TO BE PUBLISHED IN THE GAZETTE OF INDIA EXTRAORDINARY
(PART-I, SECTION-1)
GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY

Public Notice No.8 /2002-07
New Delhi: the 14th May, 2003

In exercise of powers conferred under paragraph 2.4 of the Export and Import Policy, 2002-07, the Director General of Foreign Trade hereby makes the following amendment in the Handbook of Procedures (Vol.1):

1. The following shall be added at the end of paragraph 2.9.5:

Each IEC holder (barring those who have obtained IEC in the preceding licensing year i.e 1.4.2002 to 31.3.2003) shall be required to furnish yearly details of imports/exports made by him in the preceding licensing year by 30th June. The information shall be furnished online by the IEC holder by accessing the website at www.nic.in/eximpol. Failure to submit the details by the stipulated period shall result in de-activation of such IEC for import/export purposes from 1st July.

In cases where the IEC holder has not made any import/ export in the preceding licensing year, such IEC shall be made inoperative from 1st of July.

The inoperative IEC may be reactivated upon furnishing a fee of Rs.500/- to the regional licensing authority.

2. Paragraph 2.31 is amended as under:

"Wherever an import licence/certificate/permission, including Customs Clearance Permit(CCP), is required under the Policy, the procedure contained in this chapter would be applicable".

3. Sub paragraph (i) of paragraph 2.34 pertaining to "import of ammunition by licenced arms dealers" is amended as under:-

(i) Shotgun Cartridges 28 bore;

4. Paragraph 2.53 shall be corrected to read as under:-

"For export of gifts and replacement goods in excess of the ceiling/period prescribed in paragraphs 2.32, 2.33 and 2.37 respectively of the Policy, an application may be made to the Director General of Foreign Trade".

5. Paragraph 3.12.1 is amended as under:

In addition, an exporter has the option to obtain an RCMC from FIEO or any other EPC, if the products exported by him relate to those EPC's. If the export product is such that it is not covered by any EPC, RCMC in respect thereof may be issued by FIEO.

6. The following shall be added at the end of paragraph 3.12:

"In respect of exporters having their head office/registered office in the State of Orissa, RCMC may be obtained from FIEO office in Bhubaneshwar irrespective of the product being exported by them".

7. Paragraph 3.18(a) shall be corrected to read as under:

Service providers (other than hotels and service provider in the tourism sector) fulfilling the criteria mentioned in paragraph 9.47 of the Policy shall be entitled to duty free imports equivalent to 10% of the average foreign exchange earned by them in the preceding three licensing years. However, hotels (having approval as three star or above categories by the Department of Tourism, Government of India) and other service providers in tourism sector registered with Deptt. of Tourism, Government of India shall be entitled to duty free imports equivalent to 5% of the average foreign exchange earned by them in preceding three licensing years.

8. The sub-paragraph after paragraph 4.6 (d)(iv) shall be amended to read as under:

"In respect of exporters who have exported in each of the preceding three licensing years and exporters falling in category (b) & (c) above, the 25% BG condition shall be imposed on the CIF value of advance licence(s) provided the CIF value does not exceed 200% of the FOB/FOR value of exports/supplies made in the preceding licensing year. Licence beyond 200% entitlement shall be subject to 100% BG on the value exceeding 200% entitlement. However, the entitlement may be re-credited on production of documentary evidence showing fulfillment of export obligation and realisation of foreign exchange.

In respect of applicant falling under d) above or falling under c) and d) both, the 25% BG condition shall be imposed on the CIF value advance licence(s) provided the CIF value does not exceed 200% of the domestic turnover or 200% of the FOB/FOR value of supplies whichever is higher. Licence beyond 200% entitlement shall be subject to 100% BG on the value exceeding 200% entitlement. However, the entitlement may be re-credited on production of documentary evidence showing fulfillment of export obligation and realisation of foreign exchange.

Notwithstanding anything stated above, merchant exporters (other than status holders and PSUs) shall be issued advance licence requiring them to provide 100% BG.

9. The following shall be added at the end of paragraph 4.7.1.

"However, in cases where ALC has already ratified the norms for the same export import product in respect of a licence obtained under paragraph 4.7, such norms shall be valid for a period of six months reckoned from the date of ratification. The licence holder in such cases shall be entitled for further licence(s) as per the norms ratified by ALC without the need for subsequent ratification by ALC. However, licensing authority after issuance of the licence shall forward such cases to ALC for consideration of fixation of Standard Input Output Norms. The total value of licence(s) obtained on such norms shall not exceed 100% of the FOB and/or FOR value of preceding year export/supply".

10. The last sub paragraph under paragraph 4.26 shall be corrected to read as under:

"Ordinarily, redemption of BG/LUT shall not preclude the customs authority from taking action against the licence holder for any misrepresentation, mis-declaration and default detected subsequently".

11. Paragraph 5.14 may be corrected to read as under:

In case, EPCG licence holder fails to fulfil the prescribed export obligation, he shall pay duties of Customs plus 15% interest per annum to the Customs authority as per paragraph 5.8.3.

12(a). The word and expression "strike out whichever is applicable" appearing in S.No.7 and 8 of Declaration/Undertaking given in Appendix-3 may be corrected to read as "strike out whichever is not applicable".

12(b). S.No.3 of list of documents to be enclosed with application form given in Appendix-3 may be amended to read as under:-

"One copy of passport size photograph of the applicant duly attested by the banker of the applicant"

12 (c). Following shall be added under the heading "Note" given in Appendix-3A:

"The IEC holder shall furnish the mandatory return as prescribed in paragraph 2.9.5 of the Handbook by the prescribed date failing which IEC number shall be made inoperative"

13. (a) The table at S.No 9 under Appendix-9 pertaining to "Application form for grant of licences for capital goods including computer, computer sub systems and service equipment under the EPCG Scheme" is amended as under:

9. Details of duty levied/ saved:

| Total effective basic Customs duty, additional Customs duty and Special Additional customs duty on items to be imported/deemed to be imported (in %) | Duty to be levied under EPCG scheme (in %age) | Duty saved (in %) | CIF value of imports/deemed imports (in equivalent rupees Rs.) | Duty Saved (in Rs.) |
|---|---|---|---|---|
| (1) | (2) | (3) = (1)-(2) | (4) | (5)= (3)*(4)/100 |
| | 5% | | | |

13. (b) The following shall be added at the end of S.No.VI of Declaration/Undertaking under Appendix 9:

'I/We hereby declare that in respect of goods for which nexus is not established, we shall pay to the Government Customs duty saved together with 15% interest on such products"

13(c) Sub paragraph (d)(i) of Appendix-9 A pertaining to "Statement of export/ redemption form under EPCG scheme" and Appendix-9B pertaining to "Statement of foreign exchange earnings and redemption form under EPCG scheme for service provider" is amended as under:-

(d)(i): Export obligation equal to five times of the CIF value of import/deemed import of capital goods or eight times the duty saved on import/deemed import of the capital goods as the case may be.

14. The following shall be added after S.No.10 in Appendix-10B:

10A: Whether supply is to EOU/SEZ /EHTP/STP: Yes [ ] No. [ ]
(Please tick the appropriate column)

15. The following countries are added in the table under the sub heading " Sub Saharan Africa" of Appendix-17 C pertaining to the "List of Countries, export to which entitled the grant of Export House Status at reduced threshold limit"

| S.No | Country | S. No | Country |
|---|---|---|---|
| 1A | Algeria | 29A | Morocco |
| 13 A | Egypt | 42A | Sudan |
| 24A | Libya ( excepting for export of goods listed in Appendix 31) | 45A | Tunisia |

16. Appendix- 20-A pertaining to "Proforma for Appeal" is deleted.

17. Condition number (x) of the "Form of legal Agreement/Undertaking" under Appendix-21A is corrected as under:

(x) That the party irrevocably undertakes that in the event of his default in meeting the aforesaid export obligations/conditions, they shall pay the applicable Customs Duties, 15% interest per annum on the amount of customs duties saved from the date of import of the first consignment till the date of payment and surrender where ever applicable any prescribed amount through TR challan to meet the shortfall in the export obligation as may be imposed on the licence/sanction/scheme. In addition to the aforesaid the party shall also abide by the conditions imposed by the relevant Customs notification for the Scheme.

18. Serial number 20 is amended and a new serial number 28A is added and under Appendix- 27 pertaining to "List of Export Promotion Councils/Commodity Boards".

| S. No. | Name of the Export Promotion Council | Address of the regd.office of the Council | Address of the Regional office(s) |
|---|---|---|---|
| 1. | 2. | 3. | 4. |
| 20. | Plastic Export Promotion Council | Crystal tower, Crystal Cooperative Housing Society Limited, Gundwali Road No.3, Off M.V Road, Andheri (East), Mumbai- 400005<br><br>Tel: 022-26833951/52<br>Fax: 022-26833953<br>E-Mail: plexconcil@vsnl.com | 306, Dohil chambers,<br>3rd floor,<br>46, Nehru Place,<br>New Delhi –19<br>Tel: 26445610<br>Fax:26236070 |
| 28A | Wool Industry Export Promotion Organisation (WOOLTEXPRO) | Churchgate Chambers,<br>7th Floor, 5 New Marine Lines, Mumbai-400020<br><br>Tel: 022-22624372<br>Fax: 022-22624675<br>E-Mail: iwmf@bom3.vsnl.net.in | |

19. The address of the branch of Central Bank of India under the State Head "UTTAR PRADESH/UTTRANCHAL" in Appendix-29A pertaining to "List of branches of Central Bank of India authorised to receive payments for application fee" is amended as under:-

**UTTAR PRADESH/UTTRANCHAL**

5. Pandu Nagar (Near Neer Ksheer Chauraha)
   Kanpur

20. Serial no.2 of Appendix-29 shall be amended to read as under:-

| **2. Scale of application fee** | **S.No** | **PARTICULARS** | **Amount of fee (in rupees)** |
|---|---|---|---|
| | **1.** | **Application for import licence (except for DEPB and EPCG) where the CIF value of goods specified in the application does not exceed Rupees Fifty thousand.** | **Two hundred** |
| | **2.** | **Application for import licence where the CIF value of the goods specified in the application exceeds Rupees Fifty thousand,** | **Two per thousand or part thereof subject to a minimum of Rs.Two hundred and maximum of Rs. One lakh and fifty thousand. However, for applications filed electronically, the fee would be Rs.1/1000 or part thereof subject to a minimum of Rs. Two hundred and maximum of rupees Rs. One lakh.** |
| | **3.** | **Application for import licence filed by SSI units where the CIF value goods specified in application does not exceed Rupees Two lakhs** | **Two Hundred** |
| | **4.** | **Application for grant of duplicate licence including Duty** | **Two hundred** |

| | | |
|---|---|---|
| | **Entitlement Pass Book.** | |
| **5.** | **Application for issue of certificate of Importer -Exporter Code Number (IEC).** | **One thousand** |
| **6.** | **Application for duplicate copy of IEC No.** | **Two hundred** |
| **7.** | **Application for issue of an Identity Card** | **Two hundred** |
| **8.** | **Application for issue of duplicate Identity Card.** | **One hundred** |
| **9.** | **Application for revalidation of an import licence** | **Two hundred** |
| **10.** | **Deleted** | |
| **11.** | **Application for Duty Entitlement Passbook (DEPB), Duty Free Credit Entitlement Certificate for service provider and Duty Free Credit Entitlement Certificate for status holder.** | **Five per thousand of duty credit subject to a minimum of Rs.Two hundred. However, for application filed electronically, Rs.2.50/1000 of duty credit subject to a minimum of Rs.200/-** |
| **12.** | **Application for Export Promotion Capital Goods (EPCG)** | **Rs.Five per thousand of duty saved subject to a minimum of Rs.Two hundred. However, for application filed electronically, Rs.2.50/1000 of duty credit subject to a minimum of Rs.200/-** |

21. Appendix 36A shall be amended as per annexure “A” attached with the public notice.

22. The following agri export zones are added in Appendix-15.

| S.No. | Product | State | Districts covered |
|---|---|---|---|
| 46. | Dehydrated onion & Garlic | Gujarat | Districts of Bhavnagar, Surendranagar, Amreli, Rajkot, Junagadh and Jamnagar districts. |
| 47. | Gherkins | Andhra Pradesh | Districts of Mahboobnagar, Rangareddy, Medak, Karimnagar, Warangal, Ananthapur and Nalgonda |
| 48 | Pomegranate | Maharashtra | Districts of Solapur, Sangli, Ahmedabagar, Pune, Nasik, Osmanabad |

This issues in public interest.

(L.Mansingh)
Director General of Foreign Trade

(F.No. 01/94/180/18/AM03/PC-IV)

Annexure –A

**APPENDIX 36-A**

**APPLICATION FORM FOR DUTY FREE ENTITLEMENT TO SERVICE PROVIDERS**

(Please see paragraph 3.8 of the Policy and 3.18 of the Handbook)

FOR OFFICIAL USE

File No.:-------------------------------------------------------------- Date:-----------------------------------------
----------------------------------------------------------------------------------------------------------------------

1. Name and address : ..............................................................
..............................................................

**2. I E Code Number : ..................................**

**3. Category of service provider : a) Hotels and service providers in tourism sector. [ ]**

**b) Others [ ]**

**(Pl. indicate serial number as per Appendix-36)**

**4. Whether holding a status certificate : Yes/No. [ ]**

**5. Service Tax Registration No: (unless exempted)**

**6. Details of services:**

| Services rendered in free foreign exchange | | | Average service rendered in the preceding three years (in Indian rupees) | Duty free entitlement |
|---|---|---|---|---|
| 2000-01 | 2001-02 | 2002-03 | | |
| (1) | (2) | (3) | (4) | (5) = 0.1*(4)/<br>0.05*(4) for hotels |
| | | | | |

## DECLARATION

1. **I/We hereby declare that this application is based on services rendered in free foreign exchange during the preceding three licencing year.**
2. **I/We further certify that I/We am/are authorised to verify and sign the statement on behalf of the applicant.**
3. **I/We fully understand that any information furnished in the above statement, if proved incorrect or false, will render me/us liable to face any penal action or other consequences as may be prescribed in law or otherwise warranted.**
4. **I/We further declare that I/We has/have not applied nor obtained another duty entitlement certificate issued under paragraph 3.8 of the Policy based on the exports in free foreign exchange during the preceding three licensing year.**
5. **I/We further declare that I/We shall comply with the provisions of the Exim Policy/Handbook of Procedure (Vol.1) and the relevant Customs notification while importing the goods under the scheme and subsequent use of the same under actual user condition.**
6. **I/We further declare that in respect of professional equipments, a certificate from jurisdictional Deputy Commissioner Central Excise, Assistant Commissioner of Central Excise or an independent Chartered Accountant, as the case shall be produced confirming installation and use of capital goods in the importer's factory or premises, within six months from the date of imports or within such extended period as the said Deputy Commissioner of Customs or Assistant Commissioner of Customs may allow.**

**Signature :.............................**

**Name in Block Letters :.............................**

**Designation :.............................**

**Place :.............................**

**Date ......... Full Official Address :.............................**

**Residential Address :.............................**

**E.Mail address :.............................**

Official
Stamp/ Seal

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-

**CERTIFICATE OF CHARTERED ACCOUNTANT/COST AND WORKS ACCOUNTANT/ COMPANY SECRETARY**

**I/We hereby confirm that I/We have examined the prescribed registers and also the relevant records of M/s................ for the period specified in S.No.(6) above and hereby certify that:**

**M/s.............................. (Name and address of the applicant) who is a service provider under the category .......... at S.No. ......... of Appendix-36 have earned foreign exchange as per the details supplied at Sl.No.6.**

**The following documents/records have been furnished by the applicant for services provided against Direct/Indirect foreign exchange and have been examined and verified by me/us:**

**In respect of direct foreign exchange earnings, we have verified the certified statements from the Banker/ Chartered Accountant of Foreign Exchange Earnings. In respect of indirect forex earnings duly certified by Chartered Accountant such as amount received from Travel agents/ Tour Operators, Foreign Airlines for stay of Crew and Catering, UN organizations and Diplomatic Missions and Encashment Certificate from authorized dealers and others in terms of DGFT Policy circular no.60/97-2002 dated 24.12.1998.**

**The financial information given in the above statement is in agreement with the relevant register and records; the same has been incorporated in the books of accounts maintained by the Service provider; and is also true and correct.**

**It has been ensured that the information furnished is true and correct in all respect; no part of it is false or misleading and no relevant information has been concealed or withheld;**

**It has been ensured that the information furnished is true and correct in all respect; no part of it is false or misleading and no relevant information has been concealed or withheld;**

**Neither I, nor any of my partners is a partner, director, or an employee of the above-named entity or its associated concerns;**

**I/we fully understand that any statement made in this certificate, if proved incorrect or false, will render me/us liable to face any penal action or other consequences as may be prescribed in law or otherwise warranted.**

**(* Strike out whichever are not applicable)**

**Signature............................**

**Place..........** **Tel.No. ............................**

**Official**

**Date...........** **Stamp/ Seal**

**Regn. No. and Date of the Corporate Membership..........**

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**Documents to be enclosed with the application form**

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**1. Copy of the service tax registration if applicable.**