2015-2020, dated 12.12.2018.

^{xix} Amended vide Public Notice No. 19/2015-2020, dated 03.07.2018.

^{xx} Amended vide Public Notice No. 32/2015-2020, dated 29.10.2021.

^{xxi} Amended vide Public Notice No. 20/2015-2020, dated 12.07.2018.

^{xxii} Amended vide Public Notice No. 46/2015-2020, dated 15.11.2018.

^{xxiii} Amended vide Public Notice No. 46/2015-2020, dated 15.11.2018.

^{xxiv} Amended vide Public Notice No. 36/2015-2020, dated 27.09.2019.

^{xxv} Amended vide Public Notice No. 50/2015-2020, dated 27.12.2019.

^{xxvi} Inserted vide Public Notice No. 59/2015-2020, dated 12.12.2018

^{xxvii} Inserted vide Public Notice No. 20/2015-2020, dated 24.07.2019

^{xxviii} Inserted vide Public Notice No. 45/2015-2020 dated 13.01.2022.

^{xxix} Amended vide Public Notice No. 46/2015-2020, dated 30.03.2021.

^{xxx} Amended vide Public Notice No. 05/2015-2020, dated 09.05.2018.

^{xxxi} Amended vide Public Notice No. 46/2015-2020, dated 30.03.2021.

^{xxxii} Amended vide Public Notice No. 05/2015-2020, dated 09.05.2018.

^{xxxiii} Inserted vide Public Notice No. 53/2015-2020, dated 30.11.2018.

^{xxxiv} Amended vide Public Notice No. 39/2015-2020, dated 15.02.2021.

xxxv Inserted vide Public Notice No. 23/2015-2020, dated 07.09.2021.
xxxvi Amended vide Pubic Notice No. 06/2015-2020, dated 01.05.2022.
xxxvii Amended vide Public Notice No. 05/2015-2020, dated 27.05.2021.

CHAPTER 3

EXPORTS FROM INDIA SCHEMES

HBP as on 14.11.2022

3.01 Merchandise Exports From India Scheme (MEIS)

- (a) Policy for Merchandise Exports from India Scheme (MEIS) is given in Chapter 3 of FTP.
- (b) An application for claiming rewards under MEIS on exports (other than Export of goods through courier or foreign post offices using e-Commerce), shall be filed online, using digital signature, on DGFT website at <http://dgft.gov.in> with RA concerned in ANF 3A. The relevant shipping bills and e BRC shall be linked with the online application.

However, if

- i. E-BRC has been generated in ANR and payment is under Para 2.52(b) of the FTP, a letter from the concerned bank is required to be submitted to the concerned RA confirming that the payment has been received through Vostro Mechanism.

Or

- ii. The shipment has been made to countries which are in OFAC list and e BRC could not be generated by the concerned bank, a declaration to that effect by the exporter along with a self attested copy of the proof of payment such as Foreign Inward Remittance Certificates / Statements etc is required to be submitted to the RA.

The RAs would process the application under (i) and (ii) above, after the required documents are submitted in hard copy of the RAs.ⁱ

- (c) If application is filed for exports made through EDI ports including SEZ exportsⁱⁱ, then the RAs shall not ask for any physical documents except under the provisions of para 3.01 (h) below and

therefore hard copy of the following documents need not be submitted to RA: hard copy of applications to DGFT, EDI/SEZ shipping bills, electronic Bank Realisation Certificate(e-BRC) and RCMC. The applicant shall submit the proof of landing in the manner prescribed under paragraph 3.03 of HBP.

- (d) In case application is filed for exports made through non EDI ports (other than SEZs)ⁱ, then applicant need to submit export promotion copy of non EDI shipping bills. The applicant shall submit the proof of landing in the manner prescribed under paragraph 3.03 of HBP. The applicant shall upload scanned copies of any other prescribed documents for claiming scrip unless specified otherwise. However applicant need not submit hard copy of applications to DGFT, electronic Bank Realisation Certificate (e-BRC) and RCMC in this case also.
- (e) Applicant shall file separate application for each port of export in case of Non EDI Shipping bills. In case of EDI shipping bills, the applicant can file a single application containing shipping bills of different EDI ports. Accordingly shipments from different EDI ports will not require separate applications
- (f) Processing of Non EDI Shipping bills at RA: In cases the Non EDI shipping bills or the shipping bills not received through the Message Exchange from Customs, concerned RA shall verify the details entered by the exporter from the original shipping bills before grant of scrip.
- (g) No manual feeding allowed for EDI shipments: For EDI Shipping Bill, no manual feeding of Shipping bill details shall be allowed to the applicants in the online system. Rewards will be granted by RAs without the need for cross verifying EDI Shipping Bill details.

RA shall process the electronically acknowledged files and scrip shall be issued after due scrutiny of electronic documents. After scrutiny, if the officer has reasonable suspicion of wrong classification/ mis-declaration in any application, in such cases officer may, after approval of his senior officer/ Head of the Office, seek physical documents for scrutiny. On receipt of such documents, the officer must decide the

claim within 7 working days. In cases, where the claim is rejected, a speaking order shall be issued.

- (i) The documents which are not required to be submitted in original, shall be retained by the applicant for a period of 3 years from the date of issuance of scrip or as prescribed under FTP para 3.19 (b).
- (j) Licensing Authority may call such documents in original at any time within 3 years. In case the applicant fails to submit the original documents on demand by Licensing Authority the applicant shall be liable to refund the rewards granted along with interest at the rate prescribed under Section 28AA of Customs Act 1962 from the date of issuance of scrip.
- (k) Eligibility of product, corresponding ITC[HS] code, and markets (as given in Appendix 3B) for claiming rewards under MEIS shall be determined from Let Export Date as per paragraph 9.12 of HBP.
- (l) The excess / undue claims paid to the exporters under MEIS, for exports with Let Export date between the period 07.03.2019 to 31.12.2019, relating to apparel and made-ups (chapter 61,62 and 63) will be suitably adjusted against RoSCTL and recoveries made, wherever due.ⁱⁱⁱ

3.02 Applications for Export of goods through courier or foreign post offices using e-Commerce

- (a) Application shall be filed online, using digital signature, in ANF3D by exporter. The applicant shall submit the proof of landing in the manner prescribed under paragraph 3.03 of HBP.
- (b) Applicant shall file separate application for each port of export.
- (c) RA will manually examine the submitted documents before grant of scrip.

3.03 Proof of Landing

(a) Wherever the reward under MEIS is available to all countries, proof of landing shall not be required to be submitted for claiming the reward.

(b) Uploading / submission of documents, as a proof of landing:

As a measure of ease of doing business, documents as a proof of landing of export consignment in notified market can be digitally uploaded in the following manner:-

- (i) Any exporter may upload the scanned copy of document as mentioned at paragraph 3.03(c)(i) under his digital signature.
 - (ii) Status holders falling in the category of Three Star, Four Star or Five Star export house category may upload scanned copies of documents as mentioned at paragraph 3.03(c) (iv).
 - (iii) In all other cases the physical copy, in original, shall be filed by all categories of exporters.
- (c) Applicant shall be required to submit or upload, as the case may be, anyone of the following documents as a proof of landing of export consignment in notified Market:
- (i) A self attested copy of import bill of entry filed by importer in specified market, or
 - (ii) Delivery order issued by port authorities, or
 - (iii) Arrival notice issued by goods carrier, or
 - (iv) Tracking report from the goods carrier (Shipping Line/Airline etc. Or his accredited agent in India) duly certified by them, evidencing arrival of export cargo to destination Market, or

- (v) For Land locked notified Market, Rail/Lorry receipts of transportation of goods from Port to Land locked notified Market,
- (vi) Any other document that may satisfactorily prove to RA concerned that goods have landed in/ reached the notified Market.
- (d) In case of (iv) and (vi) above, the accredited agent of the Goods Carrier must certify that he is the accredited agent of the concerned Goods Carrier on the date of issuance of the tracking report/ document.
- (e) Further, in the case of issuance of any other document under (vi) above, the accredited agent must state that proof of landing of goods in relevant notified Market is given based on information available in the Goods Carrier's backup database and he has verified the same and issued this document accordingly.
- (f) In cases of exports using e-commerce, exporter may submit express operator landing certificate/online web tracking printout indicating airway bill number as prescribed in enclosure (B) to ANF 3D.

3.04 Service Exports From India Scheme (SEIS)

- (a) Policy for Service Exports From India Scheme (SEIS) is given in Chapter 3 of FTP.
- (b) An application for grant of duty credit scrip for eligible services rendered shall be filed online for a financial year on annual basis in ANF 3B using digital signature.
- (c) RA shall process the application received online after due scrutiny.

Common Procedural features applicable to MEIS and SEIS, unless specifically provided for:

3.05 Transitional Arrangement

- (a) For the goods exported or services rendered upto the date of notification of current Foreign Trade Policy, which were otherwise eligible for issuance of scrip under erst while chapter 3 of the earlier Foreign Trade Policy(ies) and scrip is applied on or after the date of notification of current Foreign Trade Policy against such export of goods or services rendered, the application shall be made to Jurisdictional RA in the form with documents as prescribed in the HBP VI 2009-2014.
- (b) Deleted.
- (c) Applicants shall continue to file applications in respect of FPS/ MLFPS/FMS/VKGUY/SFIS/SHIS/IEIS and Agri Infrastructure Incentive Scheme Scrip in the application form and manner prescribed in the corresponding Hand Book of Procedures

3.06 Jurisdictional RA / RA Concerned

- (a) Applicant shall have option to choose Jurisdictional RA on the basis of Corporate Office/Registered Office/Head Office/ Branch Office address endorsed on IEC for submitting application/applications under MEIS and SEIS. This option need to be exercised at the beginning of financial year. Once an option is exercised, no change would be allowed for claims relating to that year. To illustrate, if an exporter has chosen RA Chennai for claiming rewards for exports made in 2015-16, then all claims for exports made in 2015-16, irrespective of the date of application shall be made to RA Chennai only.

- (b) Jurisdiction for MEIS

1	2	3
Sl No	Units	Jurisdictional RA
(i)	Importer Exporter	Jurisdictional RA of DGFT as in

	Code (IEC) Holders having units in DTAs/ EHTPs/ BTPs/ STPs or more than one of these	Appendix 1A
(ii)	IEC Holders having units in SEZs/EOUs or both	Respective Development Commissioner of Special Economic Zones (SEZs) as in Appendix 1A
(iii)	IEC Holders having units both in (i) and (ii) above	Units located in category (i) and (ii) will apply to respective jurisdictions at Col -3

(c) Jurisdiction for SEIS (Single Application on Annual Basis)

1	2	3
Sl No	Units	Jurisdictional RA
(i)	Importer Exporter Code (IEC) Holders having units only in DTAs	Jurisdictional RA of DGFT as in Appendix 1A
(ii)	IEC Holders having units only in SEZs	Respective Development Commissioner of Special Economic Zones (SEZs) as in Appendix 1A
(iii)	IEC Holders having units in Multiple SEZs	Single application for all units to the Development Commissioner of the SEZ where it has achieved highest Forex Earnings
(iv)	IEC Holders having units both in DTA and SEZs	Single Application for all different units to the Jurisdictional RA of DGFT as given in Appendix 1A

3.07 Applicability of Provisions contained in Chapter 2 and 9 of this HBP

Provisions contained in Chapter 2 and 9 of this HBP shall apply to MEIS and SEIS.

3.08 Port of Registration of Scrips

(a) Port of Registration under MEIS would be as follows:

- (i) Duty Credit Scrip (including splits) under MEIS shall be issued with a single port of registration which shall be any one of the EDI ports from where export is made. In case of shipments from Non EDI ports, the Duty Credit Scrip (including splits) under MEIS shall be issued with a single port of registration which shall be the port of export.
- (ii) Duty credit scrip needs to be registered at the port of exports. This is to be done prior to allowing usage of duty credit. Once registered at EDI port, scrip can be automatically used at any EDI port for import and at any manual port under Telegraphic Release Advise (TRA) procedure.
- (iii) In case port of registration is a manual port, TRA shall be required for imports at any other port.
- (iv) SEZs being non-EDI Ports, the scrip shall be registered at the SEZ port and in case the scrip holder intends to use the scrip for import from another port, the concerned DC shall issue Telegraphic Release Advise (TRA).

(b) In case of scrip applied under Service Exports from India Scheme, the applicant can choose any port as port of registration and mention it in the application at the appropriate column. RA will issue the scrip with such port of registration. Such Duty credit scrip needs to be registered at the port of registration of duty credit. Once registered at EDI port, scrip can be automatically be used at any EDI port for import and at any manual port under Telegraphic Release Advise (TRA) procedure.

In case port of registration is a manual port, TRA shall be required for imports at any other port.

- (C) However, for all MEIS/SEIS scrips issued on or after 10.04.2019 (except for MEIS/SEIS issued with port of registrations as one of the Non EDI or SEZ ports), Telegraphic Release Advice (TRA) facility from EDI ports to non EDI ports and SEZ ports would not be available.

3.09 Facility for Split Scrips

- (a) On request, split certificates of Duty Credit Scrip subject to a minimum of Rs. 5 Lakh each and multiples thereof may also be issued, at the time of application.
- (b) Once Duty Credit Scrip has been issued, request for splits can be permitted with same port of registration as appearing on the original Scrip. The above procedure shall be applicable only in respect of EDI enabled ports.
- (c) In case of export through non-EDI ports, the facility of splits shall not be allowed after issue of scrip.

3.10 Procedure to upload documents by Chartered Accountant/ Company Secretary / Cost Accountant

- (a) In order to move towards paperless processing of reward schemes, an electronic procedure is being developed to upload digitally signed documents by Chartered Accountant/Company Secretary/Cost Accountant. Such documents like annexure attached to ANF 3B, ANF 3C and ANF 3D, which are at present signed by these signatories, can be facilitated by this procedure.

- (b) Till such time it is made mandatory to upload these annexure digitally, such annexure attached to ANF 3B, ANF 3C, ANF 3D would continue to be submitted in physical form to RA.
- (c) Exporter shall link digitally uploaded annexure with his online applications after creation of such facility.

3.11 Import from private / public Bonded ware houses

Entitlement can be used for import from private/ public bonded warehouses subject to fulfilment of paragraph 2.36 of FTP and terms and conditions of DoR notification.

3.12 Re-export of defective / unfit goods

Goods imported which are found defective or unfit for use, may be re-exported, as per DoR guidelines. Where Duty Credit Scrip has been used for imports, Customs shall issue a certificate containing particulars of Scrip used, date of import of re-exported goods and amount debited while importing such goods. Based on this certificate, upon application, afresh Scrip shall be issued by concerned RA to extent of 98% of debited amount, with same port of registration and valid for a period equivalent to balance period available on date of import of the defective/ unfit goods.

3.13 Validity period and Revalidation

Duty Credit Scrip issued on or after 01.01.2016 under chapter 3 shall be valid for a period of 24 months from the date of issue and must be valid on the date on which actual debit of duty is made. Revalidation of Duty Credit Scrip shall not be permitted unless covered under paragraph 2.20(c) of HBP.

However, Duty Credit Scrips issued between 01.03.2018 and 30.06.2018 shall be valid till 30.09.2020.^v

3.14 Procedure for Declaration of Intent on EDI and Non EDI shipping bills for claiming rewards under MEIS including export of goods through courier or foreign post offices using e-Commerce

(a)

(i) EDI Shipping Bills: Marking/ ticking of “Y” (for Yes) in “Reward” column of shipping bills against each item, which is mandatory, would be sufficient to declare intent to claim rewards under the scheme. In case the exporter does not intend to claim the benefit of reward under Chapter 3 of FTP exporter shall tick “N” (for No). Such marking/ticking shall be required even for export shipments under any of the schemes of Chapter 4 (including drawback), Chapter 5 or Chapter 6 of FTP.

(ii) Non-EDI Shipping Bills: In the case of non-EDI Shipping Bills, Export shipments would need the following declaration on the Shipping Bills in order to be eligible for claiming rewards under MEIS: “We intend to claim rewards under Merchandise Exports From India Scheme (MEIS)”. Such declaration shall be required even for export shipments under any of the schemes of Chapter 4 (including drawback), Chapter 5 or Chapter 6 of FTP.

(b) Whenever there is a decision during the financial year to include any new product/goods or new markets then to avail such rewards:

(i) For exports of such products/goods, to such markets, a grace period of one month from the date of notification/public notice will be allowed for making this declaration of intent.

(ii) After the grace period of one month, all exports (of such products/goods or to such markets) would have to include the declaration of intention all categories of shipping bills.

- (iii) For exports made prior to date of notification/public notice of products/markets, such a declaration would not be required since such exports would have already taken place.

3.15 Last date of filing of application for Duty Credit Scrips

- (a) Application for obtaining Duty Credit Scrip under MEIS shall be filed within a period of :

(i) Twelve months from the Let Export (LEO) date or

(ii) Three months from the date of:

(1) Uploading of EDI shipping bills on to the DGFT server by Customs.

(2) Printing / release of shipping bills for Non-EDI shipping bills.

Whichever is later, in respect of shipments for which claim is being filed.

However with respect to para 3.15 (a)(i) above, for the shipping bills where the Let Export (LEO) date falls during the period 01.02.2019 to 31.05.2019, applications may be filed within a period of 15 months instead of 12 months.^{vi}

“Further, MEIS applications for shipping bills with Let Export date from 01.04.2019 to 31.03.2020 can be submitted without any late cut upto 28.02.2022. However any such application submitted after 30.09.2021, the last date of submitting applications shall be as per para 3.15(a) (i) above and late cut applied accordingly.”^{vii}

- (b) For SEIS, the last date for filing application shall be 12 months from the end of relevant financial year of claim period. However, the last date for filing SEIS applications for FY 18-19 shall be 31.12.2020.^{viii}

3.16 Application for Shipments from EDI Port sand Non-EDI Ports under MEIS

- (a) Shipments from EDI Ports and Non-EDI Ports cannot be clubbed in one application.
- (b) Port of registration for EDI enabled ports shall be any one of the ports from where export is made.
- (c) In case of exports through non-EDI port, the port of registration shall be the relevant non-EDI port of exports. Accordingly separate application shall be filed for each non-EDI port.
- (d) Multiple applications can be filed and supplementary cut shall not be applicable. However, an application can be filed with upto a maximum of 50 shipping bills.

3.17 Risk Management System

The policy relating to Risk Management System is given in Paragraph 3.19 of FTP. The Risk Management System shall be in operation as under:-

- (a) Computer System in DGFT HQ, on random basis and on the basis of guidelines issued by DGFT from time to time, will select 10% of cases for each RA which has issued scrips/ status holder certificates in the preceding month by 10th of every month.
- (b) The list of such selected cases will be sent to concerned RA by NIC by 15th of the month.
- (c) Concerned RA, will in turn, ask for the original/ physical documents by 30th of the month for examination in detail.
- (d) The applicant shall be under obligation to submit the document asked for in the next 15 days.
- (e) Concerned RA in turn will examine such documents in next 15 days. In cases, there is any deficiency the applicant shall rectify it in next one

month from the date of communication by RA. In case of excess availment of rewards, the applicant shall refund the excess claim with interest as prescribed in paragraph 3.19 of FTP.

- (f) In case the applicant fails to submit the required original documents/rectify the deficiencies/refund the excess claim as stipulated above or does not respond to any communication regarding the Risk Management System within 15 days of receipt of such communication, RA will initiate action as per FTDR Act and Rules.

3.18 Status Certificate

Policy for Status Holders is given in Chapter 3 of FTP

3.19 Application for grant of Status Certificate

- (a) Status Certificates issued under FTP 2009-14 to an IEC holder shall remain valid till 30th September, 2015 or till the issuance of status certificate to such IEC holder under FTP 2015-20, whichever is earlier.
- (b) Applicants shall be required to file an application online for recognition of status under the Policy in ANF 3C. Scanned copy of relevant prescribed documents shall be uploaded by the applicant unless prescribed otherwise.
- (c) Online Application for status certificate shall be filed using digital signature with jurisdictional RA / Development Commissioner (DC) by Registered Office in the case of Company and by Head Office in the case of others as indicated in table below:

S.No.	Category	Issuing/renewing Authority for Status Certificate

1.	IEC holder having exports of DTA unit as well as exports of SEZ/EOU unit. EHTP/STP/BTP	Concerned Regional Authority as per jurisdiction indicated in Appendix A
2.	IEC holder having SEZ/EOU unit only	Concerned Development Commissioner as per jurisdiction indicated in Appendix 1A
3.	IEC holder having DTA Unit only	Concerned Regional Authority as per jurisdiction indicated in Appendix 1A

3.20 Validity of status certificate

- (a) Status Certificates issued under this FTP shall be valid for a period of 5 years from the date on which application for recognition was filed or 31.03.2023, whichever is later.^{ix}
- (b) Status Certificates valid beyond 31.3.2020 shall continue to remain in force, in case provisions of subsequent Foreign Trade Policy continue to recognize the status.

3.21 Maintenance of Accounts

Status Holders shall maintain true and proper accounts of its exports and imports based on which such recognition has been granted. Records shall be maintained for a period of two years from the date of grant of status certificate. These accounts shall be made available for inspection to RA concerned or any Authority nominated by DGFT.

3.22 Refusal /Suspension/Cancellation of Certificate

Status Certificate may be refused/suspended/cancelled by RA concerned, if status holder or authorized representative acting on his behalf:

- (a) Fails to discharge export obligation imposed;
- (b) Tampers with Authorisations;
- (c) Misrepresents or has been a party to any corrupt or fraudulent practice in obtaining any Authorisation;
- (d) Commits a breach of FT(D&R) Act, or Rules, Orders made there under and FTP, The Customs Act 1962, The Central Excise Act 1944, FEMA Act 1999 and COFEPOSA Act 1974; or
- (e) Fails to furnish information required by this Directorate.

A reasonable opportunity shall be given to Status Holder before taking any action under this paragraph.

3.23 Appeal

An applicant, who is not satisfied with decision taken to suspend or cancel Status Certificate, may file an appeal to DGFT within 45 days. Decision of DGFT shall be final and binding thereon.

3.24 No Incentive Certificate under MEIS^x

- a) Wherever an exporter requires a certificate to the effect that No incentive under MEIS has been taken for shipment(s) which is being re-imported, the exporter will submit a request in the specified format , ANF 3E- “Application for No Incentive Certificate” to the concerned Regional Authority (RA) as per para 3.06 (a) of the HBP 2015-20.
- b) The following procedure will be followed at the concerned Regional Authority while issuing the No Incentive Certificate, in the specified format Appendix 3F.

- i. Wherever, MEIS has been utilized by the applicant for the relevant shipping bill(s), the applicant is required to refund the proportionate amount along with interest at the rate prescribed under the section 28AA of the Customs Act, in the relevant Head of Account of Customs. On receipt of proof of payment, the RA would issue the certificate.
- ii. Wherever, MEIS has been issued to the applicant for the relevant shipping bill (s) but the MEIS scrip has not been utilised, the applicant should surrender the MEIS scrip to the RA. The RA would then issue the certificate and simultaneously inform the NIC to block the relevant shipping bill(s).
- iii. Wherever, MEIS has not been applied for or MEIS has been applied for but no scrip has been issued, the RA would issue the certificate in the specified format, on the basis of the undertaking submitted in the application and simultaneously inform the NIC to block the relevant shipping bill(s).

ⁱ Amended vide Public Notice 08/2015-20 Dated 12.05.2019

ⁱⁱ Amended vide Public notice 67/2015-20 Dated 22.03.2018

ⁱⁱⁱ Inserted vide Public Notice 58 dated 29.01.2020

^{iv} New Para inserted vide Public Notice 84/2015-20 Dated 03.04.2019

^v Amended vide Public Notice 08/2015-20 Dated 01.06.2020

^{vi} Amended vide Public Notice 67/2015-20 Dated 31.03.2020

^{vii} Para Inserted vide Public Notice 53/15-20 Dated 09.04.2021 **and later amended vide Notification No. 53 Dated 01.02.2022**

^{viii} Amended vide Public Notice 67/2015-20 Dated 31.03.2020

^{ix} Amended vide Public Notice 26/2015-20 Dated 29.09.2022 and **as proposed in extension till 31.03.2023**

^x Para inserted vide Public Notice 17/2015-20 Dated 03.07.2018

CHAPTER 4

DUTY EXEMPTION / REMISSION SCHEME

4.01 Policy

Policy relating to Duty Exemption / Remission Schemes is prescribed in Chapter 4 of Foreign Trade Policy.

4.02 General Provision

- (i) Application for grant of Advance Authorisation / Special Advance Authorization for export of Articles of Apparel and Clothing Accessories / Advance Authorisation for Annual Requirement / Duty Free Import Authorisation (DFIA) shall be filed online (digitally signed) by IEC holder to the concerned jurisdictional Regional Authority as per Appendix 1A. Applicant could be either Registered office or Head office or a branch office or a manufacturing unit of the IEC holder.
- (ii) Applicant shall upload documents as prescribed in ANF 4A, if any, at the time of online filing of application. No physical copy of application is required to be submitted to Regional Authority.
- (iii) In case an applicant is not able to upload any document as given in Appendix 4E electronically for fixation of adhoc norms / standardization of norms, then only such documents may be submitted in physical form to the concerned Norms Committee in DGFT headquarters.

4.03 Applicant details

Where applicant is a branch office or a manufacturing unit, name of branch office or manufacturing unit should appear in electronic RCMC and in IEC of

the applicant.

4.04 Advance Authorisation

Applicant shall file application online in ANF 4A. Same form is applicable where Standard Input Output Norms (SION) have been notified or on the basis of adhoc norms or on self-declaration basis as per paragraph 4.07 of Hand Book of Procedures.

4.05 Advance Authorisation for items which are otherwise prohibited for export

- (i) Items covered under Chapter 7 and Chapter 15 of ITC (HS) Schedule 2, which are prohibited for export, may be allowed to be exported under the advance authorization scheme, unless specifically disallowed. Export shall be allowed subject to pre-import condition under notified SION/prior fixation of norms by Norms Committee in terms of paragraph 4.06 of Hand Book of Procedures. Import and Export would be permitted only through EDI enabled ports.
- (ii) The Export obligation period (EOP) of advance authorizations issued for such items shall be 90 days from the date of clearance of import consignment and no extension in EOP shall be allowed. Such import shall be subject to actual user condition and no transfer of imported raw material, for any purpose, including job work, shall be permitted. In case of non-fulfilment of EO/ non-achievement of stipulated value addition, a penalty equal to five times of the CIF value of the imported material, corresponding to the shortfall in EO, shall be imposed in addition to the applicable duty and interest. Provisions of Paragraph 4.49 of Handbook of Procedures shall not be applicable in this case.

4.06 Fixation of Norms

- (i) In case where norms have not been notified or where applicant wants to get the ad-hoc norms fixed before making an application for Advance Authorisation, application in ANF 4B, along with prescribed documents, shall be uploaded online to concerned Norms Committee (NC) in DGFT headquarters for fixation of SION/Adhoc norm. Details of Norms Committees along with products groups dealt by each Norms

Committee and respective email addresses for correspondence relating to norms fixation is as follows:

Norms Committees (NC) in DGFT headquarters	For fixation / revision / amendment of norms of Export Products under following ITC HS Chapters	Email addresses for communication with respective Norms Committee
NC-1	81 to 84, 86 to 93	nc1.dgft@nic.in
NC-2	72 to 76, 78 to 80, 85	nc2.dgft@nic.in
NC-3	29, 30	nc3.dgft@nic.in
NC-4	27, 28, 31 to 38, 44 to 49, 68 to 71	nc4.dgft@nic.in
NC-5	41 to 43, 50 to 67	nc5.dgft@nic.in
NC-6	1 to 26, 94 to 98	nc6.dgft@nic.in
NC-7	39, 40	nc7.dgft@nic.in

- (ii) An applicant shall indicate a valid email address for communication purpose and to ensure that this email address is active.
- (iii) The decisions of Norms Committees shall be available on the website of DGFT (<http://dgft.gov.in>) periodically and the applicants shall update themselves the status of norms fixation in respect of Authorisation obtained by them.
- (iv) Exporters / EPC shall provide data to the Norms Committee concerned for the fixation of SION/Adhoc Norms for an export product. Norms Committee shall endeavour to fix SION or adhoc norms on receipt of complete data. Any adhoc norm fixed under this

para, on the basis of an application made by an exporter shall be valid for one authorisation for which such application is made and no repeat authorisations shall be issued. However, Norms Committee can specify extended validity period, not more than two years from the date of fixation of such adhoc norms, for grant of further authorisations under such norm.

- (v) Norms Committees shall also function as recommendatory authority for notification of SION and DGFT may notify such norms from time to time.
- (vi) It is mandatory for industry / manufacturers/ EPCs to provide production and consumption data etc. for the past three years, as may be required by DGFT for fixation of SION. Otherwise, applicants shall not be allowed to take benefit of Advance Authorisation scheme for taking repeat Advance Authorisations on self-declared basis. Norms Committee may also seek data from DoR (CBEC).
- (vii) Experts may be invited from Scientific and Technological institutions as members of Norms Committee for fixation of Norms.

4.07 Self-Declared Authorisations where SION does not exist

- (i) Regional Authority may also issue Advance Authorisation where there is no SION/valid Ad hoc Norms for an export product or where SION / Ad hoc norms have been notified / published but exporter intends to use additional inputs in the manufacturing process, based on self-declaration by applicant. Wastage so claimed shall be subject to wastage norms as decided by Norms Committee. The applicant shall submit an undertaking to abide by decision of Norms Committee. The provisions in this regard are given in paragraph 4.03 and 4.11 of FTP.
- (ii) In case of revision / rejection, applicant shall pay duty and interest as notified by DoR within thirty days from the date of hosting of Norms Committee decision on DGFT website.
- (iii) No Authorisation under this paragraph will be issued by Regional Authority for items listed in paragraph 4.11 of FTP.

4.07 A Self –Ratification Scheme

- (i) Policy related to Self ratification Scheme is provided at Para 4.07A of Foreign Trade Policy (2015-20). Applications shall be filed online along with complete details as per Appendix-4E along with a certificate from Chartered Engineer in Appendix-4K. For issuance of such a certificate, the Chartered Engineer shall act only in the domain of his/ her competence.
- (ii) General Notes given in the book titled Standard Input Output Norms including policy for packing material and fuel shall also be applicable to this scheme in so far as they are not inconsistent with this scheme.
- (iii) The applicant shall apply for inputs with specific descriptions along with 8 digit ITC (HS) Classification. Where ever the export product and/or inputs are given in brand names, the correct chemical /technical name shall also be given in the application.
- (iv) RA may issue Advance authorisation as applied for subject to the conditions specified in FTP and Handbook of Procedures (2015-20). Input Output Norms as applied and wastage claimed by the applicant shall be treated as final. Ratification of the same by NC is not required.
- (v) Applicant or his supporting manufacturer/co-licensee shall maintain a proper account of consumption and utilization of duty free imported/ domestically procured inputs against each authorisation, as prescribed in Appendix-4H. Application for EODC shall be submitted in prescribed format along with Appendix-4H to the Regional Authority concerned. Regional Authority shall compare the details of Appendix-4H, with that of the inputs allowed in the Authorisation. Such records shall be preserved by the authorisation holder/manufacturer for a period as specified in Para 4.51 of HBP.
- (vi) Production and consumption records of the export item under this scheme shall be audited by DGFT or any Authorised/nominated

agency(ies) or team of officers as may be nominated from time to time. Such audit may be conducted within three years from the date of issue of Authorisation based on Risk Based Management System (RBMS). Exporters shall be required to provide necessary facility to verify Books of Accounts or other documents and assistance as may be required for timely completion of the audit. DGFT shall constitute the audit teams and specify the manner of audit from time to time through administrative orders.

- (vii) Non providing of prescribed documents/information to the Audit team by the applicant shall make him liable for penal action under the provisions of FT(D&R) Act, 1992, as amended and Rules and order made there under. In case items imported/procured duty free are found to be in excess or not consumed fully, the applicant shall suo moto pay immediately duty with applicable interest to the Customs Authority. However, if Audit team found that duty free items were imported in excess and not consumed fully in the resultant products and duty and interest have not been paid suo moto, the applicant shall be placed under Denied Entity List (DEL) under Rule 7 of FT(Regulation) Rules, 1993, as amended, in addition to other penal action under FT(DR) Act/Customs Act. The Chartered Engineer shall also be liable for penal action for abetment under the provisions of Section 11(2) of the FT(DR) Act.
- (viii) All the provisions of Advance Authorisation scheme shall also be applicable to this scheme in so far they are not inconsistent with the specific provisions of this scheme.

4.08 Cases involving Acetic Anhydride, Ephedrine and Pseudo-ephedrine as inputs.

- (i) Where Acetic Anhydride, Ephedrine and Pseudo-ephedrine is required as an input for import, applications shall be filed with Regional Authority concerned. After filing application online, printed copy of such application shall also be simultaneously endorsed by applicant to (a) Drug Controller of India, Nirman Bhawan, New Delhi, (b) Narcotics Commissioner, Central Bureau of Narcotics, Gwalior (c)

respective Zonal Director of Narcotics Control Bureau. The applicant should declare that they would maintain prescribed records / documents and also submit prescribed returns to the relevant authorities, within time as prescribed by law from time to time.

- (ii) Regional Authority shall endorse a copy of such Advance Authorisation to the above three agencies. Regional Authority shall also endorse a condition that before effecting imports, 'No Objection Certificate' shall be obtained from Drug Controller and Narcotics Commissioner of India.

4.09 Cases requiring Sanitary Import Permit.

- (i) Where import of meat and meat products of any kind including fresh, chilled and frozen meat, tissue or organs of poultry, pig, sheep, goat; egg & egg powder; milk & milk products; bovine, ovine and caprine embryos, ova or semen; and pet food products of animal origin has been sought as an input under Advance Authorisation, the Regional Authority, while issuing Advance Authorisation shall endorse a condition that before effecting imports of any of these inputs, Sanitary Import Permit shall be obtained from the Department of Animal Husbandry, Dairying and Fisheries(DAHDF).
- (ii) Regional Authority shall also endorse a copy of authorisation to DAHDF, Krishn Bhawan, New Delhi.

4.10 Advance Authorisation for applicants with multiple units

- (i) Transfer of any duty free material imported or procured against Advance Authorisation from one unit of a company to another unit for manufacturing purpose shall be done with prior intimation to jurisdictional Customs Authority. Benefit of CENVAT shall not be claimed on such transferred input.
- (ii) Deleted

(iii) Deleted

(iv) Deleted

v) Imported duty free inputs can be taken from the port / domestic supplier's premises to the factory or the premises of the authorization / co-authorisation holder or the factory of the supporting manufacturer (whose name is endorsed in the authorization or allowed by the Jurisdictional Customs authority). However, such duty free material imported or procured against advance authorization can also be taken from the port directly to the project site of the project authority, subject to furnishing a bond to the customs authority at the port of import and other documents / declaration and other provisions as per Department of Revenue guidelines.

4.11 Advance Authorisation for Free of Cost and Paid Material

Authorisations granted in terms of paragraph 4.19 of FTP, a specific endorsement by Regional Authority shall be made on exchange control copy of Advance Authorisation disallowing remittances for material being supplied free of cost. All imported inputs excluding wastage shall be utilised in manufacturing of export product.

4.12 Entitlement

Maximum CIF value of one or more authorisations to be issued under paragraph 4.07 of Hand Book of Procedures shall be as under:

- (i) For Status Holders – up to 300% of FOB and / or FOR value of preceding year's exports and/or supplies.
- (ii) Other than Status Holders – upto 300% of FOB or Rs. 10 crore and / or FOR value of preceding year's exports and/or supplies, whichever is higher.
- (iii) Once adhoc norms are fixed by Norms Committee, value limits mentioned in sub paragraph (i) and (ii) above, would not be applicable to Advance Authorisations issued under paragraph 4.07 of Hand Book of Procedures. Value of such authorisations,

subsequent to fixation of norms by Norms Committee, may be enhanced, if the Advance Authorisation was issued restricting the CIF value to maximum of value in sub-paragraph(i) & (ii) above.

- (iv) In such cases Authorisations shall be issued by Regional Authority concerned under "Adhoc Norms Fixed" category and application copies need not be forwarded to NC for fixation / ratification of norms. Where the application has already been forwarded before the ratification of Norms, the Regional Authority shall finalise the case as per the norms subsequently ratified by NC in a similar case of the party.
- (v) Authorisation holder in such cases shall be entitled for further authorisation (s) as per norms ratified by Norms Committee without need for subsequent ratification by Norms Committee. In such cases the applicant would file application under "Adhoc Norms Fixed" category to the Regional Authority concerned.
- (vi) Norms ratified by any Norms Committee (NC) in the O/o DGFT on or after 01.04.2015 in respect of any Advance authorization obtained under paragraph 4.07 shall be valid for the entire period, of the Foreign Trade Policy i.e. up to 30.09.2021 or for a period of three years from the date of ratification, whichever is later. Since all decisions of the Norms Committees are available in the form of minutes on the DGFT website, all other applicants of Advance Authorization are also eligible to apply and get their authorizations based on such ratified norms on repeat basis during validity of these norms. This para is not applicable for authorisations applied for items listed under Appendix 4P.
- (vii) Wherever an applicant has applied for components on "net-to-net basis with accountability clause" and such cases fall under paragraph 6 of General Note for all Export Products, the same need not be referred to Norms Committee for fixation of norms. However, exporters shall indicate clearly details of such components imported on "net-to-net basis with accountability clause" in the

export/supply documents namely Shipping Bills, Bill of Exports, Tax invoice for export/supplies prescribed under the GST rules evidencing that these imported inputs have been exported.

4.13 Authorisation in Excess of Entitlement

An applicant shall be entitled for authorisation in excess of entitlement of CIF mentioned in paragraph 4.12 above subject to furnishing of 100% Bank Guarantee to Customs authority to cover exemption from customs duties. Regional Authority shall make a specific endorsement to this effect on authorisation. This provision shall also apply to Status Holders.

4.14 Application and On-line Inter-Ministerial Consultations for fixation of norms/adhoc norms

- (i) Application filed online by the applicant shall be forwarded electronically to the concerned Technical / Administrative Ministry / Department /Scientific and Technological institutions or any other agency by the respective Norms Committee in the DGFT headquarters within three days.
- (ii) The concerned Technical / Administrative Ministry / Department / Scientific and Technological institutions or any other agency as the case may be, may communicate its views / comments / recommendations within 45 days electronically/online. In case no comments are received within 90 days, Norms Committee may take a view based on the facts available on record.

4.15 Undertaking

Applicant shall give an undertaking that he shall abide by norms fixed by Norms Committee and accordingly take following actions without any demur:

- (i) Pay customs duty saved, together with interest as notified by DoR, on excess inputs as per norms fixed by NC. However, in case Norms Committee allows lower norms for one, more, or all inputs

authorisation holder will have option to undertake additional EO in proportion to excess inputs.

- (ii) In case application is rejected by Norms Committee, authorization holder shall pay duty saved amount along with interest on inputs, as applicable as notified by DoR. In cases of domestically procured inputs, the amount to be paid shall be based on exemptions/refund availed on customs duty/taxes/cess by the domestic supplier.
- (iii) Applicant shall deposit amount as per paragraph 4.49(a)(ii) of HBP in case the inputs were not freely importable. This amount is in addition to the amounts in sub-paragraph(i) above.

4.16 Time limit for fixation of norms by Norms Committees

- (i) Deleted
- (ii) In case application for fixation of adhoc norms / SION is rejected on ground of non-furnishing of required documents/ information to Norms Committee or technical authority represented in Norms Committee, authorisation holder shall be liable to pay customs duty with interest as notified by DoR and amount as per paragraph 4.49(a)(ii). In case SION for the said product is notified, SION would be made applicable for deciding wastage norms and EO.
- (iii) In cases where entitlement of the applicant for grant of Advance Authorisation as per paragraph 4.12 was lower than the quantity of input applied by the applicant under Advance Authorisation and export obligation is completed pending fixation of norms by Norms Committee, entitlement for authorisation as given in paragraph 4.12 may be re-credited upon production of documentary evidence (copies of Shipping bill / bill of export/ Tax invoice for supply prescribed under GST rules) showing fulfilment of export obligation in respect of previous authorisations. However, bond waiver / redemption shall not be allowed pending fixation of norms in such cases.

4.17 Time limit for Representation

Applicant may file representation against the decision of the Norms Committee with regard to the fixation of norms within a period of 90 days from the date of hosting of decision on DGFT website. Representation beyond 90 days shall be subject to payment of composition fee of Rs.5000/-.

4.18 Provision for Pharmaceutical Products

Regional Authority may issue Advance Authorisation for pharmaceutical products manufactured through Non-Infringing (NI) process. A manufacturer exporter can avail the benefit of this provision whether the SION or the adhoc norms (under self-declared basis in terms of paragraph 4.07 of the Handbook of Procedures) for the said product is available or not. "Input combination permitted under NI process, as approved by the concerned agency of the regulated markets", shall be exporter specific and country specific and shall be available only when the exports are destined for the same country.

4.19 Application & Processing

- (i) An application for grant of an advance authorisation under paragraph 4.18 shall be filed online in ANF 4E to concerned Regional Authority along with the documents uploaded therein.
- (ii) Input combination permitted under NI process for manufacturing the product shall be certified by the Chartered Engineer (Chemical) after due verification of the details of each input and its quantity as given in Abbreviated New Drug Application (ANDA) / Drug Master File (DMF) of the applicant. The Chartered Engineer (Chemical) will certify the details as per Appendix 4L prescribed in Hand Book of Procedures. Regional Authority shall cross verify the requirement of inputs as per the details given in the application and with Chartered Engineer Certificate accompanying the application and issue the authorization. Regional Authority shall not forward such application to Norms Committee and the inputs

and export product so allowed by Regional Authority, shall be treated as input combinations permitted under NI Process.

4.20 Redemption of Authorisation issued under paragraph 4.18 HBP

Provisions contained in paragraph 4.49 of Hand Book of Procedures, 2015-20, except sub-paragraph (f), shall be applicable. Regional Authority shall compare the details of Appendix 4-I, duly verified and certified by the jurisdictional Customs Authority, with that of the inputs made/allowed in the authorisation, before allowing redemption or Bond- waiver against individual advance authorization issued for pharmaceutical product(s) manufactured through NI process. As a result of the verification process, in case, it is found that the authorisation holder has consumed lesser quantity of inputs than imported, authorisation holder shall be liable to pay customs duty on unutilized imported material, along with interest thereon as notified by DoR, or effect additional export within the EO period to account for the export of the material remaining unutilized. However, for the Customs duty component, the authorisation holder has also the option to furnish valid duty credit scrip issued under Chapter 3 of FTP.

4.21 Maintenance of Proper Accounts for Authorisations issued under Para4.18 of HBP

Every Advance Authorisation holder shall maintain a true and proper account of consumption and utilization of duty free imported / domestically procured inputs against each authorisation as prescribed in Appendix 4-I. This record in Appendix 4-I format, duly verified and certified by the jurisdictional Customs Authority, shall be submitted to the concerned Regional Authority at the time of filing application for redemption / bond waiver. Regional Authority shall compare the details of Appendix 4-I, with that of the inputs allowed in the authorisation, before allowing redemption or bond waiver against individual authorization. Such records shall be preserved for a period of at least three years from the date of redemption.

4.22 Standardisation of Adhoc Norms

- (a) For standardization of norms, an application in ANF 4B shall be filed online along with complete data. Such applications shall be made to

concerned Norms Committee in DGFT headquarters.

- (b) Import of fuel may also be allowed with actual user condition under SION by Norms Committee subject to following:
- (i) Facility of import of fuel shall be allowed only to manufacturer having captive powerplant.
 - (ii) In cases where SION specifically allows fuel, same shall be permitted under Advance Authorisation. However, if fuel is not covered specifically under SION, it may be allowed as per general fuel Policy for products covered under SION or under paragraph 4.07 above.
 - (iii) Applications for fixation of fuel entitlement for new sectors and modification of the existing entitlement as per General Note for Fuel in Hand Book of Procedures shall be filed online to the Norms Committee along with requisite data in ANF 4B.
 - (iv) In case an applicant is not able to upload any prescribed document then such documents may be submitted in physical form to the concerned authority.

4.23 Modification of SION

An application for modification of existing SION shall be filed online in ANF 4B to the concerned Norms Committee in DGFT headquarters.

4.24 Amendment of Export item and inputs

- (i) An application for amendment of an export item or input or quantity of input under SION or under ad-hoc Norms shall be filed online in ANF 4B.
- (ii) Applicant would give justification for seeking amendment and Regional Authority would consider it with specific approval of Head of Office. In case of any major change in input or request for more wastage to that allowed under SION or ad-hoc norm, same should be referred to Norms Committee for ratification.

4.25 Revision of SION by NC

NC may identify SIONs which in its opinion are required to be reviewed. Exporters are required to submit revised data in ANF 4B for such revision. It is mandatory for industry / exporter(s) to provide production and consumption data etc. as may be required by DGFT / EPC for revision of SION. Otherwise, applicant shall not be allowed to take benefit of Advance Authorization scheme.

4.26 Description of an Advance Authorisation

An Advance Authorisation shall, inter-alia, specify:

- (a) Names and description of items including specifications, where applicable, to be imported and exported/supplied;
- (b) Quantity of each item to be imported or wherever quantity cannot be indicated, value of item shall be indicated. Wherever, quantity and value of individual inputs is a limiting factor in SION, same shall be applicable;
- (c) Aggregate CIF value of imports; and
- (d) FOB/FOR value and quantity of exports/supplies.

4.27 Exports/Deemed Export supplies in anticipation or subsequent to issue of an Authorisation.

(a) Exports / Deemed Export supplies made from the date of EDI generated file number for an Advance Authorisation, may be accepted towards discharge of EO. Shipping Bills / Tax Invoices should be endorsed with File Number or Authorisation Number to establish co-relation of exports / Deemed Export supplies with Authorisation issued. Export/Deemed Export supply document(s) should also contain details of exempted materials/inputs consumed and technical characteristics of export and import items, as the case may be.

(b) If application is approved, authorisation shall be issued based on input / output norms in force on the date of receipt of application by Regional Authority. If in the intervening period (i.e. from date of filing of application

and date of issue of authorisation) the norms get changed, the authorization will be issued in proportion to provisional exports / Deemed Export supplies already made till any amendment in norms is notified. For remaining exports, Policy / Procedures in force on date of issue of authorisation shall be applicable.

(c) The export of SCOMET items shall not be permitted against an Authorisation until and unless the requisite SCOMET Authorisation is obtained by the applicant.

(d) Inputs with pre-import condition shall not be considered for replenishment against Exports/Deemed Export supplies made before import of such inputs.

4.28 Exporters Risk

Exports / supplies made in anticipation of grant of an Advance Authorisation shall be entirely on risk and responsibility of exporter.

4.29 Admissibility of drawback in case of rejection of application

Customs authorities in terms of DoR rules against shipping bills filed and processed under an Advance Authorisation, in case application for an Advance Authorisation is rejected or modified by Regional Authority, may permit drawback.

4.30 Advance Authorisation or DFIA for Intermediate Supplies

(a) Application for grant of Advance Authorisation or DFIA for Intermediate supply may be made on the basis of a tie-up arrangement with an ultimate exporter (physical/deemed) holding an Advance Authorisation or DFIA. Regional Authority concerned shall consider such requests.

(b) Advance Authorisation or DFIA for Intermediate supply shall be issued after making Authorisation of ultimate exporter invalid for direct import of item, to be supplied by intermediate manufacturer.

In such case, a copy of the invalidation letter will be given to ultimate exporter holding Authorisation and copy thereof will be sent to intermediate supplier as well as Regional Authority of intermediate supplier. Intermediate Authorisation holder in such case has an option either to supply intermediate product to the holder of Advance Authorisation (i.e ultimate exporter) or DFIA or to export (physical / deemed) directly. Intermediate supplier can also supply the product(s) directly to the port for export by the ultimate exporter (holder of Advance Authorisation or DFIA). In such cases, shipping bill shall be in the name of the ultimate exporter with the name of intermediate supplier endorsed on it.

- (c) Facility of Advance Authorisation shall be available even in cases where intermediate supplier has supplied or intend to supply material subsequent to fulfilment of EO by exporter holding Advance Authorisation / DFIA from where invalidation letter was issued.
- (d) The invalidation letter shall specify the following:
 - (i) Name, Address and GSTIN of supplier;
 - (ii) GSTIN & Address of recipient unit of Advance Authorisation/DFIA holder where inputs would be processed;
 - (iii) Name, description including specifications, where applicable, and quantity of items; and
 - (iv) Individual value of items to be procured.

4.31 Advance Release Order (ARO)

Application shall be filed online in ANF4 to Regional Authority concerned for grant of ARO to procure inputs from indigenous sources / STEs..

4.32 Details to be given for issue of ARO

- (a) Application for ARO and ARO shall specify:
 - (i) Name, Address and GSTIN of supplier;

- (ii) GSTIN & Address of recipient unit of Advance Authorisation/DFIA holder where inputs would be processed;
- (iii) Name, description including specifications, where applicable, and quantity of items and
- (iv) Individual value of items to be procured.
- (v) For domestic procurement of steel at export parity price by MSME exporters of EEPC, (as per ministry of steel O.M. No. S-21016/3/2020-TRADE-TAX-Part (1) dated 27.5.2020 read with OM dated 24.06.2020 as amended from time to time), the details of Service Centre/Distributor/Dealer/Stockyard of the domestic steel producer from where the steel is being procured, duly countersigned by EEPC, shall also be provided and the same shall be endorsed on the ARO by the Regional Authority at the time of issue

(b) An ARO may be issued along with Advance Authorisation / DFIA or subsequently, and its validity shall be co-terminus with validity of Advance Authorisation /DFIA..

(c) Deleted.

4.33 Deleted

4.34 Deleted

4.35 Facility of Supporting Manufacturer/Jobber/co-licensee

(a) Imported material may be used in any unit of holder of Advance Authorisation subject to condition of paragraph 4.10 of this Handbook or jobber / supporting manufacturer provided same is endorsed on authorisation by Regional Authority. If applicant desires to have name of any manufacturer or jobber added to authorisation, he may apply. Such endorsement shall be mandatory where prior import before export is a condition for availing Advance Authorisation scheme and authorisation holder desires to have material processed through any other manufacturer or jobber.

(b) Upon such endorsement made by Regional Authority, authorisation

holder and co-authorisation holder shall jointly and severally be liable for completion of EO. Any one of co-authorisation holders may import goods in his name or in joint names. BG/LUT shall also be furnished in their joint names.

- (c) If authorisation holder is registered under GST Act, he has an option of getting names of jobber endorsed by jurisdictional Customs authority as per GST Rules in lieu of Regional Authority's endorsement. In case manufacturer exporter holding authorisation is not registered / not required to be registered under GST Act, job work may be allowed after endorsement of supporting manufacturer's name in the authorisation from RA concerned. However, authorisation holder shall be solely responsible for imported items and fulfilment of EO.

4.36 Acceptance of BG/LUT

- (a) Regional Authority concerned will endorse on the reverse of Advance Authorisation at the time of issue of authorization about acceptance of undertaking given by applicant in relevant ANF. Authorisation holder shall execute Bank Guarantee / Legal Undertaking, as the case maybe, in terms of paragraph 2.29 of Handbook of Procedures.
- (b) In case BG / LUT has been redeemed, Advance Authorization holder can get duty free inputs processed from any manufacturer under Actual User condition as per job work regulations prescribed in terms of provisions of GST Acts under intimation to the Customs authority. However, such restriction shall not be applicable in case of transferable DFIA holder.

4.37 Port of Registration

- (a) Advance Authorisation shall be issued for purpose of import and export through one of sea ports or airports or ICDs or LCS specified below. Authorisation holder shall register authorisation at the port specified in authorisation and thereafter all imports against said authorisation shall be made only through that port, unless the

authorisation holder obtains permission from customs authority concerned to import through any other specified port. However, exports may be made through any of the specified ports.

Sea Ports:

Bedi (including Rozi-Jamnagar), Chennai, Dahej, Dharamtar, Dhamra, Diggi,^{iv} Ennore (Tamil Nadu), Haldia, Hazira(Surat), Jamnagar, Kakinada, Kandla, Kattupalli Sea Port (Tamil Nadu), Kochi, Kolkata, Krishnapatnam, Mangalore, Marmagao, Muldwarka, Mumbai, Mundhra, Nagapattinam, NhavaSheva, Okha, Paradeep, Pipavav, Porbander, Sikka, Surat (Magdalla), Tuticorin, Vadinar, Vishakhapatnam.

Air-ports:

Ahmedabad, Bangalore, Bhubaneshwar, Calicut Airport (Kerala), Chennai, Coimbatore Air Cargo Complex, Dabolim (Goa), Delhi, Hyderabad, Indore, Jaipur, Kochi, Kolkata, Lucknow (Amausi), Mumbai, Nagpur, Rajasansi (Amritsar), Srinagar, Trivandrum, Varanasi, Vishakhapatnam.

ICDs:

Agra, Ahmedabad, Anaparthi, Arakkonam (Tamil Nadu), Bangalore, Babarpur, Bhadohi, Bhatinda, Bhilwara, Bhiwadi, Bhusawal, Chettipalayam (Tamil Nadu), Chheharata (Amritsar), Coimbatore, Dadri, Delhi, Diggi (Pune), Dappar, DeraBassi, Dhannad Rau (District Indore), Daulatabad, (Wanjarwadi and Maliwada), Durgapur (Export Promotion Industrial Park), Faridabad, GarhiHarsaru, Guntur, Guwahati (Amingaon), Hyderabad, Irugur Village (Tamil Nadu), Jaipur, Jalandhar, Jamshedpur, Jodhpur, Kalinganagar and Tumb Village(Taluka Umbergaon, District Valsad) Kanpur, Karur, Kheda (Pithampur, District Dhar), Kota, Kundli, Loni (DistrictGhaziabad), Ludhiana, Madurai, Mallanpur, Mandideep (District Raisen), Merripalem, Guntur District(AP), Miraj, Moradabad, Nagpur, Nasik,Pimpri(Pune), Pitampur (Indore), Patli (Gurgaon)Pondicherry, Raipur,Rewari,Rudrapur(Nainital),Salem,Singanalur,Surajpur,Surat, Talegoan(DistrictPune), Thudiyalur (TamilNadu), Tirupur, Todiarpur (TNPM), Tuticorin, Udaipur, Vadodara, Varanasi, Veerapandi (Tamil

Nadu), Waluj (Aurangabad), Hosur (Tamil Nadu) and Nattakkam (Kottayam Taluk and District)

LCS:

Agartala, Amritsar Rail Cargo, Atari, Chengrabanda, Dawki, Ghoadanga, Hilly, Jogbani, Mahadipur, Nautanva (Sonauli), Nepalganj Road, Petrapole, Ranaghat, Raxaul, Singhabad, Sutarkhandi.

SEZ:

As notified by Central Government any SEZ can be a specified port for import and export.

- (b) Commissioner of Customs may permit imports and exports from any other seaport/airport/ICD or LCS.
- (c) For imports from Airport / Seaport / ICD / LCS other than port of registration, a TRA shall be issued by the customs authority at the port of registration to customs authority at port of import. However, this requirement of TRA shall not be required if the port of registration and port(s) of imports are EDI enabled and the authorisation holder has registered its authorization.

4.38 Facility of Clubbing of Authorisations

- (i) No clubbing of Authorisations issued on or before 31st March, 2009 shall be allowed.
- (ii) Request for clubbing shall be made in ANF - 4C to the concerned RA who has issued the Authorisations.
- (iii) Facility of clubbing of Advance Authorisations shall be available only for redemption / regularisation of such Authorisations and no further import or export shall be allowed.
- (iv) Facility of clubbing shall also be available for Advance Authorisations for Annual Requirement issued during Foreign Trade Policy period

2009-14, 2015-20, and wherever exports and imports have taken place as per Standard Input Output Norms (SION) notified.

- (v) Only Authorisations under which similar duty exemption has been availed shall only be allowed to be clubbed. Such Authorisations may pertain to different financial years.
- (vi) Only such authorizations shall be clubbed which have been issued within 18 months from the date of issue of earliest authorization that is sought to be clubbed, whether such authorizations are valid or not. This is further subject to condition that upon clubbing only imports made within 30 months from the date of issue of earliest authorization shall be considered. Any imports made beyond 30 months of earliest authorization shall be regularized under Para 4.49 of the HBP.
- (vii) Exports made during initial or extended EO period of individual authorizations (after payment of composition fee as per provisions of Para 4.42 of HBP) shall be clubbed.
- (viii) Upon clubbing, if shortfall in value or quantity is noticed, the same shall be regularized under the provisions of Para 4.49 of HBP 2015-2020
- (ix) Clubbing of Authorisations issued with different EO periods shall also be allowed.
- (x) Inputs which are common in all Authorisations shall only be clubbed and duty free inputs shall be accounted for as per SION/Ad-Hoc Norms fixed by NC. In other words all inputs covered in all Authorisations need not be same.
- (xi) Minimum value addition as prescribed in FTP and Procedures for the export product will be required to be maintained on clubbing.
- (xii) After clubbing, Authorisations shall for all purposes, be deemed to be one Authorisation. The value addition would be calculated on the

basis of total CIF and total FOB arrived at after clubbing the Authorisations.

(xiii) All cases clubbed, as per earlier provisions would not be reopened.

(xiv) No clubbing shall be permitted in respect of Authorisations where misrepresentation / fraud have come to the notice of RA. Further, no clubbing of Authorisations, where EODC/redemption letter has already been issued or adjudication orders have already been passed by RA/Customs Authority, shall be permitted.

(xv) Additional provisions for clubbing of Authorisations covered under Appendix-30A (issued under FTP 2009-14) / Appendix-4J (issued under FTP 2015-20) and Authorisations issued with EOP less than 18 months:

(a) Export obligation period of clubbed Authorisations shall be reckoned from the date of earliest import in any of the Authorisations proposed to be clubbed.

(b) Clubbing of such Authorisations shall be allowed provided all exports are completed within initial/extended Export Obligation period reckoned from date of earliest import in any of the Authorisations proposed to be clubbed.

4.39 Enhancement/~~Reduction~~ in the value of Advance Authorisation

(a) In respect of an Advance Authorisation, Regional Authority concerned (as per their financial powers) may consider are quest:

(i) for enhancement / reduction in CIF value of Advance Authorisation;

(ii) Enhancement/ reduction in CIF value, quantity of inputs, FOB value and quantity of exports of an Advance Authorization. However, VA after such enhancement does not fall below minimum VA stipulated (for the export product) in FTP and HandBook of Procedures laid there under and there is no

change in input-output norms and FTP under which Advance Authorisation was issued.

- (b) However, in case of Advance Authorisation (s) issued prior to 27.8.2009 under the FTP, 2004-09, the following conditions shall apply for any enhancement in the value of the authorisation:
- (i) Wherever exports are on or subsequent to 27.8.09, enhancement in CIF / FOB values shall be subject to a minimum VA of 15% or the VA prescribed in Appendix 4D of current HBP, whichever is lower, for that component of exports.
 - (ii) Wherever exports are prior to 27.8.09, enhancement in CIF / FOB values shall be subject to a minimum VA of 15% or the VA prescribed in Appendix 4D of current HBP, or the VA declared in the original Advance Authorisation application, whichever is lower.
- (c) Request for pro-rata enhancement in value and quantity may be made either before or after exports. In such cases where there is a change in SION prior to export of said product, pro-rata enhancement shall be given after calculating entitlement on revised SION.
- (d) Application for the enhancement in CIF or FOB value of Authorisation / reduction in the value of Authorisation / EOP Extension / Revalidation of Authorisation shall be filed online in ANF 4D to concerned Regional Authority.

4.40 Application fee for enhancement

Application fee payable for enhancement would be on the difference in CIF values of original and final Authorisation. However, no application fee would be charged if value of Authorisation is being reduced or applicant has already paid maximum fee of Rs 1,00,000 for Advance Authorisation / DFIA.

4.41 Validity period for import and Revalidation of Authorisation

- (a) Validity period for import of Advance Authorisation shall be 12 months from the date of issue of Authorisation.
- (b) Validity of Advance Authorisation for supplies under Chapter-7 of FTP shall be co-terminus with contracted duration of project execution or 12 months from the date of issue of Authorisation, whichever is later.
- (c) (i) Regional Authority may consider a request of original Authorisation holder and grant one revalidation for six months from expiry date. Request(s) for revalidation of Authorisation shall be filed online in ANF4D.

(ii) Regional Authority may further consider a request of original Authorization holder and grant second revalidation for six months from expiry date of the first revalidation for making imports proportionate to export obligation already fulfilled. Request(s) for revalidation of Authorization shall be filed online in ANF4D.
- (d) In case of revalidation of advance authorization issued prior to 27.8.2009 (FTP 2004-2009), it should be ensured that VA is maintained at 15% (and as per details mentioned in paragraph 4.09 of FTP) or as stipulated in the Advance Authorization, whichever is higher. However, for Advance Authorisations for products with VA as per Appendix 4D, the VA shall be as per the VA stated in Appendix 4D or as stated in Advance Authorisation, whichever is higher.

4.42 Export Obligation (EO) Period and its Extension

- (a) Period for fulfilment of export obligation under Advance Authorisation shall be 18 months from the date of issue of Authorisation. Period of EO fulfilment under an Advance Authorisation shall commence from date of issue of Authorisation, unless otherwise specified.
- (b) In cases of supplies to projects in India under Chapter-7 of FTP or projects abroad, the Export Obligation period shall be co-terminus with contracted duration of the project execution or 18

months whichever is more.

- (c) Export Obligation for items falling in categories of defence, military store, aerospace and nuclear energy shall be 24 months from the date of issue of authorization or co-terminus with contracted duration of the export order whichever is more.
- (d) Extension in export obligation period for Authorisations issued under Appendix-4J shall be allowed for a period not more than the half of the stipulated export obligation period. In such cases, composition fee shall be levied @ 0.5% per month of unfulfilled FOB value, in case exports effected are more than 50% in value terms within initial Export Obligation period and @1% per month where less than 50% exports in value terms have been effected within initial export obligation period.
- (e) Regional Authority may consider a request of Advance Authorisation holder for one extension of EO period upto six months from the date of expiry of EO period subject to payment of composition fee of 0.5% of the shortfall in EO. Authorisation holder will have to submit a self declaration to RA stating that unutilised imported/domestically procured inputs are available with the applicant.
- (f) Request for further extension of six months after first extension as in (b) above can be considered by Regional Authority, provided Authorisation holder has fulfilled minimum 50% export obligation in quantity as well as in value, on pro-rata basis. This will be subject to payment of composition fee @ 0.5% per month on unfulfilled FOB value of export obligation. No further extension shall be allowed by Regional Authority. This provision shall also be applicable to Advance Authorisations issued during FTP 2009-2014. However, only two extensions of six months each as mentioned above can be allowed subject to payment of composition fee and under no circumstance Regional Authority shall allow any extension beyond 12 months from date of expiry of EO period. At the time of filing application for second EO extension, the Authorisation holder will have to submit a self declaration to RA stating that unutilised imported/domestically

procured inputs are available with the applicant.

(g) Deleted

(h) Whenever a ban / restriction is imposed on export of any product, export obligation period in respect of Advance Authorisation already issued prior to imposition of ban, would stand automatically extended for a period equivalent to the duration of ban, without any composition fee.

4.43 Provisional clearance of export consignment

Customs may allow provisional clearance of export consignment as and when Authorisation holder produces documentary evidence of having applied for Export Obligation extension to concerned Regional Authority.

4.43 A Re-export of goods imported under Advance Authorisation Scheme

Goods imported against Advance Authorisation Scheme, which are found defective or unfit for use, may be re-exported, as per Department of Revenue guidelines. The authorisation holder has to inform the RA who has issued the authorisation before re-export of such defective goods.

4.44 Monitoring of Export Obligation

(a) Regional Authority, with whom undertaking is executed by Advance Authorisation holder, shall maintain a proper record in a master register indicating starting and closing dates of obligation period and other particulars to monitor EO. In addition, this information may be generated from Computer System and maintained in a book form.

(b) Within two months from the date of expiry of EO period, Authorisation holder shall file application online by linking details of shipping bills

against the authorization.

- (c) In case of online filing of EODC application, Exporters shall link all exports on line on DGFT system by linking file number / authorisation number with the relevant shipping bill numbers / bill of exports / invoices in case of deemed exports/Tax invoices for supplies prescribed under GST rules on quarterly basis.
- (d) In case of non EDI shipping bills and supplies under Chapter-7 of FTP, exporter shall file relevant details manually on the website of the DGFT within two months from the date of expiry of EO period. Copies of shipping bills shall be submitted to Regional Authority concerned for verification within two months from date of expiry of export obligation period. In case an applicant is not able to upload any prescribed document then such documents may be submitted in physical form to the concerned authority.
- (e) e-BRC shall be linked with these shipping bills within six months from the date of expiry of export obligation/realisation or as per the time period prescribed for realization of foreign exchange by RBI. Regional Authority shall not take action for non linking/ submission of e-BRC before expiry of said period, provided other documents substantiating fulfilment of EO have been furnished by the exporter
- (f) In case Authorisation holder fails to complete EO or fails to submit relevant information / documents, Regional Authority shall enforce condition of Authorisation and Undertaking and also initiate penal action as per law including refusal of further authorization to the defaulting exporter.

4.45 Advance Authorisation for Annual Requirement

- (a) Exporters eligible for such Authorisation shall file online application in ANF 4A to Regional Authority concerned. All provisions applicable to Advance Authorisation given above would apply except the following:
 - (i) Authorisation holder shall have flexibility to export any product

falling under export product group using duty exempted material.

- (ii) Within eligible entitlement, an exporter may apply for one or more than one authorisation in a licensing year, subject to the condition that against one Port of registration, not more than five authorisations can be issued for same product group. One time enhancement / reduction of the authorisation shall be available.
 - (iii) On completion of EO against one or more authorisations, all issued in same licensing year, entitlement of an exporter for that licensing year shall be deemed to be revived by an amount equivalent to EO completed against authorisation(s).
 - (iv) Authorisation for Annual Requirement shall be issued only where SIONS or valid Adhoc norms exists on the date of issue of Authorisation. However, no Authorisation for Annual Requirement shall be issued where input is listed in Appendix-4J.
- (b) At the time of clearance of the import consignment against the authorisation, exporter shall mention technical characteristics, quality and specifications which shall be endorsed in the Bill of Entry / invoice, duly attested by the Customs authority, in respect of following inputs:
- “Alloy steel including stainless steel, copper alloy, synthetic rubber, bearings, solvents, perfumes/ essential oils/aromatic chemicals, surfactants, relevant fabrics and marble.”

4.45 A Special Advance Authorisation for export of Articles of Apparel and Clothing Accessories covered under Chapter 61 and 62 of ITC(HS) Classification of Export and Import.

- (i) Policy relating to Special Advance Authorisation for export of Articles of Apparel and Clothing Accessories covered under Chapter 61 and 62 of ITC(HS) Classification of Export and Import is prescribed in Para 4.04 A of Foreign Trade Policy.

(ii) Provisions of Para 4.05, 4.06, 4.10, 4.11, 4.12(v)&(vi), 4.21, 4.24, 4.25, 4.26, 4.29, 4.35, 4.36, 4.37, 4.39, 4.40, 4.41, 4.42, 4.43, 4.43A, 4.44, 4.46, 4.47(b), 4.49, 4.50, 4.51, 4.52 of HandBook of Procedures shall be applicable to this scheme in so far as they are not inconsistent with this scheme.

4.46 Fulfilment of Export Obligation

Authorisation holder shall file online application in ANF 4F to Regional Authority concerned and upload prescribed documents in support of fulfilment of EO.

4.47 Redemption/No Bond Certificate

(a) Bond Waiver: In case Authorisation holder exports first (before effecting imports) by using imported inputs/indigenously procured inputs, in that case the Authorisation holder can seek waiver of Bond condition by submitting evidence of export made and payment realised to that extent. If exports made are less than the export obligation stipulated in the Authorisation, request for waiver of bond condition, on pro-rata basis, can also be considered.

(i) For such a request, an applicant has to file online application attaching Shipping Bills and e-BRC. Scanned copy of other documents as prescribed in the ANF 4F shall also be uploaded. In case of deemed exports or export from non-EDI ports, the documents evidencing proof of export/supply shall be submitted at the counter of Regional Authority concerned giving reference of online application in physical form except e-BRC.

(ii) Deleted.

(iii) In case EO has been fulfilled, Regional Authority shall issue Bond Waiver Certificate (BWC) and forward a copy to the Customs authority at the port of registration of Authorisation enclosing details of shipping bill number(s), date(s), FOB value in Indian Rupees as per shipping bill(s) and description of

export products in respect of shipment taken into account for allowing waiver of Bond condition. Such bond waiver shall not preclude the Customs Authority from taking bond in terms of the Customs notification.

- (iv) While allowing waiver of Bond for such exports, Regional Authority may revalidate the Authorisation in continuation for further six months for replenishment of inputs consumed in the production of exported product, from the date of endorsement provided applicant has made a specific request in ANF 4D and paid requisite fee for revalidation. It will be further subject to condition that the applicant had not obtained revalidation earlier in terms of Para 4.41(a) of HBP 2015-20. Maximum period of validity of the Authorisation including revalidation allowed under this para shall not exceed 24 months from the date of issue of Authorisation.
- (v) Copy of the Bond Waiver Certificate will also be endorsed by the Regional Authority to the Customs at the Port of Registration by post till system of transmitting these through EDI mode under message exchange is introduced between DGFT and CBEC.

(b) Export Obligation Discharge Certificate (EODC):

- (i) On completion of exports and imports, the Authorisation holder shall submit online application in ANF-4F as in (a) (i) above. In such cases, if EO has been fulfilled, the Regional Authority may issue EODC / Redemption Certificate to Authorisation holder and forward a copy to the Customs authority at the port of registration of Authorisation indicating the same details of proof of fulfilment of EO as stated in paragraph(a) above evidencing fulfilment of Export Obligation.
- (ii) Copy of EODC will also be endorsed by Regional Authority to Customs at the Port of Registration by post till system of

transmitting these through EDI under message exchange between DGFT and CBEC is introduced.

- (c) Ordinarily, redemption of BG / LUT shall not preclude customs authority from conducting random checks and from taking action against Authorisation holder for any misrepresentation, mis-declaration and default detected subsequently as per the Customs Act.
- (d) Authenticity of such Certificate shall be verified by referring to DGFT website (dgft.gov.in) or from the websites of Zonal offices of DGFT. Zonal offices of DGFT shall publish details of such EODC certificates issued by them and by all RAs coming under their jurisdiction on their official websites every month.
- (e) Regional Authority shall take action against Authorisation holder in case of non-submission of Appendix 4H & 4-I duly filled in, as stipulated in paragraph 4.51 below or for any misrepresentation, mis-declaration and default detected subsequently in details declared and furnished in Appendix 4H & 4-I. An endorsement to this effect shall be made by Regional Authority in the redemption certificate.

4.48 Transitional Arrangement for Authorisations issued upto 26.08.2009

- (a) Advance Licences including Advance Licence for Annual Requirement issued up to 26.08.2009 shall be governed by provisions contained in Chapter-7 of HBP v1(RE-2001), Chapter 4 of HBP v1 (2002-2007) as Notified on 31.3.2002, Chapter 4 of HBP v1 (2004-2009) as notified on 31.8.2004 , and Chapter 4 of HBP v1 (2009-14) as notified on 27.08.2009 respectively as amended from time to time, excepting provisions relating to clubbing and extension in E.O. period which shall be governed by provisions of paragraphs 4.38 and 4.42 (e) respectively and any other provision, as notified by DGFT.
- (b) Wherever Customs duty is to be paid on unutilised material, same shall be paid along with interest there on as notified by DoR.

4.49 Regularisation of Bonafide Default

Cases of bonafide default in fulfilment of EO may be regularised by Regional Authority asunder:

- (a) If EO is fulfilled in terms of value, but there is a shortfall in terms of quantity, the Authorisation holder shall, for regularisation, pay:
 - (i) To customs authorities, customs duty on unutilized value of imported / indigenously procured material along with interest as notified by DoR. Exporter will have the option to pay customs duty through valid duty credit scrips issued under FTP. However, interest / penalty shall be required to be paid in cash.
 - (ii) An amount equivalent to 3% of the CIF value of unutilised imported material, if the item of import is restricted, into "Head Account: 1453, Foreign Trade and Export Promotion and Minor Head102". Provisions of this sub paragraph will not be applicable if unutilized material was freely importable on date of import/domestic procurement.
- (b) If the EO is fulfilled in quantity but there is shortfall in value, no penalty shall be imposed if Authorisation holder has achieved minimum VA prescribed. However, if VA falls below the minimum VA prescribed, Authorisation holder shall be required to deposit an amount equal to 1% of shortfall in FOB value in Indian Rupee through TR in authorised branch of Central Bank of India as above or through EFT mode or through credit card.
- (c) Value wise shortfall shall be calculated with reference to actual quantity of exports and FOB value of realisation with reference to pro-rata quantity of imports and CIF value. For example, if export performance is only 50% quantity wise but import has been for complete CIF value permitted, then VA would be calculated on a pro-rata basis, i.e. with reference to 50% of CIF value of imports. This

would, accordingly, imply that where Authorisation holder is unable to export, no penalty on value wise shortfall shall be imposed.

- (d) If EO is not fulfilled both in terms of quantity and value, the Authorisation holder shall, for the regularisation, pay as per a), b) and c) above.
- (e) In case an exporter is unable to complete EO undertaken in full and he has not made any import under Authorisation, Authorisation holder will also have an option to get the Authorisation cancelled and apply for drawback after obtaining permission from Customs authorities for conversion of shipping bills to Drawback Shipping Bills.
- (f) Regional Authority shall compare relevant portion of Appendix 4H duly verified and certified by Chartered Accountant / Cost Accountants with that of norms allowed in Authorisation(s) and actual quantity imported against Authorisation(s) in the beginning of licensing year for all such Authorisations redeemed in preceding licensing year. In this verification process, in case it is found that Authorisation holder has consumed lesser quantity of inputs than imported, Authorisation holder shall be liable to pay customs duty on unutilized value of imported material, along with interest thereon as notified, or affect additional export within the EO period.
- (g) Regularization of Bona fide default in the cases where Authorisation was issued for import of drugs from unregistered sources with pre import condition.

Import of drugs from unregistered sources issued with pre import condition shall be regularised in the following manner:

- (i) The Authorisation holder shall submit documents showing consumption of full imported quantity as per norms. In case, there is shortfall in fulfilment of EO and unutilised imported

quantity remains with the authorisation holder, the Authorisation holder shall submit a self declaration along with Chartered Accountant's certificate regarding destruction of the unutilised duty free imported material accompanied by an affidavit-cum-idemnity bond indemnifying the Government for any harm or loss occurring due to diversion of such imported material from unregistered sources into domestic market that may be detected in future by any authority , or proof of reexport of the same to the same supplier in-terms of para 4.43A.

- (ii) Exports made under free shipping bills/under same authorisation after expiry of EO period using unutilised quantity of drugs shall also be accepted in-lieu of submission of destruction certificate as stated in para(i) above, provided the exact description and technical characteristics of the drug exported matches with that of export item described in the Advance Authorisation. However, the Authorisation holder shall pay customs duty with applicable interest to the Customs Authority on unutilized quantity imported under Advance Authorisation. The exports made outside EO period shall only be considered for waiver of destruction certificate and not for waiver of liability of applicable duties and interest.

4.50 Payment of Customs Duty and Interest in case of bonafide default in EO

- (a) Customs duty with interest as notified by DoR to be recovered from Authorisation holder on account of regularisation or enforcement of BG/LUT, shall be deposited by Authorisation holder in relevant Head of Account of Customs Revenue i.e., "Major Head 0037 - Customs and minor head 001-Import Duties" in prescribed T.R. Challan within 30 days of demand raised by Regional / Customs Authority and documentary evidence shall be produced to this effect to Regional Authority / Customs Authority immediately. Exporter can also make suo motu payment of customs duty and interest based

on self/own calculation as per procedure laid down by DoR, which would be adjusted at the time of closure of the case.

- (b) Mode of payment: Following modes of payment are available:
 - (i) Payment in cash through TR Challan to Customs Authority.
 - (ii) Payment of customs duty through debit of valid duty credit scrips issued under Chapter 3 (excluding SHIS, SFIS and AIIIS scrips) in terms of FTP (2009-14) or Chapter 3 of this or post-export EPCG duty remission scheme scrip, in respect of goods which are permitted under the respective reward/duty remission scrip.
- (c) Exporter shall obtain an endorsement from Customs authorities on the TR Challan 006 or on the back of the duty credit scrip(s) against which payment of customs duties have been accepted/debited and produce the same to RA along with duty calculation sheet at the time of regularization of their case.
- (d) Regional Authority shall verify the quantity of excess import before redeeming the case. RA may direct license holders to pay balance amount of customs duty after informing the reasons of the difference in the liability worked out by Authorisation holder and the calculations by Regional Authority. In such case, the balance amount of duty and interest, if any shall be paid by Authorisation holder within 30 days, for regularization of the matter.
- (e) The interest shall be paid in cash through TR Challan 006 at the rate applicable on the date of payment of delayed duty amount to the Customs Authority.
- (f) On receipt of said documentary evidence from Authorisation holder, Regional Authority shall redeem the case, shall endorse details of duty paid on the EODC/Redemption Letter and inform details of recovery/ deposits made to the Customs Authority at the port of registration or the Commissioner of Customs having jurisdiction over the factory of the Authorisation holder, as the case may be.
- (g) Payment of duty, interest and any dues for regularisation shall, however, be without prejudice to any other action that may be taken by Customs Authorities at any stage under Customs Act, 1962.

4.51 Maintenance of Proper Accounts

Every Advance Authorisation holder shall maintain a true and proper account of consumption and utilisation of duty free imported / domestically procured goods against each authorisation as prescribed in Appendix 4H or 4I, as applicable. These records are required to be sent to the concerned Regional Authority at the beginning of each licensing year for all those authorisations, which have been redeemed in previous licensing year. However, these records in said format are required to be submitted for authorisations issued on or after 13-05-2005. Such records should be preserved for a period of at least three years from date of redemption.

4.52 Consideration of cases against lost EP copy of the Shipping Bills and/ or Bank Realisation Certificate

- (a) In case where Original EP copy of Shipping Bill / original BRC has been lost, request for EODC, No BG / LUT condition under Advance Authorisation / DFIA scheme or endorsement of transferability under DFIA scheme can be considered subject to submission of following documents in lieu of those original documents:
- (i) A duplicate / Customs Certified / Self-attested copy of the shipping Bill in lieu of the original; Duplicate / Bank certified copy of BRC in lieu of original;
 - (ii) An application fee equivalent to 1% of duty saved amount. However, no fee shall be charged when such document is lost by Government agencies and a documentary proof to this effect is submitted;
 - (iii) Self declaration by exporter about loss of document and an undertaking to surrender it immediately to concerned Regional Authority, if found subsequently;
 - (iv) An indemnity bond by exporter to the effect that he would indemnify Government for financial loss, if any, on account of

duty free import entitlement availed / allowed against lost Shipping Bills /BRC.

- (b) Customs Authority, before allowing redemption of BG / LUT or clearance after endorsement of “No BG / LUT condition” or endorsement of transferability, shall verify the genuineness of such shipping bill (s) and ensure that no double benefit against such shipping bill has been availed. This specific condition shall be endorsed by Regional Authority concerned on the EODC.

DUTY FREE IMPORT AUTHORISATION SCHEME (DFIA)

4.53 Policy

Policy relating to the Duty Free Import Authorisation (DFIA) Scheme is prescribed in Chapter 4 of FTP.

4.54 Application

- (a) Application in ANF 4G along with documents therein, shall be filed online to concerned Regional Authority.
- (b) Provisions of paragraphs 4.26, 4.27, 4.28, 4.48, 4.49(e) & 4.49 (f) and 4.52 of this Handbook of Procedures shall also be applicable for DFIA Scheme.
- (c) After completion of exports and realization of proceeds, request for issuance of transferable Duty Free Import Authorisation may be made to concerned Regional Authority within a period of twelve months from the date of export or six months (or additional time allowed by RBI for realization) from the date of realization of export proceeds, whichever is later.
- (d) Late cut provisions given in para 9.02 of Hand Book of Procedures are also applicable for DFIA. However, in respect of export of raw sugar under SION E52, 12 months relaxation is provided for imposition of late cut.

4.55 Facility for Split DFIA

Split Authorisations of DFIA subject to a minimum of CIF value of Rs. 10 lakh each and multiples thereof may also be issued, on request at the time of seeking transferability. A fee of Rs. 1000/- each shall be paid for each split authorization. Split-up DFIA's shall be permitted with the same port of registration as appearing on the original DFIA.

4.56 Re-export of goods imported under DFIA Scheme

- (i) Goods imported against transferable DFIA, which are found defective or unfit for use, may be re-exported, as per Department of Revenue guidelines. In such cases, if the goods were not put to use after import, a certificate shall be generated by concerned Commissioner of Customs to the extent of 95% of CIF value debited against DFIA containing amount and description of exported goods and the details of original DFIA.
- (ii) Based on the certificate, a fresh DFIA shall be issued by Regional Authority concerned. Fresh DFIA, so issued, shall have same port of registration and shall be valid for a period equivalent to balance period available on date of import of such defective/unfit goods.

4.57 Maintenance of proper accounts of import and its utilisation

Original DFIA holder shall maintain a true and proper account of consumption and utilisation of duty free imported / domestically procured goods against each authorisation as prescribed in Appendix 4H. These records are required to be sent to Regional Authority concerned along with request for bond waiver / redemption / discharge of export obligation / transferability. Such records should be preserved for a period of at least three years from date of redemption.

GEMS AND JEWELLERY SECTOR

4.58 General Provision

Policy relating to Gem Replenishment Authorisation and scheme for gold/

silver/platinum jewellery is given in FTP. Application in respect of export promotion scheme for gems & jewellery sector shall be made to concerned Regional Authority as per Appendix 4A.

This document is only for ease of reference. The Hand Book of Procedure read with the relevant Public Notice will only have legal authority

4.59 Application for Replenishment Authorisation

- (a) Application for REP Authorisation shall be filed online in ANF 4 H and upload the documents prescribed therein to concerned Regional Authority as per Appendix 4A.
- (b) Application shall be filed within six months following the month during which the export proceeds are realised. For export proceeds realised during a month, consolidated application for entire month shall be filed.
- (c) In case E.P Copy of Shipping Bill and Customs attested invoice is submitted to nominated agencies, exporter shall furnish a self certified photo copy of same along with a certificate from nominated agencies certifying carat / value of studgings in case of studded jewellery.
- (d) In cases where payment is received in advance and exports take place subsequently, application for REP Authorisation shall be filed within six months following the month during which exports are made.
- (e) It is clarified that the month in which the export has been made in case of advance payment and the month in which export proceeds have been realised in part or full after making of exports, shall be excluded while calculating period of six months for filing of application for REP Authorisation.

4.60 Wastage Norms

Maximum wastage or manufacturing loss on gold/silver/ platinum jewellery and articles thereof is as follows:

Sl No	Items of export	Percentage of wastage by weight with reference to Gold/ Platinum / Silver content in export item	
		Gold / platinum	Silver
a)	Plain jewellery, articles, and ornaments like Mangalsutra containing gold and blackbeads /imitation stones, cubic zirconia diamonds, precious, semi-precious stones.	2.5 %	3.2 %
b)	Studded jewellery and articles thereof	5.0 %	5.0 %
c)	Mountings and findings manufactured (by non-mechanised process) indigenously	2.5 %	3.2 %
d)	Any jewellery/ articles manufactured by a fully mechanised process and unstudded.	0.9 %	0.9 %
e)	Mountings, whether imported or indigenously procured/manufactured, used in studded jewellery	1.8 %	1.8 %
f)	Gold / silver / platinum medallions and coins (excluding coins of nature of legal tender)	0.2%	0.2%

g)	Findings and mountings manufactured by mechanized process	0.9%	0.9%
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4.61 Value Addition

Under scheme for export of jewellery, value addition shall be calculated as per paragraph 4.38 of FTP. Minimum value addition shall be:

Sl No	Items of export	Minimum Value Addition
a)	Plain gold / platinum / silver jewellery and Articles and ornaments like Mangalsutra containing gold and black beads / imitation stones, except in studded form of jewellery.	3.5%
b)	All types of Studded gold / platinum / silver Jewellery and articles thereof.	6.0% (for those studded with coloured Gemstones) and 7.0% (for those studded with diamonds).
c)	Any jewellery / articles manufactured by fully mechanized process	2%
d)	Gold / silver / platinum medallions & coins (excluding coins of nature of legal tender)	1.5%
e)	Gold / silver / platinum findings / mountings manufactured by mechanized process	2.5%

4.62 Entitlement

Entitlement of quantity of gold / silver / platinum against the export of

Articles made out of these metals shall be quantity of gold / silver / platinum in item of export plus admissible wastage / manufacturing loss. In the case of Studded Jewellery, the calculation of the quantum of precious metal shall be done excluding the weight of studding.

4.63 Loss of Gem and Jewellery in transit

Consignments of gem and jewellery items exported out of country and lost in transit after exports, where foreign exchange against such exports has been realised or insurance claims settled, will also be eligible for REP Authorisation.

4.64 Gem & Jewellery Replenishment Authorisations

- (a) Gem REP Authorisations shall be valid for import of precious stones, semi-precious and synthetic stones and pearls used in export of Gems and Jewellery products. In addition, Authorisation shall also be valid for import of empty jewellery boxes up to 5% of value of Authorisation within its overall CIF value. Gem REP Authorisations issued against export of studded gold / silver / platinum jewellery articles, shall also be valid for import of cut and polished precious / semi- precious stones other than emerald up to 10% of CIF value of Authorisation within its overall CIF value.
- (b) Gem REP Authorisation will be as per the replenishment rate prescribed in Appendix 4F and the scale of replenishment on the remaining FOB value in the case of studded jewellery shall be as given in Appendix-4G.

4.65 Agency Commission

Exporter availing scheme of gold / silver / platinum jewellery are allowed to pay agency commission subject to the guidelines laid down by RBI. VA shall be calculated after deducting agency commission.

4.66 Endorsement on shipping Bill and Invoice.

During export of jewellery, shipping bill and invoice presented to customs

authorities shall contain description of item, its purity, weight of gold/ silver/ platinum content, wastage claimed thereon, total weight of gold/ silver/ platinum content plus wastage claimed and its equivalent quantity in terms of 0.995/0.999 fineness for gold / silver and in terms of 0.9999 fineness for platinum and its value, FOB value of exports and value addition achieved. If purity of gold/silver/platinum used is same in respect of all or some of items made out from each of these metals for export, exporter may give total weight of gold/silver/platinum and other details of such similar items which are of same purity. In case of studded items, shipping bill shall also contain description, weight and value of precious / semi-precious stones / diamonds / pearls used in manufacture and weight / value of any other precious metal used for alloying gold/silver.

4.67 Conditions of Exports

Exports shall be allowed by customs authorities provided endorsement made on shipping bill and invoice are correct and value addition achieved is not below minimum prescribed in FTP.

4.68 Proof of Exports

- a) Exporter has to furnish the proof of exports, wherever required for export of gold / silver / platinum jewellery and articles thereof, by furnishing following documents:
 - (i) E.P copy of the shipping bill;
 - (ii) Customs attested Tax invoice for export/supplies as prescribed under GST rules;
 - (iii) Bank certificate/e-BRCof realisation in Appendix 2U.
- b) In case of personal carriage of jewellery by foreign buyer, following documents should be submitted by the exporter/seller as proof of exports for claiming export entitlements:
 - (i) Copy of shipping bill filed by Indian Seller;
 - (ii) Copy of Currency Declaration Form filed by Foreign Buyer with Customs at the time of his arrival; and
 - (iii) Foreign Exchange Encashment Certificate from Bank.

- c) In addition to this, Personal Carriage on Documents Against Acceptance(DA)/Cash On Delivery(COD)basis is also allowed.

Exporter will have to furnish following documents as proof of exports for claiming export entitlements:

- (i) Copy of Shipping Bill filed by Indian Seller; and
 - (ii) Bank Certificate/e-BRC of Export and Realisation.
- d) Instructions issued by Customs Department in this regard should be followed mutatis mutandis.

4.69 Conversion of Purity/Fineness

For conversion of quantity of gold/ silver/platinum in terms of equivalent quantity in terms of fineness, following formula shall be used:

- (i) Where items of gold has been exported in terms of carats, quantity of gold shall be multiplied by number of carat of gold exported, divided by 24 and thereafter again divided by 0.995/0.999/0.900 to arrive at equivalent quantity of gold in terms of fineness of 0.995/0.999/0.900 respectively;and
- (ii) Wherever purity of item of export is expressed in terms of fineness, the quantity of gold/silver/platinum shall be multiplied by fineness of gold/silver/platinum exported and thereafter divided by 0.995 / 0.999 / 0.900 to arrive at equivalent quantity of gold/ silver/platinum in terms of 0.995 / 0.999 / 0.900 fineness respectively.

4.70 Release of Gold/Silver/Platinum by Nominated Agencies

Gold / silver / platinum shall be released to exporter of jewellery by nominated agencies/RBI authorised banks in multiples of 10 gms or in Ten Tola Bars in respect of gold. However, silver shall be released to exporters in multiples of 1 Kg only. Any balance of gold/ silver/ platinum shall be

available to exporter along with his future entitlement. Gold/ silver shall be released by the nominated agencies in terms of 0.995 fineness or more and platinum in terms of 0.900 fineness or more.

4.71 Terms of payment

Export of gold / silver / platinum jewellery and articles thereof shall be against irrevocable letter of credit, payment of cash on delivery basis, Documents Against Acceptance (DA) basis or advance payment in foreign exchange or replenishment of gold/silver/platinum content in exported jewellery / articles.

4.72 Port of Export

Exports under schemes of gold /silver/platinum jewellery and articles thereof shall be allowed by airfreight and Foreign Post Office through the Customs House at Mumbai, Kolkata, Chennai, Delhi, Jaipur, Bangaluru, Kochi, Coimbatore, Ahmedabad, Dabolin Airport, Goa, Hyderabad and Surat (Surat Hira Bourse). Export by courier shall also be allowed through Custom Houses at Mumbai, Kolkata, Chennai, Kochi, Coimbatore, Delhi, Jaipur, Bangaluru, Ahmedabad and Hyderabad upto FOB value of Rs.20 lakh per consignment.

4.73 Export by Post

Policy for export of gems and jewellery parcel by post is in paragraph 4.48 of FTP. At the time of exports, exporter shall submit following documents:

- (i) Shipping bills or Tax invoice for export/supplies as prescribed under GST rules presented at foreign Post Office;
- (ii) Certificate from nominated agencies indicating price at which gold/silver/platinum was booked or given on outright sale basis or loan basis;
- (iii) Three copies of Tax invoices for export/supplies as pre scribed under GST rules.

4.74 Export of Cut & Polished Diamonds for Certification/Grading & Re- import

Following are authorized laboratories for certification / grading of diamonds of 0.25 carat and above:

- (1) International Gemological Institute(IG)–Hong Kong.
- (2) American Gem Society Laboratories (AGS Laboratories),8917 West Sahara Avenue, LasVegas,Nevada89117;
- (3) Central Gem Laboratory, Miyagi Building, 5-15-14 Ueno Taito- Ku, Tokyo, Japan;
- (4) Diamond Trading Company, Maidenhead, UK;
- (5) European Gemological Laboratory(EGL), USA;
- (6) Gemological Institute of America (GIA), USA;
- (7) Hoge Road Voor Diamond, Antwerp, (HRD);
- (8) International Diamond Laboratories DMCC, Dubai.
- (9) The Robert Mouawad Campus, International Gemological Institute (IGI)USA;
- (10)World Diamond Centre of Diamonds High Council, Antwerp, Belgium.
- (11) GIA Hong Kong Laboratory Ltd., HongKong;
- (12) Gemological Research(Thailand)Co. Ltd., Bangkok;
- (13) GIA Education and Laboratory(Pvt)Ltd., Johannesburg;
- (14) GIA Education and Laboratory, Gaborone(Botswana);
- (15) Forevermark NV, Antwerp, Belgium;
- (16) International Gemological Institute(IG)–Antwerp, Belgium;
- (17) Gemological Institute of America (GIA), Israel;
- (18) Gemological Institute of America (GIA), Japan.

4.75 Import of Diamonds for Certification/Grading & re-export

- (a) This facility has been stated in Paragraph 4.42 of FTP. At the time of imports of diamonds, the bill of entry shall have the detailed description, including the dimensions / specifications of the diamonds and At the time of re-export after grading/certification, the Bill of Entry details should be endorsed in the shipping bill, so far

as the dimensions and other specifications/ details of the diamonds are concerned, so as to establish a clear correlation between the imported diamonds and the diamonds being re- exported. In addition, a separate self certificate shall be attached by GIA (or any other approved agency) along with the shipping bill at the time of shipment, for matching of the imports to that of the exports as per the documents and GIA (or any other approved agency) certificate.

- (b) GIA (or any other agency approved in this regard) shall obtain GR waiver as per the procedure laid down by RBI, in all such cases.
- (c) Re-export of the imported diamonds, shall be completed within a maximum time period of 3 months from the date of import(s). At the time of import, the agency shall give an undertaking to the customs to this effect. GIA (or any other agency approved in this regard) shall furnish a quarterly report to the customs authority at the port of import by 25th of the month, succeeding the end of the quarterly period, to ensure that the exports are effected within the stipulated timeperiod.

4.76 Enlistment /Authorisation of Laboratories for Certification/ Grading of Diamonds of 0.25 carat and above

Applications for enlistment of laboratories should be submitted to Gems and Jewellery Promotion Council (GJEPC) for scrutiny of the application for fulfillment of the norms prescribed. GJEPC will forward the application after verification of bona fides with their clear recommendation for in principle approval of DGFT. After in principle approval of DGFT is granted, GJEPC will conduct inspection of the facility to verify the availability of equipments, technical manpower as well as other infrastructure required for the Laboratory, to function as Authorised Laboratory for certification/ grading of diamonds of 0.25 carat and above. Based on the Inspection Report and recommendations of the GJEPC, the concerned laboratory would be considered for inclusion in paragraph 4.42 or 4.43 of FTP as the case may be.

4.77 Export against Supply by Foreign Buyer

- (a) Before clearance of each consignment of import supplied by foreign buyer, Nominated Agency / Status Holder having Nominated Agency Certificate/Eligible Exporter shall execute a bond with Customs, undertaking to export within stipulated period in contract, gold/silver/platinum jewellery or articles equivalent to entire import quantity of gold/silver/platinum, mountings and findings etc excluding admissible wastage.
- (b) In case of direct supply of gold/silver/platinum, alloys, findings and mountings of gold/silver/platinum and plain semi-finished gold/silver/platinum jewellery to status holder/ exporter, Status Holder/exporter shall furnish a Bank Guarantee/LUT, as per Customs Rules and regulations to Customs equivalent to Basic Customs Duty leviable on imported gold/ silver/ platinum, alloys, findings and mountings of gold/ silver/ platinum and plain semi- finished gold/ silver/ platinum jewellery etc. Integrated Goods and Services tax and Compensation Cess leviable under Section 3(7) AND 3(9) of Customs Tariff Act shall be payable separately on imports.
- (c) BG /LUT, executed with Customs shall be valid for one year. In case of direct supply to Status Holder/exporter, exports shall be completed within 90 days. In case of non-fulfillment of EO / non- achievement of stipulated value addition, Customs Authority shall proceed to recover custom duty alongwith interest as notified by DoR which may include enforcement of BG/LUT. Besides, importer will be liable to penal action under Customs Act.

4.78 Export Procedure/Payment of Customs Duty

- (a) Nominated Agency / Status Holder having Nominated Agency Certificate / exporter shall be liable to pay customs duty leviable on that quantity which is proved to have not been exported.
- (b) Goods shall be cleared through Customs by Nominated Agency/

Status Holder having Nominated Agency Certificate / exporter. Even where export order is received by an Associate, goods shall be cleared through Customs by nominated agency only and not by Associate. Associate shall, in such cases, authorise Nominated Agency to act as its agent to file Bill of Entry and shipping bill.

(c) At the time of export, shipping bill presented to Customs shall also contain the following:

(i) Name and address of associate/ Status Holder having Nominated Agency Certificate/exporter;

(ii) An endorsement by Nominated Agency / Status Holder having Nominated Agency Certificate that export is made against an order received by concerned associate, its date of registration with nominated agency. In case of exports by Status Holder having Nominated Agency Certificate /exporter, a self declaration shall be provided to this effect;

(iii) Name of Customs House through which gold/ silver/ platinum/plain semi-finished gold/ silver/ platinum jewellery was imported and corresponding Bill of Entry No. and date and date of import.

(d) Each shipping bill shall be valid for exports only through Customs House located at the place where office of Nominated Agency/ Status Holder having Nominated Agency Certificate / exporter concerned is situated. It shall be valid for shipment for a period of seven days including the date on which endorsement was made by nominated agency in case of exports through nominated agency. If exports cannot be made within this period, exporter shall file a fresh shipping bill.

(e) At the time of export, exporter shall submit following documents:

(i) Shipping bill with two extra copies where exports are made from a Customs House other than Customs House through which

corresponding import of gold/ silver/ platinum/plain semi-finished gold/silver/ platinum jewellery was effected. In other cases, shipping bill with an extra copy;

- (ii) Three copies of tax invoices for export/supplies as prescribed under GST rules;
 - (iii) Certificate from nominated agency indicating quantity and value of items supplied by foreign buyer.
- (f) Customs authorities shall return two copies of shipping bill and connected invoice duly attested. One copy shall be sent to person who presented documents and the other copy shall be sent by Customs to office of nominated agency/Status holder/exporter.
- (g) In case of exports through nominated agency, exporter shall submit proof of exports to nominated agency within 15 days of exports, who shall, after verifying documents, release admissible quantity of the gold/ silver/ platinum etc. to exporter.
- (h) Exporter may also obtain, in advance, gold/ silver/ platinum etc. supplied by foreign buyer by furnishing a BG /LUT for an amount equal to international price of such items plus customs duty payable thereon. Integrated Goods and Services tax and Compensation Cess leviable under Section 3(7) AND 3(9) of Customs Tariff Act shall be payable separately on imports. BG /LUT shall be redeemed only when the exporter has furnished proof of exports to nominated agency and accounted for the use of items supplied in advance in export product.
- (i) For redemption of bond/ BG /LUT executed with Customs, Nominated Agency/ Status Holder having Nominated Agency Certificate /exporter shall furnish a statement indicating items, its quantity and value supplied by foreign buyer, corresponding Bill of

Entry number and date, number of each of shipping bills against which corresponding exports was made.

4.79 Maintenance of Accounts

Nominated Agency / Status Holder having Nominated Agency Certificate shall maintain complete account, consignment-wise, of the gold, silver, platinum, mountings, findings/ plain semi-finished gold/silver/ platinum jewellery etc. imported for execution of each export order, exports effected and quantity of gold, silver, platinum mountings, findings etc. released against such exports. Such accounts shall be maintained for a minimum period of three years from date of exports.

4.80 Export through Exhibitions/Export Promotion Tours/Export of Branded Jewellery

- (A) Nominated Agencies shall produce to Customs Authorities letter in original or its certified copy, containing Government's approval for holding exhibition/export of branded jewellery. Any other person shall produce to the Asst. Commissioner, customs letter in original or its certified copy containing GJEPC's approval for holding exhibitions/ export promotion tour/export of branded jewellery.
- (B) In case of re-import, such items, on arrival, shall be verified along with export documents before clearance.
- (C) Exports under this scheme shall be subject to following conditions for following modes of export:
 - (i) Export of Gems and Jewellery for holding/participating in overseas exhibition.
 - (a) Items not sold abroad shall be re- imported within 60 days of close of exhibition. However in case exporter is participating in more than one exhibition within 45 days of close of first exhibition, then 60 days shall be counted from date of close of last exhibition. In case of exhibition in USA, the time period

shall be 90 days instead of 60 days mentioned above. In case of personal carriage of gems and jewellery for holding /

participating in overseas exhibitions, value of such gems and jewellery shall not exceed US \$ 5 million. Gold/ silver/ platinum content on items sold in such exhibitions may be imported as replenishment.

- (b) Exporter shall take replenishment from nominated agency within 120 days from the close of the exhibition gold /silver / platinum for replenishment content against items sold abroad in exhibition.

- (D) Personal Carriage of gems & jewellery or export through airfreight/post parcel route for Export Promotion Tours/photo shoots/fashion shows overseas. Personal carriage/export through airfreight/post parcel route of gold/silver/ platinum jewellery, cut and polished diamonds, precious, semi-precious stones, beads and articles as samples upto US \$ 1 Million for export promotion tours/photo shoots/fashion shows and temporary display/ sale abroad is also permitted with approval of Gem & Jewellery EPC subject to the condition that promoter would bring back jewellery / goods or repatriate sale proceeds within 45 days from date of departure through normal banking channel. In case of personal carriage for export promotion tours, exporter shall declare personal carriage of such samples to Customs while leaving country and obtain necessary endorsement on Export Certificate issued by Jewellery Appraiser of Customs. In such cases exporter shall book with nominated agency, within 120 days after export promotion tour or expiry of stipulated period of 45 days, whichever is earlier, gold/silver/ platinum for replenishment content against items sold abroad.

(E) Export of branded jewellery.

- (i) Export of branded jewellery is also permitted with approval of Gem & Jewellery EPC for display/sale in permitted shops setup

abroad or in showroom of their distributors/ agents. Items not sold abroad within 365 days shall be re-imported. Exporter shall book with nominated agency within 120 days after the end of stipulated period of 365 days, gold/silver/platinum for replenishment content against items sold abroad.

(ii) Following documents shall be submitted for claiming such replenishment:

- (a) Customs attested invoice;
- (b) Copy of the approval letter issued by Government/GJEPC;
- (c) Certificate from Nominated Agency / GJEPC as in **Appendix 4-O.**

In case of exhibitions organised by nominated agencies, gold/silver/platinum shall be imported as replenishment by nominated agencies within 60 days from close of exhibition.

(F) Nominated Agencies shall maintain a complete account of exports made, goods sold abroad, goods re-imported, and metals purchased abroad and imported into India. Such account shall be maintained for a minimum period of three years from date of close of exhibition.

4.81 Export against supply by Nominated Agencies

Exporter may obtain gold/silver/ platinum on following basis:

- (i) Replenishment basis after completion of exports;
- (ii) Outright purchase basis in advance;
- (iii) Loan basis.

4.82 Replenishment Basis

(a) Exporter may apply to Nominated Agency / Status Holder having Nominated Agency Certificate for booking of precious metal gold/silver/platinum. Quantity of precious metal booked with

nominated agency shall be equivalent to precious metal content in the export product and admissible wastage.

- (b) Applicant shall at the time of booking deposit an earnest money for a minimum amount of 20% of notional price of precious metal, which shall be adjusted at actual sale..
- (c) Exporter may also export jewellery on a notional rate based on certificate provided by Bank. Exporter must fix price within credit terms allowed to buyer and realise proceeds within the due date of the credit terms or 180 days, whichever is earlier. Exporter exporting on a notional basis under Replenishment Scheme must book the same quantity of gold with Nominated Agency on same rate that he may have booked with buyer. Nominated agencies shall purchase precious metal on behalf of exporter at the rate so fixed and thereafter issue a purchase certificate bearing a serial number to exporter indicating quantity of gold/silver/platinum and CIF value, in dollars including the Rupee equivalent. Price shall be actual price at which gold/silver/platinum is purchased by nominated agencies plus permitted service charges levied by nominated agencies shall be included with the price of gold/ silver/ platinum for value addition. Duplicate and triplicate copies of exporter's application together with copies of purchase certificate for exporter shall be sent by nominated agencies to concerned Custom House as well as to the negotiating bank who will confirm realization at which gold has been purchased. Exporter exporting under notional rate will get replenishment only after proceeds are realised.
- (d) Exports shall be effected within a period of 120 days from date of booking and drawal of precious metal shall be completed within a period of 150 days from date of booking or within 30 days from date of export whichever is later.

4.83 Outright Purchase Basis in Advance

- (a) Exporter may obtain required quantity of precious metal in advance on outright purchase basis subject to furnishing of BG/LUT to nominated agencies for an amount as may be prescribed by nominated

agency. On failure to effect exports within period prescribed, the nominated agencies shall enforce BG / LUT, as the case may be.

- (b) Exports shall be effected within a maximum period of 90 days from date of outright purchase of precious metal.

4.84 Loan Basis

- (a) Exporter may obtain required quantity of precious metal on loan basis subject to furnishing of BG / LUT, for customs duty to nominated agencies for an amount as may be prescribed by nominated agencies. Integrated Goods and Services tax and Compensation Cess leviable under Section 3(7) AND 3(9) of Customs Tariff Act shall be payable separately on imports. On failure to effect exports within the period prescribed, the nominated agencies shall enforce the BG /LUT.
- (b) Exporter has to pay interest as notified by DoR on gold taken on loan basis at the rate as may be specified.
- (c) Export has to be completed within a maximum period of 90 days from date of release of gold on loan basis. No extension for fulfilment of EO shall be allowed.
- (d)
 - (i) Exporter shall be permitted to export jewellery on the basis of a notional rate certificate to be issued by nominated agency/GJEPC. This rate will be based on prevailing Gold /US\$ rate and the US\$/INR rate in notional rate certificate. Certificate issued by nominated agency/GJEPC should not be older than 7 working days of date of shipment.
 - (ii) VA will have to be achieved on rate as may be got fixed with buyer and Nominated Agency.
 - (iii) Exporter shall have flexibility to fix the price and repay Gold Loan within 180 days from date of export. This price shall be

communicated to nominated agencies who will issue a certificate showing final confirmation of the rate to the bank negotiating documents, to ensure export proceeds are realized at this rate.

- (e) Nominated agencies may accept payment in dollars towards cost of import of precious metal from EEFC account of exporter.

4.85 Exports against Advance Authorisation

- (a) Procedure applicable to Advance Authorisations under Chapter 4 of Hand Book of Procedures shall generally apply to this scheme except norms for value addition, EO period and regularization of default. Value addition for Gems and Jewellery items shall be as per paragraph 4.61 of this Handbook of Procedures.
- (b) EO will be required to be fulfilled within 120 days from date of import of each consignment against Authorisation. However EO period shall be 180 days from date of import of findings, mountings made of gold, platinum and silver and export of jewellery. No further extension in EO period will be allowed. Advance Authorisation holder may also import gold as replenishment after completion of exports.
- (c) Advance Authorisation holder may obtain gold /silver / platinum from nominated agencies in lieu of direct imports. In such a case, EO will be required to be fulfilled within 90 days from date of supply of Gold/Silver/Platinum by nominated agency and the nominated agency shall also make, both exchange control copy and customs purpose copy of Authorisation invalid for direct imports.

4.86 Regularisation of Bonafide Default

Cases of bonafide default in fulfillment of EO by an exporter who has obtained precious metals from nominated agencies may be regularised provided exporter has paid customs duty alongwith interest thereon as notified by DoR. Exporter will have the option to pay customs duty through valid duty credit scrips issued under FTP. The interest / penalty shall be

required to be paid in cash. In case of Advance Authorisation, the provisions as given in paragraph 4.49 above shall apply. This shall be without prejudice to any action that may be taken against exporter under FT(D&R) Act, Order or Rules Issued hereunder as amended from time to time.

4.87 Replenishment Authorisation for Import of Consumables etc.

Application for import of consumables etc., as given in paragraph 4.36 of FTP shall be filed online to the concerned Regional Authority in ANF 4H.

4.88 Personal Carriage of Gems & Jewellery Export Parcels

- (a) Personal Carriage of gems & jewellery parcels by Foreign Bound Passengers from all EOU/SEZ units and all firms in DTA through Airports in Delhi, Mumbai, Kolkata, Chennai, Kochi, Coimbatore, Bangalore, Hyderabad, Jaipur is permitted. Procedure for Personal Carriage of exports shall be as prescribed by Customs. Export proceeds shall, however, be realised through normal banking channel.
- (b) For claiming Replenishment in case of Personal Carriage of Exports by Foreign Bound passenger, documents shall be same as mentioned under paragraph 4.82(c) above. Authorised Courier Companies are also permitted to operate on the above lines.

4.89 Personal Carriage of Gems & Jewellery Import Parcels

Personal carriage of gems & jewellery import parcels by an Indian importer/Foreign National may be permitted into all EOUs/SEZ units and all firms in DTA through airports in Delhi, Mumbai, Kolkata, Chennai, Bangalore, Hyderabad Jaipur. Procedure will be same as for import of goods by air-freight except that parcels shall be brought to Customs by Importer / Foreign National for examination and release. Clearance of imports under this scheme shall be as per normal customs clearance procedure.

4.90 Duty free import of samples

Duty free import of gems and jewellery samples upto Rs 3 lakh or 0.25% of the average of last three years export turnover of gems and jewellery items, whichever is lower, shall be allowed in a financial year as per Customs notification.

4.91 Re-import of rejected jewellery

An exporter of plain/ studded precious metal jewellery shall be allowed to re-import duty free jewellery rejected and returned by buyer up to 2% of FOB value of exports in preceding licencing year (based on CA certified copy of export of preceding year) with refund of any duty exemption/refund/replenishment benefit availed on inputs used as per customs rules and regulations.

4.92 Diamond & Jewellery Dollar Accounts

Policy for Diamond and Jewellery Dollar Accounts is given in paragraph 4.50 of FTP. Detailed procedure for its operation will be notified separately.

4.93 Export and import of Diamond, Gemstone & Jewellery on consignment basis

- (a) Policy for export and import of diamond, gem stone and jewellery on consignment basis is given in paragraph 4.53 of FTP.
- (b) Detailed procedure in this regard shall be governed as per the relevant Customs Rules & Regulations. Re-import of these items (either in complete or partial lot) exported on consignment basis shall be subject to condition that exporter follows prescribed provisions of relevant customs notification to establish that goods are the same which were exported.

4.94 Guidelines/ Monitoring for import of precious metal by the Nominated Agencies

The guidelines on import of precious metal by the nominated agencies and monitoring are as under:

- (a) Deleted.

(b) Following guidelines for monitoring the import of precious metal and its distribution and / or own use by the Nominated Agencies will be followed, (other than the Banks nominated by RBI for this purpose):

(i) Every Nominated Agency is required to maintain records of imports of precious metal (both quantity and value) and its distribution for the purpose of exports of value added product as well as for the purpose of domestic consumption as per the format given in Appendix 4-M of Hand Book of Procedures. Nominated Agencies will also have to follow the guidelines/ rules/procedures /directions as prescribed by RBI and DGFT. Failure to comply will render Nominated Agency Certificate liable to be cancelled in addition to action under FT (DR) Act 1992, as amended, after affording opportunity of personal hearing.

(ii) Monitoring by Gems & Jewellery Export Promotion Council:

Monitoring in respect of Nominated Agencies MMTC Ltd, Handicraft and Handlooms Exports Corporation Ltd, The State Trading Corporation Ltd, PEC Ltd, STCL Ltd, MSTC Ltd, Diamond India Limited will be by Gems & Jewellery Export Promotion Council (G&J EPC). Nominated Agencies shall file half yearly return as per format given in Appendix 4-M of Hand Book of Procedures, to the Gems & Jewellery Export Promotion Council (GJEPC), Mumbai within 15 days of every completed half year. In turn, G&J EPC shall compile the half yearly return and the figures submitted by the Nominated Agency and check the performance of the Nominated Agency. Thereafter, GJEPC shall forward the compiled half yearly returns along with its observation on performance of Nominated Agency to DGFT headquarters within one month of every completed half year. In case of delay in filing or non-submission of half yearly return within 15 days of every completed half year, GJEPC shall seek comments of defaulting Nominated Agencies. GJEPC will also

forward the particulars of defaulting Nominated Agency to DGFT headquarters for taking appropriate action against defaulting Nominated Agency.

(iii) Monitoring by Regional Authorities of DGFT:

Regional Authority which has issued Nominated Agency Certificate shall monitor performance of such Certificate holders based on the half yearly returns to be filed by such agencies to the concerned Regional Authority. The Nominated Agency shall file half yearly return to Regional Authority in the month of October (for the period April to September) / April (for the period October to March) as per the format given in Appendix 4-M of Hand Book of Procedures. Regional Authority shall consolidate and verify these returns. Regional Authority will also inform DGFT which agency has not filed the return and to also take appropriate action within 30 days for suspension/cancellation of the Nominated Agency Certificate.

DGFT headquarters can also review the performance of Nominated Agencies, whenever necessary.

4.95 Procedure to apply for the Scheme for Rebate of State and Central Levies and Taxes (RoSCTL) and Additional Ad hoc incentive under RoSCTL

- a. The para 4.01 (c) of the FTP is about the RoSCTL. The Gazette notifications of the Ministry of Textiles on the RoSCTL scheme and the Additional ad-hoc incentive under RoSCTL issued from time to time may be referred to.
- b. An application for claiming rebate under RoSCTL and Additional Ad hoc incentive, shall be filed online, using digital signature, on DGFT website at <http://dgft.gov.in> with RA concerned in ANF4 R. The relevant shipping bills shall be linked with the on-line application by the exporter/applicant online. There would be no requirement of linking e BRCs for

applying for RoSCTL. A maximum of 50 shipping bills would be allowed to be attached in one single application by the exporter in the online module.

- c. Separate online applications for claims under RoSCTL for shipping bills with Let Export date in the period 07.03.2019 to 31.12.2019 and with Let Export date on or after 01.01.2020 shall be made.
- d. Facility of Split Scrips: Provisions of para 3.09 of the HBP shall apply mutatis mutandis.
- e. The Jurisdictional RA for application of the RoSCTL would be as per the para 3.06 (b) of the HBP. The applicants shall ensure that they are applying only to the concerned Jurisdictional RA, as per para 3.06 (b) of the Handbook of Procedures for getting the scrip and shall submit a declaration to that effect while applying for the scrip online. However, the limitation imposed in para 3.06 (a) regarding choosing a RA at the beginning of financial year and maintaining the same RA for all applications in that Financial year shall not apply.
- f. Choice of Port of Registration for RoSCTL Scrips: While making an online application
 - i. Shipments from EDI Ports and Non-EDI Ports cannot be clubbed in one application.
 - ii. The applicant can choose the Port of registration for EDI enabled ports from any one of the ports from where export is made.
 - iii. In case of exports through non-EDI port, the port of registration shall be the relevant non-EDI port of exports. Accordingly, separate application shall be filed for each non-EDI port
- g. For applications in the period 07.03.2019 to 31.12.2019, the DGFT online system shall electronically populate the entitlement per shipping bill including the additional ad-hoc incentive and reduce/adjust MEIS wherever already granted.
- h. After system based approval of the final entitlement, scrips will be issued by RAs, in a paperless mode. However, RAs shall scrutinize 2% percent of issued RoSCTL applications, under a Risk Management System (RMS), every week. The RMS cases will be randomly generated by the DGFT system online.

- i. Registration of Scrips: Port of Registration of Scrips issued under RoSCTL would be as follows:
- i. Duty Credit Scrip (including splits) shall be issued with a single port of registration which shall be any one of the EDI ports from where export is made. In case of shipments from Non EDI ports, the Duty Credit Scrip (including splits) under RoSCTL shall be issued with a single port of registration which shall be the port of export.
 - ii. Duty credit scrip needs to be registered at the port mentioned on the scrip. This is to be done prior to allowing usage of duty credit. Once registered at EDI port, scrip can be automatically used at any EDI port for import and at any manual port under Telegraphic Release Advise (TRA) procedure.
 - iii. In case port of registration is a manual port, TRA shall be required for imports at any other port.
- j. Validity period and Revalidation: Duty Credit Scrip shall be valid for a period of 24 months from the date of issue and must be valid on the date on which actual debit of duty is made. Revalidation of Duty Credit Scrip shall not be permitted unless covered under paragraph 2.20(c) of HBP.
- k. Last date of filing of application for Duty Credit Scrips: The applications for shipping bills
- a. For shipping bills with LEO date from 07.03.2019 to 31.12.2019, the last date for filing online claims will be 31.12.2020.
 - b. For shipping bills with LEO date on or after 01.01.2020, the last date for filing online applications will be within one year from the date of LEO.
- After these deadlines, no application can be filed and the shipping bills would be time barred. There is no provision of late cut under RoSCTL.
- l. Processing of Non EDI Shipping bills at RA: In case of Non EDI shipping bills concerned RA shall verify the details entered by the exporter from the original shipping bills before grant of scrip.
- m. A duplicate scrip may be issued under the RoSCTL, under the provisions of the para 2.24 of the Handbook of Procedures 2015-20.

- n. All exporters are eligible for making a claim under the RoSCTL, except the entities/IEC which are in the Denied Entity List of the DGFT.

4.96 Recovery Mechanism

- a. The record of shipping bills and other documents related to export, is required to be maintained by the applicant for a period of 3 years from the date of issuance of scrip for post issue scrutiny and recovery purposes. Licensing Authority may call such documents in original at anytime within 3 years. In case the applicant fails to submit the original documents on demand by Licensing Authority, the applicant shall be liable to refund the rebate granted along with interest at the rate prescribed under Section 28AA of Customs Act, 1962, from the date of issuance of scrip.
- b. Also, there can be instances, where based on the application of the exporter, amount more than the eligible amount has been issued under RoSCTL, while adjusting for MEIS or otherwise. In such cases, concerned RA will examine the relevant scrip's electronic records and in case, an excess claim/ excess disbursement is noted by the RA, the applicant shall refund the excess claim with interest as prescribed in paragraph 3.19 of FTP.
- c. In case the applicant fails to refund the excess claim as stipulated above or does not respond to any communication by RA within 30 days of receipt of such communication, RA will initiate action as per FT (D&R) Act, 1992 and Rules.
- d. The rebate allowed is subject to the receipt of sale proceeds within time allowed under the Foreign Exchange Management Act, 1999 failing which such rebate shall be deemed never to have been allowed. Action under the FT (D&R) Act, 1992 may be taken by the Regional Authorities for repayment of erroneous or excess paid RoSCTL. Further, the exporter is required to return any over-payment of rebate issued through the scrips arising from miscalculation. Where-ever recovery of such excess paid is due, interest shall also be paid by exporter at the rate of fifteen percent per annum calculated from the date of debit of the scrip till the date of repayment. In case the exporter returns the un-utilized scrips, no interest

will be charged, however, penalty may be imposed under an Adjudication order on the grounds of mis-declaration or fraudulent practice.

4.97 Procedure to apply for scrips under the Scheme for Rebate of State Levies (RoSL)

- a. The para 4.01 (d) of the FTP is about the Scheme for RoSL. The Gazette notifications of the Ministry of Textiles about implementation of RoSL Scheme under scrip mechanism may be referred to for more details. The RoSL scrips shall be issued only for such old shipping bills of Scheme for RoSL, for which RoSL amounts could not be disbursed earlier due to budget limitation.
- b. An application for claiming rebate under RoSL shall be filed online in ANF-4SL, using digital signature, on DGFT website at <http://dgft.gov.in>. The exporter/ applicant is required to link relevant EDI shipping bills and e-BRCs and submit the application through online mode only. A maximum of 50 shipping bills would be allowed to be attached in one single application by the exporter in the online module.
- c. Rebate under scrip mechanism under RoSL is admissible only for shipping bill (s) for which Drawback has been disbursed and RoSL amount has not been disbursed. Only those Shipping bills, on which Customs authorities/ ICEGATE have not disbursed RoSL will be transmitted online by the DG (Systems)/ ICEGATE to the DGFT Server for exporter to file an application. However, the applicant shall ensure that no application is filed against the shipping bill for which RoSL claim has been received from the Customs Authorities alongwith Drawback. Any mis-declaration to that effect, would invite penal action as per the FT (D&R) Act, 1992.
- d. Facility of Split Scrips: Provisions of para 3.09 of the HBP shall apply mutatis mutandis.
- e. The Jurisdictional RA for application of the RoSL would be according to para 3.06 (b) of the HBP. The applicants shall ensure that they are applying only to the concerned Jurisdictional RA, as per para 3.06 (b) of the Handbook of Procedures for getting the scrip and shall submit a declaration to that effect while applying for the scrip online. However, the limitation imposed in para 3.06 (a) regarding choosing an RA at the

beginning of financial year and maintaining the same RA for all applications in that Financial Year shall not apply.

- f. Choice of Port of Registration for RoSL Scrips: While making an online application, the applicant can chose the Port of registration from any one of the EDI ports from where export has been made for the shipping bills in that online application. Duty Credit Scrip (including splits) shall be issued with that single EDI port of registration.
- g. After system based approval of the final rebate amount, scrips shall be issued by RAs in a paperless mode. However, RAs shall scrutinize 2 percent of issued RoSL applications every month under a Risk Management System (RMS). The RMS cases will be generated by the DGFT system.
- h. Registration of Scrips: Duty credit scrip needs to be registered at the port mentioned on the scrip. This is to be done prior to allowing usage of duty credit. Once registered at EDI port, scrip can be automatically used at any EDI port for import and at any manual port under Telegraphic Release Advise (TRA) procedure.
- i. Validity period and Revalidation: Duty Credit Scrip shall be valid for a period of 24 months from the date of issue and must be valid on the date on which actual debit of duty is made. Revalidation of Duty Credit Scrip shall not be permitted unless covered under paragraph 2.20(c) of HBP.
- j. In the online module for filing claims under RoSL, applications containing shipping bills with Let Export Order (LEO) date between 01.10.2017 and 06.03.2019 are required to be submitted separately. Similarly, separate application containing shipping bills with LEO date before 01.10.2017 needs to be submitted. Last date for submitting applications containing shipping bills with LEO date from 01.10.2017 to 06.03.2019 would be 30.06.2021. The last date for filing applications containing shipping bills with LEO date before 01.10.2017 would be 31.12.2021.
- k. After these submission deadlines, no application shall be allowed to be submitted and the shipping bills would become time barred. There is no provision of late cut under the Scheme for RoSL under the scrip mechanism.

- l. All exporters are eligible for making a claim under the Scheme for RoSL, except the entities/IEC which are in the Denied Entity List of the DGFT.

4.98 Recovery Mechanism

- a. The record of shipping bills and other documents related to export on which a claim under RoSL Scheme has been filed, is required to be maintained by the applicant for a period of 3 years from the date of issuance of scrip for post issue scrutiny and recovery purposes. Regional Authority may call such documents in original at anytime within 3 years. In case the applicant fails to submit the original documents on demand by Regional Authority, the applicant shall be liable to refund the rebate granted along with interest at the rate prescribed under Section 28AA of Customs Act, 1962, from the date of issuance of scrip.
- b. In case of claim for rebate under the RoSL scheme where the rebate is issued by DGFT in the form of Duty Credit Scrips, such rebate shall be allowed only on the basis of actual remittances realized by the exporter. In case, excess payment is made due to error or miscalculation, the exporter shall be liable to refund the same within 30 days from the date of demand raised by the concerned RA of DGFT. Such amount will be refunded by the exporter with 15% interest or as prescribed under Section 28AA of Customs Act, 1962, whichever is more from the date of issue of such Duty Credit Scrip and till the date of actual refund. In case the exporter fails to refund the amount so demanded by RA within the prescribed time limit, recovery proceedings shall be initiated under the provisions of Section 11 of the Foreign Trade (Development and Regulation) Act, 1992 by the RA of DGFT. In case rebate is claimed on the basis of mis-declaration or suppression of facts or by submitting fabricated export documents, the exporter shall be liable for penal action under the provisions of Foreign Trade (Development and Regulation) Act, 1992, as amended time to time. However, unutilized Duty Credit Scrip under RoSL can be surrendered without any interest liability. The amount (principal plus interest and penalty where applicable) so recovered shall be deposited in the relevant account head of Customs i.e. "Major Head 0037 – Customs and Minor Head 101-Import duties"

- c. In case the applicant fails to refund any excess claim as stipulated above or does not respond to any communication by RA within 30 days of receipt of such communication, RA will initiate action as per FT (D&R) Act, 1992 and Rules.

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- i. ¹ Para 4.95 amended vide Public Notice No. 83/2015-20 dated 29.03.2019
 - ii. ¹Para 4.96 amended vide Public Notice No. 83/2015-20 dated 29.03.2019
 - iii. Para 4.32(a) (v) amended vide Public Notice No. 23/2015-20 dated 01.10.2020
 - iv. Para 4.57 amended vide Public Notice No. 31 /2015-20 dated 18.10.2017
 - v. Para 4.95 amended vide Public Notice No. 67 /2015-20 dated 31.03.2020
 - vi. Para 4.97 & 4.98 insertaed vide Public Notice no 25 dated 13.10.2020
 - vii. Para 4.97 amended vide Public Notice no. 43 dated 17.03.2021

This document is only for ease of reference. The Hand Book of Procedure read with the relevant Public Notice will only have legal authority

CHAPTER 5

EXPORT PROMOTION CAPITAL GOODS (EPCG) SCHEME

5.01 Policy

Policy relating to EPCG Scheme is given in Chapter 5 of FTP.

5.02 Application Form

An application for grant of an authorisation may be made by Registered Office or Head Office or a Branch Office or Manufacturing Unit of an eligible exporter to RA concerned in ANF 5A along with documents prescribed therein.

5.03 Nexus Certification

- (a) RA concerned shall, on the basis of nexus certificate from an Independent Chartered Engineer (CEC) submitted by the applicant in Appendix 5A, issue EPCG authorisation. Reasonable wastage, if any, anticipated at the time of installation of capital goods will also be certified by the Chartered Engineer in the nexus certificate and the same would be mentioned in the condition sheet of the EPCG authorisation at the time of issue. For issuance of such certificate, the Chartered Engineer shall act only in the domain of his/her competence.
- (b) RA shall thereafter forward a copy of the EPCG authorisation to the concerned Jurisdictional Customs Authority. The wastage so permitted at the time of issuance of authorisation would be allowed to be sold as scrap/waste on payment of applicable duty.
- (c) An application for amendment in the list of import item(s) including addition(s)/deletion(s), if any, may be filed with RA concerned provided the authorisation is valid for import. The applicant would give justification for seeking such amendment(s) along with fresh nexus certificate from an independent Chartered Engineer.
- (d) An application for amendment in the list of export item(s) including addition(s)/deletion(s) if any, may be filed with RA concerned provided the Export Obligation period of the authorisation is valid and the CG has nexus with export product. The applicant would give justification for seeking such amendment(s) along with fresh nexus certificate from an independent Chartered Engineer.

5.04 Certificate of Installation of Capital Goods

- (a) Authorization holder shall produce, within six months from date of completion of import, to the concerned RA, a certificate from the jurisdictional Customs authority or an independent Chartered Engineer, at the option of the authorisation holder, confirming installation of capital goods at factory/premises of authorization holder or his supporting manufacturer(s). The RA may allow one time extension of the said period for producing the certificate by a maximum period of 12 months with a composition fee of Rs.5000/-. Where the authorisation holder opts for independent Chartered Engineer's certificate, he shall send a copy of the certificate to the jurisdictional Customs Authority for intimation/record. The authorization holder shall be permitted to shift capital goods during the entire export obligation period to other units mentioned in the IEC and RCMC of the authorization holder subject to production of fresh installation certificate to the RA concerned within six months of the shifting.
- (b) In the case of import of spares, the installation certificate shall be submitted by the Authorization holder within a period of three years from the date of import.

5.05 Port of Registration

EPCG Authorisation shall be issued with a single port of registration as per paragraph 4.37 of HBP, for imports. However, exports can be made from any port specified in paragraph 4.37 of HBP.

5.06 Import of spares, tools, refractories and catalysts

- (a) Applications for procurement of capital goods covered under sub-paragraphs (a) (iii) and (iv) of paragraph 5.01 of FTP shall contain a list of plant/machinery installed in factory/premises of the applicant for which such capital goods are required, duly certified by Chartered Engineer or Jurisdictional Customs Authorities.”
- (b) In case of import of spares, EPCG authorisation shall not specify list of spares but shall indicate:
 - (i) Name of plant /machinery for which spares are required.
 - (ii) Value of duty saved allowed under the authorisation.
 - (iii) Description of product to be exported and value of export obligation.
- (c) Authorisation holder shall maintain a register of stock & consumption of capital goods covered under sub- paragraphs (a) (iii) and (iv) of paragraph 5.01

of FTP imported under the scheme and at the time of final redemption of export obligation, authorization holder shall submit certificate from independent Chartered Engineer confirming their use in the installed capital goods on the basis of such register.

5.07 Conversion of EOU/ Relocated SEZ Units to DTA Unit under EPCG Scheme

- (a) An EOU/ a relocated SEZ unit, while converting to a DTA Unit, may apply for an EPCG authorisation along with documents prescribed. 'No Objection Certificate' should be produced from the concerned Development Commissioner.
- (b) The export obligation period for a unit which converts from EOU / SEZ Scheme to EPCG Scheme would be the same as is available to a direct EPCG Authorisation Holder as per Paragraph 5.01 of Foreign Trade Policy (FTP).
- (c) If a standalone EOU / SEZ unit wishes to de-bond from EOU to EPCG Scheme, there shall be no requirement for maintenance of average export obligation and the unit shall be required to maintain only specific export obligation equivalent to six times of the proportionate duty saved amount of the depreciated value of capital goods for which the Authorisation has been obtained.
- (d) In case one unit of a firm / company opts to de-bond from EOU to EPCG Scheme, while other unit(s) are DTA units, then the average export obligation in respect of the authorisations issued to the firm / company (other than de-bonding unit) shall remain unchanged and the average EO, after de-bonding of the unit, shall be fixed by excluding the exports made by the de-bonded unit from the total exports of the firm/ company, which runs concurrently for all the units of the firm/ company. In such a case, specific EO equivalent to six times of the proportionate duty saved amount on the depreciated value of the Capital Goods would be imposed on the de- bonding unit shifting to the EPCG Scheme.

5.08 Sourcing of Capital Goods Manufactured Indigenously

- (a) EPCG authorisation holder intending to source capital goods manufactured indigenously shall make a request to the RA for invalidation of EPCG authorisation for direct import / issuance of Advance Release Order (ARO) for availing deemed export benefits as given in paragraph 7.03 of FTP read with paragraph 7.02(c) of HBP.

- (b) This request can be made either along with application or during the validity period of EPCG Authorisation.
- (c) Applicant shall give the name and address of the manufacturer(s) of capital goods.
- (d) RA concerned will issue the invalidation letter / ARO, in quadruplicate.

5.09 Issuance of Advance authorisation for import of inputs

Indigenous manufacturer intending to supply capital goods to EPCG authorisation holder may apply to RA for issuance of Advance authorisation for import of inputs including components required for manufacture of capital goods to be supplied to EPCG authorisation holder.

5.10 Conditions for fulfillment of Export Obligation

In addition to conditions in paragraph 5.04 of FTP, the following conditions shall also be applicable for fulfillment of export obligation:

- (a) Name of the supporting manufacturer as well as the exporter shall be indicated on export documents.
- (b) EPCG authorisation holder may export either directly or through third party (ies).
- (c) In case the Authorization Holder wants to export through a third party, export documents viz., shipping bills / Bill of exports etc. shall indicate name of both authorization holder and supporting manufacturer, if any, along with EPCG authorization number. BRC, GR declaration, export order and invoice should be in the name of third party exporter. The goods exported through third party should be manufactured by the EPCG Authorisation Holder or the supporting manufacturer where the capital goods imported under the authorisation have been installed. Proceeds realised through normal banking channel from third party exporter's account to the authorization holder's account on account of such exports only shall be counted towards fulfillment of export obligation.
- (d) The EPCG authorization holder shall submit the following additional documents for discharge of EO through third party (ies):
 - (i) A copy of agreement entered into between the authorization holder and the ultimate exporter undertaking to export the goods manufactured by the authorization holder/supporting manufacturer for fulfillment of the export obligation against the EPCG authorization in question.

- (ii) Proof of having dispatched the goods from authorization Holder's factory premises to the ultimate exporter/port of export viz. (a) ARE 1 certificate issued by Central Excise / Tax invoice for export prescribed under the GST rules with due authentication by the Customs verifying the exports along with the shipping bill number, date and EPCG authorization number or (b) Invoice duly incorporating the relevant EPCG authorization number & date at the time of dispatch in case the unit is not registered with Central Excise / GST.
- (iii) Lorry Receipt (LR) /Logistical evidence for transportation of goods from the premises of the authorization holder to the third party/port of export.
- (iv) An undertaking from the 3rd party on a stamp paper, declaring that the products exported for fulfillment of EO by them on behalf of the license holder as per details given in the statement of exports, were manufactured by the license holder.
- (v) Financial evidence for having received proceeds through normal banking channel from third party exporter's account to the authorization holder's account on account of such exports towards such third party supplies.
- (vi) Disclaimer certificate from third party that they shall not use such proceeds towards EO fulfillment of any EPCG authorization (s) obtained by them.

5.11 Realization of Export proceeds

Export proceeds shall be realized in freely convertible currency except for deemed exports supplies under Chapter 7. Exports to SEZ units /Supplies to developers/ co-developers irrespective of currency of realization would also be counted for discharge of Export Obligation. Realization in case of supplies to SEZ units shall be from foreign currency account of the SEZ unit.

5.12 Calculation of Average Export Obligation

While calculating Average Export Obligation, exports counted/ being counted for fulfilling specific EO against EPCG Authorisations within valid EO Period (whether original or extended) that have been made in the preceding 3 years will not be taken into account.

5.13 Exemption from maintenance of average export obligation

(a) In case of export of goods relating to the following the EPCG authorisation holder shall not be required to maintain average export obligation:

- (i) Handicrafts,
- (ii) Handlooms,
- (iii) Cottage & Tiny sector,
- (iv) Agriculture,
- (v) Aqua-culture (including Fisheries), Pisciculture,
- (vi) Animal husbandry,
- (vii) Floriculture & Horticulture,
- (viii) Poultry,
- (ix) Viticulture,
- (x) Sericulture,
- (xi) Carpets,
- (xii) Coir, and
- (xiii) Jute

(b) However, this exemption from maintenance of average export obligation shall not be allowed for import of fishing trawlers, boats, ships and other similar items.

(c) Goods, excepting tools imported under EPCG scheme by sectors specified in sub-paragraph (a) above, shall not be allowed to be transferred for a period of five years from date of imports even in cases where export obligation has been fulfilled.

5.14 Block-wise Fulfillment of EO

(a) The Authorisation holder under the EPCG scheme shall, while maintaining the average export obligation, fulfill the specific export obligation over the prescribed block period in the following proportions:

Period from the date of issue of Authorisation	Minimum Obligation fulfilled	Expot to be
Block of 1st to 4th year	50%	
Block of 5th and 6th year	Balance EO	

- (b) The Authorisation holder would intimate the Regional Authority on the fulfilment of the export obligation, as well as average exports, within three months of completion of the block.
- (c) Where EO of the first block is not fulfilled in terms of the above proportions, except in cases where the EO prescribed for first block is extended by the Regional Authority subject to payment of composition fee of 2% on duty saved amount proportionate to unfulfilled portion of EO pertaining to the block, the Authorization holder shall, within 3 months from the expiry of the block, pay duties of customs (along with applicable interest as notified by DOR) proportionate to duty saved amount on total unfulfilled EO of the first block.
- (d) (i) Authorisations issued from 1st April, 2002 upto 31st August, 2004 shall be governed by provisions of paragraph 5.8 of HBP Vol.1 (RE-02) as amended from time to time.
- (ii) Authorisations issued from 1st September, 2004 upto 17th April, 2013 shall be governed by provisions of paragraph 5.8 of HBP Vol.1 (RE-12) as amended till 17.04.2013.
- (iii) Authorisations issued from 18th April, 2013 till issue of Notification of FTP 2015-20 shall be governed by provisions of paragraph 5.8 of HBP Vol. 1 as amended vide PN No. 1 dated 18.04.2013.
- (iv) Authorisations issued from 1st April, 2015 till 4th December 2017 shall be governed by provisions of paragraph 5.14 of HBP as amended vide PN No. 1 dated 01.04.2015.

5.15 Monitoring of Export Obligation

Authorisation holder shall submit to RA concerned by 30th April of every year, report on fulfilment of export obligation by secured electronic filing using digital signatures/ or hard copy thereof.

5.16 Automatic Reduction/ Enhancement upto 10% Duty saved amount and pro rata Reduction/ Enhancement in export obligation

If authorization issued has been utilized for import of goods:-

- (a) in excess of duty saved amount indicated on the authorization by not more than 10%, the authorization shall be deemed to have been enhanced by that proportion. Customs shall automatically allow clearance of such goods without endorsement by RA concerned. The authorization holder shall furnish additional fee to cover excess imports effected, in terms of duty saved amount, to RA concerned, within one month of excess imports taking place. Export obligation shall automatically stand enhanced proportionately. RA concerned may also accept the additional fee to cover the excess imports effected, in terms of duty saved amount, if the same is furnished beyond one month but within two years of the excess import taking place, subject to payment of composition fee of Rs. 5000/- per authorisation.
- (b) In excess of duty saved amount indicated on the authorization by more than 10%, the RA concerned, as per its delegated powers, may allow enhancement in duty saved amount of the EPCG authorization. The Authorisation holder shall furnish additional BG/LUT to the Customs Authority.
- (c) Less than the duty saved amount indicated on the authorization, the export obligation shall stand reduced on pro-rata basis with reference to actual utilization of the authorization.

5.17 Extension in Export Obligation Period

- (a) Extension in Export Obligation Period of EPCG authorization issued prior to Notification of FTP 2015-20 RE 2017 shall be governed by relevant provisions of HBP applicable on the date of issue of authorisation.
- (b) Extension in Export Obligation Period of EPCG authorization issued prior to Notification of FTP 2015-20 shall be governed by relevant provisions of HBP Vol 1 applicable on the date of issue of authorization.
- (c) In case of zero duty EPCG Authorizations, two extensions of one year each in export obligation period may be considered by RA concerned, on payment of composition fee equal to 5% and 10% respectively of proportionate duty saved amount on unfulfilled export obligation for the first/second year of extension or an enhancement in export obligation imposed to the extent of 10% /20% respectively of the total export obligation imposed under the authorization for first/second year of extension, as the case may be, at the

choice of the exporter. Minimum composition fee will be Rs.10,000.

- (d) Request for extension in EO Period shall be made to RA within 90 days from the date of expiry of original EO Period. However, RA may consider the request for extension received upto 180 days with additional composition fee of Rs.5,000.

5.18 Provision for Units under BIFR/Rehabilitation

(a) Deleted

(b) Deleted

5.19 Relief in Average Export Obligation

- (a) To provide relief to exporters of those sectors where total exports in that sector/product group has declined by more than 5% as compared to the previous year, average export obligation for the year may be reduced proportionate to reduction in exports of that particular sector/product group during the relevant year as against the preceding year. However, in case export decline is continuous over consecutive years, the base year for calculation of eligibility and calculation of reduction in average export obligation will be taken as the year after which the exports have shown continuous decline.
- (b) The sectors /product groups for which this relaxation is to be allowed shall be conveyed by the DGFT to all the RAs within seven months of the end of the previous financial year, and the RAs shall re-fix the annual average EO for previous year accordingly for exporters in that sector / product group.

5.19 A: Maintenance of Annual Average Export Obligation

The excess exports done towards the average export obligation fulfilment of an EPCG authorization during a year can be used to offset any shortfall in the Average EO done in other year(s) of the EO period or the block period as the case may be provided Average EO imposed is maintained on an overall basis, within the block period or the EO period as applicable.

5.20 Automatic EO extension in the event of ban on export product

Whenever a ban/restriction is imposed on export of any product, export obligation period in respect of EPCG authorisations already issued prior to imposition of ban on such export products would stand automatically extended for a period equivalent to duration of such ban, without any composition fee. Authorisation holder would not be required to maintain average E.O. as well for the ban period.

5.21 Deleted

5.22 Redemption

- (a) Authorisation holder shall apply for redemption in ANF 5B with documents prescribed therein as a proof of EO fulfilment.
- (b) On being satisfied, RA concerned shall issue a certificate of discharge of export obligation to the EPCG authorisation holder and forward a copy to Customs Authorities with whom BG/LUT has been executed. A statement giving details of the documents submitted by the authorisation holder towards evidence of EO fulfilment shall also be enclosed with the certificate.
- (c) RA shall process such applications ordinarily within 30 days. Shortcomings, if any, shall be pointed out in one go. All correspondence, thereafter, shall relate to these deficiencies only. Fresh correspondence, if necessary, shall be within 15 days. Once documents are complete, EO will be discharged within 30 days of receipt of complete documents/information.
- (d) Applications that remain outstanding beyond a period of 60 days after receipt of complete documents shall be reported to the EPCG Division at DGFT headquarters alongwith reasons thereof.

5.23 Regularization of Bonafide Default and Exit from EPCG Scheme

- (a) In case, EPCG authorisation holder fails to fulfil prescribed export obligation, he shall pay Customs Duty along with applicable interest as prescribed by Customs Authority. Such facility can also be availed by EPCG authorisation holder to exit at his option. The authorisation holder will have the option to furnish valid duty credit scrips, issued under Chapter 3 or Chapter 5 of FTP, for payment of the Customs duty component
- (b) Authorisation holder can also pay duty and interest suo-motu on the basis of self /own calculation as per the procedure specified in paragraph 4.50 of HBP.

5.24 Maintenance of Records

Every EPCG authorisation holder shall maintain, for a period of 2 years from date of redemption, a true and proper account of exports/ supplies made and services rendered towards fulfillment of export obligation.

5.25 Re-Export / Repair/Replacement of Capital Goods Imported under EPCG Scheme

- (a) Capital Goods imported under EPCG scheme, which are found defective or unfit for use, may be re-exported to foreign supplier within three years from the date of clearance by Customs of such goods, with permission of RA / Customs Authority. Consequently, EO would be re-fixed.
- (b) Capital Goods imported and found defective or otherwise unfit for use may be exported, within two years from the date of clearance by Customs of such goods, with permission of RA / Customs Authority and Capital Goods in replacement thereof be imported under EPCG scheme. In such cases, while allowing export, the Customs shall credit the duty benefit availed which can be debited again at the time of import of such replaced Capital Goods.
- (c) Capital Goods imported under EPCG scheme, may be re-exported for repairs abroad within three years from the date of clearance by Customs of such goods, with permission of RA / Customs Authority. The duty component on the expenditure incurred on the repairs as well as the insurance and the freight, both ways shall be taken into account for re-fixation of the EO.

5.26 Penal Action

In case of failure to fulfil export obligation or any other condition of authorisation, authorisation holder shall be liable for action under FT (D&R) Act, 1992, as amended, Orders and Rules made thereunder, provisions of FTP/HBP, Customs Act, 1962, as amended from time to time or any other law in force

5.27 Clubbing of EPCG authorizations

- (a) Clubbing of two or more EPCG authorisations issued to the same authorization holder would be permitted.
- (b) An application for clubbing can be made to RA concerned in ANF 5C. Clubbing shall only be permitted in case export products endorsed on the

authorisations are same/similar and if authorizations are issued by the same RA.

- (c) Total export obligation would be re-fixed taking into account total of duty saved amount of the clubbed authorisations.
- (d) On Clubbing, authorisations for all purpose shall be deemed to be a single EPCG authorisation. Export obligation period for clubbed authorisations shall be reckoned from first authorization issue-date.
- (e) Average export obligation for clubbed authorisations would be highest of average export obligations endorsed on individual authorisations so clubbed.
- (f) Clubbing would be permitted during valid EOP including extended period, if any. However, clubbing in case of all authorisations where EO period is over may be allowed for regularisation purposes provided they have been issued under same policy period.
- (g) In case of clubbing of EPCG authorizations, where EO can be fulfilled by export of alternate product(s)/service(s), the proportion of alternate product(s)/service(s) for EO fulfillment/regularization will be restricted to the lowest of the percentage of alternate product(s) / service(s) allowed in the clubbed authorizations.
- (h) EPCG authorisations issued prior to 1.4.2007 shall be governed by provisions contained in Chapter 5 of HBP Vol.1 (RE-2006). The EPCG Authorisations issued between 01.04.2007 and 17.04.2013 shall be governed by provisions contained in Chapter 5 of HBP Vol.1 (RE-2012, as amended). The EPCG Authorisations issued from 18.04.2013 till the issue of Notification of HBP 2015-20 shall be governed by provisions contained in Public Notice No.1 dated 18.4.2013. The EPCG Authorisations issued between Notification of HBP 2015-20 till the Notification of HBP 2015-20 (RE 2017) shall be governed by provisions contained in HBP 2015-20.

5.28 Post Export EPCG Duty Credit Scrip(s)

- (a) Exporters can exercise this option by filing an application in ANF5A with the RA concerned by selecting the option for this Scheme.
- (b) All applicable duties shall be paid in cash by the exporter at the time of import of Capital Good
- (c) RA shall issue an Authorisation specifying

- (i) “Not for imports” on the body of the Authorisation;
 - (ii) Average EO, if any;
 - (iii) Specific EO @ 85% of the applicable specific EO, computed as if the imports were to take the benefit of duty exemption; and
 - (iv) (EOP, which shall commence from the Authorisation issue date.
- (d) Exporter can file request in ANF 5 B, for issuance of Duty Credit Scrip(s) in proportion to the EO completed within the specified EOP. Only for first such request, proof of actual duty payments on Capital Goods, nexus and installation certificate(s) of Capital Goods shall be submitted along with proof of fulfilment of EO along with proof of maintenance of Average EO. Subsequently, only proof of fulfillment of specific EO (along with proof of maintenance of Average EO) additionally completed vis-à-vis specific EO fixed {as in c(iii) above} may be submitted, unless there have been any changes in documents / proofs submitted earlier.
- (e) RA shall issue freely transferable duty creditscrip(s) equivalent to proportionate EO fulfilled.
- (f) The computation of freely transferable Duty Credit Scrip(s) will be based on basic Customs duty amount paid.
- (g) Deleted
- (h) All provisions of the existing EPCG Scheme shall apply insofar as they are not inconsistent with this scheme.
- (i) The CG imported under paragraph 5.12 of FTP shall not be disposed of till the date of last export for offsetting EO against such CG.
- (j) In case of re-export of CG found defective or unfit for use as per the provisions of paragraph 5.25 of HBP if the exporter claims drawback on such re-export there would be no remission of duty under paragraph 5.12 of FTP.

5.29 Green Technology Products

The Export Products covered under Paragraph 5.10 of FTP which provides for reduced export obligation of 75% for green technology products are:

- (i) Equipment for Solar Energy decentralized and grid connected products,
- (ii) Bio-Mass Gassifier,
- (iii) Bio-Mass/Waste Boiler,
- (iv) Vapour Absorption Chillers,
- (v) Waste Heat Boiler,

- (vi) Waste Heat Recovery Units,
- (vii) Unfired Heat Recovery Steam Generators,
- (viii) Wind Turbine,
- (ix) Solar Collector and Parts thereof,
- (x) Water Treatment Plants,
- (xi) Wind Mill, Wind Mill Turbine /Engine,
- (xii) Other Generating Sets –Wind powered,
- (xiii) Electrically Operated Vehicles –Motor Cars,
- (xiv) Electrically Operated Vehicles- Lorries and Trucks,
- (xv) Electrically Operated Vehicles–Motor Cycles/Mopeds, and
- (xvi) Solar Cells

- i Para 5.19(a) inserted vide Public Notice No. 10/2015-20 dated 22.05.2018
- ii. 5.04(a) is amended vide Public Notice No. 31/2015-20 dated 29.08.2018
- iii Para 5.14(b) is amended vide Public Notice No. 32/2015-20 dated 29.08.2018
- iv. Para 5.16(a) is amended vide Public Notice No. 22/2015-20 dated 31.07.2019

This document is only for ease of reference. The Hand Book of Procedure read with the relevant Public Notice will only have legal authority

CHAPTER 6

EXPORT ORIENTED UNITS (EOUs), ELECTRONICS HARDWARE TECHNOLOGY PARKS (EHTPs), SOFTWARE TECHNOLOGY PARKS (STPs) SCHEME AND BIO-TECHNOLOGY PARKS (BTPs).

6.00 Scheme

Policy relating to EOUs, EHTPs, STPs and BTPs Schemes is given in Chapter 6 of Foreign Trade Policy (FTP).

6.01 Application / Approval / Renewal of approval

- (a) For setting up an EOU, three copies of application as in ANF 6 A of Appendices & ANFs may be submitted to DC.
- (b) (i) Applications for setting up units under EOU scheme shall be approved or rejected by Units Approval Committee within 15 days, as per criteria indicated in Appendix 6A of Appendices & ANFs and sector specific conditions relating to approval as in Appendix 6B of Appendices & ANFs. In other cases, approval may be granted by DC after clearance by BOA.
- (ii) On approval, a Letter of Permission (LoP) / Letter of Intent (LoI) shall be issued by DC / designated officer to EOU/ EHTP / STP / BTP unit. LoP / LoI shall have an initial validity of 2 years to enable the Unit to construct the plant & install the machinery and by this time the unit should have commenced production. In case the unit is not able to commence production in initial validity of 2 years, an extension of one year may be given by the DC for valid reasons to be recorded in writing. Subsequent extension of one year may be given by the Unit Approval Committee subject to condition that two thirds of activities including construction, relating to the setting up of the Unit are complete and Chartered Engineer's certificate to this effect is submitted by the Unit. Further extension, if necessary, will be granted by the Board of Approval. Once unit commences production, LoP / LoI issued shall be valid for a period of 5 years for its activities. This period may be extended further by DC for a period of 5 years at a time.
- (c) Proposals for setting up EOU requiring industrial licence may be granted approval by DC after clearance of proposal by BOA (as per

Appendix 6 C of Appendices & ANFs) and Department of Industrial Policy and Promotion within 45 days on merits.

- (d) STP / EHTP complexes can be set up by Central Government, State Government, Public or Private Sector Undertakings or any combination thereof, duly approved by Inter-Ministerial Standing Committee (IMSC) in Ministry of Communication and Information Technology (Department of Electronics & Information Technology-DeitY). Application for setting up EHTP / STP unit shall be in format prescribed by DeitY and shall be submitted to officer designated by DeitY.
- (e) BTP can be set up by Central Government, State Government, Public or Private Sector Undertakings or any combination thereof. Application for setting up of BTP shall be submitted to Department of Bio-Technology (DoBT) and such applications which meet guidelines prescribed by DoBT will be approved and recommended to DGFT for notification. Application for setting up of BTP unit shall be submitted to officer designated by DoBT.
- (f) LoP / LoI shall specify item(s) of manufacture / service activity, annual capacity, projected annual export for first five years in dollar terms, Net Foreign Exchange (NFE) earnings, limitations, if any, regarding sale of finished goods, by-products and rejects in DTA and such other matter as may be necessary and also impose such conditions as may be required.
- (g) LoP / LoI issued to EOU / EHTP / STP / BTP units by concerned authority would be construed as an authorization for all purposes. Standard format for LoP for EOU is given in Appendix 6 D of Appendices & ANFs.
- (h) EOUs shall have separate earmarked premises for separate LoP. Similarly, EOUs may be approved on leased premises provided lease has been obtained from Government Department / Undertaking / Agency. However, in case lease is obtained from private parties, it shall have a validity period of five years from date of LUT and DC shall satisfy himself of genuine nature of lease.
- (i) On completion of approval period as provided for in Paragraph 6.05 of FTP, it shall be open to unit to continue under scheme or opt out of scheme. Where unit opts to continue, DC will extend approval period. If no intimation in this regard is received from unit within a period of six

months of expiry of approval period, DC will take action, suo motu, to cancel approval under EOU scheme and take further action in this regard. Where units give their option to continue after expiry of six months as stipulated above, DC will grant extension after obtaining approval of BOA.

6.02 Legal Undertaking (LUT)

- (a) Approved EOU / EHTP / STP / BTP unit shall execute an LUT with DC / Designated Officer concerned as in Appendix 6E of Appendices & ANFs.
- (b) All EOU / EHTP / STP / BTP units should have permanent e-mail address. No LUT for new units shall be executed unless unit has its permanent e-mail address and digital signature on said e-mail ID. In event of an EOU not having permanent e-mail address and digital signature, further imports and DTA sale shall not be permitted by DC.

6.03 Export of Goods and Services

- (a) Software units may undertake exports using data communication links or in form of physical exports (which may be through courier service also), including export of professional services.
- (b) EOUs shall be permitted to export jewellery on basis of a notional rate certificate issued by nominated agency. This rate will be based on prevailing Gold / US\$ rate and US\$ / INR rate in notional rate certificate. Certificate issued by nominated agency should not be older than 7 working days of date of shipment.
- (c) Exporter shall have flexibility to fix price and repay gold loan within 180 days from date of export. Price shall be communicated to nominated agencies who will issue a certificate showing final confirmation of rate to bank negotiating document, to ensure export proceeds are realized at this rate.
- (d) Gems & Jewellery EOUs may re-export imported goods and export domestically procured goods, including goods generated out of partial processing / manufacture. Besides, supply of unsuitable / broken cut and polished diamonds, precious and semi-precious stones upto 5% of value of imported or indigenously procured goods to DTA against valid Gems & Jewellery REP as applicable on payment of appropriate duty is also permitted.

6.04 Import / Domestic Procurement of Goods

Goods permitted to be imported / procured from DTA shall include:

- (a) Raw materials, components, consumables, intermediates, spares and packing materials.
- (b) Capital goods, whether new or second-hand, including inter-alia following and their spares:
 - (1) DG sets, captive power plants, transformers and accessories for all above.
 - (2) Pollution control equipment.
 - (3) Quality assurance equipment.
 - (4) Material handling equipment, like fork lifts and overhead cranes, mobile cranes, crawler cranes, hoists and stackers.
 - (5) Un-interrupted Power Supply System (UPS), Special racks for storage, storage systems, modular furniture, computer furniture, anti- static carpet, teleconference equipment, Servo Control System, Air-conditioners / Air conditioning system, panel for electricals and special data transmission cable.
 - (6) Security Systems
 - (7) Tools, jigs, fixtures, gauges, moulds, dyes, instruments and accessories.
- (c) Raw materials for making capital goods for use within unit.
- (d) Others including:
 - (1) Prototypes and technical samples for existing product(s) and product diversification development or evaluation.
 - (2) Drawings, blue prints, charts, microfilms and technical data.
 - (3) Office equipment, including PABX, Fax machines, projection system, Computers, Laptop and Server.
- (e) Spares and consumables for above items.
- (f) Any other items not mentioned above with approval of BOA.

6.05 Repair / Remaking of Jewellery

EOUs may import plain / studded gold / platinum or silver jewellery for export after repairs / remaking.

6.06 Conditions of Import

Import of goods by EOU / EHTP / STP / BTP units shall be subject to following conditions:

- (a) Goods shall be imported into EOU / EHTP / STP / BTP premises. However, agriculture and allied sectors and granite sector units in EOU may supply / transfer capital goods and inputs in farm / fields / quarries with prior intimation to jurisdictional Customs authorities, provided ownership of goods rests with EOUs. Granite sector would also be allowed to take spares upto 5% of value of Capital Goods to quarry site.
- (b) Procedure as prescribed under Customs/Central Excise rules for EOUs and units in EHTP / STP / BTP will be followed, and appropriate bond executed with Customs/Central Excise Authorities.
- (c)
 - (i) The period of utilisation of goods, including capital goods, shall be co-terminus with the validity of LoP.
 - (ii) However, imported tea shall be utilized within a period of 6 months from date of import. Similarly, export obligation against import of items {covered by Chapter 9 of ITC(HS)} and coconut oil shall be fulfilled within a period of 90 days from the date on which first import consignment is cleared by Customs Authorities. (iii) Further, in case of import of spices for VA purpose like crushing / grinding / sterilization or for manufacture of oils and oleoresins of pepper, cardamom and chillies (and not for simple cleaning, grading, re-packing etc.), EO shall be fulfilled within 120 days from the date of importation of first consignment. In case of import of spices (other than pepper, cardamom and chillies) for manufacture of spice oils and oleoresins, EO shall be fulfilled within 12 months.
- (d) Goods already imported / shipped / arrived before issue of LoP / LoI are also eligible for clearance as provided under para 6.01 (d) (ii) of FTP 2015-20 under EOU / EHTP / STP / BTP scheme without payment of

duty and/or taxes as applicable, provided, the said duties and/or taxes has not been paid and goods have not been cleared from Customs.

- (e) Consumption of inputs by the EOU / EHTP / STP / BTP unit shall be based on the Standard Input Output Norms (SION) provided that:
- (i) where no SION have been notified, generation of waste, scrap and remnants upto 2% of input quantity shall be allowed;
 - (ii) where additional items other than those given in SION are required as inputs or where generation of waste, scrap and remnants is beyond 2% of input quantity, use of such inputs shall be allowed by the jurisdictional DC within a period of three months from the date of and based on self declared norms, with the unit undertaking to adjust self-declared / ad hoc norms in accordance with norms as finally fixed by Norms Committee in DGFT;
 - (iii) in case of any difficulty in fixation of SION as above, BOA in consultation with Norms Committee in DGFT, will decide on a case to case basis.

6.07 Taking out of Fax Machines / Laptop / Computers outside approved premises

- (a) EOU / EHTP / STP / BTP units may install one fax machine at a place of its choice, outside premises of unit, subject to intimation of its location to concerned Customs authorities.
- (b) EOU / EHTP / STP / BTP units may, temporarily take out of premises of unit, duty and/or tax free laptop / computers and video projection systems for working upon by authorized employees.
- (c) EOU / EHTP / STP / BTP units may install personal computers not exceeding two in number, imported / procured duty and/or tax free in their registered / administrative office subject to DoR guidelines.
- (d) For IT and IT enabled services, persons authorized by software units may access facility installed in EOU / EHTP / STP / BTP unit through communication links.

6.08 Facility of working from a place outside the unit

Person(s) / employee(s) authorized by a unit of (i) IT related EOU or (ii) STP or (iii) EHTP or (iv) BTP may work from a place outside the said unit, subject to the following conditions:

- (i) There must be an Authorisation from the unit specifying the duration of such authorization.
- (ii) Responsibility for carrying out the work and supervision, if any, be that of the unit, which will be liable for any misuse.
- (iii) Export of the resultant products / services would take place only from the premises of the unit.

6.09 Leasing of Capital Goods

Value of imported capital goods financed through leasing companies or obtained free of cost and / or on loan / lease basis, shall also be taken into account for purpose of calculation of NFE as defined in FTP.

6.10 Net Foreign Exchange (NFE) Earnings

- (a) EOU / EHTP / STP / BTP unit shall be a positive net foreign exchange earner. NFE earnings shall be calculated cumulatively in the block period as per Paragraph 6.04 of FTP, according to the formula given below. Items of manufacture for export specified in LoP / LoI alone shall be taken into account for calculation of NFE.

$$\text{Positive NFE} = A - B > 0$$

Where 'NFE' is Net Foreign Exchange;

'A' is FOB value of exports by EOU / EHTP / STP / BTP unit;

'B' is sum total of CIF value of all imported inputs and CIF value of all imported capital goods, and value of all payments made in foreign exchange by way of commission, royalty, fees, dividends, interest on external borrowings / high sea sales during first five year period or any other charges. It will also include payment made in Indian Rupees on high sea sales. "Inputs" mean raw materials, intermediates, components, consumables, parts and packing materials.

- (b) If any goods are obtained from another EOU / EHTP / STP / BTP / SEZ unit, or procured from an international exhibition held in India, or

bonded warehouses or precious metals procured from nominated agencies, value of such goods shall be included under 'B'.

- (c) If any capital goods are imported duty and/or tax free or leased from a leasing company, received free of cost and / or on loan basis or transfer, CIF value of capital goods shall be included pro-rata, under 'B' for period it remains with units.
- (d) For annual calculation of NFE, value of imported capital goods and lump sum payment of foreign technical know-how fee shall be amortized as under:

1st – 10th year : 10%.

Provided that above amortization rates would be applicable only if an undertaking is given by a unit that it will not exit to DTA in the first 10 years. For existing units, proportionate Customs and excise duty must be paid where NFE is less than depreciation already claimed, before exit.

6.11 Maintenance of Accounts

- (a) EOU / EHTP / STP / BTP unit shall maintain proper account, and shall file digitally signed quarterly and annual report as prescribed in Annexure to Appendix 6E of Appendices & ANFs to DC / Designated Officer in DeitY / DoBT and Customs and Central Excise authorities. **In addition, STP unit shall file, every month, report of services classified in Annexure V of Appendix 6E of Appendices & ANFs in the 'Service Exports Reporting Form(SERF)' prescribed in Annexure VI of Appendix 6E of Appendices & ANFs to the designated officer in STP. Use of SERF would be limited to capturing information on services exports from STPs.**
- (b) Unit shall be able to account for entire quantity of each category of homogenous goods imported / procured duty and/or tax free, by way of exports, sales / supplies in DTA or transfer to other SEZ / EOU / EHTP / STP / BTP units and balance in stock. However, at no point of time, units shall be required to correlate every import consignment with its exports, transfer to other SEZ / EOU / EHTP / STP / BTP units, sales in DTA and balance in stock. Any matter for clarification as to whether goods are homogenous or not shall be decided by Units Approval Committee.

6.12 Monitoring of NFE

Performance of EOUs shall be monitored by Units Approval Committee as per guidelines given in Appendix 6F of Appendices & ANFs. Performance of EHTP / STP / BTP shall be monitored by DeitY / DoBT jointly with jurisdictional Customs authority.

6.13 Conversion of Scrap / Dust / sweeping of Gold / Silver / Platinum into Standard Bars

Scrap / dust / sweeping of gold / silver / platinum may be sent to Government of India Mint / private mint from EOU / EHTP / STP units and returned to them in standard bars in accordance with procedure prescribed by Customs authorities, or may be permitted to be sold in DTA on payment of applicable GST and compensation cess alongwith reversal of duties of Customs leviable under First Schedule of the Customs Tariff Act, 1975 availed as exemption on inputs, on basis of gold / silver / platinum content, as may be notified by Customs authorities.

6.14 DTA Supplies

Notwithstanding provision of DTA sales in Paragraph 6.08 of FTP, such DTA sales shall not affect application, to any goods, of any other prohibition or regulation affecting import thereof in force at the time, when such goods are imported. This also does not confer any immunity, exemption or relaxation at any time from any commitment or compliance with any requirements to which importer may be subject to under other laws or regulations.

6.15 Supplies to other EOU / EHTP / STP / SEZ / BTP Units

Supplies to other EOU / EHTP / STP / BTP / SEZ units shall be counted towards NFE provided that such goods are permissible for procurement by these units.

6.16 Transfer of Power from one Unit to another

Transfer of power from Captive Power plants (DG Sets) from one unit of EOU / EHTP / STP / BTP unit to another is permitted as prescribed in sector specific condition in Appendix 6B of Appendices & ANFs.

6.17 Supply of Precious / Semiprecious / Synthetic Stones from DTA

Supplier of precious and semi-precious stones, synthetic stones and processed pearls from DTA to EOUs shall be eligible for grant of Replenishment Authorisation at rates and for items mentioned in HBP. Procedure for submission of application for grant of Replenishment Authorisation as contained in relevant Chapter of HBP Vol. I shall be applicable. However, application shall be made to DC concerned. Such supplies to EOUs are not eligible for any of deemed export benefits under chapter 7 of the FTP 2015-20.

6.18 Application for grant of entitlements

Application for grant of all entitlements may be made to DC concerned.

6.19 Exports through Other Exporters

An EOU / EHTP / STP / BTP unit may export goods manufactured / software developed by it through other exporter, or any other EOU / EHTP / STP / BTP / SEZ unit subject to condition that:

- (a) Goods shall be produced in EOU / EHTP / STP / BTP unit concerned.
- (b) Level of NFE or any other conditions relating to imports and exports as prescribed shall continue to be discharged by EOU / EHTP / STP / BTP unit concerned.
- (c) Export orders so procured shall be executed within parameters of EOU / EHTP / STP / BTP schemes and goods shall be directly transferred from unit to port of shipment.
- (d) Fulfilment of NFE by EOU / EHTP / STP / BTP units in regard to such exports shall be reckoned on basis of price at which goods are supplied by EOUs to other exporter or other EOU / EHTP / STP / BTP / SEZ unit.
- (e) All export entitlements, including recognition as Status Holder would accrue to exporter in whose name foreign exchange earnings are realized. However, such export shall be counted towards fulfilment of obligation under EOU / EHTP / STP / BTP scheme only.

6.20 Others Entitlements

- (a) FOB value of export of an EOU / EHTP / STP / BTP unit can be clubbed with FOB value of exports of its parent company in DTA or vice versa for the purpose of according Export House and Trading House status.
- (b) Sectoral norms as notified by Government shall apply to FDI in service activities.
- (c) STP Units / EHTP Units / Software EOUs may also use all duty and/or tax free equipment / goods for training purpose (including commercial training), subject to condition that no duty free equipment / goods shall be installed outside premises of the unit for this purpose.
- (d) Export of iron ore shall be subject to decision of Government. Requirements of other conditions of exports like minimum export price / export in consumer pack etc. as per ITC (HS) shall apply in case raw materials are sourced from DTA and exported without further processing / manufacturing by EOU. Export of textile items shall be covered by bilateral agreements. Wood based units shall comply with direction of Supreme Court contained in its order dated 12.12.1996 in Writ (civil) No 202 of 1995- T.N. Godavarman Thirumulpad v/s Union of India and others with WP (Civil) No 171 of 1996 in regard to use of timber / other wood.

6.21 Sub-Contracting

- (a) Sub-contracting by EOU gems and jewellery units through other EOUs, or SEZ Units, or units in DTA shall be subject to following conditions:-
 - (i) Goods, finished or semi finished, including studded jewellery, taken out for sub-contracting shall be brought back to unit within 90 days.
 - (ii) No cut and polished diamonds, precious and semiprecious stones (except precious, semi- precious and synthetic stones having zero duty) shall be allowed to be taken out for sub-contracting.
 - (iii) Receive plain gold / silver / platinum jewellery from DTA / EOU / SEZ units in exchange of equivalent quantity of gold / silver / platinum, as the case may be, contained in said jewellery.

- (iv) EOUs shall be eligible for wastage as applicable as per Paragraph 4.60 of HBP for sub-contracting and against exchange.
- (v) DTA unit undertaking job work or supplying jewellery against exchange of gold / silver / platinum shall not be entitled to deemed export benefits under Chapter 7 of FTP.
- (b) Facility of getting job work done from DTA unit will be available subject to condition that goods are brought back to premises of unit on completion of job work.
- (c) Export of finished goods from job worker's premises may be permitted, provided such premises are registered with Central Excise/GST authorities. Where job worker is SEZ / EOU / EHTP / STP / BTP unit, export may be effected either from job worker's premises or from premises of unit. Export of such products from job worker's premises shall not be allowed through third parties as provided in FTP.
- (d) EOUs may be permitted to remove moulds, jigs, tools, fixtures, tackles, instruments, hangers and patterns and drawings to premises of sub-contractors, subject to condition that these shall be brought back to premises of units on completion of job work within a stipulated period. Raw materials may or may not be sent along with these goods.
- (e) In case of sub-contracting of production process abroad, goods may be exported from sub-contractor premises subject to conditions that at the time of clearance of goods, the EOU / EHTP / BTP / STP unit shall declare (i) the transaction value of the finished goods to be cleared from the sub - contractor's premises abroad; (ii) job work charges to be paid to the sub-contractor abroad; and (iii) value of intermediate goods; supported with documents like (a) sale price contract / or invoice for the finished goods, (b) job work contract and (c) the basis of arriving at the value of intermediate goods. The EOU / EHTP / BTP / STP unit shall also ensure full repatriation of foreign exchange declared as the transaction value of the finished goods cleared from the sub-contractor's premises abroad.

6.22 Contract Farming

EOUs engaged in production / processing of agriculture / horticulture / aquaculture products may, on basis of annual permission from Customs

authorities, take out inputs and equipments (specified in Appendix 6I of Appendices & ANFs) to DTA farm subject to following conditions:

- (a) Supply of inputs by EOUs to contract farm(s) shall be subject to input-output norms approved by DGFT / BOA.
- (b) There shall be contract farming agreement between EOU and DTA farmer(s).
- (c) Unit has been in existence for at least two years and engaged in export of agriculture / horticulture / aquaculture products; otherwise it shall furnish bank guarantee equivalent to duty and/or taxes foregone on capital goods / inputs proposed to be taken out, to Deputy / Assistant Commissioner of Customs, till unit completes two years.

6.23 Export through Exhibitions / Export Promotion Tour

EOU / EHTP / STP / BTP units may export goods for holding / participating in exhibitions abroad, with permission of DC, subject to following conditions:

- (a) Unit shall produce to Customs authorities letter in original, or its certified copy containing approval of DC. For gems and jewellery items, a self certified photograph of products shall also be submitted.
- (b) In case of re-import, such items, on arrival shall be verified along with export documents before clearance
- (c) Items not sold abroad shall be re-imported within 60 days of close of exhibition. However, in case exporter is participating in more than one exhibition within 45 days of close of first exhibition, then 60 days shall be counted from date of close of last exhibition. In case of exhibition in USA, the time period shall be 90 days instead of 60 days mentioned above.
- (d) In case of personal carriage of goods and for holding / participating in overseas exhibitions, value of such gems and jewellery shall not exceed US \$ 5 million.

6.24 Personal Carriage of Gems and Jewellery for Export Promotion Tours

Personal carriage of gold / silver / platinum jewellery, cut and polished diamonds, precious, semi-precious stones, beads and articles as samples upto

US \$ 1 million for export promotion tours, and temporary display / sale abroad by EOUs, is also permitted with approval of DC subject to following conditions:

- (a) EOU shall bring back goods or repatriate sale proceeds within 45 days from date of departure through normal banking channel.
- (b) Unit shall declare personal carriage of such samples to Customs while leaving country and obtain necessary endorsement.

6.25 Export through Show-rooms abroad / Duty free shops

Export of goods is also permitted for display / sale in permitted shops set up abroad or in showrooms of their distributors / agents. Items not sold abroad within 180 days shall be re-imported within 45 days.

6.26 Sale through Showrooms / Retail outlets at International Airports

EOUs may set up showrooms / retail outlets at International Airports for sale of goods in accordance with procedure laid down by Customs authorities. Items remaining unsold after a period of 60 days shall be exported or returned to respective EOUs.

6.27 Personal Carriage of Import / Export Parcels including through Foreign Bound Passengers

- (a) For Personal carriage of jewellery by foreign bound passenger, following documents shall be submitted by EOUs as proof of exports:
 - (i) Copy of shipping bill filed by EOUs;
 - (ii) A copy of Currency Declaration Form filed by Foreign buyer with Customs at time of his arrival; and
 - (iii) Foreign Exchange Realisation / Encashment Certificate from Bank.
- (b) In addition to this, Personal Carriage by foreign bound passenger on Document Against Acceptance (DA) / Cash On Delivery (COD) basis is also allowed. EOUs will have to furnish following documents as proof of exports:-
 - (i) Copy of Shipping Bill;

- (ii) Bank Certificate of Export and Realisation.
- (c) Procedure for personal carriage of import parcels will be same as for import of goods by airfreight except that parcels shall be brought to Customs by EOUs / foreign national for examination and release. Instructions issued by Customs authorities in this regard should be followed mutatis mutandis.
- (d) Personal carriage of parts by foreign bound passengers shall be allowed in case same are required for repairs of exported goods at customer site. Following documents should be submitted as proof of exports:
 - (i) Permission letter from Customs for exports.
 - (ii) Invoice with value (for payment or free of charge).

6.28 Replacement / Repair of Imported / Indigenous Goods

- (a) Units may send capital goods abroad for repair with permission of Customs authorities. Any foreign exchange payment for this purpose will also be allowed. However, no permission will be required for sending capital goods for repair within country.
- (b) EOU / EHTP / STP / BTP units may, on basis of records maintained by them and prior intimation to Customs authorities:
 - (i) Transfer goods to DTA / abroad for repair / replacement, testing or calibration and return.
 - (ii) Transfer goods for quality testing / R&D purpose to any recognised laboratory / institution upto Rs. 5 lakh per annum without payment of duty and/or taxes as applicable in such cases on giving suitable undertaking to Customs for return of goods. However, if goods have been consumed / destroyed in process of testing etc. a certificate from laboratory / institution to this effect be furnished to Customs.

6.29 Samples

- (a) EOU / EHTP / STP / BTP units may on basis of records maintained by them, and on prior intimation to Customs authority, supply or sell samples in DTA for display / market promotion on payment of excise duty, if applicable, and/or payment of GST and compensation cess

alongwith reversal of duties of Customs leviable under First Schedule to the Customs Tariff Act, 1975, if availed on inputs.

- (b) Remove samples without payment of duty and/or taxes on furnishing a suitable undertaking to Customs authorities for bringing back samples within a stipulated period.
- (c) An EOU may export free samples, without any limit, including samples made in wax moulds, silver mould and rubber moulds through all permissible mode of export including through courier agencies / post. For statutory requirement of Stability & Retention sample with manufacturer, an EOU / EHTP / BTP / STP unit may reimport with or without payment of duties/taxes as provided at para 6.01(d)(ii) of FTP those samples, which were exported by it, under intimation to Custom Authorities, and FOB value of such samples shall not be counted for NFE purpose and other export benefits, if any.
- (d) An EOU, on basis of records maintained by them and on prior intimation to Customs authorities, may send samples to other EOUs for display on returnable basis within a period of 30 days.

6.30 Donation of Computer and Computer Peripherals

EOU / EHTP / STP / BTP unit may be allowed by Customs authorities concerned to donate imported / indigenously procured (bought or taken on loan) computer and computer peripherals, including printer, plotter, scanner, monitor, keyboard and storage units without payment of duty other than applicable taxes under GST Law, two years after their import / procurement and use by units, to a school run by Central Government, or Government of a State or, a Union Territory or, a local body; an Educational Institution run on non-commercial basis by any organization; a Registered Charitable Hospital; a Public Library; a Public Funded Research and Development Establishment; a Community Information Center run by Central Government or, Government of a State or, a Union Territory or local body; an Adult Education Center run by Central Government or, Government of a State or, a Union Territory or a local body; or an organization of Central Government or, a Government of a State or, a Union Territory as per Customs / Central Excise notification.

6.31 Distinct Identity

If an industrial enterprise is operating both as a domestic unit as well as an EOU / EHTP / STP / BTP unit, it shall have two distinct identities with

separate accounts, including separate bank accounts. It is, however, not necessary for it to be a separate legal entity, but it should be possible to distinguish imports and exports or supplies effected by EOU / EHTP / STP / BTP units from those made by other units of enterprise.

6.32 Unit Approval Committee for EOUs

(a) Composition of Unit Approval Committee shall be as under:

Development Commissioner : Chairperson

Jurisdictional Commissioner of
Central Excise & Customs or nominee : Member

Joint DGFT or nominee : Member

Joint / Deputy Development
Commissioner of the Zone : Member

Any other nominee of any Department / Agency as special invitee

(b) Powers and functions of Unit Approval Committee of EOUs shall be as under:

(i) To consider applications for setting up EOUs. Items of manufacture requiring industrial licence under Industrial (Development & Regulation) Act, 1951 shall be considered by BOA.

(ii) to consider and permit conversion of units in SEZ to EOU;

(iii) to monitor performance of units;

(iv) to supervise and monitor permission, clearances, licences granted to units and take appropriate action in accordance with law;

(v) to call for information required to monitor performance of unit under permission, clearances, licenses granted to it;

(vi) to perform any other function delegated by Central Government or its agencies;

(vii) to perform any other function as may be delegated by State Governments or its agencies; and

(viii) to grant all approvals and clearances for establishment and operation of EOUs

6.33 Approval of EHTP / STP / BTP Units

In case of units under EHTP / STP scheme, necessary approval / permission shall be granted by officer designated by DeitY / Director (STPI). Designated officer shall also exercise powers of adjudication under Section 13 read with Section 11 of FT (D&R) Act, 1992, as amended, in respect of STP / EHTP as mentioned in Gazette Notification No. S.O. 106 (E) dated 30-1-2006. Similarly in case of units under BTP, necessary approval / permission shall be granted by officer designated by DoBT. However, designated officers shall adopt criteria for automatic approval of new units as laid down in Appendix 6A of Appendices & ANFs.

6.34 Administration of EOUs / Powers of DC / Designated Officer

DC / Designated Officer shall have following powers in respect to units. Jurisdiction of DC is given in Appendix 6J of Appendices & ANFs.

- (1) Conversion of sick / closed DTA unit into EOU;
- (2) Conversion of EOU to STP / EHTP / BTP and vice-versa as per prescribed procedure;
- (3) To allow increase in value of capital goods in terms of Indian Rupees, on account of foreign exchange rate fluctuations;
- (4) To permit capacity enhancement without any limit in case of de-licensed industries only;
- (5) Permit broad-banding for similar goods and activities mentioned in LoP or to provide for backward or forward linkages to existing line of manufacture;
- (6) Authorize change in name of company or implementing agency and change from a company to another provided new implementing agency / company undertakes to take over assets and liabilities of existing unit;
- (7) Permit change of location from place mentioned in LoP to another and / or include additional location provided that no change in other terms and conditions of approval is envisaged and that new location is within territorial jurisdiction of DC / Designated Officer;

- (8) Extend validity period of LoP beyond initial validity period of LoP (except in case where there is a restriction on initial period of approval, like setting up of oil refinery projects) as per Paragraph 6.05 (a) of FTP;
- (9) Cancel LoP wherever warranted;
- (10) Permit merger of two or more units into one unit provided units fall within jurisdiction of same DC / Designated Officer subject to condition that activities are covered under provision of broad banding;
- (11) Exercise powers of adjudication under Section 13 read with Section 11 of FT (D&R) Act, in respect of EOUs as mentioned in Gazette Notification No. SO. 194(E) dated 6.3.2000;
- (12) Do valuation of exports declared on SOFTEX form by EOUs as per RBI A.D. (M.A Series) Circular AP (DIR series Circular No. 9 dated 25.10.2001);
- (13) Issue eligibility certificates for grant of employment visa to low level foreign technicians to be engaged by EOUs as per Ministry of Home Affairs letter No. 25022/7/ 99- F.1 dated 20.9.1999;
- (14) Registration-cum-Membership Certificate Function as a Registering authority for EOU / EHTP / STP / BTP unit. A separate Registration-cum - Membership Certificate shall not be required in their cases as provided for in Paragraph 2.44 of FTP except in case of spices. In case of spices, it would be mandatory for units to get themselves registered with Spices Board also;
- (15) Importer Exporter Code No. Allot Importer - Exporter Code number for EOUs, if same has already not been allotted to entity;
- (16) Green Card Issue of Green Card automatically after execution of LUT;
- (17) Grant / renewal of Status Certificate in respect of EOUs provided it does not involve clubbing of FOB value of exports of its parent company in DTA;
- (18) Publicity of EOU / EHTP / STP / BTP Scheme under their jurisdiction.

6.35 Change of Location / Inclusion of Additional Location with BOA Approval

BOA may consider change of location of EOU / EHTP / STP / BTP unit from place mentioned in LoP to another and / or to include additional location outside territorial jurisdiction of original DC / Designated Officer, subject to such conditions as BOA may decide.

6.36 Clearance of Capital Goods in DTA

Clearance of capital goods, including second hand, in DTA shall be allowed as per para 6.15(b) of FTP and import policy in force on date of such clearance.

6.37 Depreciation Norms

Depreciation up to 100% is permissible for Computers and Computer peripherals in 5 years and 10 years in case of other items.

(a) Depreciation Norms for Computers and Computer Peripherals:

Depreciation for computers and computer peripherals shall be as follows.

10% for every quarter in first year;

8% for every quarter in second year;

5% for every quarter in third year;

1% for every quarter in fourth and fifth year.

(b) Depreciation Norms for Other Capital Goods:

For capital goods, other than above, depreciation rate would be as follows:

4% for every quarter in first year;

3% for every quarter in second and third year;

2.5% for every quarter in fourth and fifth year;

2% for every quarter thereafter.

6.38 Conversion

- (a) Existing DTA units, may also apply for conversion into an EOU /EHTP / STP / BTP unit, but no concession in duties and taxes would be available under scheme for plant, machinery and equipment already installed. For this purpose, DTA unit may apply to DC / Designated Officer concerned in same manner as applicable to new units. In case there is an outstanding export commitment under EPCG scheme / Advance Authorization Scheme, it will follow the procedure laid down in Appendix 6M of Appendices & ANFs.
- (b) Existing EHTP / STP / BTP units may also apply for conversion / merger to EOU unit and vice-versa. In such cases, units will continue to avail permissible exemption in duties and taxes as applicable under relevant scheme. EHTP / STP / BTP units desiring conversion as an EOU may apply to DC concerned through Officer designated by DeitY / DoBT in same manner as applicable to new units. Likewise, EOU desiring conversion into EHTP / STP / BTP may apply to officer designated by DeitY / DoBT through DC concerned.
- (c) An EOU may be shifted to SEZ with approval of DC provided EOU has achieved pro-rata obligation under EOU scheme.

6.39 Revival of Sick Units

Subject to a unit being declared sick by appropriate authority, proposals for revival of unit or its take over may be considered by BOA. Guidelines on revival of sick units are given in Appendix 6L of Appendices & ANFs.

6.40 Fast Track Clearance Procedure

- (a) Eligibility:
EOUs having a status holder certificate under FTP shall be eligible for Fast Track Clearance Procedure.
- (b) Examination of Import Cargo: Status holder units shall be exempted from examination of import cargo at port of import. However, jurisdictional Commissioner of Customs may examine consignments at unit's place on random basis.
- (c) Deleted

- (d) Installation of Fax Machine / Computers: Eligible EOUs may install one fax machine and two computers in their administrative / registered office outside premises of the unit under prior intimation to jurisdictional Asstt. / Deputy Commissioner of Customs.
- (e) Procurement of DG sets: Procurement of DG set of capacity commensurate with actual requirement of unit shall be permitted under intimation to DC and jurisdictional Customs authority.
- (f) Temporary removal of Capital Goods: Eligible EOU may remove their capital goods or parts thereof for repairs under prior intimation to jurisdictional Asst. / Deputy Commissioner of Customs or Central Excise.
- (g) Personal carriage of samples: Personal carriage of samples of Gems & Jewellery by status holder EOUs are allowed subject to limit fixed in Paragraph 6.24 without a need for prior permission from DC / Customs.
- (h) Activities which do not require permission: In respect of following activities of a status holder, permission will not be required from DC or jurisdictional Central Excise/Customs authority: DTA sale of finished products in terms of Paragraph 6.08(a) of FTP; Participation in exhibition and Personal carriage of Gems & Jewellery for export promotion tours subject to fulfilment of conditions of Paragraph 6.24 of HBP. However, prior intimation thereof needs to be given.

6.41 Time Bound Disposal of Applications

DC shall dispose of applications expeditiously. Following time schedule shall normally be followed to dispose of applications provided application is complete in all respects and is accompanied with prescribed documents.

S. No.	Category of Application	Time limit for disposal (days)
1	Issue of LoP / LoI	15
2	Conversion of LoP / LoI	15
3	Acceptance of LUT	3
4	Renewal of LUT	3
5	Permission for broad banding / Diversification	3

6	Permission for change in locations	7
7	Permission for Advance DTA sale	2
8	Permission for merger of units	7
9	Permission for enhancement of production	3
10	Cancellation of LoP	3
11	Permission for debonding / exit	7
12	Permission for DTA sale	2
13	Eligibility certificate for employment visa for lower level technicians	2
14	Issue of Green Card	2
15	Renewal of Green Card	Same Day
16	Permission to lease CG	1
17	Permission for disposal of scrap / waste	2
18	Permission for change in name	2
19	Inter Unit Transfer	2
20	Wastage Norms, ad-hoc	2
21	Permission for re-import	Same day
22	Permission for re-export	Same day
23	Permission for replacement / repair of goods	Same day
24	Allotment of I.E. Code	1
25	Authorization of softex form	1
26	Reimbursement of CST claims	7
27	Issue of GSP Certificate	Same day
28	Permission for conversion of EOU to STPI, EPCG	5
29	Permission of final exit of EOU	5
30	Permission of extension of EOU	2
31	Permission to allow increase in value of CG	2
32	Permission for export through exhibition / tour	2
33	Reimbursement of Duty Drawback / TED	7

HBP changes in Red after 5.12.2017 (Chapter 6)

(1)

Para 6.11 Maintenance of Accounts

- (a) EOU / EHTP / STP / BTP unit shall maintain proper account, and shall file digitally signed quarterly and annual report as prescribed in Annexure to Appendix 6 E of Appendices & ANFs to DC / Designated Officer in MeitY / DoBT and Customs and Central Excise authorities. In addition, STP unit shall file, every month, report of services classified in Annexure V of Appendix 6E of Appendices & ANFs in the 'Service Exports Reporting Form(SERF)' prescribed in Annexure VI of Appendix 6E of Appendices & ANFs to the designated officer in STP. Use of SERF would be limited to capturing information on services exports from STPs.

(Amendment as per PN No. 45/2015-20 dated 26.11.2019)

This document is only for ease of reference. The Hand Book of Procedure read with the relevant Public Notice will only have legal authority.

CHAPTER 7

DEEMED EXPORTS

7.00 Policy

Policy relating to Deemed Exports is given in Chapter-7 of FTP 2015-20.

7.01 Procedure for claiming Benefits

- (a) Supplier / Recipient of goods shall submit application for claiming deemed export benefits, in ANF-7A, along with the documents prescribed therein, to the concerned RA.
- (b) In case of supply of goods to an EOU, claim shall be filed with the concern Development Commissioner. A DTA Unit shall claim benefits from the concerned RA.

7.02 Criteria for claiming Benefits

- (a) (i) In respect of supply of intermediate goods to Advance Authorisation/ DFIA holder, against Invalidation Letter, issued in terms of Paragraph 4.13 of HBP, application to obtain Advance Authorisation for import of duty free inputs, as provided under chapter 4 of FTP 2015-20, shall be made as per procedures given in Chapter 4 of HBP. For supplies against invalidation letter, TED refund shall be given in accordance with para 7.03(c) of FTP 2015-20, provided, there is no exemption.
- (ii) In respect of supply of goods to Advance Authorisation/ DFIA, against ARO, procedure given in Chapter 4 of the HBP shall be followed. TED refund for supplies against ARO shall be allowed in accordance with para 7.03(c) of FTP 2015-20, provided, there is no exemption. Duty Drawback shall be allowed on basic custom duty paid on inputs used in such supplies.

- (b) In respect of supply of goods to EOU/ EHTP/ STP/ BTP, Advance Authorisation/ DFIA can be obtained as per procedure given in the Chapter 4 of HBP for exemption from payment of Terminal Excise Duty, procedure as per Excise Circular number 851/9/2007-CX dated 3.5.2007 read with circular No. 10/2009-Cus dated 25.2.2009, shall be followed for removal of goods against CT-3. TED refund shall be given for supply of goods to EOU / EHTP / STP / BTP in accordance with para 7.03(c) of FTP 2015-20, provided, there is no exemption. In case Advance Authorisation, as provided in chapter 4 of FTP 2015-20, is not obtained for import of duty free inputs against such supply, drawback claim for duty paid on inputs, used in the resultant product, shall be filed with the DC concerned. A DTA Unit shall claim benefits from the concerned RA.
- (c) In respect of supply of goods to an EPCG Authorisation holder, against Invalidation Letter, application for Advance Authorisation/ DFIA shall be made as per procedures given in Chapter 4 of HBP. If Advance Authorisation / DFIA is not obtained for duty free inputs, Duty drawback shall be allowed on basic custom duty paid on inputs used in the resultant product.
- (d) In respect of supply of goods to other categories as listed in the Paragraph 7.02 (e), (f), (g) & (h) of FTP, Advance Authorisation/ DFIA for import of duty free inputs as provided under chapter 4 of FTP 2015-20 may be obtained against Project Authority Certificate as per Appendix- 7C. However, if Advance Authorisation/ DFIA is not obtained against such supplies for duty free inputs as provided in chapter 4 of FTP 2015-20, claim for duty drawback for duty may be filed as per ANF-7A. TED refund for projects mentioned in para 7.08(iii)(a) of FTP 2015-20 in respect of eligible items of supply covered under schedule IV of Central Excise Act, 1944, shall be available provided there is no exemption.

7.03 Eligibility criteria for claiming TED / Drawback

- (a) Application can be filed either by supplier or by recipient of goods, having IEC Number.

- (b) Application can be made by Registered office / Head office / Branch office or Manufacturing unit.
- (c) In case supplier files claim for TED refund, it shall obtain a certificate for non-availment of CENVAT credit from the recipient of goods as per Annexure - I to ANF-7A and submit the same. In case recipient of goods is an applicant, then the applicant itself shall submit such certificate.
- (d) Deleted
- (e) In case recipient unit files claim for TED / Duty Drawback, disclaimer certificate as prescribed in the Annexure-III to ANF-7A shall be obtained from supplier and shall be submitted along with the application. In case supplier of the goods is an applicant then the disclaimer certificate from the recipient of the goods shall be submitted.
- (f) Claim can be filed only after payment is received in full, to the extent of supplies made.
- (g) Claim can be filed against payment received through normal banking channel, as per e-BRC. In other words, supply documents have to be negotiated through bank only. In respect of supplies covered under Paragraph 7.02 (e) to (h) of the FTP 2015-20, payment certificate issued by Project Authority, in APPENDIX-7D, has also to be submitted.
- (h) Sub-contractor can also file claim provided its name is endorsed in the Project Authority Certificate / Contract before supply of such goods.

7.04 Procedure for claiming TED refund on Fuel

For supply of High Speed Diesel (HSD) from Depots of domestic oil Public Sector Undertakings under Paragraph 7.02(b) of FTP 2015-20, terminal excise duty shall be refunded on the basis of duty paid certificate issued by concerned domestic oil Public Sector Undertaking in the format given in Annexure-IV to ANF-7A. Duty refund will be allowed for quantity of HSD procured by EOU / EHTP / STP / BTP unit for its production activities, as certified by concerned DC / Bond authorities.

7.05 Frequency of application and time period for claiming TED / Drawback

- (a) In respect of supplies covered in Paragraphs 7.02 (a) to (d) of FTP 2015-20, application for TED refund / drawback (whichever applicable) may be filed within 12 months from the date of realisation of 100% payment against such supplies. In cases where payment is received in advance and supply is made subsequently, in such cases application can be filed within 12 months from the last date of such supplies. Claim can be filed 'Invalidation Letter / ARO wise' against individual Authorisation within the time limit as specified above.
- (b) In respect of supplies covered in Paragraphs 7.02 (e) to (h) of FTP 2015-20, claim may be filed either on the basis of proof of supplies effected or payment received. Claims should be filed within a period of twelve months from date of receipt of supplies by project authority or from date of receipt of the payment by supplier as per the option of applicant, either against a particular project or all the projects. Claims may also be filed where part payments have been received. Deemed export benefits may be allowed after 100% supplies have been made. However, benefit will be limited to the extent of payment received.

7.06 Rate of Drawback

Normally drawback may be allowed as per All Industry Rate fixed by DoR in the Drawback Schedule where no CENVAT credit has been availed by supplier of goods. However, an application in ANF-7A, along with documents prescribed in ANF-7A & Appendix-7E, may be made to RA or DC concerned, as the case may be, for fixation of brand rate where All Industry Rate of Drawback is not available or same is less than 4/5th of duties actually paid on raw materials or components used in the production or manufacture of the said goods.

7.07 Time barred / supplementary claim

In case claim is filed after prescribed time period, provision of late cut, under Paragraph 9.02 of HBP and provision of supplementary claim under Paragraph 9.03 of HBP shall be applicable.

7.08 Exemption from payment of TED

For claiming exemption from payment of terminal excise duty, wherever applicable, procedure prescribed by Central Excise Authority shall be followed.

7.09 Applicability of other Rules

Subject to procedure laid down in HBP, Customs and Central Excise Duties and Service Tax Drawback Rules, 1995 or Customs and Central Excise Duties Drawback Rules, 2017, as the case may be, shall apply mutatis mutandis to deemed exports scheme.

7.10 Payment of interest

- (a) RA shall make payment within 30 days from the date of issuance of Approval Letter. In case payment is not made within the time period as given above, then RA shall add interest component, along with principal amount, in accordance with Paragraph 7.09 of the FTP 2015-20. No separate application for claiming interest is required to be made. A single mandate shall be issued to the bank for principal amount and interest.
- (b) If interest is not added by RA/DC, a separate application, as per ANF-7B may be filed, within 30 days from the date of receipt of principal amount. No interest shall be paid thereafter. RA shall maintain separate account for disbursement of principal amount and interest for accounting purpose.

- (c) RA shall submit a monthly report regarding disbursement of deemed exports claims, in the proforma as given in Appendix-7F. Wherever interest is paid, RA shall inform the reason for payment of interest. Report shall be sent at the email ID ddgdbk@nic.in.

7.11 Internal Audit Mechanism

The zonal offices of Additional DGFT shall constitute Audit team in their offices as per Paragraph 7.10 of FTP 2015-20 and shall carry out post Audit.

Amendment in FTP after 5.12.2017 (Mid term review)

Para 7.06- Amended vide Public Notice No. 40/2015-20 dated 31.10.2019.

This document is only for ease of reference. The Hand Book of Procedure read with the relevant Public Notice will only have legal authority.

Chapter 7A

Transport and Marketing Assistance for Specified Agriculture Products

7(A).00 Policy

Policy relating to Transport and Marketing Assistance (TMA) for Specified Agriculture Products scheme is given in Chapter 7(A) of FTP 2015-20. A copy of Department of Commerce's Notification No. 17/3/2018-EP (Agri.IV) dated 27.2.2019, **as amended from time to time** is given in **Appendix 7(A)A**.

7A.01 Procedure for claiming Transport and Marketing Assistance

- (a) Application for claiming assistance under this scheme can be filed by registered and eligible exporter, having a valid RCMC issued by the Competent Authority.
- (b) The application can be made by Corporate office/Registered office / Head office or Manufacturing unit. Application for TMA would be filed to the RAs headed by Additional DGFT. Applicant shall have option to choose Jurisdictional RA headed by Additional DGFT on the basis of address of its Corporate office/Registered office / Head office / Branch office or Manufacturing unit. Jurisdiction of RA headed by Addl. DGFT is specified in **Appendix-7(A)B**. The option of the RA needs to be exercised while making first application under this scheme. Once an option is exercised, no change would be allowed for further claims under the scheme. **The units under SEZs/EoUs/FTWZ shall file applications for TMA to the RAs headed by Additional DGFT in whose geographical jurisdiction address of the applicant falls.**
- (c) The application shall be filled up online on DGFT's website (<http://dgft.gov.in/>) alongwith the application fee as prescribed in **Appendix-2K**. A physical pdf copy of the print out of ANF-7(A)A along with prescribed documents shall also be filed manually with RA concerned within 30 days. Login procedure for entering into the application shall be the same as for other ECOM applications. A File number will be generated by the website on completion of successful submission of application.
- (d) Application(s) for claim of TMA will be made on quarterly basis i.e. for the shipments made in a particular quarter. Online claims

should be filed within a period of one year from the completion of the quarter in which exports have been made. For example, for the exports made in the quarter April to June, 2019; the claim can be filed by 30.6.2020. Similarly, applications for the claim for 1.3.2019 to 31.3.2019 can be filed upto 31.3.2020.

- (e) TMA claim would be available on shipment basis. All claims for shipments made in a particular quarter should be bunched together and submitted as a single application along with Chartered Accountant (CA) / Cost and Works Accountant (ICWA)/ Company Secretary (CS) certificate in the format as given in Annexure A to ANF-7(A)A.
- (f) Non-submission of the physical copy of the application alongwith prescribed documents within 30 days after filing online, incomplete or deficient applications shall result in non-acceptance of application by DGFT and shall be rejected.

7(A).02 Documents Required

All applications should be submitted in ANF-7(A)A (duly filled up online) along with copies of following documents duly self certified:

- (i) **Self certified copy of shipping bill(s)/Airway bill(s).**
- (ii) Commercial Invoice;
- (iii) On board Bill of Lading, in case of shipment by sea;
- (iv) Certificate of Chartered Accountant (CA) / Cost and Works Accountant (ICWA)/ Company Secretary (CS) as per Annexure A to ANF-7(A)A.
- (v) **Bank Realisation Certificate.**

Exporters may refer to the instruction/guidelines given in Application form before filing online application and submitting physical copy with RA.

7(A).03 Other Conditions

- (a) The assistance shall be paid only to the exporter exporting the cargo and in whose name payment is realized in free foreign exchange through normal banking channels. The assistance will not be provided to the products notified as ineligible in Annexure (1) of DoC's Notification no. 17/3/2018-EP (Agri.IV) dated

27.2.2019, as amended from time to time. Similarly, the assistance is also not available for certain categories of exports notified as ineligible in para 7 of above said DoC's Notification.

- (b) The assistance would be given for export of eligible agriculture products to the destinations/countries as mentioned in Annexure (2) of DoC's above said Notification.
- (c) The assistance is limited to the rates as notified in Annexure (3) of DoC's above said Notification.
- (d) FOB supplies where no freight is paid by Indian exporters are not covered under this scheme.
- (e) The scheme is admissible for the exports made through EDI ports only.
- (f) Claim should be made only for Full Container Loads (FCLs) in case of shipment by sea and in the multiple of metric ton (ignoring any fraction thereof) in case of shipment by air. **However, for the fresh applications made on or after 28th April, 2020, in case of shipment by air, claims should be made in the multiple of Kilograms, ignoring any fraction thereof. Applications submitted before 28th April, 2020 cannot be modified from per ton basis to per kilogram basis.** A forty feet container will be treated as two TEUs. Less than Container Load (LCL) shipments/ twenty-foot equivalent unit (TEU) containing eligible and ineligible cargo should not be included in the application.
- (g) In case, the consignment in respect of which claim is taken is subsequently returned by the customer, the applicant would be liable to refund the assistance granted with interest at the rate of 15% per annum.
- (h) No application can be made after completion of one year of the quarter in which exports have been made. Hence, provisions of late cut as defined in para 9.02 of HBP and provisions of supplementary claims as given in para 9.03 of HBP are not applicable on this scheme.

7(A).04 Deficiency in the application

Deficiency in the application, if any, shall be communicated by the concerned RA to the exporter. Application submitted or completed beyond the prescribed last date would be summarily rejected.

7(A).05 Audit mechanism

- (a) 10% of the cases in which benefit(s) under this chapter has/have already been granted, would be selected on random basis. Where ever required, RA may call for original documents for verification. Failure to submit documents in original would make applicant liable to refund the assistance along with interest, from the date of issuance of assistance.
- (b) In case any discrepancy and/or over claim is found on such examination, the applicant shall be under obligations to rectify such discrepancy and /or refund the excess claimed with interest at the rate of 15% per annum on the recoverable amount within one month. Cases of fraud, misrepresentation/misdeclaration, falsification and fabrication of documents or other wilful default would be dealt as per penal provisions of the FTP/FT(D&R) Act 1992/FT(R) Rules 1993.
- (c) The RA may also reassess any case, where any erroneous/ineligible payment has been made/claimed. RA will take necessary action for recovery of excess obtained along with interest at the rate of 15% per annum on the recoverable amount.
- (d) In addition, Where ever required, RA may also cross check the facts/documents as submitted by exporter with the concerned issuing authority.

7(A).06 Miscellaneous

Any dues/recovery under the FTP/HBP, FT(D&R) Act 1992/FT(R) Rules 1993, would be deductible from the approved/future claims of TMA.

HBP changes in Red after 5.12.2017 (Chapter 7A)

Para 7(A).00, 7A.01(b), 7(A).02 - Amendment vide P.N. No. 12/2015-20 dated 25.06.2019.

Para 7A.03(f) - Amendment vide P.N. No. 05/2015-20 dated 12.05.2020.

This document is only for ease of reference. The Hand Book of Procedure read with the relevant Public Notice will only have legal authority

CHAPTER 8

QUALITY COMPLAINTS AND TRADE DISPUTES

8.01 Committee on Quality Complaint & Trade Dispute (CQCTD)

For effective dealing of quality complaints and trade disputes, a Committee on Quality Complaint & Trade Dispute (CQCTD) is constituted in the 22 offices of the DGFT. Name of the office, where CQCTD has been constituted and jurisdiction of CQCTD is given in the table below:

Sl. No.	Location of CQCTD	Designation of Chairperson	Jurisdiction of the CQCTD
<u>Northern Zone</u>			
1	Zonal Addl. DGFT, CLA, New Delhi	Addl. DGFT	Zonal DGFT, New Delhi; RA, Moradabad and RA, Dehradun
2	Jt. DGFT, Chandigarh	Jt. DGFT	RA, Chandigarh; RA, Jammu and RA, Srinagar
3	Jt. DGFT, Panipat	Jt. DGFT	RA, Panipat
4	Jt. DGFT, Jaipur	Jt. DGFT	RA, Jaipur
5	Jt. DGFT, Kanpur	Jt. DGFT	RA, Kanpur
6	Jt. DGFT, Ludhiana	Jt. DGFT	RA, Ludhiana and RA, Amritsar
7	Jt. DGFT, Varanasi	Jt. DGFT	RA, Varanasi
<u>Western Zone</u>			
8	Zonal Addl. DGFT, Mumbai	Addl. DGFT	Zonal DGFT, Mumbai; RA, Nagpur and RA, Panjim
9	Jt. DGFT, Pune	Jt. DGFT	RA, Pune
10	Jt. DGFT, Vadodara	Jt. DGFT	RA, Vadodara and RA, Gandhidham, Kutch
11	Jt. DGFT, Ahmedabad	Jt. DGFT	RA, Ahmedabad
12	Jt. DGFT, Surat	Jt. DGFT	RA, Surat
13	Jt. DGFT, Bhopal	Jt. DGFT	RA, Bhopal and Indore extn.office
<u>Eastern Zone</u>			
14	Zonal Addl. DGFT, Kolkata	Addl. DGFT	Zonal DGFT, Kolkata; RA, Patna; RA, Guwahati; RA, Shillong and RA, Raipur, Chhattisgarh
15	Jt. DGFT, Cuttack	Jt. DGFT	RA, Cuttack
<u>Southern Zone</u>			
16	Zonal Addl. DGFT, Chennai	Addl. DGFT	Zonal DGFT, Chennai and RA Puducherry
17	Jt. DGFT, Bangalore	Jt. DGFT	RA, Bangalore
18	Jt. DGFT, Hyderabad	Jt. DGFT	RA, Hyderabad
19	Jt. DGFT, Madurai	Jt. DGFT	RA, Madurai
20	Jt. DGFT, Coimbatore	Jt. DGFT	RA, Coimbatore
21	Jt. DGFT, Vishakhapatnam	Jt. DGFT	RA, Vishakhapatnam

8.02 Composition of the CQCTD

The CQCTD may comprise of the following members:

1. Additional DGFT/Joint DGFT/ (H.O.O): Chairperson
2. Representative of Bureau of India Standard (BIS): Member
3. Representative of Agricultural and Processed Food Products Export Development Authority: Member
4. Representative of the Branch Manager of the concerned Bank: Member
5. Representative of Federation of Indian Exporter Organisation / and OR Export Promotion Council: Member
6. Representative of Export Inspection Agency: Member
7. Nominee of Director of Industries of State Government: Member
8. Nominee of Development Commissioner of MSME: Member
9. Officer as nominated by Chairperson: Member Secretary
10. Any other agency, as co-opted by Chairperson: Member

8.03 Online Filing and Tracking of Quality Complaints/Trade Disputes

(i) A request for investigation and settlement of quality complaint/trade dispute would be filed online by an Indian/foreign entity at “www.dgft.gov.in>Services>File Quality/Trade Grievances>fill Online Application Form”. Such complaint would be submitted online to the jurisdictional Regional Authorities of DGFT/SEZs as well as to the concerned Indian Mission. On submission, a Unique Reference Number will be generated and sent to the email id of the complainant. The complainant can also upload supporting documents along with the complaint or later on.

(ii) Detailed procedure for filing the complaint/dispute has been provided in Trade Notices No.47/2015-20 dated 11.02.2019 and No. 08/2015-20 dated 26.04.2019. The Trade Notices are also available in DGFT website at the following link www.dgft.gov.in>Policies>Trade Notices.

8.04 Mechanism for resolving the Complaints

CQCTD in the Regional Authorities of the DGFT/SEZs or the Indian Missions would take up the matter with the concerned entity or authorities in their jurisdiction for resolving the complaint and would update status online on a regular basis. The facility of tracking and viewing status of the complaints/disputes by the complainant has also been provided.

8.05 Choice to pursue other options

This mechanism is to provide an additional window for resolution of complaints/disputes to create confidence in business environment in the country. Efforts would be made to resolve the complaints amicably and expeditiously. However this mechanism is only reconciliatory in nature. The aggrieved parties are free to pursue any other course of action including legal action against the erring party. Disputes between the two Indian parties or between the two foreign parties are not covered under this mechanism.

CHAPTER 9

MISCELLANEOUS MATTERS

9.01 Denomination of Import Authorisation/Licence/ Certificate/ Permissions

- (a) CIF value of Authorisation / FOB value of export obligation shall be indicated both in Rupees and in freely convertible currency(s) at the exchange rate(s) prevailing on Authorisation issue date.
- (b) Remittance of foreign exchange and discharge of export obligation against Authorisation shall be regulated in freely convertible currency.
- (c) No enhancement in Rupee value shall be necessary if remittance of foreign exchange is covered by CIF value of Authorisation shown in freely convertible currency.
- (d) However, on Advance Authorisation(s), issued for exports to ACU countries, export obligation shall be denominated and discharged in ACU dollars.
- (e) Export obligation in Advance Authorisation for intermediate supply and for deemed export, where supplies are to be made within the country, shall be denominated and discharged in Indian rupees.

9.02 Late Cut

Wherever any application for any fiscal/financial benefits under FTP complete in all respects is received after expiry of last date for submission of such application, the application may be considered after imposing a late cut in the following manner:

i.	Application received after the expiry of last date but within six months from the last date	2%
ii.	Application received after six months from the prescribed date of submission but not later than one year from the prescribed date	5%
iii.	Application received after 12 months from the prescribed date of submission but not later than 2 years from the prescribed date	10%

“Last date of submission of application, for the purpose of late cut, would be taken as that extended vide Public Notice No. 67/2015-20 dated 31st March, 2020.”ⁱ

- i. In MEIS applications which attracted a late cut as on 01.03.2020, the period between 01.03.2020 and 30.06.2020 shall not be counted and the last date for submission of various categories of applications attracting that late cut and the applicable cuts will be accordingly suitable re- determined.
- ii. For SEIS applications
 - a. For the services rendered in FY 2016-17, the last date of application with 10% late cut would be 30.06.2020 and after that date it would become time barred.
 - b. For the services rendered in the FY 2017-18, 5% late cut as was applicable on 31.03.2020, shall continue to be applicable for applications submitted till 30.06.2020, and thereafter 10% late cut would be applicable for applications submitted till 31.03.2021.ⁱⁱ

9.03 Supplementary Claims

- (i) Wherever any application for supplementary claim is received, within specified time limits, such application may also be considered after imposing a cut @2% on the entitlement
- (ii) Supplementary claims would be admissible under MEIS, only for certain HS Codes, for which rates under MEIS have been enhanced with a retrospective effect based on guidelines issued in this regard. In such cases, the supplementary cut @ 2% as in 9.03 (i) above shall not be applied.
- (iii) Supplementary claim under chapter 3 of the [FTP 2015-20](#) for any other reason would not be admissible.ⁱⁱⁱ

9.04 Furnishing of Information

Every importer/ exporter shall furnish such information within the stipulated time as may be called for by DGFT or any officer duly authorised. Failure to furnish the requisite information within the stipulated time shall warrant Penal action as laid down in the FTP or as per the FT(D&R) Rules,1993.

9.05 Clarifications on Policy/Procedure

A request seeking clarifications on any provision of FTP or HBP, importability or exportability of items under ITC(HS), made to DGFT in the form in ANF2F. Clarification may also be sought on E-mail.

9.06 Consumption Register

Importer shall maintain a register as in Appendix-4H (for 3 years period) of items imported under an Authorisation and separately for items imported with actual user condition and its consumption. In respect of particular schemes such register shall be maintained for specified period.

9.07 Export Facilitation

In order to resolve exporters' problems in a co-ordinated manner, field offices of DGFT shall act as Export Facilitation Centres and nodal agencies.

9.08 Standing Grievance Committee

For speedy redressal of genuine grievances of trade and industry pertaining to Export and Foreign Trade, Grievance Committees have been constituted chaired by (i) DGFT at Headquarters and (ii) head(s) of RA(s) in regional offices. Grievance Committee will include representatives of Federation of Indian Export Organisations (FIEO), Export Promotion Councils/ Commodity Boards, Development Authorities, and Government Departments/ technical authorities, Custom Authorities, GST Authorities, DGARM, Banks (Public and Private Sectors), Export Inspection Agencies/ Councils, ECGC, Industries Commissioner (State/UT), Export Commissioner (State/UT), General Manager (GM) District Industries Centre (DIC) as their members.^{iv}

9.09 Counter Assistance

- (a) While the endeavour of DGFT is to make filling/submission of all applications online, till the time the facility for online application is not available, applications will continue to be received at the counter.
- (b) For speedy disposal of applications, "Counter Assistance" will function in all offices of DGFT. An FTDO shall be in charge of counter in each office. On presentation of application at the counter, applicant would be advised whether his application is complete or there is any deficiency that needs to be rectified.
- (c) Counter Assistance may also be availed of for amendments of minor nature/enquiries. Applications, in such cases, will be received in regional offices at counter against a proper receipt. Authorisation / licence /list /enquiry shall be returned after carrying out necessary

amendments/ giving necessary reply as far as possible on the same day, across the Counter.

9.10 Time Bound Disposal of Applications

RA shall dispose of applications expeditiously. Following time schedule shall normally be followed to dispose of applications provided it is complete in all respects and is accompanied by prescribed documents.

S. No.	Category of Application	Time Limit For Disposal (in working days)
i	IEC Number	2
ii	Advance Authorisation where Input-Output norms are notified or under paragraph 4.07 of HBP, Advance Authorisation for Annual Requirement and DFIA.	3
iii	Fixation of input output norms	120
iv	Issuance of EPCG Authorisations	3
v	All Authorisations under Gem & Jewellery scheme	3
vi	Revalidation of Authorisation and extension of export obligation period by R.A	3
vii	Acceptance of BG/LUT	3
viii	Redemption/EODC of Advance Authorisation/ DFIA	15
ix	Redemption of EPCG Authorisations and release of BG /LUT.	30
x	Issuance/renewal of status certificate	3
xi	Amendment of any category of Authorisation	3
xii	Miscellaneous	10
xiii	Refund of DBK/ TED under deemed export	30
xiv	Fixation of Brand Rate for duty drawback	30
xv	Schemes of Chapter 3	3

In all the above cases, the number day is counted from the date of submission of complete application. Cases of undue delay in disposal of applications may be brought to notice of head of regional offices by way of

a written representation, which shall be promptly enquired into and responded to.

9.11 Date of shipment/Dispatch in respect of Imports

Date of shipment/dispatch for imports will be reckoned as under:-

S.No.	Mode of Transportation	Date of Shipment / Dispatch
(i)	By Sea	The date affixed on the Bill of Lading
(ii)	By Air	Date of relevant Airway Bill provided this represents date on which goods left last airport in the country from which the import is effected.
(iii)	From land-Locked Countries	Date of dispatch of goods by rail, road or other recognised mode of transport to consignee in India through consignment basis.
(iv)	By Post Parcel	Date stamp of office of dispatch on the packet or dispatch note
(v)	By Registered Courier Service	Date affixed on Courier Receipt / Waybill
(vi)	Multimodal Transport	Date of handing over goods to first carrier in a combined transport Bill of Lading

9.12 Date of Shipment/ Dispatch in respect of Exports

(A) Date of shipment/despatch for exports will be reckoned as under:

Sl. No.	Mode of Transportation	Date of Shipment / Dispatch
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(i)	By Sea	(a) For bulk cargo, date of Bill of Lading or date of mate receipt, whichever is later? (b) For containerised cargo, date of "Onboard Bill of Lading", or "Received for Shipment Bill of Lading", where the L/C provides for such Bill of Lading. For exports by containers from Inland Container Depot (ICD), date of Bill of Lading issued by shipping agents at the time of loading of export goods in ICD after customs clearance. (c) For Lash barges, date of Bill of Lading evidencing loading of export goods on board.
(ii)	By Air	Date mentioned by appropriate Officer of Customs on Shipping Bill, evidencing loading or handing over of goods to air cargo complex, which are not international airports, or by way of rotation of flight number and date.
(iii)	By Post Parcel	Date stamped on postal receipt
(iv)	By Rail	Date of RR (Railway Receipt)
(v)	By Registered Courier Service	Date affixed on Courier Receipt/ Waybill.
(vi)	By Road	Date on which goods crossed Indian border as certified by Land Customs Authorities.

- (B) However, wherever Procedural / Policy provisions have been modified to disadvantage of exporters, the same shall not be applicable to consignments already handed over to Customs for examination and subsequent exports up to Public Notice / Notification date.
- (C) Similarly, in cases where goods are handed over to the customs authorities before expiry of export obligation period but actual Exports take place after expiry of the export obligation period, such exports shall be considered within export obligation period and taken towards fulfilment of export obligation.

- (D) However, for benefit under FTP, Let Export Order (LEO) date shall be the date of reckoning of export.

9.13 General Power of Review

DGFT may, on his own or otherwise, call for records of any case pending with or decided by an officer subordinate to him or an officer of any EPC/FIEO including a Group/ Committee of officers nominated, appointed or authorised by him and pass such orders as he may deem fit.

ⁱ Amendment vide Public Notice No. 67/2015-2020 dated 31.03.2020.

ⁱⁱ Insert vide Public Notice No. 08/2015-2020 dated 01.06.2020.

ⁱⁱⁱ Amendment vide Public Notice No. 23/2015-2020 dated 05.08.2019.

^{iv} Amendment vide Public Notice No. 44/2015-2020 dated 05.01.2022.