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GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY

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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) Para 2.25.2 pertaining to the “Direct negotiation of export documents” is amended as under:

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

- a) permission from RBI allowing direct negotiation of documents (however this is not required for status holders who have been granted a general permission),*
- b) copy of the Foreign Inward Remittance Certificate (FIRC) as per Form 10 H of the Income Tax department in lieu of the BRC and*
- c) Statement giving details of the shipping bills/ invoice against which the FIRC was issued.*

- 2) Paragraph 4.6 pertaining to “Newcomers” is amended as under:

In the case of newcomers, who have not exported (either physical or deemed) in each of the preceding three licensing years, the Advance Licence shall be issued subject to furnishing 100% BG to Customs authority to cover exemption from Customs duty together with 15% interest. Specific endorsement to this effect shall be made in the licence by the licensing authority. However, the Status Holders/ PSU's and Manufacturer exporter registered with excise authority with export of Rs 1 crore and above in preceding year and who has not been penalised under the Customs Act, Excise Act, Foreign Trade (Development and Regulation) Act, 1992 and FEMA/ FERA shall not be treated as newcomers. However, manufacturer exporters not registered with excise authorities and having an export turnover less than Rs 1 crore but registered with the state sales tax authorities need to furnish a bank Guarantee to the tune of 25% of the duties saved. Manufacturer exporters shall furnish a CA certificate certifying preceding years exports and certificate of registration with Central excise authorities or state sales tax authorities as the case may be. They shall also give a declaration that they have not been penalised under Customs Act, Excise Act, Foreign Trade (Development and Regulation) Act, 1992 and FEMA/ FERA.

- 3) It has been decided to continue with the earlier policy provision of permitting regional licencing authorities to issue advance licence in respect of Petroleum and Petrochemical Products to be manufactured from crude oil upto a limit of a CIF value of Rs 500 crores. Hence paragraph 4.8 pertaining to the “Financial Powers” is deleted.

- 4) A decision was taken to permit the duty free import of fuel for all Advance Licence applications either under SION or under self declaration as per para 4.7. Hence para 4.9 pertaining to Standardisation of Adhoc norms is amended as under:

For standardisation of norms, an application may be made by the manufacturer exporter or merchant-exporter, tied to supporting manufacturer, duly filled in

with complete data. Such applications shall be made to the Advance Licensing Committee (ALC) in the form given in Appendix-10.

Import of fuel may also be allowed by ALC subject to the following: -

- (a) The facility of import of fuel shall be allowed only to the manufacturer having captive power plant.*
- (b) Fuel should be allowed either under specific SION or as per the general fuel policy for products for which SION exists or as per general fuel policy under paragraph 4.7 or under ad-hoc norms.*
- (c) Fuel should be allowed only against an actual user licence and therefore, fuel shall not be allowed for imports against DFRC, which is transferable in nature.*
- (d) Even where fuel is included as an input under SION, it shall not be taken into account while fixing the DEPB rate for such products against which fuel has been allowed as an input.*
- (e) The applications of fixation of fuel entitlement for new sectors and modification of the existing entitlement as per the General Note for Fuel in the Handbook of Procedures (Vol 2) would be made to the Advance Licensing Committee along with the requisite data in Appendix 10 H pertaining to the “Data Sheet for Fuel Rate”. The Advance Licence holders wishing to procure the fuel indigenously may apply for an Advance Release Order or Back to Back Inland Letter of Credit. The indigenous supplier supplying fuel shall be entitled for deemed export benefits given in para 8.3(a), (b) & (c) of the Policy. In case the indigenous suppliers is not willing to avail of DE benefits under such supplies of fuel to the Advance Licence holder, he may issue a disclaimer on the basis of which the Advance Licence holder can avail of the deemed export benefits as per procedure given in Chapter 8 of the Handbook of Procedures (Vol 1) .*

- 5) The following is added as a sub para to para 4.25 (ii) pertaining to “Fulfilment of export obligation for deemed exports”as under:
However realisation of export proceeds shall not be insisted upon if the shipments are made against confirmed irrevocable inland letter of credit and the same is certified in columns 5/6/7 of Appendix 22 A.
- 6) Certain districts have been added to the following Agri Export Zones in Appendix 15 as under:

S.No	Product	State	Districts covered
12	Potatoes	Uttar Pradesh	Agra, Hathras, Farrukhabad, Kannoj, Meerut, Baghpat, , Aligarh, Janpad Badaiyun, Rampur, Ghaziabad, and

			Firozabad
14	Mangoes	Uttar Pradesh	Saharanpur, Muzzafarnagar, Bijnaur, Meerut, Baghpat, Bulandshahr and Jyotifulenagar

7) The following chamber is added as an agency authorised to issue Certificates of Origin – Non Preferential in Appendix 35 B under the State Head “Delhi”:

8. *The Associated Chambers of Commerce and Industry of India*
147-B, Gautam Nagar, Gulmohar Enclave, New Delhi 110049

This issues in public interest.

(L. Mansingh)
Director General of Foreign Trade

(Bipin Menon)
Deputy Director General of Foreign Trade

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