International Trade

Procedure & Documentation

DR. SAUMYABRATA NATH

DR. DHANASEKAR E

DR. RITA BISWAS

DR. BAHRULLAH SAFI

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By:

Dr. Saumyabrata Nath
Assistant Professor, Management (International Business),
Vivekananda Global University, Jaipur, Rajasthan 303012

Dr. Dhanasekar E
Assistant Professor, Dr. N. G. P Arts and Science College,
Coimbatore, Tamilnadu

Dr. Rita Biswas
Dr. Rita Biswas, Senior Facilitator, Regenesys Business School,
South Africa

Dr. Bahrullah Safi
Vice President International at Acacia University, Arizona, USA,
(Part of Westford Education Group)

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PREFACE

This Book on International Trade Procedure and Documentation is intended to introduce the students to the present state of our knowledge of International Trades. Its purpose is not only to describe the basic knowledge on International Trading, but also to indicate the theories, issues and challenges faces in real life situation and export-import procedure. Detailed discussions of Export-Import procedure are covered; critical remarks have been introduced occasionally where it seemed necessary, in order to determine facts, or to justify the views taken on matters of fundamental importance.

The historical development of International Trade Theories does not seem to come within the scope of this book and would only interfere with unity of design and explanation of the work. It would therefore be superfluous to quote scientific management works which have only a basic interest. In the references which will be found in the work the chief object has been to introduce the students to those writings in which they will find a fuller discussion of those parts of the subject which have been only touched on briefly. In some cases the writings of others have been quoted because they represent views different from others, and because it is desirable to place the student in a position to form a judgment for them. Others again of the references are simply for the purpose of citing the authorities on which reliance is placed for statements that have not come within the range of the author's own observation.

The reader of this book will at least learn the names and standing of those researchers who have in recent times contributed most essentially in the International Trade domain.

The table of contents will give sufficient indication of the plan of the work; the index should be consulted for references to the other parts of the book where an explanation of the different terms will be found when their meaning does not appear in any particular passage.

ACKNOWLEDGEMENT

Writing a book is harder than I thought and more rewarding than I could have ever imagined. None of this would have been possible without the blessings and support of the Almighty.
I would like to express thanks to my all my friends and my mates for their support throughout my research work. I would like to thank my Co-Authors **Dr. Dhanasekar E., Dr. Rita Biswas and Dr. Bahrullah Safi** for their valuable inputs.

Lastly but most Importantly, I would like to express my deepest gratitude to all my Mentors, Relatives and Family members. My special thanks and gratitude to **Mr. Samaresh Nath Barbhuiya** (Father), **Ms. Minati Nath** (Mother), **Mr. Tapash Mozumder** (Father in law), **Ms. Maya Nath** (Mother in law), **Ms. Priyanka Mozumder** (Wife), **Mr. Subhabrata Nath** (Brother) and **Mr. Saathvik Nath** (Son) for their constant understanding, patience and encouragement in all the undertaking I purse.

Dr. Saumyabrata Nath

Dr. Dhanasekar E

Dr. Rita Biswas

Dr. Bahrullah Safi

ABOUT THE AUTHORS

Dr. Saumyabrata Nath is an Academician, Researcher & Soft Skill Trainer with around 13+ years experience in Academics and 2+ years in Industry. He has worked as Asst. Professor for MBA/MMS Dept. in different universities, colleges & institutions under VGU-Jaipur, Mumbai University, Bangalore University and Visvesvaraya Technological University - Belgaum. He is qualified with Ph.D(HR) from Utkal University, MBA(HR & Marketing) from Bangalore University, MBA(OM), MA(English), MA(Education*) M.Sc(Maths), PGDM(Tourism), B.Ed(Maths & Economics) from University of Mumbai and B.Sc with Honors (Mathematics) from Assam Central University. He is also C-TET qualified under Central Govt. of India. He has received Two Honorary Doctorate in Social Sciences and in Education conferred by international organizations affiliated to Govt. of America & UNO.

Currently he is working as Asst. Professor & Research Scholar in Management Department (International Business) under Vivekananda Global University (NAAC A+ graded), Jaipur - Rajasthan. He is pursuing his second Ph.D in Marketing Management. Dr. S. Nath is an approved faculty for Management Studies (PG Courses) under University of Mumbai, Maharashtra. He has also worked as a Soft-Skill trainer under Infosys Campus Connect Program initiated by Infosys Ltd. - Bangalore.

He has also presented **60+ Research Papers** in various International / National Journals and published in Scopus Indexed /UGC CARE / UGC Referred / Google Indexed, Peer Reviewed and conference proceeding books. He has published many patents under Govt. of India as well as written 8 books.

Dr. Nath is a certified Career Coach from Mindler & Career development Alliance, USA. He is also a certified Six Sigma Green Belt Professional.

He is also the member of many International & National academic forums, Conducted 50+ guest sessions, seminars, FDPs, SDPs and Workshops as a Key Resource Speaker in India & Foreign Countries and has won many National & International Awards for his contributions towards upliftment of student community.

Dr. Dhanasekar E Currently working as Assistant Professor at Dr. N. G. P Arts and Science College, Coimbatore, Tamilnadu. The College was accredited by the NAAC with ‘A++’ Grade in the Third cycle. He is an Academician with around 8 years of experience in teaching and research. He is qualified with Ph.D in Commerce , Dr. N.G.P Arts and Science College (Autonomous), Bharathiar University, MIB – International Business R.V.S College of Arts & Science (Autonomous), MBA (HRM) Bharathiar University, PGDCA (Computer Applications) Bharathiar University, BBM (Business Management) P.S.G College of Arts and Science College (Autonomous), Bharathiar University, Coimbatore, Tamilnadu. He has secured 1ST Rank in MIB – PG & Research Department of International Business. He is accented with the knowledge in the field of Communication skill and Soft skill to satisfying career in the field of Academics and Research. He has published and presented various papers in International peer reviewed journals and UGC Care. He has also published book chapters in International publications and Member in International Peer Reviewed Journal & Book Publication, since 2020. He is a Member in National Institute for Technical Training & Skill Development.

Dr. Rita Biswas has completed her PhD in Management, MBA in HR & 5 years LLB Course. She had done her PhD from North Maharashtra University, Jalgaon in Management discipline (Topic: Entrepreneurship). She has more than 19 years of experience, which includes 6 years of Industry experience and more than 13 years of Teaching experience in different Universities & Institutions. Presently she is working with Regenesys Business School (under Regenesys Institute of Management Pvt Ltd) as a Senior Facilitator. In past, she hadworked with Universal Business School under Cardiff Metropolitan University, UK. She had also worked with various Management (MBA & BBA) Institutions under Mumbai University. She taught different levels of Students from PhD, MBA, BBA & B.Tech. She had a Corporate experience as Senior HR. She had total 16 different types of International & National Publications. She has written two books on Human Resource Management. She is a passionate Teacher who likes to conduct Lectures and try to make it interesting and meaningful for her Students. She has received various Awards for her Teaching & Research Activities.

Dr. Bahrullah Safi is the Vice President International at Acacia University, Arizona, USA, (Part of Westford Education Group). He is also Academic Advisor at Myracle.io, Berlin Germany. Dr. Safi is a member of the Editorial and Advisory Board of various International Journals and of different organizations including SEMS, India, Bangladesh Business Research Foundation, International Institute of Influencers, India, and Global Ambassadors of Sustainability, UAE.

Dr. Safi has worked as a Broadcaster with External Services Division of All India Radio New Delhi, and a Chancellor of Mirwais Neeka University, Kandhar, Afghanistan.

Dr. Safi has earned his Ph.D. in Management, published several research papers in national and international journals and delivered keynote speeches in many international conferences.

Dr. Bahrullah Safi is the recipient of different awards, like Best Young Director of the year award, Outstanding Educators and Researchers Award, Excellent in Academic Award and many more and he has trained many learners and corporate professionals

Table of Contents

ISBN: 978-81-961857-9-4

Module - 1

 ISBN: 978-81-961857-9-4

Import and Export Licensing Procedures in India

India's import and export system is governed by the Foreign Trade (Development & Regulation) Act of 1992 (full text) and India's Export Import (EXIM) Policy.

Import and export of all goods are free, except for the items regulated by the EXIM policy or any other law currently in force. Registration with regional licensing authority is a prerequisite for the import and export of goods. The customs will not allow for clearance of goods unless the importer has obtained an Import Export Code (IEC) from the regional authority.

Import Policy

The Indian Trade Classification (ITC)-Harmonized System (HS) classifies goods into three categories:

1. Restricted
2. Canalized
3. Prohibited

Goods not specified in the above mentioned categories can be freely imported without any restriction, if the importer has obtained a valid IEC. There is no need to obtain any import license or permission to import such goods. Most of the goods can be freely imported in India.

Licensed (Restricted) Items

Restricted items can be imported only after obtaining an import license from the relevant regional licensing authority. The goods covered by the license shall be disposed of in the manner specified by the license authority, which should be clearly indicated in the license itself. The list of restricted goods is provided in ITC (HS). An import license is valid for 24 months for capital goods, and 18 months for all other goods.

Canalized Items

Canalized goods are items which may only be imported using specific procedures or methods of transport. The list of canalized goods can be found in the ITC (HS). Goods in this category can be imported only through canalizing agencies. The main canalized items are currently petroleum products, bulk agricultural products, such as grains and vegetable oils, and some pharmaceutical products.

Prohibited Items

These are the goods listed in ITC (HS) which are strictly prohibited on all import channels in India. These include wild animals, tallow fat and oils of animal origin, animal rennet, and unprocessed ivory.

Export Policy

Just like imports, goods can be exported freely if they are not mentioned in the classification of ITC (HS). Below follows the classification of goods for export:

- Restricted
- Prohibited
- State Trading Enterprise

Restricted Goods

Before exporting any restricted goods, the exporter must first obtain a license explicitly permitting the exporter to do so. The restricted goods must be exported through a set of procedures/conditions, which are detailed in the license.

 ISBN: 978-81-961857-9-4

Prohibited Goods

These are the items which cannot be exported at all. The vast majority of these include wild animals, and animal articles that may carry a risk of infection.

State Trading Enterprise (STE)

Certain items can be exported only through designated STEs. The export of such items is subject to the conditions specified in the EXIM policy.

Types of Duties

There are many types of duties that are levied in India on imports and exports. A list of these duties follows below:

Basic Duty

Basic duty is the typical tax rate that is applied to goods. The rates of custom duties are specified in the First and Second Schedules of the Customs Tariff Act of 1975. The First Schedule contains rates of import duty, and the second schedule contains rates of export duties. Most of the items in India are exempt from custom duty, which is generally levied on imports.

The first schedule contains two rates: Standard rate and preferential rate. The preferential rate is lower than the standard rate. When goods are imported from a place specified by the central government (CG) for lower rates, the preferential rate is applicable. In any other case, the standard rate will be applicable. If the CG has signed a trade agreement with the country of origin, then the CG may opt to charge a lower basic duty than indicated in the first schedule.

IGST and Compensation Cess

Additional duties of customs, commonly referred to as the Countervailing Duty (CVD) and Special Additional Duty of Customs (SAD), has been be replaced by the levy of the Integrated Goods and Services Tax (IGST), barring a few exceptions, such as pan masala and certain petroleum products. The IGST replaces the previous system of federal and state categories of indirect taxation.

A Customs Duty calculator is made available on the online portal of excise and customs, the ICEGATE website. There are seven rates prescribed for IGST– Nil, 0.25 percent, 3 percent 5 percent, 12 percent, 18 percent, and 28 percent. The actual rate applicable to an item will depend on its classification and will be specified in Schedules notified under Section 5 of the IGST Act, 2017.

Further, a few items such as aerated water products, tobacco products, and motor vehicles, among others, will attract an additional levy of the GST Compensation Cess, over and above IGST. The Cess is calculated on the transaction value or the price at which the goods are sold.

The Goods and Services Tax (Compensation to States) Act, 2017 was enacted to levy Compensation Cess for providing compensation to Indian states for the loss of revenue arising on account of implementation of the Goods and Services Tax from July 1, 2017.

The Compensation Cess on goods imported into India shall be levied and collected in accordance with the provisions of Section 3 of the Customs Tariff Act, 1975, at the point when duties of customs are levied on the said goods under Section 12 of the Customs Act, 1962, on a value determined under the Customs Tariff Act, 1975.

Anti-Dumping Duty

This is levied on specific goods imported from specified countries – including the US – to protect Indian industries. India can impose duties up to, but not exceeding, the margin of dumping, or the difference between the normal value and the export price.

 ISBN: 978-81-961857-9-4

Safeguard Duty

A safeguard duty is a tariff designed to provide protection to domestic goods, favoring them over imported items. If the government determines that increased imports of certain items are having a significantly detrimental effect on domestic competitors, it may opt to levy this duty on those imports to discourage their proliferation.

However, the duty does not apply to articles imported from developing countries.

The government may exempt imports of any article from this duty. The notification issued by the government in this regard is valid for four years, subject to further extension. However, the total period cannot exceed 10 years from the date of first imposition.

Social Welfare Surcharge

The Education Cess and Secondary and Higher Education Cess on imported goods is now abolished and replaced by the Social Welfare Surcharge. This surcharge will be levied at the rate of 10 percent of the aggregate duties of customs, on imported goods.

Valuation

Customs duty is payable as a percentage of 'Value' which is known as 'Assessable Value' or 'Customs Value.' The Value may be either:

- 'Value' as defined in Section 14 (1) of the Customs Act; or
- 'Tariff Value' described under Section 14 (2) of the Customs Act.

Tariff Value – the Tariff Value is fixed by the Central Board of Indirect taxes and Customs (CBIC) for any class of imported goods or export goods. Authorities will consider the trend of value of the goods in question while fixing tariff value. Once fixed, the duty is payable as a percentage of this value.

The value of imported goods for the assessment of duty is determined in accordance with the provisions of Section 14 of 1962 and the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. According to the rules, the assessable value equal the transaction value of goods as adjusted for freight and cost of insurance, loading, unloading and handling charges.

In the assessable value, the following criteria are included:

- Commission and brokerage;
- Cost of container, which are treated as being one with the goods for customs purposes;
- Cost of packing – labour or materials;
- Materials, components, tools, etc. supplied by buyer;
- Royalties and license fees;
- Value of proceeds of subsequent sales;
- Other payment as condition of sale of goods being valued;
- Cost of transport up to place of importation;
- Landing charges; and,
- Cost of insurance.

The following costs are excluded from the assessable value:

- Charges for construction, erection, assembly, maintenance or technical assistance undertaken after importation of plant, machinery or equipment;

 ISBN: 978-81-961857-9-4

- Cost of transport after importation;
- Duties and taxes in India; and,
- Types of duties on exports and imports in India are covered in the Customs Tariff Act 1975. The Act provides all the laws and regulations related to customs in India.

Customs Handling Fee
The Indian government assesses a one percent customs handling fee on all imports in addition to the applied customs duty.

TYPES OF EXPORTERS

1. Manufacturer Exporter (Direct Exporter)

Manufacturer Exporter is an exporter who exports goods which are manufactured by himself/herself. This type of exporters are also known as **"Direct Exporters"**. This type of export is known as **"Direct Export"**. This type of exporters has to take risks. But they can gain more profit. The manufacturer Exporters will export the products in their own name. They won't need any intermediates for exporting.

If you are a Manufacturer Exporter, you have to do following things
- Manufacturing the exporting goods,
- Marketing,
- Getting order,
- Export, and
- Getting money.

When the manufacturer exporters export through Merchant Exporters, they don't need to consider about above things. Merchant Exporters will take care of anything.

2. Merchant Exporter (Indirect Exporter)

Merchant Exporter is an exporter who buys goods from many manufacturers and exports them (goods) by Manufacturer's company name or their company name. This type of exporters are also known as **"Indirect Exporters"**. This type of export is known as **"Indirect Export"**. Merchant Exporter won't have their own processing factory or manufacturing unit.

Merchant Exporters acts as a mediator between Indian Exporters and Foreign Buyers. They get orders directly from International Market or through agents. They can export the excisable products either directly from the place of the Manufacturer, with or without sealing of export consignments, or through his place under claim for rebate or under bond.

3. Service Exporter
Service Exporter is an exporter who exports the services where we can't see the product physically. The best example for Service Exporter is those who are exporting Software. If Manufacturer Exporter or Merchant Exporter exports anything, we can see the export goods physically. If we sell software to other countries, our country will earn Foreign Exchange. Let us assume that you are a consultant in a particular field and a company which is in abroad needs your guidance. Now you can give your ideas to that company and get money from them.

4. Project Exporter
In our country we can see many professional companies who undertake contracts for Manufacturing, Designing, Erection, Supply, Commissioning, Service, etc. if they earn Foreign Currency for their work, they will fall under Project Exporter. Project Exporters get projects from abroad.

 ISBN: 978-81-961857-9-4

5. Deemed Exporter

Deemed Exporter is an exporter who exports the goods within a country. He will get the payment either in Indian Rupees or in free Foreign Exchange. In this export, the goods don't move out of the country. We can say it as inter-state trade. Deemed Exporter may be either Manufacturer Exporter or Merchant Exporter

How to Setup a Business in India With Import-Export License

1. Choose your products. The IEC will be granted only for the product category you apply for. You can seek IEC for additional categories, but you will have to pay an additional fee for each category.
2. Decide your company name, if you have not registered a firm as yet. New firms that are planning to do export-import business should consider names ending with Exports (eg: Ramsay Exports).
3. Register your firm, if it's not already registered.
4. Apply online for IEC – Importer Exporter Code with DGFT, and pay fee of Rs. 250 through electronic money transfer.
5. EDC Registration – Register your export company with nearest port (Airport and/or Seaport)

List of Documents Required for IEC Application

The exact documents required vary slightly based on whether your business is a proprietorship, partnership, LLP or company. Here's the list of documents required for each one.

Proprietorship – Photograph (3×3); PAN card copy; ID proof (passport / voter id / driving license / aadhar card); Address proof (sale deed for self-owned; or rental / lease agreement + electricity bill or telephone bill); Bank certificate (see below) or cancelled cheque with printed name of applicant and bank a/c number.

Partnership – Photograph (3×3) of managing partner; PAN card copy of partnership firm; ID proof (passport / voter id / driving license / aadhar card / PAN of managing partner whose signature is on application); Address proof (sale deed for self-owned; or rental / lease agreement + electricity bill or telephone bill); Bank certificate (see below) or cancelled cheque with printed name of applicant firm and bank a/c number.

LLP and Company (Both Public and Pvt Ltd) – Photograph (3×3) of partner or director who is signing the IEC application form; PAN card copy of applicant LLP or company; ID proof (passport / voter id / driving license / aadhar card / PAN of partner or director whose signature is on application); Certificate of incorporation; Address proof (sale deed for self-owned; or rental / lease agreement + electricity bill or telephone bill); Bank certificate (see below) or cancelled cheque with printed name of applicant firm and bank a/c number.

Bank Certificate for IEC Application Form

One very important requirement for IEC application is a bank certificate. This certificate is required only if you cannot provide a cancelled cheque bearing the name of the applicant entity and bank a/c number. In case you do need it, you can ask your bank to give you this certificate. Download and print out this sample format of the bank certificate, and take it to your bank to get it signed and stamped from them.

How to Submit Online IEC Application Form

This section will tell you everything you need to know to access, complete and submit an online IEC application form with all the required documents.

 ISBN: 978-81-961857-9-4

First, keep digital copies of all the documents mentioned above. Then click on this link to fill up and submit your online IEC application form on the DGFT portal.

You will first need to enter a valid PAN number to access the form. Once you do this, you will be prompted to either create a new IEC application, or open an existing one. You can also close an application or check the status of a pending application.

Once you reach the IEC Master document, you will have to fill in a lot of details such as location, bank a/c and PAN details, firm establishment date, etc. At this point, you will be prompted to pay the fee of Rs. 250 through electronic funds transfer from designated bank such as SBI, ICICI, HDFC, etc.

Next you will get a screen for 'upload documents' where you can select the ones that are applicable to upload a digital copy of each document that your online IEC application for requires.

Once your application is complete in all respects, you will get the option to print the complete IEC application form and submit it to the specific DGFT office that covers your business location. Once you hit submit, you will get a final screen which tells you the Ecom Ref. No, along with your company name, the DGFT office to which the application has been submitted for processing.

This is all you need to do to complete your online IEC application form and get the 10-digit code from DGFT. Note that processing of IEC applications is supposed to be completed in two working days, which means you can get it in 3 days or a week at most.

Objective, Role & Function of Export Credit Guarantee Corporation (Ecgc)

Objective and Function of ECGC (Export Credit Guarantee Corporation): This article focuses on the Objective, Role & Function of Export Credit Guarantee Corporation (ECGC). You can also learn here the full form of ECGC, History of ECGC, and ECGC definition. Here, I will also share the information about the role of ECGC, objectives of the ECGC, and the ECGC's functions. If you want to know All Banks in India then you can click on given link to know more because I have already written an article on the List of all banks in India. Let's read the full article to get more information about the ECGC. Objective and Function of ECGC

What is the full form of ECGC?: ECGC Full form

The full form of ECGC is the Export Credit Guarantee Corporation.

History of ECGC: ECGC History

Objective and Function of ECGC:

Established: 30th July 1957

Headquarter: Mumbai

Chairman

Ambition: To Provide credit insurance

Working of ECGC

1. Provides a range of credit risk insurance covers to exporters against loss in export of goods and services.
2. Offers export credit insurance covers to banks and financial institution to enable exporters to obtain better facility
3. Provides overseas investment insurance to Indian companies investing in joint ventures abroad in the form of equity or, loan.

 ISBN: 978-81-961857-9-4

Role of ECGC

Objective and Function of ECGC: ECGC is the fifth largest credit insurer of the world in terms of coverage of national exports. The present paid-up capital of the company is Rs.800 crores and authorized capital Rs.1000 crores.

The Types of Insurance Protection Provided by ECGC Include

1. A range of credit risk insurance covers to exporters against loss in export of goods and services
2. Guarantees to banks and financial institutions to enable exporters to obtain better facilities from them
3. Overseas Investment Insurance to Indian companies investing in joint ventures abroad in the form of equity or loan.

Objective and Function of ECGC

The main objectives of the ECGC

1. To protect exporters o-f India, from credit risks, arising from commercial and political reasons, To protect banks in India, from risks of default or protracted delay in payment by the exporters, in respect of export finance, and
2. To encourage exporters to search out new markets and new importers abroad, by the ECGC underwriting the major part of the credit risks. Objective and Function of ECGC

Functions of Export Credit and Guarantee Corporation of India (ECGC):

1. Standard policies which protect the exporters against overseas credit risks.
2. Services and construction work policies.
3. Financial guarantees.
4. Special policies.

What does ECGC do?

1. Offers insurance protection to exporters against payment risks
2. Provides guidance in export-related activities
3. Makes available information on different countries with its own credit ratings
4. Makes it easy to obtain export finance from banks/financial institutions
5. Assists exporters in recovering bad debts
6. Provides information on credit-worthiness of overseas buyers
7. Provides names and addresses of prospective buyers in the overseas markets

Major Products and Services offered by ECGC include

1. Credit Insurance Policies

SCR or Standard Policy

Turnover Policy

Small Exporters Policy

Buyer-wise Policy

Specific Shipment Policy (Short Term)

Specific Policy for Supply Contract

 ISBN: 978-81-961857-9-4

Insurance Cover for Buyer's Credit and Line of Credit

Service Policy

Construction Works Policy

2. Maturity Factoring
3. Guarantees to Banks

- Export Finance Guarantee
- Packing Credit Guarantee
- Export Production Finance Guarantee
- Post-Shipment Guarantee
- Export Performance Guarantee
- Export Finance (Overseas Lending) Guarantee

4. Special Schemes

- Transfer Guarantee
- Overseas Investment Insurance
- Exchange Fluctuations Risk Cover

Deemed Exporters and Its Benefits

Deemed Exports	8.1	"Deemed Exports" refers to those transactions in which the goods supplied do not leave the country and the payment for such supplies is received either in Indian rupees or in free foreign exchange.	
Categories of Supply	8.2	The following categories of supply of goods by the main/ sub-contractors shall be regarded as "Deemed Exports" under this Policy, provided the goods are manufactured in India:	
		(a)	Supply of goods against Advance Licence/Advance Licence for annual requirement/DFRC under the Duty Exemption /Remission Scheme;
		(b)	Supply of goods to Export Oriented Units (EOUs) or Software Technology Parks (STPs) or Electronic Hardware Technology Parks (EHTPs) or Bio Technology Parks (BTP);
		(c)	Supply of capital goods to holders of licences under the Export Promotion Capital Goods (EPCG) scheme;
		(d)	Supply of goods to projects financed by multilateral or bilateral agencies/funds as notified by the Department of Economic Affairs, Ministry of Finance under International Competitive Bidding in accordance with the

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			procedures of those agencies/ funds, where the legal agreements provide for tender evaluation without including the customs duty;
		(e)	Supply of capital goods, including in unassembled/ disassembled condition as well as plants, machinery, accessories, tools, dies and such goods which are used for installation purposes till the stage of commercial production and spares to the extent of 10% of the FOR value to fertiliser plants.
		(f)	Supply of goods to any project or purpose in respect of which the Ministry of Finance, by a notification, permits the import of such goods at zero customs duty .
		(g)	Supply of goods to the power projects and refineries not covered in (f) above.
		(h)	Supply of marine freight containers by 100% EOU (Domestic freight containers–manufacturers) provided the said containers are exported out of India within 6 months or such further period as permitted by the Customs; and
		(i)	Supply to projects funded by UN agencies.
		(j)	Supply of goods to nuclear power projects through competitive bidding as opposed to International Competitive Bidding.
		The benefits of deemed exports shall be available under paragraph (d), (e), (f) and (g) only if the supply is made under the procedure of International Competitive Bidding (ICB). http://dgftcom.nic.in/exim/2000/not/not02/not0302.htm	
Benefits for Deemed Exports	8.3	Deemed exports shall be eligible for any/all of the following benefits in respect of manufacture and supply of goods qualifying as deemed exports subject to the terms and conditions as given in Handbook (Vol.1):-	
		(a)	Advance Licence for intermediate supply/ deemed export/DFRC/ DFRC for intermediate supplies.
		(b)	Deemed Export Drawback.
		(c)	Exemption from terminal excise duty where supplies are made against International Competitive Bidding . In other cases , refund of terminal excise duty will be given.

 ISBN: 978-81-961857-9-4

ROLE OF DGFT

DGFT

The Directorate General of Foreign Trade (DGFT) is the agency of the Ministry of Commerce and Industry of the Government of India, responsible for the execution of the import and export Policies of India. It was earlier known as Chief Controller of Imports & Exports (CCI&E) till 1991. DGFT plays a very important role in the development of trading relations with various other nations and thus help in improving not only economic growth but also provides a certain impetus needed in the trade industry. For promoting exports and imports DGFT establish its regional offices across the country.

Directorate General of Foreign Trade is an attached office of the Department of Commerce, Ministry of Commerce and Industry. It's headquartered in Udyog Bhavan, New Delhi. Under its jurisdiction, there are four Zonal Office at Delhi, Mumbai, Kolkata and Chennai headed by Zonal Joint Director General of Foreign Trade. There are 35 Regional Authorities all over the country.

Functions and Responsibilities of DGFT:

1. DGFT entrusted with the responsibility of implementing various policies regarding the trade, for example, Foreign Trade Policy.
2. DGFT is the licensing authority for exporters, importers, and export and import business.
3. DGFT can prohibit, restrict and regulate exports and imports.
4. DGFT has an important role to issue Notifications, Public notices, Circulars, etc.
5. DGFT grant 10 digit IEC (Importer Exporter Code), which is a primary requirement to Import Export
6. DGFT introduces different schemes from time to time regarding trade benefits throughout the country.
7. DGFT has introduced ITC (HS CODE) schedule-1 for import items in India and Schedule-2 for Export items from India.

EXPORT PROMOTION COUNCIL

INTRODUCTION

Export promotional Councils (EPC) are authorities which are basically promoting, supporting and assisting firms in entering the International markets and realising their optimum potential from given resources. They also provide guidance and assistance to the exporters.

In legal terms, export promotional councils are non-profit organisation registered as a company or society. Each Export promotional council is responsible for his particular group of products.

What Role Does Epc Plays in Export Import Industry

1. **Promoting Government Schemes:** Export Promotional Council (EPC) helps and promotes the exporters by making them aware of the government schemes and other benefits.
2. **Collect and Restoring Data:** Export Promotional Council (EPC) further promotes and collects the export data to compare the industry growth and solve any hurdle in between.
3. **Sending Trade Delegations:** To make arrangements for sending trade delegations and study teams to one or more countries for promoting the export of specific products and to circulate the reports of specific products and diversifying to new products.
4. **Other Roles:** EPC also plays various roles at the policy level to promote and grow the industry.

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Why Export Promotional Councils are Useful for first time Exporter

As per the Foreign trade policy of India, any person who either wants to acquire any license to import export restricted or other similar categories of goods or to avail any export related benefit or scheme is liable to register for Registration Cum Membership Certificate (RCMC).

Export promotional councils provide various benefits to the registered exporters. And hence plays a significant role for any exporter in India.

How to Register With Export Promotional Councils

There are currently 26 export councils and nine commodity board of India. All of these export promotional councils promote a specific set of the product. Hence, the exporter should register under the concerned Export Promotional Councils as per their line of products.

E.g. if you are an exporter of coconut, then you should register under Coconut Board of India.

To check the list of export councils or commodity board of India, then refer the link below:

Export Promotional Councils in India

Commodities Board of India

List of Export Promotion Councils and Commodity Boards

Please find below the list of Export Promotion Councils and Commodity Boards. You may click the respective links to know more details:

1. Agricultural and Processed Food Products Export Development Authority(APEDA)
2. Apparel Export Promotion Council (AEPC)
3. CAPEXIL
4. Carpet Export Promotion Council
5. Cashew Export Promotion Council of India
6. CDB,Coconut Development Board
7. CHEMEXCIL, Basic Chemicals, Pharmaceuticals & Cosmetics EPC
8. Coffee Board
9. Coir Board
10. Cotton Textiles Export Promotion Council
11. Council for Leather Exports
12. EEPC INDIA,Formerly Engineering Export Promotion Council
13. EPC,Electronics and Computer Software Export Promotion Council
14. Export Promotion Council for EOUs and SEZs
15. Export Promotion Council for Handicrafts
16. FIEO,Federation of Indian Export Organization
17. GJEPC,Gem and Jewellery Export Promotion Council
18. HEPC,Handloom Export Promotion Council
19. Indian Oilseeds & Produce Export Promotion Council
20. Indian Silk Export Promotion Council

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21. JPDEPC,Jute Products Development and Export Promotion Council
22. Marine Products Export Development Authority (MPEDA)
23. PEPC,Project Exports Promotion Council of India
24. Pharmaceuticals Export Promotion Council
25. Plastics Export Promotion Council
26. Powerloom Development and Export Promotion Council
27. Rubber Board
28. SEPC,Services Export Promotion Council
29. SHEFEXIL,Shellac & Forest Products Export Promotion Council
30. Spices Board
31. SQEPC,Sports Goods Export Promotion Council
32. SRTEPC,Synthetic and Rayon Textiles Export Promotion Council
33. Tea Board
34. TEPC,Telecom Equipment and Services Export Promotion Council
35.Tobacco Board
36. Wool and Woollens Export Promotion Council
37. Wool Industry Export Promotion Council

FEDERATION OF INDIAN EXPORT ORGANISATION

The Federation of Indian Export Organizations (FIEO), nonprofit organizations set up by the Ministry of Commerce, Govt. of India in 1965 to co-ordinate and focus the efforts of all organizations in the country engaged in export promotion. The Federation has evolved into a key player in the promotion of trade, investment and collaboration. FIEO provides the content, direction and thrust to India's expanding international trade. FIEO represents the interest of professional government recognized exporting firms, consultancy firms, service exporters, banks, export management training institutes etc. FIEO members representing large, medium & small scale exporting units contribute more around 70% global exports of our country. Its membership comprises of exporting firms with strong credentials, called Government-recognized Export House, Star Export House, Trading House, Star Trading House and Premier Trading House besides Consultancy firms. FIEO provides a unique platform to the businessmen dealing in Multi Products. FIEO membership is offered to exporters dealing in various goods and services and nearly all the products fall under its gamut. It is the only body authorized in India to register exporters not covered under any other Export Promotion Council of India. With customer oriented approach, the confidence and satisfaction of the business community on FIEO has grown which has reflect in the continuous rise in membership.

FIEO works as a partner of the Government of India in providing inputs on various trade policy issues and also acts a strong linkage between the Government and the Industry. It takes up problems /issues of its members, organizes capacity building courses to provide a conducive domestic atmosphere and to increase their competitive edge on one hand and organizes international activities to give its members a global reach.

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Module: 2

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EXPORT HOUSEES AND TRADING HOUSES

Export as a business is growing across multiple sectors. There are always a number of countries which are under developing stages and a lot of material to these countries goes from developed nations. At the same time, agriculture and other such produce is exported from developing nations to developed nations. In short, there is always import and export happening. At such junctures, Export houses play an important role.

Export house is mostly home-based organization, located in the manufacturer's country, which is involved in the export of products that the manufacturer has produced. These export houses carry out most of the export-related activities overseas, via their own agents and distributors who are in place in the country where the product is being exported.

In most cases, Export houses are used by manufacturers when the manufacturers do not want their own export team in place, or when having an in-house team is much more costlier rather then hiring someone from outside – such as an export house. Because of the very nature of this business, export houses are specially focused on the export market and know the ins and outs of this industry very well. This is why, in many cases, export houses are preferred over in-house export teams.

6 Functions of Export House

1) Representation

The first function is to represent the parent manufacturing company in the market where the product is being exported. In overseas market, the manufacturing company might not have any sales presence or market presence. The export house takes care of all that via representing itself as the main contact point for the manufacturer.

2) Competitive and Market Intelligence

An export house not only carries out sales work or representations for the manufacturer, gathering market intelligence, competitive intelligence and the work of other competitors in the market is also a task carried out by the export house. This flow of information happens naturally via agents or distributors to the export house. However, it is important that the flow of information also reaches the manufacturer so that he is able to make decisions and change strategies as per the market.

3) Procedures and Documentation

In the export business, there are many procedures and documentation involved. Export is the interaction point of 2 different countries with 2 different laws and procedures. As a result, both laws and both procedures have to be followed by exports. In fact, more then focus on export, many exporters complain that their core focus is on documentation so that the export is not rejected or any problems do not arise in the target country.

Also, export happens in large containers and the volume is huge. Thus, any export house which is improper with its document handling or procedure handling will not receive many orders from manufacturers.

4) Market Penetration

In sectors like Pharmaceuticals and chemicals, export houses are chosen on the basis of their market penetration in the target country. Each export house has a setup of agents and distributors. The more the market coverage of an export house, the more will be the market penetration. Hence, ensuring that they are present widely in the target country is a service which has to be provided by the export house.

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5) Manpower For Order Management

Collecting orders, ensuring the papers are in place, arranging finance or taking care of credit, shipping, docking and undocking, labour and law issues – There are many things which take place in a single order when export is ordered. It runs like a well oiled machine and for this you require huge manpower. This manpower is provided by the export house in each stage of the export.

6) Arbitration, Finance and Credit

There are a few types of payments and handling which are used in export. In handling, One is FOB origin means seller is liable only till material is shipped. FOB destination means seller is liable till buyer receives the goods. In such cases, there is huge financial implications, arbitrations and credit terms involved. Such risks are borne by the Export houses in many cases.

Advantages Of Using Export Houses

Export houses are most important in the following conditions

- **Lack of Resources –** When the parent company has a lack of resources which includes manpower, finance or know how to establish in the new country, then it will most likely use Export houses to do its work.
- **Small-Scale** operations – If a large company wants to set up small-scale operations in a new country, then instead of training and recruiting a local team in the target country, it can simply outsource the task to an experienced export house in the target country.
- **Expertise –** Many time, even if the manufacturer has an in-house team overseas, still export houses might be used because of their expertise in this segment. This is very true for products which are highly technical in nature or which are controlled substances.
- **Marketing –** Manufacturers who are product oriented and don't have the willingness or the desire to market themselves in a new territory might outsource the work to export houses so that they can in turn expand.

Disadvantages of using Export houses

- **The Manufacturer is not in Contact With** target market – A major problem with using export houses is that the manufacturer himself is not in touch with the target markets. As a result, he lacks the on-field knowledge which the export houses have.
- **Future Trends Cannot Be Observed –** A manufacturer can notice trends taking place. And even though he might be getting truckloads of information from the export house, the export house might fail to notice the actual change in trend or it may not have as keen eyes for products as the manufacturer. Thus, the manufacturer may miss out on opportunities.
- **Huge Adaptation Curve For The Manufacturer –** If the manufacturer gets used to the export house, and then decides to launch his own in-house team, there will be a huge adaptation curve for the in-house team. This is because the in-house team will have to start brand new with fresh distributors and agents.

Thus, the plan to expand by using an export house comes with its own advantages and disadvantages. Company should have a look at their own resources and then decide whether it wants to launch an in-house team or outsource to an export house. A small company will get huge benefits if it outsources. On the other hand, a larger organization will get a lot of intel and info about the overseas markets and hence it should export with an in-house team.

DEFINITION of Trading House

A trading house is a business that specializes in facilitating transactions between a home country and foreign countries. A trading house is an exporter, importer and also a trader that purchases

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and sells products for other businesses. Trading houses provide a service for businesses that want international trade experts to receive or deliver goods or services.

A trading house may also refer to a firm that buys and sells both commodity futures and physical commodities on behalf of customers and for their own accounts. Prominent commodity trading houses include Cargill, Vitol and Glencore.

Trading House

A trading house serves as an intermediary. It might purchase t-shirts wholesale from China, then sell them to a retailer in the United States. The U.S. retailer would still receive wholesale pricing, but the price would be slightly higher than if the retailer purchased directly from the Chinese company. The trading house must mark up the price of the goods it sells to cover its costs and earn a profit. However, the t-shirt retailer avoids the hassles of importing. The retailer also may be able to simplify its operations by dealing with one or two trading houses to get its inventory instead of dealing directly with numerous wholesalers.

Small businesses that use a trading house can benefit from its expertise and insight into international markets they operate in as well as getting access to vendor financing through direct loans and trade credits.

Trading House Advantages

Economies of Scale: A trading house typically has a large portfolio of clients that provide economies of scale benefits. For example, a large trading house can use its significant buying power to receive discounts from manufacturers and suppliers. A trading house can also reduce transportation costs if it ships to customers in large quantities.

International Foothold: Trading houses have an extensive network of contacts in international markets that help them secure favorable deals and find new customers. They may also have staff working in foreign offices to work with customs officials and manage legal issues to ensure smooth operation of the business.

Currency Management: Because a trading house is continually importing and exporting products, they have expertise in managing currency risk. Trading houses use risk management techniques, such as hedging, to avoid getting exposed to adverse currency fluctuations. For example, a trading house that has a future payment in euros may use a currency forward contract to lock in the current EUR/USD exchange rate.

Export Oriented Units EOUs Governing Bodies Development Commissioner, Customs and Central Excise.

Supervision of EOU**s under the Development Commissioner**

Supervision of EOUs under the Customs and Central Excise

According to the guidelines mentioned in the Appendix 16-E of the Handbook of Procedures (Vol.I) the monitoring of Export Oriented Units is done jointly by the Development Commissioner and the concerned Customs and Central Excise officers.

The main objective of the joint monitoring is to ensure that the performance of EOUs is effectively monitored and action is taken against the units which have contravened the provisions of the EXIM Policy/Handbook and the Customs Law/Procedures. Also such joint monitoring gives an opportunity to the Government to discuss and help resolve the problems/difficulties being faced by the EOUs. The idea is to remove all bottlenecks in export promotion efforts while not jeopardizing the interests of revenue.

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Supervision of EOUs under the Development Commissioner

The rules and regulations in matters related to EOUs are basically governed and monitored by the Development Commissioner who is administrative head of Export Processing Zones. Development Commissioner functions under the guidelines given by the Ministry of Commerce, Government of India.

The Development Commissioner of the Zone concerned is more or less the one point servicing official agency for EOUs and has wide powers including the following:-

- To adjust for currency fluctuation, in case of capital goods import
- Enhancement of production capacity
- Broad banding/diversification of product range
- Change in name or ownership
- Change of location/expansion
- Extension of validity of Letter of Permission
- To adjudicate in all matters

In all, there are seven Development Commissioners at Mumbai, Gandhidham, Chennai , Cochin , Vizag, Noida and Calcutta , who supervise the functioning of the EOUs and eight Export Processing Zones/Special Economic Zones in the country.

Supervision of EOUs under the Customs and Central Excise

As compared to Development Commissioner, supervision of EOUs under the Customs and Central Excise is quite liberal. The EOUs no longer carry out manufacturing operations under physical supervision of Customs officers and operational flexibility has been also given to EOUs by amendment of "Manufacture and Other Operations in Warehouse Regulations, 1966". The system of for locking of the warehouse and control of imported goods etc by the Customs and Central Excise has also been abolished.

All the movements from and to the unit like clearance of raw materials/ component to the job workers premises, return of goods from the job-workers' premises, clearance to other EOUs, export and sale in DTA are allowed to be made by the unit subject to maintenance of the records. Physical control over the EOUs has, thus, been replaced by Record Based Control.

As most of the physical control has been abolished greater stress is given on proper maintenance of prescribed records & accounts and non-maintenance of the accounts by the units is viewed seriously. The cost recovery officers/the officer's incharge of EOUs are required to scrutinize /examine the accounts/ records of the units and transaction undertaken by the unit at least once in a month. The cost recovery officer has to ensure that all movements of goods are recorded in the proper register. The Chief Commissioner is empowered to order special audit of the unit by Cost Accountant nominated by him in this regard. Cost audit is employed as a tool to check the correctness of raw materials, quantity used, finished goods produced or other such situation.

Export Oriented Units 100% Eou Incentives Fiscal and Special Package for Star Export Houes.

SOME INCENTIVES GIVEN TO EOUS

- No import licences are required by the EOU units and import of all industrial inputs exempt from customs duty.
- Supplies from the DTA to EOUs are regarded as deemed exports and are hence exempt from payment of excise duty which means that high quality inputs are available at lower costs.

- On fulfillment of certain conditions, EOUs are exempted from payment of corporate income tax for a block of 5 years in the first 8 years of operation. Export earnings continue to be exempt from tax even after the tax holiday is over.
- Industrial plots and standard design factories are available to EOUs at concessional rates.
- Single window clearance for EOU. For example, the State Government of Kerala as well of Karnataka has constituted single window clearance mechanisms such as District Single Window Clearance Board (in Kerala) and Karnataka Udyog Mitra (in Karnataka) for the purpose of speedy issue of various licences, clearances.
- Private bonded warehouses in the 7 EPZs can be set up for

o Import and sale of goods including in the DTA, subject to payment of applicable duties at the time of sale.

o Trading including re-export after repacking/labeling.

o Re-export after repair, reconditioning or re-engineering

- EOUs and EPZs are permitted to sub-contract part of their production processes for job work to units in the DTA on a case by case basis.
- Supplies to the DTA under international competitive bidding against payment in foreign exchange to other EOUs and EPZ units and against import licenses are considered towards fulfilment at the export obligation.
- The FOB value of exports of EOUs and EPZ units can be clubbed with that of parent companies located in the DTA for the purpose of obtaining a Trading or Export House status.
- EOUs and EPZ units may export goods through Trading and Export Houses or other EOU and EPZ Units.

Attractive Policy Provisions for Eous

- EOU can also import second hand capital goods without any age limit.
- 50% of physical exports can be sold in domestic market on payment of concessional duty.
- EOUs can process and export rice (Basmati & Non-Basmati).
- EOUs including Gem & Jewellery units are permitted to sub-contract upto 50% of their production (or) production process in DTA / other EOUs.
- EOUs are allowed to utilize plant and machinery for job work DTA units provided the goods are exported directly from the EOU premises.
- EOUs in Agriculture and allied sectors and in granite sector may transfer the capital goods and the inputs to the Farms/field/quarries for usage relating to the production in the EOU.
- In case of new EOUs, Advance DTA sale will be allowed not exceeding 50% of its estimated exports for the first year except the pharmaceutical units where this will be based on its estimated exports for the first two years.
- Simultaneous Advance DTA sale permission is given on quarterly basis for perishable goods like mushrooms, cut flowers etc.
- Exports through third party is permitted
- Exports from the job workers premises is allowed

- 100% FDI investment permitted through Automatic Route similar to SEZ units
- EOUs can obtain Foreign currency loans from OBUs situated in the SEZs
- EOUs have to achieve only positive Net Foreign Exchange (NFE) within 5 years i.e., A - B > 0 where (A) is the FOB value of Exports and (B) is CIF value of imports

FISCAL INCENTIVES AVAILABLE TO 100% EOUS :

- Exemption from Customs and Central Exciuse duties on import/local procurement of Capital goods, raw materials, consumables, spares, packing material etc.
- Reiumbursement of Central Sales Tax (CST) on purchases made from Domestic Tariff Area (DTA)
- Corporate Tax Holiday upto 2010
- CENVAT credit on Service Tax paid
- Re-iumbursement of duty paid on fuels procured from domestic oil companies as per the rate of Drawback notified by the DGFT from time to time.

Special Package of Incentives for Star Export House Eous (Fast Track Clearance):

- Permissions and Customs clearances for both Imports and Exports on self declaration basis.
- Fixation of Input-Output norms on priority within 60 days.
- Exemption from compulsory negotiation of documents through Banks.
- 100% retention of foreign exchange in EEFC account.
- Enhancement of normal repatriation period from 180 days to 360 days.
- Exemption from furnishing of Bank Guarantee in Schemes under this policy.
- Exemption from examination of Import Cargo
- Install one Fax machine & Two computers in their Administrative/Registered Office on prior intiation only.
- Procurement of DG set intimation to the Development Commissioner/Jurisdictional Customs/Central Excise authority
- Remove their Capital goods (or) part thereof for repairs under prior intimation to the jurisdictional Asst./Deputy Commissioner of Customs & Central Excise authority
- DTA clearance of rejects on priority basis
- Personal carriage of samples of Gems & Jewellery without a need for prior permission
- DTA sale of finished products on prior intimation only
- Participation in exhibition for export promotion on prior intimation only

Export Financing and Schemes for Promoting Exports

India's exports contracted in recent months due to sluggish demand in western markets. India's exports declined for the eighth straight month by 10.3 per cent in July to $23.13 billion, pushing the trade deficit to $12.81 billion. In July 2014, the merchandise exports was at $25.79 billion. Last time exports registered a positive growth was in November 2014 when shipments expanded at the rate of 7.27 per cent. To push export growth, exporters can take help of the government schemes. Here are top export schemes of the Indian Government.

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1. Market Development Assistance Scheme

Description: Entrepreneurs get funding for participating in trade fairs. It assists exporters for export promotion activities.

Nature of Assistance: The scheme offers funding up to 90 per cent in respect of to and fro air fare for the participation by MSME entrepreneurs in overseas fairs/trade delegations. The scheme also provides funding for producing publicity material (up to 25 per cent of costs) sector specific studies (up to Rs 2 lakh) and for contesting anti-dumping cases (50 per cent up to Rs 1 lakh).

Who Can Apply: Exporters, entrepreneurs, etc.

From where to Apply: FIEO, Export Promotion Council and Ministry of Commerce

2. Export Oriented Unit (EOU) Scheme

Description: EOU Scheme provides an internationally competitive duty-free environment coupled with better infrastructural facilities for export production.

Nature of Assistance: The units are allowed to import or procure locally without the payment of duty all types of goods including capital goods, raw materials, components, packing materials, consumables, spares and various other specified categories of equipment.

Who Can Apply: Exporters, entrepreneurs, etc.

From where to Apply: FIEO, Export Promotion Council and Ministry of Commerce

3. Market Access Initiative (MAI) Scheme

Description: MAI Scheme is an Export Promotion Scheme, envisaged to act as a catalyst to promote India's exports on a sustained basis.

Nature of Assistance: The scheme is formulated on focus productfocus country approach to evolve specific market and specific product. These activities are eligible for financial assistance - marketing projects abroad, capacity building, support for statutory compliances, studies, project development, etc.

Who can Apply: Exporters, entrepreneurs, etc.

From where to Apply: FIEO, Export Promotion Council

4. Software Technology Park (STP) Scheme

Description: STP Scheme is a 100 per cent export-oriented scheme for undertaking software development for export using.

Nature of Assistance: The approvals are given under single window clearance mechanism. All imports of hardware and software in STP units are completely duty free, and import of second-hand capital goods and re-export of capital goods are also permitted.

Who Can Apply: Exporters, entrepreneurs, etc.

From where to Apply: FIEO, Export Promotion Council and Ministry of Commerce

5. Services Exports from India Scheme (SEIS)

Description: The SEIS has been introduced to increase exports of notified services.

Nature of Assistance: The rewards under SEIS shall be admissible for exports made/services rendered on or after the date of notification of this policy. The duty credit scrips shall be granted

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as rewards under SEIS. The duty credit scrips and goods imported/domestically procured against them shall be freely transferable.

Who Can Apply: Exporters, entrepreneurs, etc.

From where to Apply: FIEO, Export Promotion Council and Ministry of Commerce

6. The Merchandise Exports from India Scheme (MEIS)

Description: The MEIS has been introduced for the export of specific goods to specified markets.

Nature of Assistance: Rewards for the export of notified goods to notified markets under MEIS shall be payable as percentage of realised FOB value.

Who can Apply: Exporters, entrepreneurs, etc.

From where to Apply: FIEO, Export Promotion Council and Ministry of Commerce

7. Export Promotional Capital Goods (EPCG) Scheme

Description: The objective of the EPCG Scheme is to facilitate import of capital goods for producing quality goods and services to enhance India's export competitiveness.

Nature of Assistance: EPCG Scheme allows import of capital goods for preproduction, production and post-production at zero customs duty.

Who Can Apply: Importers, entrepreneurs, etc.

From where to Apply: FIEO, Export Promotion Council and Ministry of Commerce

Huge quantities of goods are sold in the form of exports in the International Market. These exports require a certain amount of financial assistance for the execution of the order. The finance depends upon the types of goods to be executed and also based on the overseas buyers. The amount can vary based on the requirement from short term to long term finance. This financial assistant provided by financial institutions for the export purpose is called EXPORT FINANCE.

Financial Institutions Which Offer Export Finance

1. Exim Bank
2. ECGC- Export Credit Guarantee Corporation of India
3. Development banks such as IDBI, ICICI,
4. National Small Industries Corporation
5. Commercial banks
6. State Finance Corporations

Reserve Bank of India- though it doesn't provide export finance directly, it adopts policies to provide them. The departments under RBI which deals with export finance are

1. Industrial and credit department
2. Exchange control department

TYPES OF EXPORT FINANCE:

Different Types of Export Finance are as follows

1. Pre- shipment finance (180-270 days)
2. Post shipment finance (180 days)

3. Export finance against the collection of bills.

4. Deferred export finance

5. Export finance against allowances and subsidies

1. Pre-shipment finance:

- Pre-shipment finance is provided when the exporter or seller wants the payment even before the shipment of the products or goods.
- Finance is provided for the purchase of raw materials/goods, processing them into finished products, storage cost, packing and marking of goods prior to shipment.
- This type of finance is approved when a firm order is placed by the importer
- Also known as packing credit.
- Pre-shipment finance is granted for a period of 180 days as it is a working capital
- In the case of unforeseen circumstances, it can be extended to 90 days. The maximum period allowable is 270 days.

2. Post Shipment Finance

- After dispatching the goods to the importer, the exporter has to make a bill, which is to be paid by the importer. It takes about 3 to 6 months before the amount is received by the exporter. This time gap effects the production of the exporter. For this purpose, the exporter will present the bill to the financial institution which provides finance for exports. The bank can purchase the bill or collect the bill or even discount the bill.
- Post shipment finance is used to pay the wages or other services.
- To pay for cargo/shipping chargers
- To pay for advertising in overseas market for promotion
- The rate of interest on post-shipment finance varies from minimum 90 days and can be extended based on individual financial institution.

3. Export Finance Against the Collection of Bills

The finance or loan can be obtained by the exporter based on the bills of the purchase made by the importer or overseas company. In the case of any default, the finance company will compensate about 80% of the default amount. It is considered as post shipment finance.

4. Deferred Export Finance

- Finance is also available for the importers / oversea buyers to facilitate import of goods. There are two types:

1. Suppliers finance – finance is provided to the exporter (example India) by exporter's bank (Indian bank) to sell the goods on the installment basis.
2. Buyers finance – finance is provided to an overseas buyer by the exporter's company. This enables the overseas buyer to pay for equipment or machinery purchased from the exporter company (example Indian company).

5. Export Finance Against Allowances and Subsidies

In circumstances when there is unexpected rise in expenditure due to national and international changes, the government provides allowances or subsidies for export of goods at the reduced price to the importer.

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Module – 3

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IMPORT TRADE CONTROL

An import is a good brought into a jurisdiction, especially across a national border, from an external source. The party bringing in the good is called an importer.[1][2] An import in the receiving country is an export from the sending country. Importation and exportation are the defining financial transactions of international trade.

In international trade, the importation and exportation of goods are limited by import quotas and mandates from the customs authority. The importing and exporting jurisdictions may impose a tariff (tax) on the goods. In addition, the importation and exportation of goods are subject to trade agreements between the importing and exporting jurisdictions. Definition

"Imports" consist of transactions in goods and services to a resident of a jurisdiction (such as a nation) from non-residents.[3] The exact definition of imports in national accounts includes and excludes specific "borderline" cases.[4]. Importation is the action of buying or acquiring products or services from another country or another market other than own. Imports are important for the economy because they allow a country to supply nonexistent, scarce, high cost or low quality of certain products or services, to its market with products from other countries.

A General Delimitation of Imports in National Accounts is Given Below

- An import of a good occurs when there is a change of ownership from a non-resident to a resident; this does not necessarily imply that the good in question physically crosses the frontier. However, in specific cases national accounts impute changes of ownership even though in legal terms no change of ownership takes place (e.g. cross border financial leasing, cross border deliveries between affiliates of the same enterprise, goods crossing the border for significant processing to order or repair). Also smuggled goods must be included in the import measurement.
- Imports of services consist of all services rendered by non-residents to residents. In national accounts any direct purchases by residents outside the economic territory of a country are recorded as imports of services; therefore all expenditure by tourists in the economic territory of another country are considered part of the imports of services. Also international flows of illegal services must be included.

Basic Trade Statistics Often Differ in Terms of Definition and Coverage from the Requirements in the National Accounts

- Data on international trade in goods are mostly obtained through declarations to custom services. If a country applies the general trade system, all goods entering the country are recorded as imports. If the special trade system (e.g. extra-EU trade statistics) is applied goods which are received into customs warehouses are not recorded in external trade statistics unless they subsequently go into free circulation of the importing country.
- A special case is the intra-EU trade statistics. Since goods move freely between the member states of the EU without customs controls, statistics on trade in goods between the member states must be obtained through surveys. To reduce the statistical burden on the respondents small scale traders are excluded from the reporting obligation.
- Statistical recording of trade in services is based on declarations by banks to their central banks or by surveys of the main operators. In a globalized economy where services can be rendered via electronic means (e.g. internet) the related international flows of services are difficult to identify.
- Basic statistics on international trade normally do not record smuggled goods or international flows of illegal services. A small fraction of the smuggled goods and illegal services may

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nevertheless be included in official trade statistics through dummy shipments or dummy declarations that serve to conceal the illegal nature of the activities.

Import Licensing Requirements

In the last decade, India has steadily replaced licensing and discretionary controls over imports with deregulation and simpler import procedures. Most of import items fall within the scope of India's EXIM Policy regulation of Open General License (OGL). This means that they are deemed to be freely importable without restrictions and without a license, except to the extent that they are regulated by the provisions of the Policy or any other law.

Imports of items not covered by OGL are regulated and fall into three categories: banned or prohibited items, restricted items requiring an import license, and "canalized" items importable only by government trading monopolies and subject to Cabinet approval regarding timing and quantity.

The following are designated import certificate issuing authorities (ICIA):

- The Department of Electronics for the import of computer and computer related systems
- The Department of Industrial Policy and Promotion for organized sector firms except for import of computers and computer-based systems
- The Ministry of Defense for defense related items
- The Director General of Foreign Trade for small-scale industries not covered in the foregoing.

Capital goods can be imported with a license under the Export Promotion Capital Goods plan (EPCG) at reduced rates of duty, subject to the fulfillment of a time-bound export obligation. The EPGC plan now applies to all industry sectors. It is also applicable to all capital goods without any threshold limits, on payment of a five percent customs duty.

A duty exemption plan is also offered under which imports of raw materials, intermediates, components, consumables, parts, accessories and packing materials required for direct use in products to be exported may be permitted free of duty under various categories of licenses. For the actual user, a non-transferable advance license is one such license. For those who do not wish to go through the advance-licensing route, a post-export duty-free replenishment certificate is available.

Advance License

An advance license is issued to allow duty free import of inputs, which are physically incorporated in the export product (making normal allowance for wastage). In addition, fuel, oil, energy, catalysts etc. that are consumed during their use to obtain the export product, may also be allowed under the plan.

Duty free import of mandatory spares up to 10 percent of the CIF value of the license, which are required to be exported/ supplied with the resultant product, may also be allowed under Advance License.

ADVANCE LICENSE CAN BE ISSUED FOR

Physical Exports

An advance license may be issued for physical exports to a manufacturer exporter or merchant exporter tied to supporting manufacturer(s) for import of inputs required for the export product.

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Intermediate Supplies

An advance license may be issued for intermediate supply to a manufacturer- exporter for the import of inputs required in the manufacture of goods to be supplied to the ultimate exporter/deemed exporter holding another Advance License.

Deemed Exports

An advance license can be issued for deemed exports to the main contractor for import of inputs required in the manufacture of goods to be supplied to the categories mentioned in paragraph 8.2 (b), (c), (d), (e), (f), (g), (i), and (j) of the Policy. An advance license for deemed exports can also be availed by the sub-contractor of the main contractor to such project provided the name of the sub-contractor(s) appears in the main contract. Such license for deemed export can also be issued for supplies made to United Nations Organizations or under the Aid Program of the United Nations or other multilateral agencies and paid for in foreign exchange.

Import Declaration

Importers are required to furnish an import declaration in the prescribed bill of entry format, disclosing full details of the value of imported goods.

Import Licenses (If Applicable)

All import documents must be accompanied by any import licenses. This will enable the customs to clear the documents and allow the import without delay.

Ex-Factory Invoice, Freight and Insurance Certificates

These must be attached so that the customs can verify the price and decide on the classification under which the import tariff can be calculated.

Letter of Credit (L/C)

All importers must accompany a copy of the L/C to ensure that payment for the import is made. Normally this document is counter-checked with the issuing bank so that outflow of foreign exchange is checked.

Not all consignments are inspected prior to clearance, and inspection may be dispensed with for reputable importers. In the current customs set-up, an appointment with the clearing agents for clearance purposes will avoid delays. In general, documentation requirements, including ex-factory bills of sale, are extensive and delays are frequent.

Clearance delays cost time and money, including additional detention and demurrage charges, making it more expensive to operate and invest in India. For delayed clearances, importers seek release of shipments against a performance bond; furnishing a bank guarantee for this purpose is a more expensive proposition. Customs have recently extended operations to 24 hours a day to ensure timely clearance of export cargo.

Import and Export Licensing Procedures in India

India's import and export system is governed by the Foreign Trade (Development & Regulation) Act of 1992 (full text) and India's Export Import (EXIM) Policy.

Import and export of all goods are free, except for the items regulated by the EXIM policy or any other law currently in force. Registration with regional licensing authority is a prerequisite for the import and export of goods. The customs will not allow for clearance of goods unless the importer has obtained an Import Export Code (IEC) from the regional authority.

Import Policy

The Indian Trade Classification (ITC)-Harmonized System (HS) classifies goods into three categories:

1. Restricted

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2. Canalized
3. Prohibited

Goods not specified in the above mentioned categories can be freely imported without any restriction, if the importer has obtained a valid IEC. There is no need to obtain any import license or permission to import such goods. Most of the goods can be freely imported in India.

Licensed (Restricted) Items
Restricted items can be imported only after obtaining an import license from the relevant regional licensing authority. The goods covered by the license shall be disposed of in the manner specified by the license authority, which should be clearly indicated in the license itself. The list of restricted goods is provided in ITC (HS). An import license is valid for 24 months for capital goods, and 18 months for all other goods.

Canalized Items
Canalized goods are items which may only be imported using specific procedures or methods of transport. The list of canalized goods can be found in the ITC (HS). Goods in this category can be imported only through canalizing agencies. The main canalized items are currently petroleum products, bulk agricultural products, such as grains and vegetable oils, and some pharmaceutical products.

Prohibited Items
These are the goods listed in ITC (HS) which are strictly prohibited on all import channels in India. These include wild animals, tallow fat and oils of animal origin, animal rennet, and unprocessed ivory.

Export Policy
Just like imports, goods can be exported freely if they are not mentioned in the classification of ITC (HS). Below follows the classification of goods for export:

- Restricted
- Prohibited
- State Trading Enterprise

Restricted Goods
Before exporting any restricted goods, the exporter must first obtain a license explicitly permitting the exporter to do so. The restricted goods must be exported through a set of procedures/conditions, which are detailed in the license.

Prohibited Goods
These are the items which cannot be exported at all. The vast majority of these include wild animals, and animal articles that may carry a risk of infection.

State Trading Enterprise (STE)
Certain items can be exported only through designated STEs. The export of such items is subject to the conditions specified in the EXIM policy.

Types of Duties
There are many types of duties that are levied in India on imports and exports. A list of these duties follows below:

Basic Duty
Basic duty is the typical tax rate that is applied to goods. The rates of custom duties are specified in the First and Second Schedules of the Customs Tariff Act of 1975. The First

Schedule contains rates of import duty, and the second schedule contains rates of export duties. Most of the items in India are exempt from custom duty, which is generally levied on imports.

The first schedule contains two rates: Standard rate and preferential rate. The preferential rate is lower than the standard rate. When goods are imported from a place specified by the central government (CG) for lower rates, the preferential rate is applicable. In any other case, the standard rate will be applicable. If the CG has signed a trade agreement with the country of origin, then the CG may opt to charge a lower basic duty than indicated in the first schedule.

IGST and Compensation Cess
Additional duties of customs, commonly referred to as the Countervailing Duty (CVD) and Special Additional Duty of Customs (SAD), has been be replaced by the levy of the Integrated Goods and Services Tax (IGST), barring a few exceptions, such as pan masala and certain petroleum products. The IGST replaces the previous system of federal and state categories of indirect taxation.

A Customs Duty calculator is made available on the online portal of excise and customs, the ICEGATE website. There are seven rates prescribed for IGST– Nil, 0.25 percent, 3 percent 5 percent, 12 percent, 18 percent, and 28 percent. The actual rate applicable to an item will depend on its classification and will be specified in Schedules notified under Section 5 of the IGST Act, 2017.

Further, a few items such as aerated water products, tobacco products, and motor vehicles, among others, will attract an additional levy of the GST Compensation Cess, over and above IGST. The Cess is calculated on the transaction value or the price at which the goods are sold.

The Goods and Services Tax (Compensation to States) Act, 2017 was enacted to levy Compensation Cess for providing compensation to Indian states for the loss of revenue arising on account of implementation of the Goods and Services Tax from July 1, 2017.

The Compensation Cess on goods imported into India shall be levied and collected in accordance with the provisions of Section 3 of the Customs Tariff Act, 1975, at the point when duties of customs are levied on the said goods under Section 12 of the Customs Act, 1962, on a value determined under the Customs Tariff Act, 1975.

Anti-Dumping Duty
This is levied on specific goods imported from specified countries – including the US – to protect Indian industries. India can impose duties up to, but not exceeding, the margin of dumping, or the difference between the normal value and the export price.

Safeguard Duty
A safeguard duty is a tariff designed to provide protection to domestic goods, favoring them over imported items. If the government determines that increased imports of certain items are having a significantly detrimental effect on domestic competitors, it may opt to levy this duty on those imports to discourage their proliferation.

However, the duty does not apply to articles imported from developing countries.

The government may exempt imports of any article from this duty. The notification issued by the government in this regard is valid for four years, subject to further extension. However, the total period cannot exceed 10 years from the date of first imposition.

Social Welfare Surcharge
The Education Cess and Secondary and Higher Education Cess on imported goods is now abolished and replaced by the Social Welfare Surcharge. This surcharge will be levied at the rate of 10 percent of the aggregate duties of customs, on imported goods.

Valuation

Customs duty is payable as a percentage of 'Value' which is known as 'Assessable Value' or 'Customs Value.' The Value may be either:

- 'Value' as defined in Section 14 (1) of the Customs Act; or
- 'Tariff Value' described under Section 14 (2) of the Customs Act.

Tariff Value – the Tariff Value is fixed by the Central Board of Indirect taxes and Customs (CBIC) for any class of imported goods or export goods. Authorities will consider the trend of value of the goods in question while fixing tariff value. Once fixed, the duty is payable as a percentage of this value.

The value of imported goods for the assessment of duty is determined in accordance with the provisions of Section 14 of 1962 and the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. According to the rules, the assessable value equal the transaction value of goods as adjusted for freight and cost of insurance, loading, unloading and handling charges.

In the Assessable Value, the following Criteria are Included:

- Commission and brokerage;
- Cost of container, which are treated as being one with the goods for customs purposes;
- Cost of packing – labour or materials;
- Materials, components, tools, etc. supplied by buyer;
- Royalties and license fees;
- Value of proceeds of subsequent sales;
- Other payment as condition of sale of goods being valued;
- Cost of transport up to place of importation;
- Landing charges; and,
- Cost of insurance.

The Following Costs are Excluded from the Assessable Value:

- Charges for construction, erection, assembly, maintenance or technical assistance undertaken after importation of plant, machinery or equipment;
- Cost of transport after importation;
- Duties and taxes in India; and,
- Types of duties on exports and imports in India are covered in the Customs Tariff Act 1975. The Act provides all the laws and regulations related to customs in India.

Customs Handling Fee

The Indian government assesses a one percent customs handling fee on all imports in addition to the applied customs duty.

Duty Entitlement Passbook Scheme

DEPB (Duty Entitlement Pass Book) is an export incentive scheme of Indian Government provided to Exporters in India.[1]

Duty Entitlement Pass Book Scheme (DEPB) is an export incentive scheme. The objective of DEPB is to neutralise the incidence of Customs duty on the import content of the export

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product. The neutralisation shall be provided by way of grant of duty credit against the export product. Under the DEPB, an exporter may apply for credit, as a specified percentage of FOB value of exports made in freely convertible currency.

Notified on 1/4/1997, the DEPB Scheme consisted of (a) Post-export DEPB and (b) Pre-export DEPB. The pre-export DEPB scheme was abolished w.e.f. 1/4/2000. Under the post-export DEPB, which is issued after exports, the exporter is given a duty entitlement Pass Book Scheme at a pre-determined credit on the FOB value. The DEPB rates allows import of any items except the items which are otherwise restricted for imports. Items such as Gold Nibs, Gold Pen, Gold watches etc. though covered under the generic description of writing instruments, components of writing instruments and watches are thus not eligible for benefit under the DEPB scheme.

DEPB Scheme is issued only on post-export basis and pre/export DEPB Scheme has been discontinued. The provisions of DEPB Scheme are mentioned in Para 4.3 and 4.3.1 to 4.3.5 of the **Foreign Trade** Policy or Exim Policy. One significant change in the new DEPB Scheme is that in terms of Para 4.3.5 of the Exim Policy even **excise duty** paid in cash on inputs used in the manufacture of export product shall be eligible for brand rate of **duty drawback** as per rules framed by Department of Revenue which was not mentioned in the earlier DEPB Scheme.

BENEFITS OF DEPB RATES

The benefit of DEPB schemes is available on the export products having extraneous material up to 8% by material up to 5% shall be ignored and the DEPB rate as notified for that export product is to be allowed.

Review of DEPB Rates

The Government of India review[2] the DEPB rates after getting the appropriate an export import data on FOB (shipping) value of exports and Cost, Insurance and Freight (CIF) value of inputs used in the export product, as per SION. Such data and information is usually obtained from the concerned Export Promotion Councils.

Implementation of the DEPB Rates

Some additional facilities as listed below have been provided for better implementation of the DEPB Rates

- DEPB rates rationalized to account for the changes in Customs duties.
- Caps fixed on certain items but there would be no verification of Present Market Value (PMV) on such items.
- A number of ports have been added for availing facilities under the Duty Exemption Scheme, including DEPB.
- The threshold limit of Rs. 200 million for fixing new DEPB rates removed.

Provisional DEPB Rate

The main objective behind the provisional DEPB rates is to encourage diversification and to promote export of new products. However, provisional DEPB rates would be valid for a limited period of time during which exporter would furnish data on export and import for regular fixation of rates.

Maintenance of Record

It is necessary for Custom House at ports to maintain a separate record of details of exports made under DEPB Schemes.

Port of Registration

The exports/imports made from the specified ports given shall be entitled for DEPB.

 ISBN: 978-81-961857-9-4

- Sea Ports: Mumbai, Kolkata, Cochin, Dahej, Kakinada, Kandla, Mangalore, Mormugao, Mundra, Chennai, Nhava Sheva, Paradeep, Pipavav, Sikka, Tuticorin Vishakhapatnam, Surat (Magdalla), Nagapattinam, Okha, Dharamtar and Jamnagar.
- Airports: Ahmedabad, Bangalore, Bhubaneshwar Mumbai, Kolkata Coimbatore Air Cargo Complex, Cochin, Delhi, Hyderabad, Jaipur, Srinagar, Trivandrum, Varanasi, Nagpur and Chennai.
- ICDs : Agra, Ahmedabad, Bangalore, Bhiwadi, Coimbatore, Daulatabad, (Wanjarwadi and Maliwada), Delhi, Dighi (Pune), Faridabad, Guntur, Hyderabad, Jaipur, Jallandhar, Jodhpur, Kanpur, Kota, Ludhiana, Madurai and the land Customs station at Ranaghat Mallanpur, Moradabad, Meerut Nagpur, Nasik, Gauhati (Amingaon), Pimpri (Pune), Pitampur (Indore), Rudrapur (Nainital), Salem Singanalur, Surat, Tirupur, Udaipur, Vadodara, Varanasi, Waluj, Bhilwara, Pondicherry, Garhi-Harsaru, Bhatinda, Dappar, Chheharata (Amritsar), Karur, Miraj and Rewari.
- LCS: Ranaghat, Singhabad, Raxaul, Jogbani, Nautanva (Sonauli), Petrapole and Mahadipur.

The exports made to the following Special Economic Zones (SEZ) are also entitled to DEPB.

- SEZ : Santacruz, Kandla, Kochi, Vishakhapatnam, Chennai, FALTA, Surat, NOIDA

Credit under DEPB and Present Market Value

In respect of products where rate of credit entitlement under DEPB Scheme comes to 10% or more, amount of credit against each such export product shall not exceed 50% of Present Market Value (PMV) of export product. During export, exporter shall declare on shipping bill that benefit under DEPB Scheme would not exceed 50% of PMV of export product.

However PMV declaration shall not be applicable for products for which value cap exists irrespective of DEPB rate of product.

Utilization of DEPB credit

Credit given under DEPB Schemes is utilized for payment of Indian customs duty

Re-export of goods imported under DEPB Scheme

In case of return of any exported goods, which has been found defective or unfit for use may be again exported according to the exim guidelines as mentioned by the Department of Revenue.

In such cases 98% of the credit amount debited against DEPB for the export of such goods is generated by the concerned Commissioner of Customs in the form of a Certificate, containing the amount generated and the details of the original DEPB. On the basis of certificate, a fresh DEPB is issued by the concerned DGFT Regional Authority. It is important to note that the issued DEPB have the same port of registration and shall be valid for a period equivalent to the balance period available on the date of import of such defective/unfit goods.

PROHIBITED AND RESTRICTED GOODS

Prohibited Goods are any goods the import or export of which is prohibited under the provisions of the Common Customs Law or any other regulation or law applicable in the State. Whereas the **restricted goods** are those goods the import or export of which is restricted under the provisions of the Common Customs Law or any other regulation or law applicable in the State, and may only be released subject to the approval of the competent authority.

Some Prohibited Items

1. All kinds of narcotic drugs (taking into account the control of prohibited items in general and narcotic substances in particular, where certain prohibited goods may be imported or exported subject to producing approvals of the competent authorities).

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2. Goods of Israeli origin or bearing Israeli flags and emblems.
3. Gambling tools, machineries and devices of all kinds.
4. Nylon fishing nets.
5. Live swine.
6. Used, reconditioned and inlaid tires.
7. Radiation and nuclear fallout contaminated substances.
8. Items that contradict Islamic faith and public morals.
9. E-cigarettes and electronic hookah.
10. Paan and betel leaves.
11. Any other goods or items, the importation of which is prohibited under the Common Customs Law or any other law or regulation applicable in the UAE.

The table below indicates some restricting authorities and respective goods categories:

Controlling Authorities	Goods Categories
Ministry Of Climate Change & Environment	Live animals, plants, fertilizers and insecticides
Ministry Of Defence / Armed Forces / Ministry of Interior	Arms, ammunitions, explosives, and fireworks
Ministry Of Health & Prevention	Pharmaceutical products and Medical/ Surgical instruments and machines
National Media Council	Print materials, publications, and media products
Federal Authority for Nuclear Regulation	Nuclear energy-related products
Emirates Authority for Standardization and Metrology	New tires
Telecommunications Regulatory Authority	Transmitters and radio equipment
Dubai Police	Alcoholic beverages
Dubai Municipality	Foodstuffs, personal care and cosmetic products
UAE Kimberley Process office	Rough diamonds

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Module - 4

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WAREHOUSING

A **Warehouse** is a building for storing goods.[1][2] Warehouses are used by manufacturers, importers, exporters, wholesalers, transport businesses, customs, etc. They are usually large plain buildings in industrial parks on the outskirts of cities, towns or villages.

They usually have loading docks to load and unload goods from trucks. Sometimes warehouses are designed for the loading and unloading of goods directly from railways, airports, or seaports. They often have cranes and forklifts for moving goods, which are usually placed on ISO standard pallets loaded into pallet racks. Stored goods can include any raw materials, packing materials, spare parts, components, or finished goods associated with agriculture, manufacturing, and production. In India, a warehouse may be referred to as a godown.

TYPES OF WAREHOUSES

1. Private Warehouses

These are owned and managed by the channel suppliers (manufacturers/traders) and resellers and are used exclusively for their own distribution activities.

Examples

(a) Warehouses constructed by farmers/producers near their fields/places of work.

(b) Warehouses owned and managed by wholesalers and retailers close to their selling centers.

(c) Warehouses constructed by manufacturers near their production units.

(d) Warehouses taken on rent by retail stores.

(e) Retailers may have several regional warehouses to cater the needs of their stores.

(f) Warehouses owned/leased by a wholesaler where it stores and distributes. Maintaining private warehouses involves fixed as well as variable costs. Examples of fixed costs are basically the investments made in terms of insurance, capital, interests and taxes. The variable costs on the other hand, include maintenance costs and operating costs.

Therefore, due to large expenses, private companies prefer to have assistance of public warehouses and will go for private warehouses under following situations:

(i) Wide presence and firm commitment in the region and necessity to have permanent base in an area.

(ii) Considering long term strategic advantage

(iii) Scope of optimum utilization is assured for long periods.

(iv) To build advantage over competitors.

2. Public Warehouses

These warehouses are owned by government and semi government bodies and are made available to private firms to store goods on payment of rent. The public warehouses are usually set up to help small traders who are not in position to have their own warehouses due to financial constraints.

Therefore, in order to promote trade and industry, central or state governments come forward to cater such storage needs of traders/retailers. Anyone can avail these facilities to solve its short-term distribution needs. Retailers sometimes due to increased sales even find their private warehouses insufficient if their facilities have reached capacity or if they are making a special, huge purchase of products for some reasons.

For example, before festivals or before marriage seasons, retailers may order extra merchandise to avoid ‘out of stock’ situations. These warehouses are typically regulated by the government bodies. Costs incurred by the private firms for the use of public warehouses are considered as variable. These warehouses are mainly used by manufacturers/producers, exporters and importers.

3. Bonded Storage

These warehouses are owned, managed and controlled by government as well as private agencies. Bonded warehouses are storage facility used to store imported goods for which import duty is still to be paid. The bonded warehouses run by private agencies have to obtain license from the government.

In actual, this enables the government bodies to hold control on private firms to pay their taxes on time. Without paying duties, importers cannot take over or open the goods. Globally, it has been seen that these warehouses are found near the ports and are usually owned by dock authorities. Bonded warehouses are subject to two types of taxes: (a) Excise duty and (b) Custom duty.

4. Co-operative Warehouses

As the very name implies, these warehouses are owned, managed and controlled by co-operative societies. These societies provide storage facilities on the most economical rates to their members only. The basic purpose to run such warehouses is not to earn profit but to help their members.

5. Distribution Centres

This type of storage facility usually has large space, which enables fast movement of large quantities of stores for short period. While, on the other hand, conventional warehouses hold goods for long time, say 2 months or 1 year.

These warehouses basically by nature, serve as points in the distribution system at which goods are procured from different suppliers and quickly transferred to various customers. These centers provide computerized control, which make movement of goods quick, fast and reliable.

In order to minimize delivery time, these storage facilities are found close to transportation centers. In some cases, distribution centers handle the goods for less than a day period such as in case of fast foods or perishable products. Most of the goods enter in the early morning (dawn time) and is transferred/distributed by the evening time.

FUNCTIONS OF WAREHOUSING

1. Storage

This is the basic function of warehousing. Surplus commodities which are not needed immediately can be stored in warehouses. They can be supplied as and when needed by the customers.

2. Price Stabilization

Warehouses play an important role in the process of price stabilization. It is achieved by the creation of time utility by warehousing. Fall in the prices of goods when their supply is in abundance and rise in their prices during the slack season are avoided.

3. Risk Bearing

When the goods are stored in warehouses they are exposed to many risks in the form of theft, deterioration, exploration, fire etc. Warehouses are constructed in such a way as to minimise these risks. Contract of bailment operates when the goods are stored in wave-houses.

The person keeping the goods in warehouses acts as boiler and warehouse keeper acts as boiler. A warehouse keeper has to take the reasonable care of the goods and safeguard them against

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various risks. For any loss or damage sustained by goods, warehouse keeper shall be liable to the owner of the goods.

4. Financing
Loans can be raised from the warehouse keeper against the goods stored by the owner. Goods act as security for the warehouse keeper. Similarly, banks and other financial institutions also advance loans against warehouse receipts. In this manner, warehousing acts as a source of finance for the businessmen for meeting business operations.

5. Grading and Packing
Warehouses nowadays provide the facilities of packing, processing and grading of goods. Goods can be packed in convenient sizes as per the instructions of the owner.

Importance of Warehousing in the Development of Trade and Commerce
Warehousing or storage refers to the holding and preservation of goods until they are dispatched to the consumers. Generally, there is a time gap between the production and consumption of products. By bridging this gap, storage creates time utility.

There is need for storing the goods so as to make them available to buyers as and when required. Some amount of goods is stored at every stage in the marketing process. Proper and adequate arrangements to retail the goods in perfect condition are essential for success in marketing. Storage enables a firm to carry on production in anticipation of demand in future.

A warehouse is a place used for the storage or accumulation of goods. It may also be defined as an establishment that assumes responsibility for the safe custody of goods. Warehouses enable the businessmen to carry on production throughout the year and to sell their products, whenever there is adequate demand.

Need for warehouse arises also because some goods are produced only in a particular season but are demanded throughout the year. Similarly certain products are produced throughout the year but demanded only during a particular season. Warehousing facilitates production and distribution on a large scale.

BENEFITS FROM WAREHOUSES

1. Regular Production
Raw materials need to be stored to enable mass production to be carried on continuously. Sometimes, goods are stored in anticipation of a rise in prices. Warehouses enable manufacturers to produce goods in anticipation of demand in future.

2. Time Utility
A warehouse creates time utility by bringing the time gap between the production and consumption of goods. It helps in making available the goods whenever required or demanded by the customers.

Some goods are produced throughout the year but demanded only during particular seasons, e.g., wool, raincoat, umbrella, heater, etc. on the other hand, some products are demanded throughout the year but they are produced in certain region, e.g., wheat, rice, potatoes, etc. Goods like rice, tobacco, liquor and jaggery become more valuable with the passage of time.

3. Store of Surplus Goods
Basically, a warehouse acts as a store of surplus goods which are not needed immediately. Goods are often produced in anticipation of demand and need to be preserved properly until they are demanded by the customers. Goods which are not required immediately can be stored in a warehouse to meet the demand in future.

 ISBN: 978-81-961857-9-4

4. Price Stabilization

Warehouses reduce violent fluctuations in prices by storing goods when their supply exceeds demand and by releasing them when the demand is more than immediate productions. Warehouses ensure a regular supply of goods in the market. This matching of supply with demand helps to stabilise prices.

5. Minimisation of Risk

Warehouses provide for the safe custody of goods. Perishable products can be preserved in cold storage. By keeping their goods in warehouses, businessmen can minimise the loss from damage, fire, theft etc. The goods kept in the warehouse are generally insured. In case of loss or damage to the goods, the owner of goods can get full compensation from the insurance company.

6. Packing and Grading

Certain products have to be conditioned or processed to make them fit for human use, e.g., coffee, tobacco, etc. A modern warehouse provides facilities for processing, packing, blending, grading etc., of the goods for the purpose of sale. The prospective buyers can inspect the goods kept in a warehouse.

7. Financing

Warehouses provide a receipt to the owner of goods for the goods kept in the warehouse. The owner can borrow money against the security of goods by making an endorsement on the warehouse receipt. In some countries, warehouse authorities advance money against the goods deposited in the warehouse. By keeping the imported goods in a bonded warehouse, a businessman can pay customs duty in installments.

BONDED WAREHOUSING

A **Bonded Warehouse**, Or **Bond**, is a building or other secured area in which dutiable goods may be stored, manipulated, or undergo manufacturing operations without payment of duty.[1] It may be managed by the state or by private enterprise. In the latter case a customs bond must be posted with the government. This system exists in all developed countries of the world.

Upon entry of goods into the warehouse, the importer and warehouse proprietor incur liability under a bond. This liability is generally cancelled when the goods are:

- exported; or deemed exported;
- withdrawn for supplies to a vessel or aircraft in international traffic;
- destroyed under Customs supervision; or
- Withdrawn for consumption domestically after payment of duty.

While the goods are in the bonded warehouse, they may, under supervision by the customs authority, be manipulated by cleaning, sorting, repacking, or otherwise changing their condition by processes that do not amount to manufacturing. After manipulation, and within the warehousing period, the goods may be exported without the payment of duty, or they may be withdrawn for consumption upon payment of duty at the rate applicable to the goods in their manipulated condition at the time of withdrawal. In the United States, goods may remain in the bonded warehouse up to five years from the date of importation.[2] Bonded warehouses provide specialized storage services such as deep freeze or bulk liquid storage, commodity processing, and coordination with transportation, and are an integral part of the global supply chain.

TYPES OF BONDED WAREHOUSES

Depending on the country or region, there are various options for the storage of goods in a bonded warehouse.

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Temporary Storage Premises (RTO)

Temporary storage premises offer the possibility of storing goods that enter the customs territory of the EU awaiting further customs-approved use or treatment.

Type B Customs Warehouse

The type B customs warehouse is a public customs warehouse. This means that the administrator (warehouse keeper) can make the premises available to anyone that wants to store goods under customs control.

Type C Customs Warehouse

A type C customs warehouse is a private customs warehouse. This means that only the administrator of the customs warehouse (warehouse keeper) can store goods in it. These goods do not have to be his property, for that matter: he can also store goods on behalf of others. In that case as well, the warehouse keeper will remain responsible to Customs for the goods kept in storage. The warehouse keeper is also the person that has to provide security to Customs.

Type D and E Customs Warehouses

Type D and E customs warehouses are private customs warehouses, which means that only the administrator (warehouse keeper) is allowed to store goods in them.

Free Warehouse

A Public Bonded Warehouse is a building or premises guarded and locked by Customs. Within this building or these premises, anyone can store goods.

Special Economic Zone Or Free Zone

Unlike a free warehouse, a special economic zone is not a building or premises, but a location. This location is a geographical area which has been carefully charted and recorded. Sometimes these areas are known as bonded logistics parks.

Implementation

Depending on different countries, it is difficult to choose what kind of warehouse should be chosen for different situations, for example, goods may be entered for temporary warehouse and afterwards for consuming locally or they may be transported out-bound to another country and are placed in warehouse for a while, or they are entered for warehouse waiting for retailers to transfer them.

Under such a complex circumstances, many importers and exporters try to use automation to help manage issues in bonded warehouse which, to some extent, can respond rapidly to customer orders and dispatch products

Aircraft and Ship Stores

Bonded store is place where they place those items which are not declared either serviceable or un-serviceable.

Import Gold and Silver by Nri

- Import of Gold
- Silver
- Selling of imported Gold and Silver
- Custom Bonded Warehouse

Reserve Bank of India has granted general permission to persons of Indian nationality or origin to bring into India a limited amount of gold and silver. However, import of gold and silver is govern by certain rules and regulation and are given in detail below.

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Import of Gold

A NRI who has been residing in a foreign country for over one year and is returning to India may be allowed to import jewellery without paying any custom duty in his use up to an aggregate value of ten thousand rupees in the case of a male passenger. In case of a female passenger, an individual can import gold of up to rupees twenty thousands. If the amount of gold imported exceeds the import duty free range, then the custom duty charges an amount of Rs. 250 per 10 gms of gold. Even in such a situation, an individual is only permitted to import a maximum of 10 kg of Gold as a part of their baggage after paying the required customs duty. It should also be noted that that these facilities is given only to those passengers who is coming to India after a stay abroad of about six months. Gold may be brought into India in any form, including ornaments; however, a declaration is needed to be filled by the importer for obtaining the permitted quantity of gold from customs bonded warehouse of State Bank of India or from Metal & Mineral Trading Corporation subject to other conditions.

In case where a passenger has declared the gold, but could not clear it for want of sufficient foreign exchange for paying Customs duty, then re-export of the same may be permitted.

Silver

A Non Resident Indian can import silver in any form up to 100 kilos at a time provided he is coming to India after 6 months stay abroad. Duty is payable @ Rs. 500/- per Kilo.

Selling of imported Gold and Silver

Gold and silver so brought by NRIs can be sold to residents against payment in rupees. But it should be credited in rupees and credited to Ordinary Non-resident Rupee (NRO) account of the NRI seller.

Custom Bonded Warehouse

This is an option to take delivery of the metals in India from the customs bonded warehouses to be operated by the State Bank of India and the Minerals and Metals Trading Corporation (MMTC)

1. Sometimes physical carriage of gold involved security hazards, particularly for passengers arriving by flights landing at odd hours during nights, it was thought fit to introduce Customs Bonded Warehouses.
2. This facility would be operated by SBI and MMTC in Delhi, Mumbai and Thiruvananthapuram and specified delivery centers.
3. Passengers availing of this facility would have the option to make the payment for the gold in foreign exchange either abroad or in India.
4. In cases where passengers had made the payment abroad and were found ineligible for import on their arrival in India, appropriate provision for refund would be provided under the scheme.
5. Passengers intending to avail of the facility of delivery of gold through such warehouses would be required to make a declaration to this effect before the customs authorities at the time of their arrival in the country at the respective airports – Sahar, IGI Delhi and Thiruvananthapuram.
6. The eligibility of the passengers would be decided by the customs authorities at the time of customs clearance of the passengers and such passengers would deposit the duty at the airport itself.

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10 Important Custom and Baggage Rules for NRIs - Indians Returning from Overseas

India is getting prosperous and foreign trip are not the privilege only rich people had in the past. Nowadays, many middle and upper-middle-class Indians are traveling abroad for holidays, vacations, honeymoons, study and just for work to nearby countries e.g. Singapore, Malaysia, Dubai, Thailand etc. Apart from the hassles of Passport and VISA, one more thing which bothers many Indias is the customs rules and the worry about what they can carry back to India without paying customs duty while shopping overseas.

Every passenger has some free allowances which entitle him to bring many personal items and gift back to India without paying customs duties. If you know those free allowances and baggage rules you can make your trip more pleasant by avoiding custom declaration form and visit red channels.

These are some of the common rules which I know by experience and reading but the most important things are that the rules keep changing and you have to check with the official customs website and the airline you are traveling for most up-to-date information.

Btw, below list contains rules based upon the modification done on baggage rules and free allowances on 2016.

IMPORTANT CUSTOMS, BAGGAGE RULES, AND FREE ALLOWANCES

Here is my list of some of the most common customs and baggage rules and free allowances which every Indian returning from abroad or foreign tourist traveling India should know. The government has revised the free allowance rules on March 1, 2016, and these rules are effective from April 1, 2016.

1. You can carry 200 Cigrates, 50 Cigars and 250 grams of Tobacco without declaration, that's the free allowance. If you carry more than that then you need to declare them by filling the customs declaration form.

2. The passenger of 18 years and above from anywhere e.g. Indians or Foreigners can carry one laptop computer or a notebook. You don't need to declare that on the customs form.

3. You can also buy 2 liters of Alcohol, liquor, or wines from duty-free shops. That's the maximum you can carry as part of your free allowance.

4. An Indian passenger who has been living abroad for more than 1 years can carry gold Jewellery without declaration under a limit. The limit on gold jewelry is different for male and female passengers. Ladies can carry 40 grams of gold jewelry with a value cap of 1,00,000 INR, while gents can carry 20 grams of gold jewelry with a value cap of 50,000 INR.

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FREE ALLOWANCE ON GOLD AND SILVER

Period of Stay Abroad	Eligibility criteria	Free Allowance on Gold (in the form of jewellery only)	Import limit (on payment of Customs Duty @ 10.3% on Tariff Value)	
			Gold	Silver
Less than 6 months	Any Passenger	Nil	Nil	Nil
6 months – 1 year	Passengers of Indian Origin (or) Passenger holding a valid passport of India	Nil	1 kg (including ornaments)	10 kg (including ornaments)
More than 1 year	Passengers of Indian Origin (or) Passenger holding a valid passport of India	a. 20 gms with a value cap of Rs.50,000/- for Gentleman Passenger b. 40 gms with a value cap of Rs.1,00,000 /- for Lady Passenger	1 kg	10 kg

- The Tariff value is declared periodically by Government of India based on Foreign Exchange rate and Market fluctuations.
- Customs Duty on Gold and Silver can only be remitted in easily convertible Foreign Currency.
- These rules shall come into force w.e.f. 1st April, 2016

5. Indian citizens, NRIs, PIOs are allowed to carry less than 10,000 INR as cash without declaration, but this rule is not applicable for infants e.g. you cannot carry 50,0000 INR without declaring to customs if you are traveling with infants.

6. The Duty-free allowance for tourists of foreign origins is limited to 15,000 INR. If you are carrying goods above that then you need to declare that to customs. This limit was revised on 2016 and increased from 8,000 to 15,000 INR.

7. The duty-free allows for an Indian resident or a foreigner residing in India, or a tourist of Indian origin, coming from any country other than Nepal, Bhutan, or Myanmar is Rs 50,0000. You can bring personal items, travel souvenirs, gifts, and articles other than the prohibited ones, up to the value of Rs 50,000. This is also your baggage allowance. Also, remember that the free baggage allowance of one passenger cannot be combined with the free allowance of another passenger.

8. You need to fill the customs declaration form and report to Customs officer on Red Channel in case you are bringing prohibited articles, Gold Jewellery over the free allowance, Gold Bullion, Meat and Meat products, dairy products, fish or poultry products, and satellite phone.

9. You also need to see custom officer if you are bringing seeds, plants, fruits, flowers or other planting materials.

10. For cash, you need to declare to customs when you are carrying more than Rs 10,000, Foreign currency notes exceeding US$ 50000 or equivalent, or Aggregate value of foreign exchange e.g. traveler's cheque, including currency exceeds 10,000 USD or equivalent. You can see my articles on customs rules for carrying cash for more details.

Special Economic Zones (SEZ) are growth engines that can boost manufacturing, augment exports and generate employment. The private sector has been actively associated with the development of SEZs. The SEZs require special fiscal and regulatory regime in order to impart a hassle free operational regime encompassing the state of the art infrastructure and support services. The proposed legislation on SEZs to be enacted in the near future would

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cover the concepts of the developer and co- developer, fiscal concessions under the Income Tax and Customs Act, provide for Offshore Banking Units (OBUs) etc . A brief on the facilities available under the SEZ scheme is given as under:

Eligibility	7.1	(a)	Special Economic Zone (SEZ) is a specifically delineated duty free enclave and shall be deemed to be foreign territory for the purposes of trade operations and duties and tariffs.
		(b)	Goods and services going into the SEZ area from DTA shall be treated as exports and goods coming from the SEZ area into DTA shall be treated as if these are being imported.
		(c)	SEZ units may be set up for manufacture of goods and rendering of services.
Export and Import of Goods.	7.2	(a)	SEZ units may export goods and services including agro-products, partly processed goods, sub-assemblies and components except prohibited items of exports in ITC (HS). The units may also export by-products, rejects, waste scrap arising out of the production process. Export of Special Chemicals, Organisms, Materials, Equipment and Technologies (SCOMET) shall be subject to fulfillment of the conditions indicated in the ITC (HS) Classification of Export and Import Items. SEZ units, other than trading/service units, may also export to Russian Federation in Indian Rupees against repayment of State Credit/Escrow Rupee Account of the buyer, subject to RBI clearance, if any.
		(b)	SEZ unit may import/procure from the DTA without payment of duty all types of goods and services, including capital goods, whether new or second hand, required by it for its activities or in connection therewith, provided they are not prohibited items of imports in the ITC(HS). However, any permission required for import under any other law shall be applicable. Goods shall include raw material for making capital goods for use within the unit. The units shall also be permitted to import goods required for the approved activity, including capital goods, free of cost or on loan from clients.

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		(c)	SEZ units may procure goods required by it without payment of duty, from bonded warehouses in the DTA set up under the Policy and/or under Section 65 of the Customs Act and from International Exhibitions held in India.
		(d)	SEZ units, may import/procure from DTA, without payment of duty, all types of goods for creating a central facility for use by units in SEZ. The Central facility for software development can also be accessed by units in the DTA for export of software.
		(e)	Gem & Jewellery units may also source gold/ silver/ platinum through the nominated agencies.
		(f)	SEZ units may import/procure goods and services from DTA without payment of duty for setting up, operation and maintenance of units in the Zone.
Leasing of Capital Goods	7.3	SEZ unit may, on the basis of a firm contract between the parties, source the capital goods from a domestic/foreign leasing company. In such a case the SEZ unit and the domestic/ foreign leasing company shall jointly file the documents to enable import/ procurement of the capital goods without payment of duty.	
Net Foreign Exchange Earning (NFE)	7.4	SEZ unit shall be a positive Net Foreign exchange Earner. Net Foreign Exchange Earning (NFE) shall be calculated cumulatively for a period of five years from the commencement of production according to the formula given in Chapter 7 of the Handbook (Vol-I).	
Monitoring of performance	7.5	(a)	The performance of SEZ units shall be monitored by the Unit Approval Committee.
		(b)	The performance of SEZ units shall be monitored as per the guidelines given in Appendix 14-IG of the Handbook (Vol-I).
Legal Undertaking	7.6	The unit shall execute a legal undertaking with the Development Commissioner concerned and in the event of failure to achieve positive foreign exchange earning it shall be liable to penalty in terms of the legal undertaking or under any other law for the time	

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		being in force.		
Approvals and Applications	7.7	(a)	Applications for setting up a unit in SEZ other than proposals for setting up of unit in the services sector (except software and IT enabled services, trading or any other service activity as may be delegated by the BOA), shall be approved or rejected by the Units Approval Committee within 15 days as per procedure indicated in Appendix 14-IB of the Handbook (Vol-I) . In other cases approval may be granted by the Board of Approval.	
		(b)	Proposals for setting up units in SEZ requiring Industrial Licence may be granted approval by the Development Commissioner after clearance of the proposal by the SEZ Board of Approval and Department of Industrial Policy and Promotion within 45 days on merits.	
DTA Sales and Supplies	7.8	(a)	SEZ unit may sell goods, including by-products, and services in DTA in accordance with the import policy in force, on payment of applicable duty.	
		(b)	DTA sale by service/trading unit shall be subject to achievement of positive NFE cumulatively. Similarly for units undertaking manufacturing and services/ trading activities against a single LOP, DTA sale shall be subject to achievement of NFE cumulatively.	
		(c)	The following supplies effected in DTA by SEZ units will be counted for the purpose of fulfillment of positive NFE:	
			(i)	Supplies effected in DTA in terms of Chapter 8 of the Policy.
			(ii)	Supplies made to bonded warehouses set up under the Policy and/or under Section 65 of the Customs Act.
			(iii)	Supplies to other EOU/SEZ/ EHTP/ STP/BTP units provided that such goods or services are permissible to be procured/rendered by these units.
			(iv)	Supplies against special entitlement of duty free import of goods.

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			(v)	Supplies of goods and services to such organizations which are entitled for duty free import of such items in terms of general exemption notification issued by the Ministry of Finance.
			(vi)	Supply of services (by services units) relating to exports paid for in free foreign exchange or for such services rendered in Indian Rupees which are otherwise considered as having been paid for in free foreign exchange by RBI.
			(vii)	Supplies of Information Technology Agreement (ITA-1) items and notified zero duty telecom/electronic items indicated in the Appendix 14-IC of the Handbook.
Entitlement for Supplies from the DTA	7.9	Supplies from DTA to SEZ shall be entitled for the following:		
		(a)	DTA supplier shall be entitled for:	
			(i)	Drawback /DEPB/DFRC/Advance Licence
			(ii)	Discharge of Export performance, if any, on the supplier.
		(b)	SEZ units shall be entitled for:-	
			(i)	Exemption from Central Sales Tax.
			(ii)	Exemption from payment of Central Excise Duty on all goods eligible for procurement by the unit.
			(iii)	Deleted.
			(iv)	Reimbursement of Duty paid on fuels or any other goods procured from DTA as per the rate of drawback notified by the Directorate General of Foreign Trade from the date of such notification.
		(c)	Supplier of precious and semi-precious stones, synthetic stones and processed pearls from Domestic Tariff Area to the units situated in SEZ shall be eligible for grant of	

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			Replenishment Licenses at the rates and for the items mentioned in the Handbook (Vol. I).
		(d)	The entitlements under paragraphs (a) and (b) (ii) above shall be available provided the goods supplied are manufactured in India.
Export Through Status Holder	7.10	SEZ unit may also export goods manufactured/software developed by it through a merchant exporter/ status holder recognized under this Policy or any other EOU/SEZ/ EHTP/STP unit.	
Inter-unit Transfer	7.11	(a)	SEZ units may transfer manufactured goods, including partly processed/semi-finished goods and services from one SEZ unit to another SEZ/EOU/ EHTP/STP unit.
		(b)	Goods imported/procured by a SEZ unit may be transferred or given on loan to another unit within the same SEZ which shall be duly accounted for, but not counted towards discharge of export performance.
		(c)	Capital goods imported/procured may be transferred or given on loan to another SEZ/EOU/ EHTP/ STP unit with prior permission of the Development Commissioner and Customs authorities concerned.
		(d)	Transfer of goods in terms of sub-paras (a) and (b) above within the same SEZ shall not require any permission but the units shall maintain proper accounts of the transaction.
Other Entitlements		Other entitlements of SEZ units are indicated in the Chapter 7 of the Handbook (Vol-1).	
Sub- Contracting	7.12	(a)	SEZ unit, may subcontract a part of their production or production process through units in the DTA or through other SEZ/EOU/ EHTP/ STP, with the annual permission of Customs authorities. Subcontracting of part of production process may also be permitted abroad with the approval of the Development Commissioner.
		(b)	Sub-contracting by SEZ gems and jewellery units through other SEZ units or EOUs or units in DTA shall be subject to following conditions

 ISBN: 978-81-961857-9-4

			i)	Goods, finished or semi-finished, including studded jewellery, taken outside the zone for sub- contracting shall be brought back to the unit within **90 days**. No cut and polished diamonds, precious and semi-precious stones (except precious and semi precious stone having zero duty) shall be allowed to be taken outside the zone for sub-contracting.
			ii)	Receive plain gold/silver/platinum jewellery from DTA in exchange of equivalent quantity of gold/silver/ platinum, as the case may be, contained in the said jewellery.
			iii)	SEZ units shall be eligible for wastage as applicable for sub-contracting and against exchange
			iv)	The DTA unit undertaking job work or supplying jewellery against exchange of gold/silver/platinum shall not be entitled to export benefits.
		(c)	All units, including gem and jewellery, may sub-contract part of the production or production process through other units in the same SEZ without permission of Customs authorities subject to records being maintained by both the supplying and receiving units.	
		(d)	SEZ units other than gems and jewellery units may be allowed to undertake job-work for export, on behalf of DTA exporter, provided the finished goods are exported directly from SEZ units. For such exports, the DTA units will be entitled for refund of duty paid on the inputs by way of Brand Rate of duty drawback.	
		(e)	Scrap/waste/remnants generated through job work may either be cleared from the job worker's premises on payment of applicable duty or returned to the unit.	
		(f)	SEZ units engaged in production/processing of agriculture/horticulture products, may on the basis of annual permission from the Customs authorities take out inputs and equipments to	

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			the DTA farm subject to the procedure indicated in Chapter 7 of the Handbook (Vol-I).
Exit from SEZ Scheme	7.13	(a)	SEZ unit may opt out of the scheme with the approval of the Development Commissioner. Such exit from the scheme shall be subject to payment of applicable Customs and Excise duties on the imported and indigenous capital goods, raw materials etc. and finished goods in stock. In case the unit has not achieved positive NFE, the exit shall be subject to penalty, that may be imposed by the adjudicating authority under Foreign Trade (Development and Regulation) Act, 1992.
		(b)	SEZ unit may also be permitted by the Development Commissioner, as one time option, to exit from SEZ scheme on payment of duty on capital goods under the prevailing EPCG Scheme, subject to the unit satisfying the eligibility criteria of that Scheme and standard conditions for exit indicated in Appendix 14-IL of the Handbook (Vol-I).
Export through Exhibitions/Export Promotion Tours/Export through show rooms abroad/Duty Free Shops	7.14	SEZ, units may :	
		(i)	Export goods for holding/ participating in exhibitions abroad with the permission of Development Commissioner.
		(ii)	Personal carriage of gold/ silver/ platinum jewellery, precious, semi-precious stones, beads and articles.
		(iii)	Export of jewellery is also permitted for display/ sale in the permitted shops set up abroad.
		(iv)	Display/sell in the permitted shops set up abroad or in the show rooms of their distributors/agents.
		(v)	Set up show rooms/retail outlets at the International Airports.

 ISBN: 978-81-961857-9-4

Personal Carriage of Export/ Import parcel.	7.15	Import/ export through personal carriage of gem and jewellery items may be under-taken as per the procedure prescribed by Customs. Import/export through personal carriage for units, other than gem and jewellery unit , shall be allowed provided the goods are not in commercial quantity	
Export /Import by post/ courier	7.16	Goods including free samples, may be exported/imported by airfreight or through Foreign Post Office or through courier, subject to the procedure prescribed by Customs.	
Disposal of Rejects/Scrap/ Waste/ Remnants	7.17	Rejects/scrap/waste/remnants arising out of production process or in connection therewith may be sold in the DTA on payment of applicable duty. No duty shall be payable in case scrap/waste/ remnants/ rejects are destroyed within the Zone after intimation to the Custom authorities or destroyed outside the SEZ with the permission of Custom authorities. Destruction as stated above shall not apply to gold, silver, platinum, diamond, precious and semi precious stones.	
Replacement/ Repair of Goods	7.18	(a)	The general provisions of Policy relating to export of replacement/ repaired goods shall apply equally to SEZ units, save that, cases not covered by these provisions shall be considered on merits by the Development Commissioner.
		(b)	The goods sold in the DTA and found to be defective may be brought back for repair/ replacement under intimation to Development Commissioner.
		(c)	Goods or parts thereof, including gem stones and precious metal components for jewellery making, on being imported/ indigenously procured and found defective or otherwise unfit for use or which have been damaged or become defective after import/ procurement may be returned and replacement obtained or destroyed. In the event of replacement, the goods may be brought back from the foreign suppliers or their authorised agents in India or the indigenous suppliers. Destruction shall however not apply to gem stones and precious metals.
		(d)	Goods may be transferred to DTA/abroad for

 ISBN: 978-81-961857-9-4

			repair/ replacement, testing or calibration, quality testing and R & D purpose under intimation to Customs authorities and subject to maintenance of records.
Management of SEZ	7.19	(a)	SEZ will be under the administrative control of the Development Commissioner.
		(b)	All activities of SEZ units within the Zone, unless otherwise specified, including export and re-import of goods shall be through self certification procedure.
Setting up of SEZ in Private/Joint/State Sector	7.20	A SEZ may be set up in the public, private, joint sector or by state Government as per details indicated in Appendix 14-II O of the Handbook(Vol-I).	
Samples	7.21	SEZ units may, on the basis of records maintained by them, and on prior intimation to Customs authorities:	
		(i)	Supply or sell samples in the DTA for display/ market promotion on payment of applicable duties.
		(ii)	Remove samples without payment of duty, on furnishing a suitable undertaking to Customs authorities for bringing the goods back within a stipulated period.
		(iii)	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 couriers agencies/post.
Sale of Un-utilised Material/Obsolete goods	7.22	(a)	In case an SEZ unit is unable, for valid reasons, to utilize the goods, including capital goods and spares, it may dispose them in the DTA in accordance with the import policy in force and on payment of applicable duties or export them.
		(b)	Capital goods and spares that have become obsolete/surplus may either be exported or disposed of in the DTA on payment of applicable duties. The benefit of depreciation, as applicable, will be available in case of disposal in DTA.
		(c)	No duty shall be payable in case capital goods, raw material, consumables, spares, goods

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			manufactured, processed or packaged and scrap/waste/ remnants/rejects are destroyed within the Zone after intimation to the Custom authorities or destroyed outside the Zone with the permission of Custom authorities. However destruction shall not apply to precious and semi precious and precious metals
		(d)	SEZ unit may be allowed by Customs authorities concerned to donate imported/ indigenously procured computer and computer peripherals without payment of duty, two years after their import/procurement and use by the units, to recognized non-commercial educational institutions, registered charitable hospitals etc as per the details given in Chapter 7 of the Handbook (Vol-I).
Entitlement for SEZ Developer	7.23	For development, operation and maintenance of infrastructure facilities in SEZs, the developer shall be eligible for the following entitlements	
		(a)	Income tax exemption as per 80 IA of the Income Tax Act.
		(b)	Import/ procure goods without payment of Customs/Excise duty.
		(c)	Exemption from Service tax.
		(d)	Exemption from CST.

 ISBN: 978-81-961857-9-4

Module: 5

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What is 'Balance of Payment'?

Balance of Payment (BOP) is a statement which records all the monetary transactions made between residents of a country and the rest of the world during any given period. This statement includes all the transactions made by/to individuals, corporates and the government and helps in monitoring the flow of funds to develop the economy. When all the elements are correctly included in the BOP, it should sum up to zero in a perfect scenario. This means the inflows and outflows of funds should balance out. However, this does not ideally happen in most cases.

BOP statement of a country indicates whether the country has a surplus or a deficit of funds i.e when a country's export is more than its import, its BOP is said to be in surplus. On the other hand, BOP deficit indicates that a country's imports are more than its exports. Tracking the transactions under BOP is something similar to the double entry system of accounting. This means, all the transaction will have a debit entry and a corresponding credit entry.

Why Balance of Payment is Vital for a Country?

A country's BOP is vital for the following reasons:

- BOP of a country reveals its financial and economic status.
- BOP statement can be used as an indicator to determine whether the country's currency value is appreciating or depreciating.
- BOP statement helps the Government to decide on fiscal and trade policies.
- It provides important information to analyze and understand the economic dealings of a country with other countries.

By studying its BOP statement and its components closely, one would be able to identify trends that may be beneficial or harmful to the economy of the county and thus, then take appropriate measures.

Elements of balance of payment

There are three components of balance of payment viz current account, capital account, and financial account. The total of the current account must balance with the total of capital and financial accounts in ideal situations.

Current Account

The current account is used to monitor the inflow and outflow of goods and services between countries. This account covers all the receipts and payments made with respect to raw materials and manufactured goods. It also includes receipts from engineering, tourism, transportation, business services, stocks, and royalties from patents and copyrights. When all the goods and services are combined, together they make up to a country's Balance Of Trade (BOT).

There are various categories of trade and transfers which happen across countries. It could be visible or invisible trading, unilateral transfers or other payments/receipts. Trading in goods between countries are referred to as visible items and import/export of services (banking, information technology etc) are referred to as invisible items. Unilateral transfers refer to money sent as gifts or donations to residents of foreign countries. This can also be personal transfers like – money sent by relatives to their family located in another country.

Capital Account

All capital transactions between the countries are monitored through the capital account. Capital transactions include the purchase and sale of assets (non-financial) like land and properties. The capital account also includes the flow of taxes, purchase and sale of fixed assets etc by migrants moving out/in to a different country. The deficit or surplus in the current account is managed through the finance from capital account and vice versa.

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There are 3 major elements of capital account:

- Loans & borrowings – It includes all types of loans from both the private and public sectors located in foreign countries.
- Investments – These are funds invested in the corporate stocks by non-residents.
- Foreign exchange reserves – Foreign exchange reserves held by the central bank of a country to monitor and control the exchange rate does impact the capital account.

Financial Account

The flow of funds from and to foreign countries through various investments in real estates, business ventures, foreign direct investments etc is monitored through the financial account. This account measures the changes in the foreign ownership of domestic assets and domestic ownership of foreign assets. On analyzing these changes, it can be understood if the country is selling or acquiring more assets (like gold, stocks, equity etc).

Illustration

if for the year 2018 the value of exported goods from India is Rs. 80 lakhs and the value of imported items to India is 100 lakhs, then India has a trade deficit of Rs. 20 lakhs for the year 2018.

BOP statement acts as an economic indicator to identify the trade deficit or surplus situation of a country. Analyzing and understanding the BOP of a country goes beyond just deducting the outflows of funds from inflows. As mentioned above, there are various components of BOP and fluctuations in these accounts which provide a clear indication about which sector of the economy needs to be developed.

12 Arguments to justify the Need for Export Promotion in India

1) To Earn Foreign Exchange

Every country in the world is trying to earn a share in the global trade. This is due to the lowering of trade barriers since the inception of the World Trade Organisation (WTO), increased import bills, and increased global competition in the domestic market. Also, most developing countries row heavily from financial institutions like the World Bank and the International Monetary Fund (IMF) and other sources to finance their developmental activities and reduce the balance of payment deficits. It is therefore imperative that the import bills as well as foreign loans be paid back in foreign exchange. In order to achieve this, earning foreign exchange through various export activities is the need of the hour.

2) To Motivate Organisations to Export

In order to motivate organisations to export and earn precious foreign exchange, governments offer certain incentives. These incentives help reduce the tax burden of the exporters and also achieve a competitive price- edge for their products in foreign markets. However, being a member of WTO, each country has to ensure that the incentives offered by its government do not give an unfair advantage to the exporters. Thus, no country is to give special trading advantages to another or to discriminate against its all nations stand on an equal basis and share the benefits of any move towards lower trade barriers (branch). Also, all export incentives have to comply with WTO norms and should be in line with its various principles.

3) To Promote Interests of Indian Exporters and Keeping Commitment of WTO

In India, the framework of export incentives in the form of duty exemption and remission schemes has been devised keeping in mind the interests of exporters as well as the commitments India has made to WTO.

The Duty Exemption Scheme helps exporters import duty-free inputs required for manufacturing export products. The Duty Remission Schemes enable post-exports replenishment/remission of duty on inputs.

4) To Import Capital Goods
In addition to this, the Export Promotion Capital Goods (EPCG) scheme enables exporters to import capital goods at concessional rate of duty and suitable export obligation.

5) To Reduce Bureaucratic Hurdles
The incentives detailed above are available to all eligible exporters in India. In addition, the government has launched the very ambitious scheme of Special Economic Zones (SEZs) in order to reduce bureaucratic hurdles in importing inputs for exports and exporting finished products from India. These SEZs are modelled on the highly successful Chinese Economic Zones. It is expected that the SEZs will be the engines of growth in international trade for India.

6) To Correct Unfavourable Balance of Trade
During the period of planning, except two years, all other years have witnessed unfavourable balance of trade. It not only reduced the foreign exchange reserves of India but also made it difficult to achieve plan targets. Successful completion of plans, therefore, calls for turning of unfavourable balance of trade into favourable one which requires increase in exports.

7) To Reduce Foreign Loans
India has to row large foreign funds to import essential machinery for economic and industrial development. Till March 2009, India had contracted foreign loans amounting to Rs 11, 42,618 crore. These loans are to be repaid one day. To pay interest and repay the principal amount of these loans, it is necessary that a policy of export promotion be adopted. Foreign exchange earned as a result of larger exports will be utilized for the repayment of foreign loans

8) To Achieve the Objective of Self-Reliance
One of the main objectives of Indian Plans is to make the country independent of foreign assistance. To achieve this objective, it is necessary to promote exports. By accelerating exports, large amount of foreign currency can be earned.

9) To Sell Surplus Production
During the period of planning, new industries have been set-up in India. In order to increase the sale of the products of these industries, their export is to be promoted. It becomes easy to increase exports under export promotion program.

10) To Finance Imports
Successful execution of the plans necessitates import of machines and other capital goods from abroad. To earn necessary foreign exchange to meet their import bills, it becomes necessary to increase exports.

11) For the Defence:
Essential war equipments, weapons, aeroplanes, etc., are imported from advanced countries for our defence. To meet their cost, it is necessary to increase exports.

12) To contribute Economic Development of Country

Export promotion in terms of facilities and incentives can benefit the organisation in several ways which are as follows:

i) When the domestic market is small, foreign market provides opportunities to achieve economies of scale and growth.

ii) The supply of many commodities, as in the case of a number of agricultural products in India, is more than the domestic demand.

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iii) Exports enable certain countries to achieve export-led growth. Fourthly, export markets may help to mitigate the effects of domestic recession.

iv) A country may need to boost its exports to earn enough foreign exchange to finance its imports and service its foreign debt. It may be noted that many countries are suffering from trade deficit and foreign debt.

v) Even in the case of countries with trade surplus export promotion may be required to maintain its position against the international competition and the level of domestic economic activity.

EXPORT PROMOTION SCHEMES

Foreign Trade Policy 2015-20 and other schemes provide promotional measures to boost India's exports with the objective to offset infrastructural inefficiencies and associated costs involved to provide exporters a level playing field. Brief of these measures are as under:

1.1 Exports from India Scheme

i. Merchandise Exports from India Scheme (MEIS)

Under this scheme, exports of notified goods/ products to notified markets as listed in Appendix 3B of Handbook of Procedures, are granted freely transferable duty credit scrips on realized FOB value of exports in free foreign exchange at specified rate. Such duty credit scrips can be used for payment of basic custom duties for import of inputs or goods.

Exports of notified goods of FOB value upto Rs 5,00,000 per consignment, through courier or foreign post office using e-commerce shall be entitled for MEIS benefit. List of eligible category under MEIS if exported through using e-commerce platform is available in Appendix 3C.

ii. Service Exports from India Scheme (SEIS)

Service providers of notified services as per Appendix 3D are eligible for freely transferable duty credit scrip @ 5% of net foreign exchange earned.

2. DUTY EXEMPTION & REMISSION SCHEMES

These schemes enable duty free import of inputs for export production with export obligation. These scheme consists of:-

2.1 Advance Authorization Scheme

Under this scheme, duty free import of inputs are allowed, that are physically incorporated in the export product (after making normal allowance for wastage) with minimum 15% value addition. Advance Authorization (AA) is issued for inputs in relation to resultant products as per SION or on the basis of self declaration, as per procedures of FTP. AA normally have a validity period of 12 months for the purpose of making imports and a period of 18 months for fulfillment of Export Obligation (EO) from the date of issue. AA is issued either to a manufacturer exporter or merchant exporter tied to a supporting manufacturer(s).

2.2 Advance Authorization for annual requirement

Exporters having past export performance (in at least preceding two financial years) shall be entitled for Advance Authorization for Annual requirement. This shall only be issued for items having SION.

2.3 Duty Free Import Authorization (DFIA) Scheme

DFIA is issued to allow duty free import of inputs, with a minimum value addition requirement of 20%. DFIA shall be exempted only from the payment of basic customs duty. DFIA shall be issued on post export basis for products for which SION has been notified. Separate schemes exist for gems and jewellery sector for which FTP may be referred.

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2.4 Duty Drawback of Customs/Central Excise Duties/Service Tax

The scheme is administered by Department of Revenue. Under this scheme products made out of duty paid inputs are first exported and thereafter refund of duty is claimed in two ways:

i) All Industry Rates : As per Schedule

ii) Brand Rate : As per application on the basis of data/documents

2.4 Interest Equalisation Scheme (IES)

It provides interest equalization rate of 3% on Pre and Post Shipment Rupee Credit tor all manufacturing exporters and Merchant exporters exporting identified 416 four digit tariff lines and 5% on all merchandise products manufactured and exported by MSMEs.

3. EPCG SCHEME

3.1 Zero Duty EPCG Scheme

Under this scheme import of capital goods at zero custom duty is allowed for producing quality goods and services to enhance India's export competitiveness. Import under EPCG shall be subject to export obligation equivalent to six times of duty saved in six years. Scheme also allows indigenous sourcing of capital goods with 25% less export obligation.

3.2 Post Export EPCG Duty Credit Scrip Scheme

A Post Export EPCG Duty Credit Scrip Scheme shall be available for exporters who intend to import capital goods on full payment of applicable duty in cash.

4. EOU/EHTP/STP & BTP SCHEMES

Units undertaking to export their entire production of goods and services may be set up under this scheme for import/ procurement domestically without payment of duties. For details of the scheme and benefits available therein FTP may be required.

5. OTHER SCHEMES

5.1 Towns of Export Excellence (TEE)

Selected towns producing goods of Rs. 750 crores or more are notified as TEE on potential for growth in exports and provide financial assistance under MAI Scheme to recognized Associations.

5.2 Market Access Initiative (MAI) Scheme

Under the Scheme, financial assistance is provided for export promotion activities on focus country, focus product basis to EPCs, Industry & Trade Associations, etc. The activities are like market studies/surveys, setting up showroom/warehouse, participation in international trade fairs, publicity campaigns, brand promotion, reimbursement of registration charges for pharmaceuticals, testing charges for engineering products abroad, etc. Details of the Scheme is available at www.commerce.gov.in

5.3 Status Holder Scheme

Upon achieving prescribed export performance, status recognition as one star Export House, two Star Export House, three star export house, four star export house and five star export house is accorded to the eligible applicants as per their export performance. Such Status Holders are eligible for various non-fiscal privileges as prescribed in the Foreign Trade Policy.

In addition to the above schemes, facilities like 24X7 customs clearance, single window in customs, self assessment of customs duty, prior filing facility of shipping bills etc are available to facilitate exports.

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SPECIAL ECONOMIC ZONE

The Special Economic Zone (SEZ) policy in India first came into inception on April 1, 2000. The prime objective was to enhance foreign investment and provide an internationally competitive and hassle free environment for exports. The idea was to promote exports from the country and realising the need that level playing field must be made available to the domestic enterprises and manufacturers to be competitive globally.

A legislation has been passed permitting SEZs to offer tax breaks to foreign investors. Over half a decade has passed since its inception, but the SEZ Bill has certain drawbacks due to the omission of key provisions that would have relaxed rigid labour rules. This has lessened India's chance of emulating the success of the Chinese SEZ model, through foreign direct investment (FDI) in export-oriented manufacturing.

The policy relating to SEZs, so far contained in the foreign trade policy, was originally implemented through piecemeal and ad hoc amendments to different laws, besides executive orders. In order to avoid these pitfalls and to give a long-term and stable policy framework with minimum regulation, the SEZ Act, '05, was enacted. The Act provides the umbrella legal framework, covering all important legal and regulatory aspects of SEZ development as well as for units operating in SEZs.

What is a Special Economic Zone (SEZ)?

Special Economic Zone (SEZ) is a specifically delineated duty-free enclave and shall be deemed to be foreign territory for the purposes of trade operations and duties and tariffs. In order words, SEZ is a geographical region that has economic laws different from a country's typical economic laws. Usually the goal is to increase foreign investments. SEZs have been established in several countries, including China, India, Jordan, Poland, Kazakhstan, Philippines and Russia. North Korea has also attempted this to a degree.

Where are SEZs located in India?

At present there are eight functional SEZs located at Santa Cruz (Maharashtra), Cochin (Kerala), Kandla and Surat (Gujarat), Chennai (Tamil Nadu), Visakhapatnam (Andhra Pradesh), Falta (West Bengal) and Noida (Uttar Pradesh) in India. Further an SEZ in Indore (Madhya Pradesh) is now ready for operation.

In addition 18 approvals have been given for setting up of SEZs at Positra (Gujarat), Navi Mumbai and Kopata (Maharashtra), Nanguneri (Tamil Nadu), Kulpi and Salt Lake (West Bengal), Paradeep and Gopalpur (Orissa), Bhadohi, Kanpur, Moradabad and Greater Noida (UP), Vishakhapatnam and Kakinada (Andhra Pradesh), Vallarpadam/Puthuvypeen (Kerala), Hassan (Karnataka), Jaipur and Jodhpur (Rajasthan) on the basis of proposals received from the state governments.

Special economic zones (SEZs) in India are certain localities which offer tax and other incentives to their resident businesses.

Up until 2000, India did not have SEZs, and instead had a number of export processing zones (EPZs), which, although similar in structure to the modern SEZ, failed to attract many firms to India.

The government, accordingly, introduced the SEZ in April 2000. Structured closely on the already successful model of China, they are designed to help stimulate both foreign and domestic investment, boost India’s exports, and create new employment opportunities.

India’s Special Economic Zone Act, 2005 further amended the country’s foreign investment policy and converted its EPZs to SEZs, with notable zones including Santa Cruz (Maharashtra state), Cochin (Kerala state), Kandla and Surat (Gujarat state), Chennai (Tamil Nadu state),

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Visakhapatnam (Andhra Pradesh state), Falta (West Bengal state), Noida (Uttar Pradesh state), and Indore (Madhya Pradesh state).

Since the Act's promulgation, the Indian government has also accepted proposals for additional, far smaller SEZs, which must be proposed by developers to the Indian Board of Approval.

he SEZ Rules, 2006 lay down the complete procedure to develop a proposed SEZ or establish a unit in an SEZ.

As of September 2017, 221 SEZs are in operation, and by January 2018, a massive 423 have received formal approval for operation.

Although India's SEZs are relatively new, they have become important sourcing and manufacturing destinations for foreign investors.

Below we examine how these zones function, and highlight key information relevant for companies considering setting up in an Indian SEZ.

Incentives for setting up in an Indian SEZ

Some advantages of setting up a sourcing or manufacturing platform within an Indian SEZ include:

- Duty free import and domestic procurement of goods for the development, operation, and maintenance of your company.
- 100 percent income tax exemption on export income for first five years, 50 percent for five years thereafter, and 50 percent of the export profit reinvested in the business for the next five years. These incentives will be withdrawn from April 1, 2020 (Sunset Clause), pending an extension, which is currently under discussion.
- Exemption from the Goods and Services Tax (GST) and levies imposed by state government. Supplies to SEZs are zero rated under the IGST Act, 2017, meaning they are not taxed.
- External commercial borrowing (ECB) is allowed up to US$500 million a year without restriction. For developers of an SEZ, the ECB channel may be availed after receiving government approval, and only for providing infrastructure facilities in the zone. However, ECB will not be permissible for development of integrated township and commercial real estate within the SEZ.
- Permission to manufacture products directly, as long as the goods you are producing fall within a sector which allows 100 percent FDI.

The benefits of India's SEZ policy have been substantial and have already served to exponentially increase the amount of foreign firms operating in India.

Since 2005, exports from the country have almost continually been increasing, largely due to the rise in sourcing and manufacturing platforms there.

Choosing an SEZ Location

There are many SEZs for your company to choose from – a list of which can be obtained from the Department of Commerce's website – and so deciding on which is best for you can often be a difficult and stress-inducing process.

For companies directly sourcing from or manufacturing in India, your platform should be well placed to acquire the raw materials needed for production, while at the same time being in an area suited for export (that is, on the coastline).

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It used to be that this was a difficult balance to strike, but the new government's emphasis on infrastructural investment means that procuring your materials from other parts of India is becoming a lot easier.

Developing an SEZ in India

As mentioned previously, developers can apply to the Indian Board of Approval to establish an SEZ where one currently doesn't exist.

Companies, co-operative societies, individuals, and partnership firms are all able to file an application, and simply need to submit the Form-A that is available on the Department of Commerce's website.

The information you have to fill out on the form ranges from basic details, such as the name, address, and personal information of the applicant, to more specific details of the proposal, such as the type of land it will be set up on and its means of financing.

The amount of land that your proposal requires will determine what type of SEZ it will be. The different types are:

- Multi sector SEZ (requiring a minimum of 1000 hectares of land);
- Sector specific SEZ (requiring a minimum of 100 hectares);
- Free Trade and Warehousing Zone (FTWZ) (requiring a minimum of 40 hectares); and,
- IT/ITeS/handicrafts/bio-technology/non-conventional energy/gems and jewelry SEZ (requiring a minimum of 10 hectares).

ROLE OF DGFT

DGFT

The Directorate General of Foreign Trade (DGFT) is the agency of the Ministry of Commerce and Industry of the Government of India, responsible for the execution of the import and export Policies of India. It was earlier known as Chief Controller of Imports & Exports (CCI&E) till 1991. DGFT plays a very important role in the development of trading relations with various other nations and thus help in improving not only economic growth but also provides a certain impetus needed in the trade industry. For promoting exports and imports DGFT establish its regional offices across the country.

Directorate General of Foreign Trade is an attached office of the Department of Commerce, Ministry of Commerce and Industry. It's headquartered in Udyog Bhavan, New Delhi. Under its jurisdiction, there are four Zonal Office at Delhi, Mumbai, Kolkata and Chennai headed by Zonal Joint Director General of Foreign Trade. There are 35 Regional Authorities all over the country.

Functions and Responsibilities of DGFT

8. DGFT entrusted with the responsibility of implementing various policies regarding the trade, for example, Foreign Trade Policy.
9. DGFT is the licensing authority for exporters, importers, and export and import business.
10. DGFT can prohibit, restrict and regulate exports and imports.
11. DGFT has an important role to issue Notifications, Public notices, Circulars, etc.
12. DGFT grant 10 digit IEC (Importer Exporter Code), which is a primary requirement to Import Export
13. DGFT introduces different schemes from time to time regarding trade benefits throughout the country.

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14. DGFT has introduced ITC (HS CODE) schedule-1 for import items in India and Schedule-2 for Export items from India.

EXPORT PROMOTION COUNCIL

Introduction

Export promotional Councils (EPC) are authorities which are basically promoting, supporting and assisting firms in entering the International markets and realising their optimum potential from given resources. They also provide guidance and assistance to the exporters.

In legal terms, export promotional councils are non-profit organisation registered as a company or society. Each Export promotional council is responsible for his particular group of products.

What Role Does Epc Plays in Export Import Industry

2. **Promoting Government Schemes:** Export Promotional Council (EPC) helps and promotes the exporters by making them aware of the government schemes and other benefits.
3. **Collect and Restoring Data:** Export Promotional Council (EPC) further promotes and collects the export data to compare the industry growth and solve any hurdle in between.
4. **Sending Trade Delegations:** To make arrangements for sending trade delegations and study teams to one or more countries for promoting the export of specific products and to circulate the reports of specific products and diversifying to new products.
5. **Other Roles:** EPC also plays various roles at the policy level to promote and grow the industry.

Why Export Promotional Councils Are Useful For First Time Exporter

As per the Foreign trade policy of India, any person who either wants to acquire any license to import export restricted or other similar categories of goods or to avail any export related benefit or scheme is liable to register for Registration Cum Membership Certificate (RCMC).

Export promotional councils provide various benefits to the registered exporters. And hence plays a significant role for any exporter in India.

How to Register With Export Promotional Councils

There are currently 26 export councils and nine commodity board of India. All of these export promotional councils promote a specific set of the product. Hence, the exporter should register under the concerned Export Promotional Councils as per their line of products.

E.g. if you are an exporter of coconut, then you should register under Coconut Board of India.

To check the list of export councils or commodity board of India, then refer the link below:

Export Promotional Councils in India

Commodities Board of India

Export Oriented Units EOUs Governing Bodies Development Commissioner, Customs and Central Excise.

Supervision of EOUs **under the Development Commissioner**

Supervision of EOUs under the Customs and Central Excise

According to the guidelines mentioned in the Appendix 16-E of the Handbook of Procedures (Vol.I) the monitoring of Export Oriented Units is done jointly by the Development Commissioner and the concerned Customs and Central Excise officers.

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The main objective of the joint monitoring is to ensure that the performance of EOUs is effectively monitored and action is taken against the units which have contravened the provisions of the EXIM Policy/Handbook and the Customs Law/Procedures. Also such joint monitoring gives an opportunity to the Government to discuss and help resolve the problems/difficulties being faced by the EOUs. The idea is to remove all bottlenecks in export promotion efforts while not jeopardizing the interests of revenue.

Supervision of Eous under the Development Commissioner

The rules and regulations in matters related to EOUs are basically governed and monitored by the Development Commissioner who is administrative head of Export Processing Zones. Development Commissioner functions under the guidelines given by the Ministry of Commerce, Government of India.

The Development Commissioner of the Zone concerned is more or less the one point servicing official agency for EOUs and has wide powers including the following:-

- To adjust for currency fluctuation, in case of capital goods import
- Enhancement of production capacity
- Broad banding/diversification of product range
- Change in name or ownership
- Change of location/expansion
- Extension of validity of Letter of Permission
- To adjudicate in all matters

In all, there are seven Development Commissioners at Mumbai, Gandhidham, Chennai , Cochin , Vizag, Noida and Calcutta , who supervise the functioning of the EOUs and eight Export Processing Zones/Special Economic Zones in the country.

Supervision of EOUs under the Customs and Central Excise

As compared to Development Commissioner, supervision of EOUs under the Customs and Central Excise is quite liberal. The EOUs no longer carry out manufacturing operations under physical supervision of Customs officers and operational flexibility has been also given to EOUs by amendment of "Manufacture and Other Operations in Warehouse Regulations, 1966". The system of for locking of the warehouse and control of imported goods etc by the Customs and Central Excise has also been abolished.

All the movements from and to the unit like clearance of raw materials/ component to the job workers premises, return of goods from the job-workers’ premises, clearance to other EOUs, export and sale in DTA are allowed to be made by the unit subject to maintenance of the records. Physical control over the EOUs has, thus, been replaced by Record Based Control.

As most of the physical control has been abolished greater stress is given on proper maintenance of prescribed records & accounts and non-maintenance of the accounts by the units is viewed seriously. The cost recovery officers/the officer’s incharge of EOUs are required to scrutinize /examine the accounts/ records of the units and transaction undertaken by the unit at least once in a month. The cost recovery officer has to ensure that all movements of goods are recorded in the proper register. The Chief Commissioner is empowered to order special audit of the unit by Cost Accountant nominated by him in this regard. Cost audit is employed as a tool to check the correctness of raw materials, quantity used, finished goods produced or other such situation.

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Export Oriented Units 100% Eou Incentives Fiscal and Special Package for Star Export Houes.

Some Incentives Given to Eous

- No import licences are required by the EOU units and import of all industrial inputs exempt from customs duty.
- Supplies from the DTA to EOUs are regarded as deemed exports and are hence exempt from payment of excise duty which means that high quality inputs are available at lower costs.
- On fulfillment of certain conditions, EOUs are exempted from payment of corporate income tax for a block of 5 years in the first 8 years of operation. Export earnings continue to be exempt from tax even after the tax holiday is over.
- Industrial plots and standard design factories are available to EOUs at concessional rates.
- Single window clearance for EOU. For example, the State Government of Kerala as well of Karnataka has constituted single window clearance mechanisms such as District Single Window Clearance Board (in Kerala) and Karnataka Udyog Mitra (in Karnataka) for the purpose of speedy issue of various licences, clearances.
- Private bonded warehouses in the 7 EPZs can be set up for
  - Import and sale of goods including in the DTA, subject to payment of applicable duties at the time of sale.
  - Trading including re-export after repacking/labeling.
  - Re-export after repair, reconditioning or re-engineering
- EOUs and EPZs are permitted to sub-contract part of their production processes for job work to units in the DTA on a case by case basis.
- Supplies to the DTA under international competitive bidding against payment in foreign exchange to other EOUs and EPZ units and against import licenses are considered towards fulfilment at the export obligation.
- The FOB value of exports of EOUs and EPZ units can be clubbed with that of parent companies located in the DTA for the purpose of obtaining a Trading or Export House status.
- EOUs and EPZ units may export goods through Trading and Export Houses or other EOU and EPZ Units.

Attractive Policy Provisions for Eous:

- EOU can also import second hand capital goods without any age limit.
- 50% of physical exports can be sold in domestic market on payment of concessional duty.
- EOUs can process and export rice (Basmati & Non-Basmati).
- EOUs including Gem & Jewellery units are permitted to sub-contract upto 50% of their production (or) production process in DTA / other EOUs.
- EOUs are allowed to utilize plant and machinery for job work DTA units provided the goods are exported directly from the EOU premises.
- EOUs in Agriculture and allied sectors and in granite sector may transfer the capital goods and the inputs to the Farms/field/quarries for usage relating to the production in the EOU.

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- In case of new EOUs, Advance DTA sale will be allowed not exceeding 50% of its estimated exports for the first year except the pharmaceutical units where this will be based on its estimated exports for the first two years.
- Simultaneous Advance DTA sale permission is given on quarterly basis for perishable goods like mushrooms, cut flowers etc.
- Exports through third party is permitted
- Exports from the job workers premises is allowed
- 100% FDI investment permitted through Automatic Route similar to SEZ units
- EOUs can obtain Foreign currency loans from OBUs situated in the SEZs
- EOUs have to achieve only positive Net Foreign Exchange (NFE) within 5 years i.e., A - B > 0 where (A) is the FOB value of Exports and (B) is CIF value of imports

Fiscal Incentives Available To 100% Eous:

- Exemption from Customs and Central Exciuse duties on import/local procurement of Capital goods, raw materials, consumables, spares, packing material etc.
- Reiumbursement of Central Sales Tax (CST) on purchases made from Domestic Tariff Area (DTA)
- Corporate Tax Holiday upto 2010
- CENVAT credit on Service Tax paid
- Re-iumbursement of duty paid on fuels procured from domestic oil companies as per the rate of Drawback notified by the DGFT from time to time.

Special Package of Incentives for Star Export House Eous (Fast Track Clearance):

- Permissions and Customs clearances for both Imports and Exports on self declaration basis.
- Fixation of Input-Output norms on priority within 60 days.
- Exemption from compulsory negotiation of documents through Banks.
- 100% retention of foreign exchange in EEFC account.
- Enhancement of normal repatriation period from 180 days to 360 days.
- Exemption from furnishing of Bank Guarantee in Schemes under this policy.
- Exemption from examination of Import Cargo
- Install one Fax machine & Two computers in their Administrative/Registered Office on prior intiation only.
- Procurement of DG set intimation to the Development Commissioner/Jurisdictional Customs/Central Excise authority
- Remove their Capital goods (or) part thereof for repairs under prior intimation to the jurisdictional Asst./Deputy Commissioner of Customs & Central Excise authority
- DTA clearance of rejects on priority basis
- Personal carriage of samples of Gems & Jewellery without a need for prior permission
- DTA sale of finished products on prior intimation only

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- Participation in exhibition for export promotion on prior intimation only

Star Export House Benefits

Star export house is an Indian exporter who has excelled in international trade and successfully achieved certain minimum amount of export performance in two out of three financial years. To obtain star export house status, the exporter involved in export of goods or service must have a valid import export code (IE Code). On being recognised as a star export house, the exporter enjoys various benefits and privileges as under:

1. Authorisation and customs clearance for both imports and exports may be allowed on self-declaration basis.
2. Exemption from furnishing of bank guarantee for Schemes under Foreign Trade Promotion, unless specified otherwise.
3. Input-output norms maybe fixed on priority within 60 days by the Norms Committee.
4. Exemption from compulsory negotiation of documents through banks. Remittance or receipts, should however be received through banking channels.
5. Two star and above export houses are permitted to establish export warehouses as per Department of Revenue guidelines.
6. Three star and above export houses are permitted to get benefits of Accredited Clients Programme, as per the guidelines of Central Board of Excise and Customs.
7. Status holders would be entitled to preferential and priority treatment while handling of consignments by concerned agencies.
8. Status holders are eligible to export freely exportable items on free of cost basis for export promotion subject to an annual limit of Rs.10 lakhs or 2% of average annual export realisation during preceding three licensing years, whichever is higher.
9. Exporters involved in manufacturing would be eligible to self-certify their goods as origination from India.

Status Holder Certification

Eligibility

All exporters of goods, services and technology having an import-export code (IEC) number.

Privileges

A Status Holder is eligible for privileges as under:

i. Authorisation and Customs Clearances for both imports and exports may be granted on self-declaration basis;

ii. Manufacturer exporters who are also Status Holders shall be eligible to self-certify their goods as originating from India

Iii. Input-Output norms may be fixed on priority within 60 days by the Norms Committee

Iv. Exemption from furnishing of Bank Guarantee in Schemes under Foreign Trade Policy

V. Exemption from compulsory negotiation of documents through banks.

Vi. Two star and above Export houses shall be permitted to establish Export Warehouses as per Department of Revenue guidelines.

Vii. Three Star and above Export House shall be entitled to get benefit of Accredited Clients Programme (ACP) as per the guidelines of CBEC.

viii. The status holders would be entitled to preferential treatment and priority in handling of their consignments by the concerned agencies.

IX. Manufacturers who are also status holders (Three Star/Four Star/Five Star) will be enabled to self-certify their manufactured goods (as per their IEM/IL/LOI) as originating from India with a view to qualify for preferential treatment under different preferential trading agreements (PTA), Free Trade Agreements (FTAs), Comprehensive Economic Cooperation Agreements (CECA) and Comprehensive Economic Partnership Agreements (CEPA). Subsequently, the scheme may be extended to remaining Status Holders.

X. 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 realization during preceding three licencing years whichever is higher.

Status Category

Applicants are categorized depending on their total FOB (FOR - for deemed exports) export performance during current plus previous two years (taken together) upon exceeding limit below. For Export House (EH) Status, export performance is necessary in at least two out of three years (i.e., current plus previous two years).

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Status Category	**Export Performance FOB / FOR (as converted) Value (in US $ million)**
One Star Export House	3
Two Star Export House	25
Three Star Export House	100
Four Star Export House	500
Five Star Export House	2000

Electronic Hardware Technology Park

Various schemes have been introduced by the Government from time to time to encourage exports, viz, Special Economic Zones (SEZs), Export-oriented Units (EOUs), Software Technology Parks (STPs), Electronics Hardware Technology Parks (EHTPs), Biotechnology Parks (BTPs), etc.

Special Economic Zones

With a view to providing an internationally competitive environment for exports, the Government of India announced the SEZ Policy in April 2000. The objectives of the SEZ Policy include making available goods and services free of taxes and duties supported by integrated infrastructure for export production, expeditious and single-window approval mechanism and a package of incentives to attract foreign and domestic investments for promoting export-led growth.

Initially, SEZs in India functioned from 1 November 2000 to 9 February 2006 under the provisions of the Exim Policy/Foreign Trade Policy and fiscal incentives were made available through the provisions of relevant statutes. This system did not lend enough confidence to the investors to commit substantial investment for development of infrastructure and for the setting up of units for export of goods and services.

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In order to provide a long-term and stable policy framework with minimum regulatory regime and to provide expeditious and single-window clearance mechanism in line with the international best business practices, a Central Act for Special Economic Zones was therefore found to be necessary. The Special Economic Zones Act, 2005 (SEZ Act) was enacted by the Government in 2005. Subsequently, the Special Economic Zones Rules, 2006 (SEZ Rules) were notified on 10 February 2006. Consequently, the SEZ Act came into operation w.e.f. 10 February 2006.

The SEZ Policy provides for simplified procedures and single-window clearance mechanism to deal with matters under Central/State enactments. For SEZ developers, there are different minimum-land requirements for different classes of SEZs. Every SEZ is divided into a processing area, within which only the SEZ units would come up, and the non-processing area, where the supporting infrastructure is to be created.

The salient features of the SEZ Policy are as follows:

- Simplified procedures for development, operation, and maintenance of the SEZs and for setting up units and conducting business in SEZs;
- Single-window clearance for setting up of SEZ;
- Single-window clearance for setting up units in SEZ;
- Single-window clearance on matters relating to Central as well as State Governments; and
- Simplified compliance procedures and documentation with an emphasis on self certification.

Administrative Set-up

- The administrative set-up for functioning of SEZs is as under:

Board of Approval
↓
Zonal Development Commissioner(s)
↓
Unit Approval Committee(s)
↓
Development Commissioner(s)

- The Board of Approval (BoA) is the apex body and is headed by the Secretary, Department of Commerce, Ministry of Commerce and Industry, Government of India.
- The Unit Approval Committee (UAC) at the Zonal level deals with approval of units in the SEZs and other related issues.
- Each SEZ is headed by a Development Commissioner, who is ex officio chairperson of the UAC.
- Once an SEZ has been approved by the BOA and Central Government has notified the area of the SEZ, units are allowed to be set up in that SEZ. All the proposals for setting up of units in the SEZ are approved at the Zonal level by the UAC consisting of Development Commissioner, Customs Authorities and representatives of the State Government.

'Ease of Doing Business in India' initiative-Online Filing Facility for SEZ Proposals

Ministry of Commerce and Industry vide Notification No. D.12/25/2012-SEZ (Pt.) dated June 30, 2015[1] provides for digitization of application/ permissions by SEZ Units/Developers (Phase-II).

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The Department of Commerce, Ministry of Commerce and Industry (MoCI), had announced the online filing of SEZ proposals videCircular F. No. D.12/13/2008-SEZ, dated 21 October 2008. The following online services were being offered through the SEZ online link on the website http://www.sezindia.nic.in/:

- Filing of application (Form A) for setting up SEZ.
- Filing of other requests, viz, Application for authorised operations, addition of co-developer, application for conversion of in-principle approval to formal approval, application for validity extension of approvals, change in developing entity, change in sector, change in area/location, land details.
- Inbuilt e-mail box for each developer/co-developer to enable them to communicate with the Department.
- **Online Status of Requests.**

For filing of new applications, a physical copy of the complete application form after due signatures and authentication has to be submitted along with necessary enclosures.

In addition to the various applications digitized vide Department's aforesaid circular of 28 October, 2014, as a part of "Ease of Doing Business" initiative of Department of Commerce, the following additional transactions are identified by Department of Commerce as important applications made by SEZ units and Developers to Development Commissioner's office and Department of Commerce for various approvals/ intimations/ reporting.

Accordingly, with effect from 1 July 2015, online submission process for the following transactions has been made part of the SEZ Online System:

For SEZ Developers

1. Application for change of sector of SEZ (Form C3)
2. Application for addition of land in notified SEZ (Form C4)
3. Application for deletion of land in notified SEZ (Form C5)
4. Application for De-notification of Notified SEZ (Form C6)
5. Application for Form I for CST Exemption
6. Application to lease out space for canteen facilities etc. in processing area
7. Application for approval of list of materials and Services to carry on authorized operation in SEZ.
8. Receipt & examination of the proposal by DC Office for setting up of SEZ, Processing the proposal along with site inspection report to DOC for consideration by Board of Approval (BoA).

For SEZ Units

1. Application for Issuance of Importer Exporter Code.
2. Application for Issuance of Registration-Cum-Membership Certificate.
3. Application for issuance of Form-I for CST Exemption

Further, no manual interface is to be allowed with effect from 1 July 2015 w.r.t. applications already identified and conveyed vide aforementioned circular of even number dated 28 October 2014 (Phase-I).

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Minimum Investment/Net-Worth Criteria for setting up SE

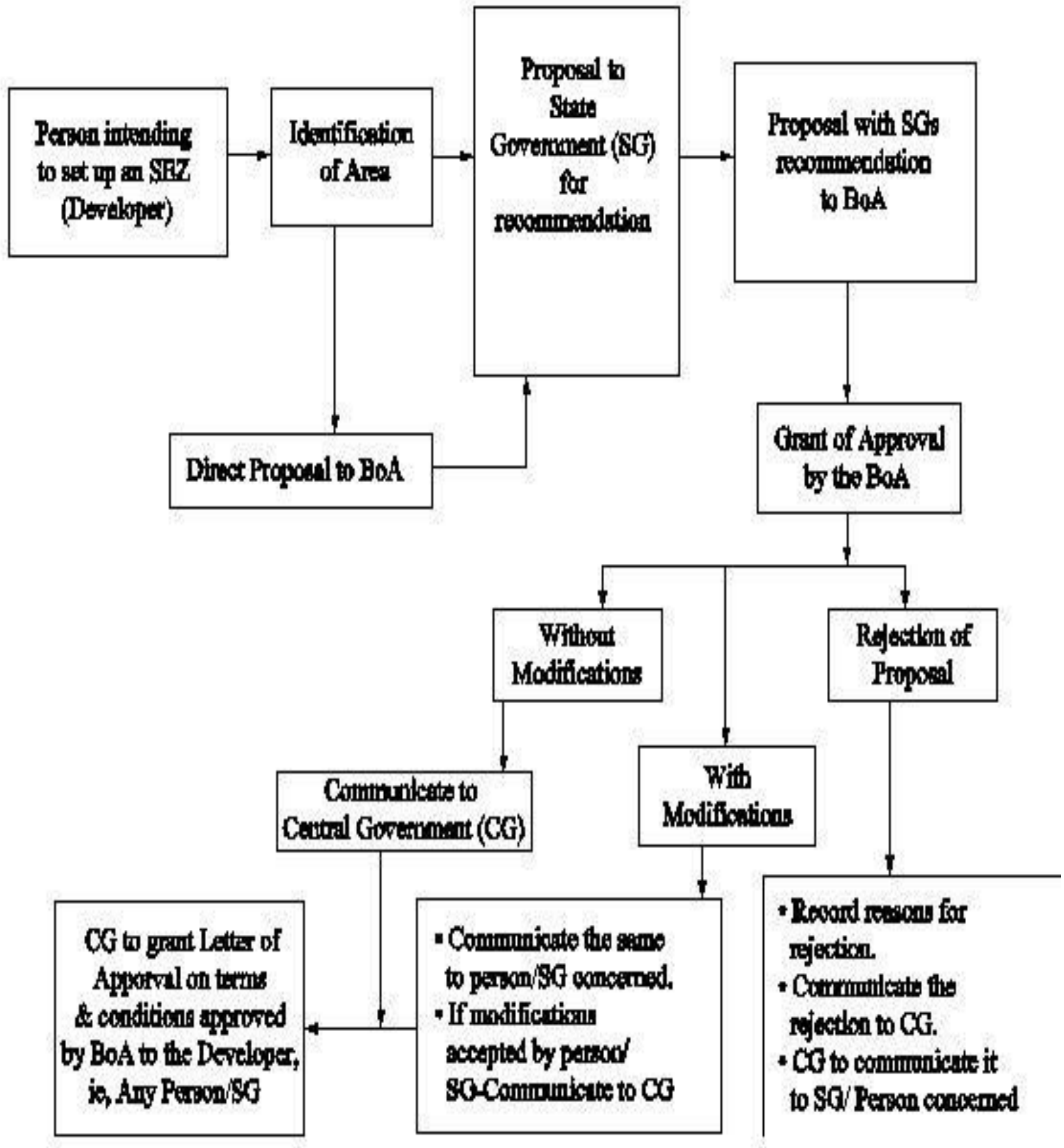
The minimum investment or net-worth of the promoters, all group companies, and flagship companies, should be as under:

- Multi-Product SEZs - Minimum investment of Rs 1,000 crore (Rs 10 billion) or net-worth of Rs 250 crore (Rs 2.5 billion)
- Sector-specific SEZs - Minimum investment of Rs 250 crore (Rs 2.5 billion) or net-worth of Rs 50 crore (Rs 0.5 billion)

Process of setting up of SE

Setting up of a Special Economic Zone

(a)



(b)

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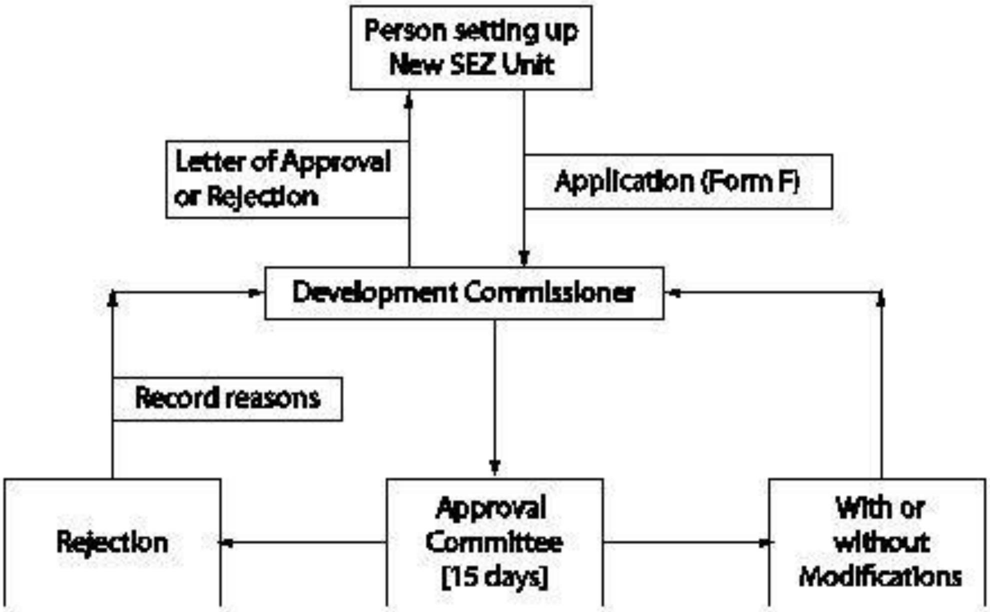

Incentives to the SEZs

SEZs are deemed to be a foreign territory within the country. The SEZs are specifically treated as duty-free enclaves for the purposes of trade operations, duties and tariffs. SEZs enjoy a host of exemptions from income tax, customs duties, excise duties, central sales tax (CST), service tax and state levies.

Major incentives to SEZ developers

The major incentives and facilities available to SEZ Developers include:

(i) Direct Taxes

- 100% income tax deduction, allowed to the Developer under s 80-IAB of the Income Tax Act for any consecutive 10 years out of the first 15 years from the date of notification of the SEZ.
- Exemption from minimum alternate tax (MAT) under s 115JB of the Income-tax Act. However, with effect from the assessment year 2012-2013, MAT at the rate of18.5% has been imposed on SEZ Developers.
- Exemption from dividend distribution tax (DDT) under s 115-O of the Income-tax Act to the SEZ Developers. However, with effect from 1 June 2011, DDT has been imposed at the rate of 15% on the dividend distributed by the SEZ Developers.

(ii) Indirect Taxes

- Duty-free import/domestic procurement of goods for development, operation and maintenance of SEZs
- Exemption from Central Sales Tax (CST)
- Exemption from Service Tax

(iii) FEMA/ FDI/ECB

- 100% Foreign Direct Investment permitted for setting up of SEZ with approval of the BOA.
- SEZ developers can avail of ECBs for providing infrastructure facilities within SEZ. For ("infrastructure sector", please refer para I(A)(v)(a) of the RBI Master Circular No. 12/ 2015-16 dated July 1, 2015).

 ISBN: 978-81-961857-9-4

(iv) Miscellaneous

- Full freedom in the allocation of space and built-up area to approved SEZ units on commercial basis.
- Authorisation to provide utilities and maintenance services, viz, water, electricity, security, restaurants and recreation centers on a commercial basis.
- Generation, transmission and distribution of power in SEZ.

Major incentives to SEZ units

The major incentives and facilities available to SEZ Units include:

(I) Direct Taxes

15 years tax holiday in a phased manner, subject to certain conditions. 100% income tax exemption under s 10AA of the Income Tax Act, 1961 for the first 5 years, 50% for the next 5 years and thereafter 50% of the ploughed back export profits for the next 5 years. Exemption from minimum alternate tax (MAT) under s 115JB of the Income Tax Act was earlier available to the SEZ Units. However, with effect from the assessment year 2012-2013, MAT at the rate 18.5% has been imposed on SEZ units.

(Ii) Indirect Taxes

- Duty-free import/procurement from domestic sources for all their requirement of capital goods, raw materials, office equipment, DG sets, etc, for implementation of their project in the SEZ, without any license
- Exemption from CST
- Exemption/refund from Service Tax

(iii) FEMA/FDI Related

- 100% FDI allowed through automatic route for all manufacturing activities in the Special Economic Zone, except for the following activities:
- Arms and ammunition, explosive and allied items of defence equipment, defence aircraft and warship,
- Automatic substances,
- Narcotics and psychotropic substances and hazardous chemicals,
- Distillation and brewing of alcoholic drinks, and
- Cigarettes/cigars and manufactured tobacco substitutes.
- Sectoral norms, as notified by the Government, applies to foreign investment in services. The cases not covered by automatic route to be considered and approved by the BOA.
- Units in SEZs are permitted to issue equity shares to non-residents against import of capital goods subject to valuation done by a Committee consisting of Development Commissioner and appropriate Customs officials.
- Units in Special Economic Zones (SEZs) are allowed to raise ECB for their own requirement. However, they cannot transfer or on-lend ECB funds to sister concerns or any unit in the Domestic Tariff Area (DTA).
- The period of realisation and repatriation of export proceeds shall be nine months from the date of export for SEZ units.[2]

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- SEZ unit may open, hold and maintain a Foreign Currency Account with an AD Category – I bank in India subject to conditions stipulated in Regulation 6(A) of Notification No. FEMA 10/2000-RB dated May 3, 2000 and as amended from time to time.
- SEZ Units are permitted to undertake job work abroad and export goods from that country itself subject to the conditions that:

a. Processing/manufacturing charges are suitably loaded in the export price and are borne by the ultimate buyer.

b. The exporter has made satisfactory arrangements for realization of full export proceeds subject to the usual EDF procedure.

AD Category – I banks may permit units in DTAs to purchase foreign exchange for making payment for goods supplied to them by units in SEZs.

- **Export of Services by Special Economic Zones (SEZs) to DTA Unit:** Authorised Dealer Banks are permitted to sell foreign exchange to a unit in the DTA for making payment in foreign exchange to a unit in the SEZ for the services rendered by it (ie SEZ Unit) to a DTA Unit.
- **"Netting off" of export receivables against import paymentsby SEZ Units:** AD Category-I banks may allow requests received from exporters for "netting off" of export receivables against import payments for SEZ Units subject to the condition that the "netting off" of export receivables against import payments is in respect of the same Indian entity and the overseas buyer/supplier (bilateral netting) and the netting may be done as on the date of balance sheet of the unit in SEZ.
- Enhanced limit of Rs 24,000,000 (Indian Rupees Twenty-four million) per annum allowed as managerial remuneration under the Companies Act, 2013.

Obligations of SEZ Units

- To achieve positive Net Foreign Exchange (NFE), in accordance with the formula provided under r 53 of SEZ Rules, 2006.
- To execute Bond-cum-Legal undertaking and submit to the Development Commissioner in the prescribed Form-H under SEZ Rules, 2006.
- To submit Annual Performance Report to the Development Commissioner, in the prescribed Form-I under SEZ Rules, 2006.
- To abide by local laws, rules, regulations or bye-laws with regard to the area planning, sewerage disposal, pollution control and the like.
- To comply with Industrial and Labour Laws, as are applicable locally. It may be noted that the labour laws will apply to all the units inside the SEZs. However, the respective State Government may declare units within the SEZ as public utilities and may delegate the powers of Labour Commissioner to the Development Commissioner of the SEZs.

CONCLUSION

The SEZ scheme has generated tremendous response amongst investors, both in India and abroad. As on July 9, 2015, there were 416 SEZs which have been formally approved, out of which 330 SEZs have been notified. Further, out of 330 notified SEZs, 202 SEZs are were operational as on March 31, 2015. Nearly 3,900 units/ companies have set up their operations in these operational SEZs by making cumulative investment of Rs 2,88,477 crore. During the financial year 2013-2014, the exports from the operational SEZs stood at Rs 4,94,077 crore, which constituted nearly 30% of India's total exports.

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The facts suggest that the SEZ scheme has generated a large flow of foreign and domestic investment in the development of SEZs.

Export-Oriented Units

The export-oriented unit (EOU) Scheme was introduced in 1980 and is covered under Chapter 6 of the Foreign Trade Policy. Establishment of units and their performance is monitored by the jurisdictional Development Commissioner under the Foreign Trade Policy provisions.

The purpose of the scheme was to boost exports by creating additional production capacity. Under this scheme, units undertaking to export their entire production of goods are allowed to be set up as an EOU. These units may be engaged in manufacturing, services, development of software, trading, repairing, remaking, reconditioning, re-engineering including making of gold/silver/platinum jewellery and articles thereof, agriculture including agro-processing, aquaculture, animal husbandry, bio-technology, floriculture, horticulture, pisci-culture, viticulture, poultry, sericulture and granites. EOUs can export all products except prohibited items of exports in ITC (HS) without payment of duty. However, permissions required for import under other laws shall be applicable.

A minimum investment of Rs 10 million in plant and machinery is required before commencement of commercial production in an EOU. Applications for setting up of units under EOU scheme, other than proposals for setting up of units in the services sector (except R&D, software and IT-enabled services or any other service activity, as may be delegated by the BOA), is approved or rejected by the Unit Approval Committee.

EOUs may import, without payment of duty, all types of goods, including capital goods, as defined in the Policy, required by it for its activities or in connection therewith, provided they are not prohibited items of imports in the ITC (HS). The units are also permitted to import goods required for the approved activity, including capital goods, free of cost or on loan from clients.

EOU units are exempted from central excise duty in procurement of goods manufactured in India, procured from DTA and from customs duty on import of capital goods, raw materials, consumables, spares, etc. Such units are further entitled to reimbursement of CST paid on purchases.

Supplies from Domestic Tariff Area (DTA) to EOUs are considered deemed exports and Indian suppliers can claim benefits of deemed exports. In addition, foreign investment up to 100% is allowed, subject to sectoral norms.

Software Technology Parks

The Software Technology Parks (STP) Scheme is covered under Chapter 6 of the Foreign Trade Policy. The STP Scheme is a 100% export-oriented scheme for the development and export of computer software and services using data communication links or in the form of physical media including the export of professional services. The major attraction of this scheme is a single-point contact service to the STP units.

For implementing the STP scheme, the Ministry of Communications and Information Technology formed the Software Technology Park of India (STPI) in 1991. STPI is an autonomous body for the management and regulation of IT Parks or STPs in India. The main aim of STPI is to develop India into an IT giant and one of the leading generators and exporters of IT and software within the coming few years. STP scheme approvals are given under a single-window clearance mechanism.

An STP unit can be located in areas designated as STP complexes or at any place where EOUs can be set up. Such a unit is a duty-free custom bonded area and is entitled to refund of CST

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paid on purchases. STP units are allowed to import all types of goods (except prohibited goods, namely capital goods, raw materials, consumables, office equipment, etc) for the purpose of manufacture/production of export products and export thereof, without payment of duties. Units can export software through data communication channel or through physical transport.

For the STP units, the period of realisation and repatriation of export proceeds shall be nine months from the date of export.[3]

Further, foreign investment up to 100% is allowed, subject to sectoral norms.

Electronics Hardware Technology Parks

The Electronics Hardware Technology Parks (EHTPs) Scheme is covered under Chapter 6 of the Foreign Trade Policy. The EHTP Scheme is administered by the Ministry of Communications and Information Technology. Under the EHTP Scheme, an EHTP can be set up by the Central Government, State Government, public or private sector undertaking or any combination of them.

An EHTP unit can be located in areas designated as EHTP complex or at any place where EOUs can be set up. Such a unit is a duty-free custom-bonded area and is entitled to refund of CST paid on purchases. EHTP units are allowed to import all types of goods (except prohibited goods, namely capital goods, raw materials, consumables, office equipment, etc) for the purpose of manufacture/production of export products and export thereof, without payment of duty. Units can export software through data communication channel or through physical transport.

For EHTP units, the period of realisation and repatriation of export proceeds shall be nine months from the date of export.[4] Further, foreign investment up to 100% is allowed, subject to sectoral norms.

Biotechnology Parks

The Biotechnology Parks (BTPs) Scheme is covered under Chapter 6 of the Foreign Trade Policy. The BTP units can export all products, except prohibited items of exports in ITC (HS) without payment of duty. Units may import, without payment of duty, all types of goods, including capital goods, as defined in the Foreign Trade Policy, required by it for its activities or in connection therewith, provided they are not prohibited items of imports in the ITC (HS).

BTP units are entitled to refund of CST paid on purchases and exempted from payment of Central Excise Duty on goods manufactured in India procured from DTA.

For BTP units, the period of realisation and repatriation of export proceeds shall be nine months from the date of export.

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Module: 6

 ISBN: 978-81-961857-9-4

INDIA'S FOREIGN TRADE POLICY

INTRODUCTION

The integration of the domestic economy through the twin channels of trade and capital flows has accelerated in the past two decades which in turn led to the India's GDP reaching Rs 170.95 trillion (US$ 2.47 trillion) in 2017-18*, and Rs 190.54 trillion (US$ 2.76 trillion) in 2018-19**. Simultaneously, the per capita income also nearly trebled during these years. India's trade and external sector had a significant impact on the GDP growth as well as expansion in per capita income.

Total exports from India (merchandise and services) have increased 8.73 per cent year-on-year in 2018-19 (up to February 2019) to US$ 483.92 billion, while total imports have increased by 9.42 per cent year-on-year to US$ 577.31 billion, according to data from the Ministry of Commerce & Industry. By 2018-19 end exports are expected to reach US$ 540 billion.

According to Mr Suresh Prabhu, Minister for Commerce and Industry, the Government of India is keen to grow exports and provide more jobs for the young, talented, well-educated and even semi-skilled and unskilled workforce of India.

Capital Inflows

India's foreign exchange reserves were US$ 405.64 billion in the week up to March 15, 2019, according to data from the RBI.

External Sector

- In March 2019, the Government of India proposed to Africa to enter a retrade agreement (FTA) or a preferential trade agreement (PTA).
- In November 2018, India and Iran had signed a bilateral agreement to settle oil trades in Indian currency through public sector bank United Commercial Bank (UCO) Bank.
- In June 2018, a Memorandum of Understanding (MoU) was signed between the Governments of India and China to export non-basmati rice to China. As of October 2018, total 24 mills got clearance to export the same.
- Bilateral trade between India and China reached US$ 84.44 billion in 2017 with 40 per cent increase in Indian exports to China.
- In August 2018, US upgraded India's status as a trading partner on par with its North Atlantic Treaty Organization (Nato) allies.
- India's external sector has a bright future as global trade is expected to grow at 4 per cent in 2018 from 2.4 per cent in 2016.
- Bilateral trade between India and Ghana is rising exponentially and is expected to grow from US$ 3 billion to US$ 5 billion over the coming three years, stated Mr Aaron Mike Oquaye Junior, Ghana's Ambassador to India.
- India has revised its proposal on trade facilitation for services (TFS) at the World Trade Organisation (WTO) and has issued a new draft, with the contents being more meaningful and acceptable to other member countries.
- The Union Cabinet, Government of India, has approved the proposed Memorandum of Understanding (MoU) between Export-Import Bank of India (EXIM Bank) and Export-Import Bank of Korea (KEXIM).
- The Goods and Services Network (GSTN) has signed a memorandum of understanding (MoU) with Mr Ajay K Bhalla, Director General of Foreign Trade (DGFT), to share realised

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foreign exchange and import-export code data, process export transactions of taxpayers under goods and services tax (GST) more efficiently, increase transparency and reduce human interface.

Foreign Trade Policy

- In the Mid-Term Review of the Foreign Trade Policy (FTP) 2015-20 the Ministry of Commerce and Industry has enhanced the scope of Merchandise Exports from India Scheme (MEIS) and Service Exports from India Scheme (SEIS), increased MEIS incentive raised for ready-made garments and made- ups by 2 per cent, raised SEIS incentive by 2 per cent and increased the validity of Duty Credit Scrips from 18 months to 24 months.
- In January 2019, the Government of India approved recapitalisation of the Export Import Bank of India (EXIM).
- As of December 2018, Government of India is planning to set up trade promotion bodies in 15 countries to boost exports from Small and Medium Enterprises (SME) in India.
- In September 2018, Government of India increased the duty incentives for 28 milk items under the Merchandise Export from India Scheme (MEIS).
- All export and import-related activities are governed by the Foreign Trade Policy (FTP), which is aimed at enhancing the country's exports and use trade expansion as an effective instrument of economic growth and employment generation.
- The Department of Commerce has announced increased support for export of various products and included some additional items under the Merchandise Exports from India Scheme (MEIS) in order to help exporters to overcome the challenges faced by them.
- The Central Board of Excise and Customs (CBEC) has developed an 'integrated declaration' process leading to the creation of a single window which will provide the importers and exporters a single point interface for customs clearance of import and export goods.
- As part of the FTP strategy of market expansion, India has signed a Comprehensive Economic Partnership Agreement with South Korea which will provide enhanced market access to Indian exports. These trade agreements are in line with India's Look East Policy. To upgrade export sector infrastructure, 'Towns of Export Excellence' and units located therein will be granted additional focused support and incentives.
- RBI has simplified the rules for credit to exporters, through which they can now get long-term advance from banks for up to 10 years to service their contracts. This measure will help exporters get into long-term contracts while aiding the overall export performance.
- The Government of India is expected to announce an interest subsidy scheme for exporters in order to boost exports and explore new markets.

COMMODITY BOARDS

Commodity Boards are statutory in character and Operate under the administrative Control of the Ministry of Commerce. Their major **functions** are: (a) To takes active interest in production, development and exports of respective **Commodities**. (b) To introduce new methods of cultivation of **commodities**.

There are five statutory Commodity Boards under the Department of Commerce. These Boards are responsible for production, development and export of tea, coffee, rubber, spices and tobacco.

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Functions of Commodity Boards in India

Commodity Boards are statutory in character and Operate under the administrative Control of the Ministry of Commerce. Their major functions are:

(a) To takes active interest in production, development and exports of respective Commodities.

(b) To introduce new methods of cultivation of commodities.

(c) To offer advice to the government on export matters such as fixing quota for exports and significant trade agreements.

(d) To provide trade information, guidance and various other services to their members and help them in their export promotion efforts.

(e) To participate in trade fairs and exhibitions abroad.

(f) To sponsor trade delegations and conduct market surveys.

(g) To arrange pre-shipment inspection for export items.

(I) COFFEE BOARD

The Coffee Board is a statutory organisation constituted under Section (4) of the Coffee Act, 1942 and functions under the administrative control of the Ministry of Commerce and Industry, Government of India. The Board comprises 33 Members including the Chairperson, who is the Chief Executive and functions from Bangalore. The remaining 32 Members representing various interests are appointed as per provisions under Section 4(2) of the Coffee Act read with Rule 3 of the Coffee Rules, 1955. The Board is mainly focusing its activities in the areas of research, extension, development, quality upgradation, economic & market intelligence, external & internal promotion and labour welfare. The Board has a Central Coffee Research Institute at Balehonnur (Karnataka) and Regional Coffee Research Stations at Chettalli (Karnataka), Chundale (Kerala), Thandigudi (Tamil Nadu), R.V.Nagar (Andhra Pradesh) and Diphu (Assam), and a bio-technology centre at Mysore, apart from the extension offices located in coffee growing regions of Karnataka, Kerala, Tamil Nadu, Andhra Pradesh, Orissa and North Eastern Region.

(ii) RUBBER BOARD

The Rubber Board is a statutory organisation constituted under Section (4) of the Rubber Act, 1947 and functions under the administrative control of Ministry of Commerce and Industry. The Board is headed by a Chairman appointed by the Central Government and has twenty seven members representing various interests of natural rubber industry. The Board's headquarters is located at Kottayam in Kerala. The Board is responsible for the development of the rubber industry in the country by way of assisting and encouraging research, development, extension and training activities related to rubber. It also maintains statistical data of rubber, takes steps to promote marketing of rubber and undertake labour welfare activities. The activities of the Board are exercised through nine departments viz. Rubber Production, Research, Processing & Product Development, Training, License & Excise Duty, Statistics and Planning, Market Promotion, Finance & Accounts and Administration. The Board has five Zonal Offices and 43 Regional Offices. It has a Central Rubber Research Institute in Kottayam and 10 regional research stations located in various rubber growing states of the country. It also has a Rubber Training Institute located at Kottayam.

(iii) TEA BOARD

Tea Board was set up as a statutory body on 1st April, 1954 as per Section (4) of the Tea Act, 1953. As an apex body, it looks after the overall development of the tea industry. The Board is headed by a Chairman and consists of 30 Members appointed by the Government of India representing various interests pertaining to tea industry. The Board's Head Office is situated in

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Kolkata and there are two Zonal offices-one each in North Eastern Region at Jorhat in Assam and in Southern Region at Coonoor in Tamil Nadu. Besides, there are fifteen regional offices spread over in all the major tea growing states and four metros. For the purpose of tea promotion, three overseas offices are located at London, Moscow and Dubai. During the year under report a separate directorate has been established to look after the developmental needs of the small tea sector in the country. Several Sub regional offices have been opened in all the important areas of small growers concentration to maintain a closer interface with the growers. The functions and responsibilities of Tea Board include increasing production and productivity, improving the quality of tea, market promotion, welfare measures for plantation workers and supporting Research and Development. Collection, collation and dissemination of statistical information to all stake holders is yet another important function of the Board. Being the regulatory body, the Board exerts control over the producers, manufacturers, exporters, tea brokers, auction organisers and warehouse keepers through various control orders notified under Tea Act.

(iv) TOBACCO BOARD

The Tobacco Board was constituted as a statutory body on 1st January, 1976 under Section (4) of the Tobacco Board Act, 1975. The Board is headed by a Chairman with its headquarters at Guntur, Andhra Pradesh and is responsible for the development of the tobacco industry. While the primary function of the Board is export promotion of all varieties of tobacco and its allied products, its functions extend to production, distribution (for domestic consumption and exports) and export promotion of Flue Cured Virginia (FCV) tobacco.

(v) SPICES BOARD

The Spices Board was constituted as a statutory body on 26th February, 1987 under Section (3) of the Spices Board Act, 1986. The Board is headed by a Chairman appointed by Central Government and consists of 32 members. The Board's Head Office is at Kochi with Regional/ Zonal/ Field offices throughout India. It is responsible for the development of cardamom industry and export promotion of the 52 spices listed in the Schedule of the Spices Board Act, 1986. The primary functions of the Board include production development of small and large cardamom, development and promotion of export of spices. The Board is also implementing programmes for development of spices in North Eastern region, post-harvest improvement of spices and organic spices in the country. The activities of the Board include issue of certificate of registration as exporter of spices; undertaking programmes and projects for promotion of export of spices like setting up of spices parks, support of infrastructure improvement in spices processing, assisting and encouraging studies and research on medicinal properties of spices, development of new products, improvement of processing, grading and packaging of spices; and controlling & upgrading quality for export (including setting up of regional quality evaluation labs and training centres). With regard to cardamom, the Board's licenced auctioneers and dealers facilitate the domestic marketing through e-auctions. The research activities on cardamom are also done by the Board through its Indian Cardamom Research Institute.

India’s Foreign Trade: March 2019

India’s overall exports (Merchandise and Services combined) in April-March 2018-19* are estimated to be USD 535.45Billion, exhibiting a positive growth of 7.97per cent over the same period last year. Overall imports in April-March2018-19* are estimated to be USD 631.29Billion, exhibiting a positive growth of 8.48per cent over the same period last year.

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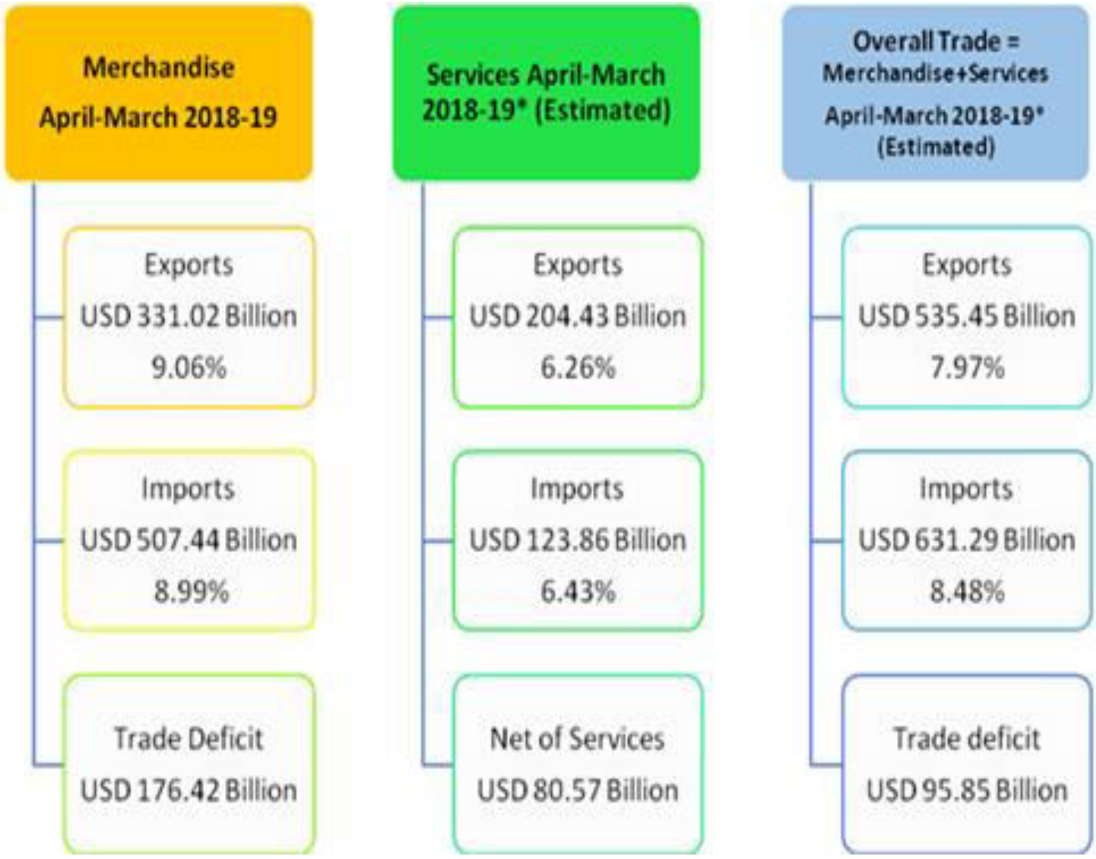

*Note: Services data pertains to April-February 2018-19 as February 2019 is the latest data available as per RBI's Press Release dated 15th April 2019. It is arrived at by adding quarterly data of RBI for Q1, Q2 & Q3 of 2018-19 with Month-wise QE dataof RBI's press release forJanuary&February 2018-19. This data is provisional and subject to revision by RBI. In addition, it may be noted that data for March 2019 is estimated and added to the April-February 2018-19 data of RBI to calculate the Overall Trade Deficit for April-March 2018-19. It will be revised based on RBI's next press release for March 2019.

I. MERCHANDISE TRADE

EXPORTS (Including Re-Exports)

Exports in March 2019 were USD32.55Billion, as compared to USD29.32 Billion in March 2018, exhibiting a positive growth of 11.02per cent. In Rupee terms, exports were Rs. 2, 26,138.76Crore in March 2019, as compared to Rs. 190,619.25Crore in March 2018, registering a positive growth of 18.63per cent.

In March 2019, major commodity groups of export showing positive growth over the corresponding month of last year are

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- Organic & Inorganic Chemicals (16.98%)
- Engineering Goods (16.27%)
- RMG of all Textiles (15.13%)
- Drugs & Pharmaceuticals (13.59%)
- Petroleum Products (6.55%)

Cumulative value of exports for the period April-March 2018-19 was USD331.02Billion (Rs.23,14,429.08Crore) as against USD303.53Billion (Rs.19,56,514.53Crore) during the period April-March 2017-18, registering a positive growth of 9.06per cent in Dollar terms (18.29per cent in Rupee terms).

Non-petroleum and Non Gems and Jewellery exports in March 2019 were USD25.59Billion, as compared to USD22.57Billion in March 2018, exhibiting a positive growth of 13.41per cent. Non-petroleum and Non Gems and Jewellery exports in April-March 2018-19 were USD243.02Billion, as compared to USD224.52Billion for the corresponding period in 2017-18, an increase of 8.24per cent.

IMPORTS

Imports in March 2019 were USD43.44Billion (Rs. 3,01,814.05Crore), which was 1.44per cent higher in Dollar terms and 8.39per cent higher in Rupee terms over imports of USD42.82Billion (Rs.2,78,441.24Crore) in March 2018. Cumulative value of imports for the period April-March 2018-19 was USD507.44Billion (Rs.35,48,004.48Crore), as against USD465.58Billion (Rs.30,01,033.43Crore) during the period April-March 2017-18, registering a positive growth of 8.99per cent in Dollar terms (18.23per cent in Rupee terms).

Major commodity groups of import showing negative growth in March 2019 over the corresponding month of last year are:

- Coal, Coke & Briquettes, etc. (-14.85%)
- Organic & Inorganic Chemicals (-6.35%)
- Machinery, electrical & non-electrical (-5.74%)
- Electronic goods (-5.69%)
- Pearls, precious & Semi-precious stones (-1.03%)

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CRUDE OIL AND NON-OIL IMPORTS

Oil imports inMarch 2019 were USD11.75Billion (Rs. 81,609.46Crore), which was 5.55percent higher in Dollar terms (12.78percent higher in Rupee terms), compared to USD11.13Billion (Rs. 72,359.44Crore) in March 2018. Oil imports in April-March 2018-19 were USD140.47Billion (Rs. 9,83,147.76Crore) which was 29.27per cent higher in Dollar terms (40.39percent higher in Rupee terms) compared to USD108.66Billion (Rs. 7,00,320.81Crore), over the same period last year.

In this connection it is mentioned that the global Brent price ($/bbl) has decreased by 0.06% in March 2019 vis-à-vis March 2018 as per data available from World Bank (Pink Sheet).

Non-oil imports inMarch 2019 were estimated at USD31.69Billion (Rs.2,20,204.59Crore) which was at-par in Dollar terms (6.85percent higher in Rupee terms), compared to USD31.69Billion (Rs. 2,06,081.80Crore) in March 2018. Non-oil imports in April-March 2018-19 were USD366.97Billion (Rs.25,64,856.72Crore) which was 2.82per cent higher in Dollar terms (11.48percent higher in Rupee terms), compared to USD356.92Billion (Rs. 23,00,712.62Crore) in April-March2017-18.

Non-Oil and Non-Gold imports wereUSD28.42billion in March 2019, recording a negative growth of 2.67per cent, as compared to Non-Oil and Non-Gold imports in March 2018. Non-Oil and Non-Gold imports wereUSD334.15billion in April-March 2018-19, recording a positive growth of 3.37per cent, as compared to Non-Oil and Non-Gold imports in April-March 2017-18.

Ii. Trade In Services (For February, 2019, As Per The Rbi Press Release Dated 15th April 2019)

EXPORTS (Receipts)

Exports inFebruary2019 were USD16.58Billion (Rs.1, 18,114.23Crore) registering a negative growth of 6.54per cent in dollar terms, vis-à-vis January 2019. (As per RBI's Press Release for the respective months).

IMPORTS (Payments)

Imports inFebruary2019 were USD9.81Billion (Rs.69, 861.46Crore) registering a negative growth of 11.05per cent in dollar terms, vis-à-vis January 2019. (As per RBI's Press Release for the respective months).

III.TRADE BALANCE

Merchandise: The trade deficit for March 2019 was estimated at USD10.89Billion as against the deficit of USD13.51Billion inMarch 2018.

Services: As per RBI's Press Release dated 15th April 2019, the trade balance in Services (i.e. Net Services export) for February, 2019 is estimated at USD6.78Billion.

Overall Trade Balance: Taking merchandise and services together, overall trade deficit for April-March 2018-19* is estimated at USD95.85Billion as compared to USD 86.05 Billion in April-March 2017-18.

*Note: Services data pertains to April-February 2018-19 as February 2019 is the latest data available as per RBI's Press Release dated 15th April 2019. It is arrived at by adding quarterly data of RBI for Q1, Q2 & Q3 of 2018-19 with Month-wise QE dataof RBI's press release for January & February 2018-19. This data is provisional and subject to revision by RBI. In addition, it may be noted that data for March 2019 is estimated and added to the April-February 2018-19 data of RBI to calculate the Overall Trade Deficit for April-March 2018-19. It will be revised based on RBI's next press release for March 2019.

 ISBN: 978-81-961857-9-4

Merchandise Trade

Exports & Imports: (Usd Billion)		
(Provisional)		
	March	**April-March**
Exports (Including Re-Exports)		
2017-18	29.32	303.53
2018-19	32.55	331.02
%Growth 2018-19/ 2017-18	11.02	9.06
Imports		
2017-18	42.82	465.58
2018-19	43.44	507.44
%Growth 2018-19/ 2017-18	1.44	8.99
Trade Balance		
2017-18	-13.51	-162.05
2018-19	-10.89	-176.42
Exports & Imports: (Rs. Crore)		
(Provisional)		
	March	**April-March**
Exports(Including Re-Exports)		
2017-18	1,90,619.25	19,56,514.53
2018-19	2,26,138.76	23,14,429.08
%Growth 2018-19/ 2017-18	18.63	18.29
Imports		
2017-18	2,78,441.24	30,01,033.43
2018-19	3,01,814.05	35,48,004.48
%Growth 2018-19/ 2017-18	8.39	18.23
Trade Balance		
2017-18	-87,821.99	-10,44,518.91
2018-19	-75,675.29	-12,33,575.40

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Services Trade

Exports & Imports (Services) : (Usd Billion)		
(Provisional)	**February 2019**	**April-February 2018-19**
Exports (Receipts)	16.58	187.85
Imports (Payments)	9.81	114.10
Trade Balance	6.78	73.75
Exports & Imports (Services): (Rs. Crore)		
(Provisional)	**February 2019**	**April-February 2018-19**
Exports (Receipts)	1,18,114.23	13,14,237.86
Imports (Payments)	69,861.46	7,98,280.24
Trade Balance	48,252.77	5,15,957.62

Note: Services data pertains to April-February 2018-19 as February 2019 is the latest data available as per RBI's Press Release dated 15th April 2019. It is arrived at by adding quarterly data of RBI for Q1, Q2 & Q3 of 2018-19 with Month-wise QE dataof RBI's press release for January & February 2018-19. This has been used along with the estimate of service exports and imports for March 2019, as explained in page-1 for the purpose of this Press note.

Quick Estimates for Selected Major Commodities for March 2019

Trade: Export

Sl. No.	Commodities	(Values in Rs. Crores)		% Change
		MAR'18	**MAR'19**	**MAR'19**
1	Tea	442.91	517.51	16.84
2	Coffee	747.82	736.49	-1.52
3	Rice	5194.35	6445.45	24.09
4	Other Cereals	257.27	190.17	-26.08
5	Tobacco	593.53	658.62	10.97
6	Spices	2257.27	2703.01	19.75
7	Cashew	359.03	395.88	10.26
8	Oil Meals	459.81	1347.52	193.06
9	Oil Seeds	713.31	810.60	13.64
10	Fruits & Vegetables	2114.92	2162.86	2.27
11	Cereal Preparations & Miscellaneous Processed Items	919.25	1033.31	12.41

 ISBN: 978-81-961857-9-4

12	Marine Products	3678.18	3666.57	-0.32
13	Meat, Dairy & Poultry Products	2684.71	2874.80	7.08
14	Iron Ore	1148.72	1071.65	-6.71
15	Mica, Coal & Other Ores, Minerals Including Processed Minerals	2665.06	3228.70	21.15
16	Leather & Leather Products	2864.46	2866.29	0.06
17	Ceramic Products & Glassware	1306.92	1680.79	28.61
18	Gems &Jewellery	22342.51	23785.92	6.46
19	Drugs & Pharmaceuticals	11456.79	13905.76	21.38
20	Organic & Inorganic Chemicals	12931.71	16164.48	25.00
21	Engineering Goods	52656.66	65420.06	24.24
22	Electronic Goods	4500.13	6472.16	43.82
23	Cotton Yarn/Fabs./Made-Ups, Handloom Products Etc.	6651.12	7264.37	9.22
24	Man-Made Yarn/Fabs./Made-Ups Etc.	3047.99	3236.50	6.18
25	RMG Of All Textiles	9698.54	11931.51	23.02
26	Jute Mfg. Including Floor Covering	161.43	162.73	0.81
27	Carpet	816.45	883.64	8.23
28	Handicrafts Excl. Handmade Carpet	1210.27	1191.95	-1.51
29	Petroleum Products	21539.67	24524.34	13.86
30	Plastic & Linoleum	4729.46	5341.90	12.95
	Sub Total	**180150.27**	**212675.54**	**18.05**
	Grand Total	**190619.25**	**226138.76**	**18.63**

Note 1: Grand total is inclusive of component ‘Other’.

Note 2: The figures for MARCH'19 and MARCH'18 are provisional and subject to change

Quick Estimates for Selected Major Commodities for March 2019

Trade: Export

Sl. No.	**Commodities**	**(Values in Million Usd)**		**% Change**
		Mar'18	**Mar'19**	**Mar'19**
1	Tea	68.12	74.48	9.34
2	Coffee	115.01	106.00	-7.83

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3	Rice	798.87	927.69	16.13
4	Other Cereals	39.57	27.37	-30.83
5	Tobacco	91.28	94.79	3.85
6	Spices	347.16	389.04	12.06
7	Cashew	55.22	56.98	3.19
8	Oil Meals	70.72	193.95	174.25
9	Oil Seeds	109.70	116.67	6.35
10	Fruits & Vegetables	325.27	311.30	-4.29
11	Cereal Preparations & Miscellaneous Processed Items	141.38	148.72	5.19
12	Marine Products	565.69	527.73	-6.71
13	Meat, Dairy & Poultry Products	412.90	413.77	0.21
14	Iron Ore	176.67	154.24	-12.70
15	Mica, Coal & Other Ores, Minerals Including Processed Minerals	409.88	464.70	13.37
16	Leather & Leather Products	440.54	412.54	-6.36
17	Ceramic Products & Glassware	201.00	241.91	20.35
18	Gems &Jewellery	3436.18	3423.49	-0.37
19	Drugs & Pharmaceuticals	1762.01	2001.45	13.59
20	Organic & Inorganic Chemicals	1988.84	2326.54	16.98
21	Engineering Goods	8098.37	9415.86	16.27
22	Electronic Goods	692.10	931.53	34.59
23	Cotton Yarn/Fabs./Made-Ups, Handloom Products Etc.	1022.91	1045.56	2.21
24	Man-Made Yarn/Fabs./Made-Ups Etc.	468.77	465.83	-0.63
25	Rmg Of All Textiles	1491.59	1717.29	15.13
26	Jute Mfg. Including Floor Covering	24.83	23.42	-5.68
27	Carpet	125.57	127.18	1.28
28	Handicrafts Excl. Hand Made Carpet	186.13	171.56	-7.83

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29	Petroleum Products	3312.71	3529.77	6.55
30	Plastic & Linoleum	727.37	768.86	5.70
	Sub Total	**27706.36**	**30610.22**	**10.48**
	Grand Total	**29316.43**	**32547.97**	**11.02**

Note 1: Exports include Re-Exports.

Note 2: The figures for MARCH'19 and MARCH'18 are provisional and subject to change

Note 3: Grand total is inclusive of component 'Other'.

Quick Estimates for Selected Major Commodities for March 2019

Trade: Import

Sl. No.	Commodities	(Values in Rs. Crores)		% Change
		Mar'18	Mar'19	Mar'19
1	Cotton Raw & Waste	347.84	404.04	16.16
2	Vegetable Oil	5476.77	6701.23	22.36
3	Pulses	341.00	943.09	176.57
4	Fruits & Vegetables	997.22	1178.56	18.18
5	Pulp And Waste Paper	549.10	819.06	49.16
6	Textile Yarn Fabric, Made-Up Articles	938.71	948.72	1.07
7	Fertilisers, Crude & Manufactured	2078.60	3761.58	80.97
8	Sulphur & Unroasted Iron Pyrites	129.59	95.86	-26.03
9	Metalliferous Ores & Other Minerals	5567.19	3395.43	-39.01
10	Coal, Coke & Briquettes, Etc.	16027.93	14583.03	-9.01
11	Petroleum, Crude & Products	72359.44	81609.46	12.78
12	Wood & Wood Products	3571.10	3487.26	-2.35
13	Leather & Leather Products	525.62	558.87	6.33
14	Organic & Inorganic Chemicals	13273.13	13282.00	0.07
15	Dyeing/Tanning/Colouringmtrls.	1610.80	1883.82	16.95
16	Artificial Resins, Plastic Materials, Etc.	9002.15	9238.32	2.62
17	Chemical Material & Products	4007.74	4349.32	8.52
18	Newsprint	354.93	493.57	39.06
19	Pearls, Precious & Semi-Precious Stones	19777.67	20915.70	5.75

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20	Iron & Steel	8776.25	10960.12	24.88
21	Non-Ferrous Metals	8101.69	7709.03	-4.85
22	Machine Tools	2181.24	2943.32	34.94
23	Machinery, Electrical & Non-Electrical	22157.70	22316.44	0.72
24	Transport Equipment	11824.75	12310.45	4.11
25	Project Goods	920.49	2397.60	160.47
26	Professional Instrument, Optical Goods, Etc.	3030.67	3526.12	16.35
27	Electronic Goods	32236.82	32485.60	0.77
28	Medicinal. & Pharmaceutical Products	3177.79	3789.40	19.25
29	Gold	16219.71	22742.92	40.22
30	Silver	1738.20	759.57	-56.30
	Sub Total	**267301.85**	**290589.49**	**8.71**
	Grand Total	**278441.24**	**301814.05**	**8.39**

Note 1: Grand total is inclusive of component ‘Other’.

Note 2: The figures for MARCH'19 and MARCH'18 are provisional and subject to change

Quick Estimates for Selected Major Commodities for March 2019

Trade: Import

Sl. No.	**Commodities**	**(Values in Million Usd)**		**% Change**	
		Mar'18	**Mar'19**	**Mar'19**	
1	Cotton Raw & Waste	53.50	58.15	8.69	
2	Vegetable Oil	842.30	964.50	14.51	
3	Pulses	52.44	135.74	158.85	
4	Fruits & Vegetables	153.37	169.63	10.60	
5	Pulp And Waste Paper	84.45	117.89	39.60	
6	Textile Yarn Fabric, Made-Up Articles	144.37	136.55	-5.42	
7	Fertilisers, Crude & Manufactured	319.68	541.40	69.36	
8	Sulphur & Unroasted Iron Pyrites	19.93	13.80	-30.76	
9	Metalliferous Ores & Other Minerals	856.21	488.70	-42.92	
10	Coal, Coke & Briquettes, Etc.	2465.03	2098.92	-14.85	

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11	Petroleum, Crude & Products	11128.58	11745.99	5.55	
12	Wood & Wood Products	549.22	501.92	-8.61	
13	Leather & Leather Products	80.84	80.44	-0.49	
14	Organic & Inorganic Chemicals	2041.35	1911.67	-6.35	
15	Dyeing/Tanning/Colouringmtrls.	247.73	271.14	9.45	
16	Artificial Resins, Plastic Materials, Etc.	1384.49	1329.66	-3.96	
17	Chemical Material & Products	616.37	625.99	1.56	
18	Newsprint	54.59	71.04	30.13	
19	Pearls, Precious & Semi-Precious Stones	3041.72	3010.38	-1.03	
20	Iron & Steel	1349.75	1577.48	16.87	
21	Non-Ferrous Metals	1246.01	1109.55	-10.95	
22	Machine Tools	335.47	423.63	26.28	
23	Machinery, Electrical & Non-Electrical	3407.76	3211.99	-5.74	
24	Transport Equipment	1818.60	1771.83	-2.57	
25	Project Goods	141.57	345.08	143.75	
26	Professional Instrument, Optical Goods, Etc.	466.10	507.51	8.88	
27	Electronic Goods	4957.89	4675.63	-5.69	
28	Medicinal. & Pharmaceutical Products	488.73	545.41	11.60	
29	Gold	2494.52	3273.37	31.22	
30	Silver	267.33	109.32	-59.11	
	Sub Total	**41109.90**	**41824.31**	**1.74**	
	Grand Total	**42823.08**	**43439.86**	**1.44**	

Note 1: Imports include Re-Imports.

Note 2: The figures for MARCH'19 and MARCH'18 are provisional and subject to change.

Note 3: Grand total is inclusive of component ‘Other’.

PROJECT EXPORTS

A **project**, executed on turnkey basis or otherwise, in any sector of economic development involves activities like engineering, procurement, construction (civil, mechanical, electrical or instrumental), including provision of all desired and specified equipment and supplies, construction and building materials,A project, executed on turnkey basis or otherwise, in any sector of economic development involves activities like engineering, procurement, construction (civil, mechanical, electrical or instrumental), including provision of all desired and specified equipment and supplies, construction and building materials, consultancy, technical know-how,

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technology transfer, design, engineering (basic or detailed), commissioning with other related services as are needed by the existing or new projects or plants or processes involving international competitive bidding (thus including even multilaterally funded projects in India).

The export of engineering goods on deferred payment terms and the execution of turnkey projects and civil construction contracts abroad are collectively referred to as project exports and service export. Project exports, in essence, connotes setting up of projects overseas as construction and/or engineering projects. It also involves the export of engineering consultancy or other engineering services or goods complement as desired by the project owner.

Most of the overseas projects are contracted in dollars and large engineering contractors who have been operating overseas for quite some time have learnt the mechanism of necessary safeguards against fluctuations in dollars.

In a recent development, terms of which the structure of Working Group (consisting of representatives from Exim Bank, ECGC and the Reserve Bank of India), which has hitherto been permitted to consider project exports and deferred service exports proposals for contracts exceeding US$100m in value has been dispensed with and authorised dealer (**AD**) banks or Exim Bank have been permitted to consider awarding post-award approvals without any monetary limit and permit subsequent changes in the terms of post-award approval within the relevant guidelines or regulations under the Foreign Exchange Management Act, 1999. Project and service exporters are now required to approach AD banks or Exim bank based on their commercial judgment.

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Module: 7

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Agricultural and Processes Food Products Export Development Authority

Agricultural and Processed Food Products Export Development Authority popularly known as **APEDA** is an apex body of the Ministry of Commerce, Government of India, to promote the export of agricultural commodities and processed food products.

The Agricultural and Processed Food Products Export Development Authority (APEDA) was established by the Government of India under the Agricultural and Processed Food Products Export Development Authority Act passed by the Parliament in December, 1985. The Act (2 of 1986) came into effect from 13th February, 1986 by a notification issued in the Gazette of India: Extraordinary: Part-II [Sec. 3(ii): 13.2.1986). The Authority replaced the Processed Food Export Promotion Council (PFEPC).

1.1 ASSIGNED FUNCTIONS

In accordance with the Agricultural and Processed Food Products Export Development Authority Act, 1985, (2 of 1986) the following functions have been assigned to the Authority.

- Development of industries relating to the scheduled products for export by way of providing financial assistance or otherwise for undertaking surveys and feasibility studies, participation in enquiry capital through joint ventures and other reliefs and subsidy schemes;
- Registration of persons as exporters of the scheduled products on payment of such fees as may be prescribed;
- Fixing of standards and specifications for the scheduled products for the purpose of exports;
- Carrying out inspection of meat and meat products in slaughter houses, processing plants, storage premises, conveyances or other places where such products are kept or handled for the purpose of ensuring the quality of such products;
- Improving of packaging of the Scheduled products;
- Improving of marketing of the Scheduled products outside India;
- Promotion of export oriented production and development of the Scheduled products;
- Collection of statistics from the owners of factories or establishments engaged in the production, processing, packaging, marketing or export of the scheduled products or from such other persons as may be prescribed on any matter relating to the scheduled products and publication of the statistics so collected or of any portions thereof or extracts therefrom;
- Training in various aspects of the industries connected with the scheduled products;
- Such other matters as may be prescribed.

1.2 PRODUCTS MONITORED

APEDA is mandated with the responsibility of export promotion and development of the following scheduled products:

- Fruits, Vegetables and their Products.
- Meat and Meat Products.
- Poultry and Poultry Products.
- Dairy Products.
- Confectionery, Biscuits and Bakery Products.
- Honey, Jaggery and Sugar Products.

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- Cocoa and its products, chocolates of all kinds.
- Alcoholic and Non-Alcoholic Beverages.
- Cereal and Cereal Products.
- Groundnuts, Peanuts and Walnuts.
- Pickles, Papads and Chutneys.
- Guar Gum.
- Floriculture and Floriculture Products.
- Herbal and Medicinal Plants.

In addition to this, APEDA has been entrusted with the responsibility to monitor import of sugar.

1.3 COMPOSITION OF THE APEDA AUTHORITY

As prescribed by the statute, the APEDA Authority consists of the following members namely:

- A Chairman, appointed by the Central Government
- The Agricultural Marketing Advisor to the Government of India, ex-offical.
- One member appointed by the Central Government representing the Planning Commission
- Three members of Parliament of whom two are elected by the House of People and one by the Council of States
- Eight members appointed by the Central Government representing respectively; the Ministries of the Central Govt.

(i) Agriculture and Rural Development

(ii) Commerce

(iii) Finance

(iv) Industry

(v) Food

(vi) Civil Supplies

(vii) Civil Aviation

(viii) Shipping and transport

- Five members appointed by the Central Government by rotation in the alphabetical order to represent the States and the Union Territories
- Seven members appointed by the Central Govt. representing

(i) Indian Council of Agricultural Research

(ii) National Horticultural Board

(iii) National Agricultural Cooperative Marketing Federation

(iv) Central Food Technological Research Institute

(v) Indian Institute of Packaging

(vi) Spices Export Promotion Council and

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(vii) Cashew Export Promotion Council.

- Twelve members appointed by the Central Government representing
- Fruit and Vegetable Products Industries
- Meat, Poultry and Dairy Products Industries
- Other Scheduled Products Industries
- Packaging Industry

Two members appointed by the Central Government from amongst specialists and scientists in the fields of agriculture, economics and marketing of the scheduled products.

1.4 Administrative Set Up

Chairman - Appointed by the Central Government

Director - Appointed by APEDA

Secretary - Appointed by the Central Government

Other Officers and Staff - Appointed by the Authority

Section 7 (3) of the APEDA Act provides for appointment of such officers and employees by the Authority as may be necessary for the efficient performance of its functions.

The total sanctioned staff strength is 124 in different categories of A, B, C & D.

At present, APEDA has a total of 30 female employees in Group A, B and C categories. The welfare of the female employees is also well looked after. APEDA has provided a separate ladies room within the office premises.

As per Govt. norms, the reservation for physically handicapped persons is 3% of the total strength in all grades. APEDA has total sanctioned staff strength of 124 out of which two are physically handicapped employees. The requirement of 3% will be completed in subsequent recruitments.

1.5 APEDA'S PRESENCE

APEDA has marked its presence in almost all agro potential states of India and has been providing services to agri-export community through its head office, five Regional offices and 13 Virtual offices.

Head Office

- New Delhi

Regional Offices

- Mumbai
- Kolkata
- Bangalore
- Hyderabad and
- Guwahati

Virtual Offices

- Thiruvananthapuram (Kerala)
- Bhubaneshwar (Orissa)
- Srinagar (J&K)

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- Chandigarh
- Imphal (Manipur)
- Agartala (tripura)
- Kohima (Nagaland)
- Chennai (Tamil Nadu)
- Raipur (Chattisgarh)
- Ahmedabad (Gujarat)
- Bhopal (Madhya Pradesh)
- Lucknow (Uttar Pradesh) and
- Panaji (Goa)

The Virtual offices have been established in association with respective State Governments / agencies. Basic information about APEDA, its functions, registration and financial assistance schemes etc. is being made available to entrepreneurs / prospective exporters by these virtual offices.

APEDA PRODUCTS

Floriculture & Seeds

India is bestowed with several agro-climatic zones conducive for production of sensitive and delicate floriculture products. During the decade after liberalization floriculture industries took giant steps in the export arena. This era has seen a dynamic shift from sustenance production to commercial production. As per National Horticulture Database published by National Horticulture Board,during 2015-16 the area under floriculture production in India was 249 thousand hectares with a production of 1659 thousand tonnes loose flowers and 484 thousand tonnes cut flowers. Floriculture is now commercially cultivated in several states with Tamil Nadu (20%), Karnataka (13.5%) West Bengal (12.2%), having gone ahead of other producing states like Madhya Pradesh, Mizoram, Gujarat, Andhra Pradesh, Orissa, Jharkhand, Haryana, Assam and Chhattisgarh.

Indian floriculture industry comprises of flowers such as Rose, Tuberose, Glads, Anthurium, Carnations, Marigold etc. Cultivation is undertaken in both open farm conditions as well as state-of-the-art poly and greenhouses.

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Fresh Fruits & Vegetables

India's diverse climate ensures availability of all varieties of fresh fruits & vegetables. It ranks second in fruits and vegetables production in the world, after China. As per National Horticulture Database published by National Horticulture Board, during 2015-16, India produced 90.2 million metric tonnes of fruits and 169.1 million metric tonnes of vegetables. The area under cultivation of fruits stood at 6.3 million hectares while vegetables were cultivated at 10.1 million hectares.

India is the largest producer of ginger and okra amongst vegetables and ranks second in production of potatoes, onions, cauliflowers, brinjal, Cabbages, etc. Amongst fruits, the country ranks first in production of Bananas (25.7%), Papayas (43.6%) and Mangoes (including mangosteens and guavas) (40.4%).

The vast production base offers India tremendous opportunities for export. During 2018-19, India exported fruits and vegetables worth Rs. 10236.93 crores/ 1,469.33 USD Millions which comprised of fruits worth Rs. 4817.35 crores/ 692.01 USD Millions and vegetables worth Rs. 5419.48 crores/ 777.25 USD Millions.

Grapes, Pomegranates, Mangoes, Bananas, Oranges account for larger portion of fruits exported from the country while Onions, Mixed Vegetables, Potatoes, Tomatoes, and Green Chilly contribute largely to the vegetable export basket.

The major destinations for Indian fruits and vegetables are Bangladesh, UAE, Netherland, Nepal, Malaysia, UK, Sri Lanka, Oman and Qatar.

Processed Foods

Food processing sector is one of the largest sectors in India in terms of production, growth, consumption, and export. India's food processing sector covers fruit and vegetables; spices; meat and poultry; milk and milk products, alcoholic beverages, fisheries, plantation, grain processing and other consumer product groups like confectionery, chocolates and cocoa products soya-based products, mineral water, high protein foods etc. Since liberalization in

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Aug'91 proposals for projects o, f have been proposed in various segments of the food and agro-processing industry. Besides this, Govt. has also approved proposals for joint ventures; foreign collaboration, industrial licenses and 100% export oriented units envisaging an investment. Out of this, foreign investment is over Rs.10, 000 crores.

India's exports of Processed Food was Rs. 31111.90 Crores in 2018-19, which including the share of products like Mango Pulp (Rs. 657.67 Crores/ 93.97 USD Millions), Processed Vegetables (Rs. 2473.99 Crores/ 354.75 USD Millions), Cucumber and Gherkins(Prepd.&Presvd) (Rs. 1436.08 Crores/ 205.84 USD Millions), Processed Fruits, Juices & Nuts (Rs.2804.97 Crores/ 402.52 USD Millions) Pulses (Rs. 1680.18 Crores/ 242.66 USD Millions), Groundnuts (Rs. 3298.33 Crores/ 473.81 USD Millions), Guargum (Rs. 4707.05 Crores/ 676.47 USD Millions), Jaggery & Confectionary (Rs. 1606.32 Crores/ 230.14 USD Millions), Cocoa Products (Rs. 1350.86 Crores/ 193.26 USD Millions), Cereal Preparations (Rs. 3859.37 Crores/ 553.17 USD Millions), Alcoholic Beverages (Rs. 2103.97 Crores/ 301.71 USD Millions), Miscellaneous Preparations (Rs. 4072.98 Crores/ 583.33 USD Millions), and Milled Products (Rs. 1060.13 Crores/ 151.85 USD Millions).

Animal Products

Animal Products plays an important role in the socio- economic life of India. It is a rich source of high quality of animal products such as milk, meat and eggs. India has emerged as the largest producer of milk with 20.17 percent share in total milk production in the world. India accounts for about 5.65 percent of the global egg production and also the largest population of milch animals in the world, with 110 million buffaloes, 133 million goats and 63 million sheeps. Exports of animal products represent an important and significant contribution to the Indian Agriculture sector. The export of Animal Products includes Buffalo meat, Sheep/ Goat meat, Poultry products, Animal Casings, Milk and Milk products and Honey etc.

India's exports of Animal Products was Rs. 30,632.81 Crores/ 4,390.55 USD Millions in , which include the major products like Buffalo Meat (Rs. 25168.31 Crores/ 3608.72 USD Millions), Sheep/ Goat Meat (Rs. 790.65 Crores/ 113.74 USD Millions), Poultry Products (Rs. 687.31 Crores/ 98.42 USD Millions), Dairy Products (Rs. 2422.85 Crores/ 345.71 USD Millions), Animal Casing (Rs. 480.66 Crores/ 68.49 USD Millions), Processed Meat (Rs. 13.52 Crores/ 1.95 USD Millions), Albumin(Eggs& Milk (Rs. 103.06Crores/ 14.79 USD Millions), and Natural Honey (Rs. 732.19 Crore/ 105.51 USD Millions).

The demand for Indian buffalo meat in international market has sparked a sudden increase in the meat exports. Buffalo meat dominated the exports with a contribution of over 89.08% in total Animal Products export from India. The main markets for Indian buffalo meat and other animal products are Vietnam Social Republic, Malaysia, Egypt Arab Republic, Iraq and Saudi Arabia.

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Cereals

- Do's and don'ts for storage and handling of Rice

India is the world's second largest producer of Rice, Wheat and other cereals. The huge demand for cereals in the global market is creating an excellent environment for the export of Indian cereal products. In 2008, India had imposed ban on export of rice and wheat etc to meet domestic needs. Now, seeing the huge demand in the global market and country's surplus production, Country has lifted the ban, but only limited amount of export of the commodity are allowed. The allowed marginal quantity of exports cereals could not make any significant impact either on domestic prices or the storage conditions.

The important cereals are - wheat, paddy, sorghum, millet (Bajra), barley and maize etc. According to the final estimate for the year 2015-16 by ministry of agriculture of India, the production of major cereals like rice, maize and bajra stood at 104.32 million tonnes, 21.8 million tonnes and 8.08 million tonnes respectively,

India is not only the largest producer of cereal as well as largest exporter of cereal products in the world.India's export of cereals stood at Rs. 56,841.08 crore / 8,180.87 USD Millions during the year 2018-19. Rice (including Basmati and Non Basmati) occupy the major share in India's total cereals export with 95.7% during the same period. Whereas, other cereals including wheat represent only 4.3 % share in total cereals exported from India during this period.

Major Export Destinations (2018-19): Iran, Saudi Arabia, UAE, Nepal and Iraq.

Basmati Rice 	**Non Basmati Rice** 
Maize 	**Other Cereals**

Organic Products

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National Programme for Organic Production (NPOP)More

Organic products are grown under a system of agriculture without the use of chemical fertilizers and pesticides with an environmentally and socially responsible approach. This is a method of farming that works at grass root level preserving the reproductive and regenerative capacity of the soil, good plant nutrition, and sound soil management, produces nutritious food rich in vitality which has resistance to diseases.

India is bestowed with lot of potential to produce all varieties of organic products due to its various agro climatic regions. In several parts of the country, the inherited tradition of organic farming is an added advantage. This holds promise for the organic producers to tap the market which is growing steadily in the domestic and export market.

As per the available statistics, India's rank in terms of World's Organic Agricultural land was 9th and in terms of total number of producers was 1st as per 2018 data (Source: FIBL & IFOAM Year Book 2018).

The Government of India has implemented the National Programme for Organic Production (NPOP). The national programme involves the accreditation programme for Certification Bodies, standards for organic production, promotion of organic farming etc. The NPOP standards for production and accreditation system have been recognized by European Commission and Switzerland for unprocessed plant products as equivalent to their country standards. Similarly, USDA has recognized NPOP conformity assessment procedures of accreditation as equivalent to that of US. With these recognitions, Indian organic products duly certified by the accredited certification bodies of India are accepted by the importing countries.

Agricultural Export Zones

With the primary objective of boosting agricultural exports from India, in March 2001, Government of India announced a policy of setting up of Agri Export Zones (AEZs) across the country. The Central Government has sanctioned 60 AEZs comprising about 40 agricultural commodities .AEZs is spread across 20 states in the country.

Objectives

The objective of setting up AEZs is to converge the efforts made, hitherto, by various central and state government departments for increasing exports of agricultural commodities from India. The AEZ takes a comprehensive view of a particular produce/ product located in a geographically contiguous area for the purpose of developing and sourcing raw materials, their processing/packaging, and leading to final exports.

The major components of this comprehensive concept are :

 ISBN: 978-81-961857-9-4

• Cluster approach of identifying the potential products and geographical region in which these products are grown. • Adopting an end-to-end approach of integrating the entire process, right from the stage of production till it reaches the consumption stage. • Integration of the activities of various agencies connected with the department of the product.
The emphasis in all the Agri Export Zones is on convergence. Thus, the objective is to utilize the ongoing schemes of various Central and State Government Agencies in a co-ordinate manner to cover the entire value chain from farm to the consumer. In all the projects, necessary commitments have been given by the State Governments and the Central Government Agencies have also agreed to the project in principle. Detailed scheduling of each action point has been worked out.
The concept of Agri Export Zone attempts to take a comprehensive look at a particular produce/products located in a contiguous area for the purpose of developing and sourcing the raw materials, their processing/packaging, leading to final exports. Thus, the entire effort is centered around a cluster approach of identifying the potential products, the geographical region in which these are grown and adopting an end to end approach of integrating the entire process, right from the stage of production till it reaches the market.
The anticipated benefit to accrue as a consequence of setting up of such zones are as follows : 1. Strengthening of backward linkages with a market oriented approach 2. Product acceptability and its competitiveness abroad as well as in the domestic market 3. Value addition to basic agricultural produce 4. Bring down cost of production through economy of scale 5. Better price for agricultural produce 6. Improvement in product quality and packaging 7. Promote trade-related research and development 8. Increase employment opportunities. **Textiles Export Promotion Council**

Introduction of Texprocil

The international face of Indian Cotton Textiles. Since its inception in 1954, as an autonomous, non-profit body dedicated to promotion of exports, The, popularly known as TEXPROCIL has been the international face of cotton textiles from India facilitating exports world wide. Texprocil has a membership of around 3,000 companies spread across major textile clusters in India. Its members are well established manufacturers and exporters of cotton textile products like Cotton, Yarns, Fabrics and Home Textiles, showcasing a dazzling array of products across the value chain.

The Council connects international buyers with appropriate suppliers and facilitates interaction that enables them to source their specific needs. It also provides information on India's competitive advantages, its export environment and updated position in the global market place. Texprocil provides regular updates on international product trends, trade related issues, advances in technology and the latest developments in the industry, as well as existing and emerging markets. It also undertakes regular market research, organises participation in international trade fairs, holds its own Buyer Seller Meets and facilitates international trade missions in India and other countries.

The Council enables better understanding of Indian and International trade policies, emerging trade issues, social and environmental compliances, quality management and sustainable business practice.

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The Council Promotes Exports of -

- Raw Cotton
- Cotton Yarns and Blended Yarns (50% or more cotton) Grey and Processed (doubled, gassed, mercerized, dyed, melange); Cotton and Blended (50% plus cotton)
- Woven and Knitted fabrics , Grey and Processed
- Home Textiles (Bed linen, Kitchen linen, Bath towels and Other linen)
- Technical textiles (Protective, Performance, Medical and Geo textiles)

MEMBERSHIP STRENGTH

TEXPROCIL membership base includes very large vertically integrated mills with billions of dollar turnover to small units in the rural areas making specialty products. The Council provides export promotional services to over 3,000 members including composite mills, spinning units, weaving units, knitting units, process houses and merchant exporters; showcasing a dazzling array of cotton textile products across the value chain.

Wide Ambit of Promotion Activities

External Activities

For the foreign buyer, TEXPROCIL has opened a wide array of yarns, fabrics and madeups, including home textiles in all its splendor, and has become a major source of supply of these items. Other activities include -

- Organizing fairs, Buyer Seller Meets and Overseas Trade Delegations
- Giving information to overseas customers about Indian companies when asked
- Market information, trends and forecasts
- Identification of potential new markets and seeding the export activity through delegations
- Defending Indian exporters from non tariffbarriers ,anti subsidy investigations etc

Internal Activities

For the Indian exporters it has made available opportunities to trade that exist across the globe. Other activities include

- Working with Indian Government on export promotion policies
- Providing Industry data on duties and taxes suffered with documentary evidence to arrange refund of the same after exports through well thought out draw back mechanism
- Assisting the Government in bilateral negotiations bringing to the table the domestic perspective
- Help members understand the various procedures and policies of the Government
- Help members reach out to customers through the various export promotion efforts undertaken
- Provide data and trends in Export/Import

TEXPROCIL has successfully established the presence of the Indian Textiles Industry as a reliable source of cotton textiles in the international markets. The increased quantum of exports and the diversification of existing markets bear the testimony to the success of TEXPROCIL

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Export Promotion Councils

Apparel Export Promotion Council

"Incorporated in1978, AEPC is the official body of apparel exporters in India that provides invaluable assistance to Indian exporters as well as importers/international buyers who choose India as their preferred sourcing destination for garments. A quick look at how the Apparel Export Promotion Council (AEPC) has been the moving force behind lot of achievements: From one office in 1978, it has over 12 offices in just a span of 30 years. From just being a quota monitoring entity, AEPC is today a powerful body for the promotion and facilitation of garment manufacturing and their exports. For Indian exporters, AEPC is quite literally a one-stop shop for information advise technical guidance workforce and market intelligence. Members have access to updated trade statistics potential markets information on international fairs and assistance in participating at these fairs. It also plays a large role in identifying new markets and leading trade delegations to various countries.

The Cotton Textiles Export Promotion Council

Texprocil - The international face of Indian Cotton Textiles. Since its inception in 1954, as an autonomous, nonprofit body dedicated to promotion of exports, The, popularly known as TEXPROCIL has been the international face of cotton textiles from India facilitating exports world wide. Texprocil has a membership of around 3,000 companies spread across major textile clusters in India. Its members are well established manufacturers and exporters of cotton textile products like Cotton, Yarns, Fabrics and Home Textiles, showcasing a dazzling array of products across the value chain.

The Council connects international buyers with appropriate suppliers and facilitates interaction that enables them to source their specific needs. It also provides information on India's competitive advantages, its export environment and updated position in the global market place. Texprocil provides regular updates on international product trends, trade related issues, advances in technology and the latest developments in the industry, as well as existing and emerging markets. It also undertakes regular market research, organises participation in international trade fairs, holds its own Buyer Seller Meets and facilitates international trade missions in India and other countries.

The Council enables better understanding of Indian and International trade policies, emerging trade issues, social and environmental compliances, quality management and sustainable business practice.

The Synthetic & Rayon Textiles Export Promotion Council

The Synthetic & Rayon Textiles Export Promotion Council (SRTEPC), set up in 1954, is one of the oldest Export Promotion Councils in India.

The Council has played a transforming role over the years, inculcating export culture and promoting exports of Indian man-made fibre and textiles. Exports of these items, which were negligible in the 1960s, have grown substantially to touch US$6.16 billion during 2013-14. India exports to nearly 140 countries at present.

The Council envisages exports to the tune of Rs. 55,000 crores (US$ 9 billion) by the end of the 12th Five Year Plan (2016-17). The MMF textiles industry contributes 17% of the total Indian textile exports and this share is growing. India is the sixth largest exporter of MMF textiles in the world.

Vibrant Indian MMF Textile Industry

The Indian MMF industry is modern, vibrant and growing. India is the second leading producer of cellulosic fibre/yarn and the third largest producer of synthetic fibre/yarn in the world. At present India produces 1263 million kgs of man-made fibre, 2655 million kgs of yarn and 27889 million sqmtrs of fabrics annually.

Products under the purview of Council The products under the purview of the Council are MMF and blended textile items including fibre, yarn, fabrics, made-ups, accessories, home textiles, technical textiles etc.

Wool and Woolens Export Promotion Council

Introducing foreign businessmen to local manufacturers/exporters and provide them with the information useful in conducting business.

Inviting leading exporters to visit India and gain first hand information regarding the capability of the Indian Woollen Industry.

• Assisting foreign buyers in their visits to India and chalk out their tour programmes, arrangements etc.

• Working with the organisers of leading International Trade Fairs and Exhibitions, in order to project the quality and variety of Indian Woollen Products abroad.

• Researching foreign markets and and sponsor Study-cum-Sales Team/Delegations abroad.

• Promoting and actively practice overseas public relations.

• Monitoring international fashion forecasts and transmit them to Indian Exporters.

• Helping the Textile Inspection committee of India to ensure that Indian Woollen Products are made as per International Standards.

• Chalking out and implementing programmes for enlarging and improving the production base of the Woollen Industry.

• Maintaining close liason with the International Wool Secretariat and Wools of New Zealand.

Wool Industry Export Promotion Council (WOOLTEXPRO)

WOOLTEXPRO is an autonomous, non-profit Export Promotion Council, sponsored by the Ministry of Textiles and set up by the Ministry of Commerce, Government of India, which has become the international face of Indian woollen textiles successfully facilitating exports.

Major functions of WOOLTEXPRO

• Foreign delegation to India and arrange their tour programmes.

• Arranging Buyer-Seller Meets in India and abroad.

• Maintaining close liason with the International Wool Textile Organisation, WoolmarkCompany, Wools of New Zealand, Australian Wool Innovation, etc.

• Arranging trade fairs and exhibitions in order to project the quality and variety of Indian woollen products. Research foreign markets and arranging delegation/study tour abroad

• Chalking out and implementing programmes for enlarging and improving the production base of the Woollen Industry.

• Exploration of overseas markets.

• Providing your Company profile to overseas buyers and vice a versa.

• Resolving shipping & transport problems

• Advise on export finance, banking and insurance.

• Extensive publicity in India & Abroad.

 ISBN: 978-81-961857-9-4

• Deputation of trade delegations, study teams, sale teams to foreign markets

• Oragnise buyer/sellers meetings in India & Abroad.

• Market study

INDIAN SILK EXPORT PROMOTION COUNCIL

The Indian Silk Export Promotion Council (ISEPC) was set up in 1983 as a company not for profit under Companies Act duly sponsored by the Government of India in the Ministry of Textiles. The Council as on date has a membership of 655 regular exporters of Silk goods whereas more than 1800 exporters have registered with the Council. ISEPC works closely with the Government of India on policy formulation concerning silk sector and provides specialized services to the entrepreneurs enlarging global business opportunities for the silk industry in India.

Main Activities of the Council

• Explore markets and identifies items offering export potential by conducting market surveys.

• Establish contacts with the presepective buyers to generate their interest in Indian Silk products.

• Sponsor trade delegation, study teams and sales teams to various market abroad.

• Organize Buyer Seller Meets for its member exporters.

• Organize Silk fairs and exhibition in India.

• Participate in trade fairs and exhibitions abroad.

• Resolve trade disputes.

• Launch generic promotion of silk products from India.

• Organize Workshops/Seminars on various trade and policy related issues

Carpet Export Promotion Council

CEPC was established by exporters under Companies Act in the year 1982 and is a non-profit organization, set up with the objective to promote and develop exports of Handmade Carpets, Rugs and other Floor Coverings. It is an official body of handmade carpet exporters for promotion of exports from country and projected India's “Make in India” image abroad as a reliable supplier of high quality handmade carpet products. CEPC therefore, helps in R & D, quality assurance, timely delivery of finished products across the globe in addition to skill enhancement of weavers / artisans / entrepreneurs, strengthening base in existing markets, identifying potential markets, educating about government policies and its compliances, providing assistance for brand building of Indian hand-made carpets, through publicity, participating in and organizing world renowned trade fairs, expositions and road shows etc around the word in established markets. Also exploring potential and upcoming markets globally for promotion of Indian handmade carpets, rugs, floor coverings etc

Export Promotion Council for Handicrafts (Epch)

Export Promotion Council for Handicrafts (EPCH) was established under Companies Act in the year 1986-87 and is a non-profit organisation, with an object to promote, support, protect, maintain and increase the export of handicrafts. It is an apex body of handicrafts exporters for promotion of exports of Handicrafts from country and projected India's image abroad as a reliable supplier of high quality of handicrafts goods & services and ensured various meausres keeping in view of observance of international standards and specification. The Council has created necessary infrastructure as well as marketing and information facilities, which are availed both by the members exporters and importers. The Council is engaged in promotion of

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handicrafts from India and project India's image abroad as a reliable supplier of high quality handicrafts

Powerloom Development & Export Promotion Council

Powerloom Development & Export Promotion Council (PDEXCIL) is set up by the Ministry of Textiles, Govt. of India in the year 1995. The Council has been registered under Section 25 of The Companies Act, 1956, having its Registered Head Office at Mumbai, Maharashtra & Regional Office at Erode, Tamil Nadu.

The main objectives of the PDEXCIL is to promote, support, develop, advance and increase powerlooms and export of Powerloom fabrics and made-ups thereof and to carry out any such activity in such manner as may be necessary or expedient.

PDEXCIL undertakes many activities such as Capacity Building Programs, Seminars, Fairs, Buyer Seller Meets, Reverse Buyer Seller Meets, participation in International fairs, Trade delegation visits etc for development of Powerloom industry in India and increasing exports of Powerloom fabrics and made-ups.

Our Members can take benefit from the activities of PDEXCIL for improving their facilities, export performance and development. The success of the powerloom industry today in India, is in no small measure, due to the support and assistance offered by the PDEXCIL. Spurred on by the developmental activities initiated by PDEXCIL, Indian power-loom textiles are equipped to meet the challenges posed by the global supermarket.

Handloom Export Promotion Council

India’s Textile Industry is the country’s second largest industry in terms of employment potential. Handloom sector plays a very important role in the country’s economy. Handloom industry is the largest cottage industry in the country with 23.77 lakh looms. The major handloom export centres are Karur, Panipat, Varanasi & Kannur where handloom products like Bed linen, Table linen, Kitchen linen, Toilet linen, Floor coverings, embroidered textile materials, curtains etc. are produced for export markets.

The Handloom industry mainly exports fabrics, bed linen, table linen, toilet and kitchen linen, towels, curtains, cushions and pads, tapestries and upholstery’s, carpets, floor coverings, etc. The major importing countries of Handloom products from India are USA, UK, Germany, Italy, France, Japan, Saudi Arabia, Australia, Netherland and UAE.

Handloom Export Promotion Council (HEPC) is a nodal agency constituted under “The Ministry of Textiles, Government of India” to promote exports of all handloom products like fabrics, home furnishings, carpets, floor coverings, etc. HEPC was constituted in the year 1965 with 96 members and its present membership is around 1400 spread all over the country. The prime object of HEPC is to provide all support and guidance to the Indian Handloom exporters and International buyers for trade promotion and international marketing. HEPC organizes / participates in International Trade fairs, Buyer Seller Meets in India and abroad & seminars.

Jute Products Development & Export Promotion Council

All types of jute, jute blended and jute union products made from jute fibre, yarn, twine and fabric for conventional, technical and new & diversified uses and products.

Apparel Export Promotion Council

Incorporated in 1978, AEPC is the official body of apparel exporters in India that provides invaluable assistance to Indian exporters as well as importers/international buyers who choose India as their preferred sourcing destination for garments.

 ISBN: 978-81-961857-9-4

A quick look at how the Apparel Export Promotion Council (AEPC) has been the moving force behind lot of achievements:

- It has Head Office in Gurgaon with Registered Office at Okhla and 10 offices pan India.
- AEPC today is a powerful body for the promotion and facilitation of garment manufacturing and their exports.
- For Indian exporters, AEPC is a one-stop shop for information advise technical guidance workforce and market intelligence. Members have access to updated trade statistics potential markets information on international fairs and assistance in participating at these fairs. It also plays a large role in identifying new markets and leading trade delegations to various countries.

In recent years AEPC has worked tirelessly in integrating the entire industry - starting at the grass root level of training the workforce and supplying a steady stream of man power to the industry; identifying the best countries to source machinery and other infrastructure and brokering several path breaking deals for its members and finally helping exporters to showcase their best at home fairs as well as be highly visible at international fairs the world over. Twice a year, AEPC showcases the best of India's garment export capabilities through the prestigious India International Garment Fair, playing host to over 350 exhibitors displaying the exotic, the haute, the pret, the contemporary and much much more.

With AEPC's expertise and all the advantages that India has, it makes for a truly win-win situation - Indian exporters grow stronger each year in their achievements, skills and proficiency, while international buyers get superior solutions for their garment imports.

AEPC Vision

To promote, support and facilitate Indian apparel industry to enhance its competitive advantage and global positioning in a holistic and sustainable way that is beneficial to all stakeholders of the industry.

AEPC Mission

AEPC attains the vision by facilitating industry to achieve national targets on export promotion, employment generation , productivity enhancement and brand creation in a responsible and progressive manner and thereby providing enhanced value to the consumers in specific and society at large.

Aepc's Main Objectives

1. To promote, advance, increase, develop export of all types of readymade garments, excluding, woollen knitwear and garments of leather, jute and hemp.
2. To undertake all export promotion measures, particularly to undertake market research, provide inputs for budgets and Foreign Trade Policy, Provide inputs for various FTAs, PTAs and Bilateral agreements, to monitor tariff and other restrictive practices of importing countries, to find out the product range and export prices of garments of other countries, to develop new designs and patterns of garments, to undertake marketing in individual foreign markets, to send trade delegations and missions to foreign countries as well as to survey export potential of ready made garments from the country.
3. To publicize and highlight to importers and the public in foreign countries the advantages of trade and commerce with India and to create a liking for the various types of garments markets for the purpose of continuously and regularly reporting to manufacturers, traders and exporters of garments.

4. To assist members, especially, in the small scale sector by giving assistance in the matter of understanding and implementation of the drawback, rules and procedures, import license facilities provided and how to apply for the facilities.
5. To establish design centers, to evolve improved design and patterns and garments suitable for export, to improve the qualities and standards of the fabrics and garments by importing technical knowhow, to encourage export production of quality garments and to undertake necessary research in fashions, designs and techniques and to encourage manufacture of garments for exports.
6. To undertake training of workers and technical personnel, to improve the skill of workers engaged in garment manufacturing in India and to assist in the technological base of the garment industry.
7. To obtain from members of the Council and to prepare for the council as a whole, action plans for promotion of exports, development of export markets, generation of production for exports, setting of export targets generally and in relation to specific countries and commodities on an annual basis and for such medium and longer terms as may be considered desirable and to ensure/ undertake execution of such plans.
8. To co-operate with government and other various organizations in the country and abroad with a view to further promotion of exports of ready made garments.

Gems and Jewellery Export Promotion Council

Leading From the Front

The Gem & Jewellery Export Promotion Council (GJEPC) was set up by the Ministry of Commerce, Government of India (GoI) in 1966. It was one of several Export Promotion Councils (EPCs) launched by the Indian Government, to boost the country's export thrust, when India's post-Independence economy began making forays in the international markets. Since 1998, the GJEPC has been granted autonomous status.

The GJEPC is the apex body of the gems & jewellery industry and today it represents almost 6,000 exporters in the sector. With headquarters in Mumbai, the GJEPC has Regional Offices in New Delhi, Kolkata, Chennai, Surat and Jaipur, all of which are major centres for the industry. It thus has a wide reach and is able to have a closer interaction with members to serve them in a direct and more meaningful manner.

Over the past decades, the GJEPC has emerged as one of the most active EPCs, and has continuously strived to both expand its reach and depth in its promotional activities as well as widen and increase services to its members.

Promotional Activities

As its name suggests, the primary goal with which the GJEPC was set up was to **promote** the Indian g & j industry and its products.

Various promotional activities undertaken by the GJEPC, over the years, have significantly and positively impacted the increase of exports of gems and jewellery from India. Overall exports have risen from US$ 28 million in 1966 -67 when GJEPC was first set up to almost US$ 35 billion in 2013-2014.

The GJEPC's promotional activities include organising a number of important trade shows held in the country like the India International Jewellery Show (IIJS), Signature IIJS, India Gem & Jewellery Machinery Expo (IGJME). The IIJS is the largest gems & jewellery fair in the country and amongst the foremost internationally. It attracts visitors and buyers from all across the country and from several countries in the world. Signature IIJS, a smaller-scale version of

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the IIJS was set up as a boutique show and has gone on to develop its own niche. IGJME, a more recent addition to the bouquet of shows, filled in an important gap – a trade fair totally devoted to technology – thereby enabling companies of this large manufacturing centre to access the cutting edge developments in the field in a convenient manner.

On the international front, the Global Gem & Jewellery Fair (GGJF) was organised in Dubai in association with DMCC. The GJEPC also organises India Pavilions – participation of a number of companies under the GJEPC banner - at various leading international shows like JCK Las Vegas, Basel, Vicenzaoro, the Hong Kong Show and several others worldwide.

The GJEPC, on occasion, ties up with other government bodies for special initiatives. The India Gems & Jewellery Fair, for example, was organised in New Delhi in 2013 as a joint venture with the India Trade Promotion Organisation (ITPO). The Council has tied up in the past with the Ministry of Tourism for jewellery promotions on international platforms, too.

The India International Jewellery Week is a jewellery fashion extravaganza highlighting the design capabilities of the jewellery industry, attracting both fashion enthusiasts and buyers from India and abroad.

Various region-specific Buyer-Seller Meets; delegations to important gems and jewellery centres in other parts of the world, are some of the other trade promotion activities undertaken by the Council.

The Mines to Market conferences both for the diamond industry as well as for the coloured gemstone industry have served as significant platforms of interaction between the main stakeholders in both areas.

All these are fora through which the abilities and capabilities of the India centre have been showcased effectively and prominently.

The Council produces a spectrum of published and digital material both as part of its various activities (mentioned above) as well as standalone publications. These include the magazine of GJEPC, various brochures and event-specific publications and websites for all its main activities, events and projects and some films about industry and the Council. The body also advertises its activities and highlights the industry in international media throughout the year.

Government liaison and Representation

As the singular apex body of the gems and jewellery export industry in India, the GJEPC is the voice of the industry, taking its issues to the government and seeking appropriate measures for resolving them.

It also makes representations to the GoI from time to time for policy intervention and to shape the EXIM policy of the country. It plays an advisory role when the Government calls upon it for information or advice on matters related to the gems and jewellery industry internationally.

The GJEPC also represents the industry to various other Administrative and other government bodies.

It has been mandated by the GoI as the nodal agency for the Kimberley Process Certification Scheme (KPCS), and plays a key role in maintaining the data and paperwork of the flow of all diamonds certified as "conflict-free" going in and out of the country.

Fostering Industry Development

A crucial aspect of the GJEPC's functioning relates to various measures undertaken to upgrade, upskill and generally improve the industry's standards and products.

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The Council has set up various institutes across the country, foremost among them the Indian Institute of Gems & Jewellery (IIGJ) imparting international quality courses for training artisans and designers for this industry.

The various gemmological institutes under its umbrella like the Gemmological Institute of India (GII), Gem Testing Laboratory, Jaipur and the Indian Gemmological Institute, New Delhi and Indian Diamond Institute in Surat, undertake research, training and certification activities.

The GJEPC interacts closely with the National Skill Development Council (NSDC), an initiative of the Government of India, to take the latter's programme to the gems & jewellery industry. It has played an important role in setting up the Gem & Jewellery Skill Council of India (GJSCI) recently.

Regular seminars and conferences organised by the Council impart knowledge about latest developments or issues in related fields. From time to time the Council has also undertaken campaigns and held seminars to encourage companies to follow the highest standards in business practices and ethics, thereby maintaining the best standards in the industry.

The India Gem & Jewellery Awards has over the years been a recognition of achievement and excellence of the leading companies within the industry and acted as a spur to improve performance to others. New categories like Woman Entrepreneur, Socially Responsible company introduced recently have kept the Awards categories relevant and up to date with the current environment.

In order to encourage artisans, craftsmen and designers to aspire for ever higher heights in innovation and design creativity, the Council has been holding an annual design competition which has today evolved into The Artisan Jewellery Design Awards.

The GJEPC itself has directly launched its own CSR activity – Jewellers for Hope -- with an annual Charity Event, which makes a donation to one particular Charity Organisation every year.

Taken together, through its various functions and activities, the GJEPC helps forge a fitting atmosphere to provide a boost for gems & jewellery exports: by creating an enabling environment through its interaction with the Government and other agencies and bodies; by creating awareness and branding of the Indian industry and its products in India and abroad; and by providing the necessary inputs for both the industry and its product to keep developing and improving.

COUNCIL FOR LEATHER EXPORTS, INDIA

Council for Leather Exports

Gateway To The Indian Leather Industry

The Council for Leather Exports (popularly known as CLE) set up in July 1984, is an autonomous non-profit company registered under the Indian Companies Act, 1956 entrusted with export promotion activities and development of the Indian leather industry.

Council For Leather Exports

Functioning under the aegis of the Ministry of Commerce and Industry, Government of India, CLE is the apex body of the 3500 member rapidly growing Indian leather Industry. CLE's activities are multiple and directed towards assisting its members in extending their global reach thereby increasing their exports. CLE caters to the needs of the leather exporters and serves as a connecting bridge between Indian leather exporters and buyers all over the world.

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This way, CLE acts as a facilitator for building relationships between overseas buyers/investors and their Indian counterparts to promote exports from the Indian leather industry. As a government sponsored nodal agency, CLE is a one-stop source for international investors to not only access all the information, but also avail the guidance they need, to set up a successful venture in the Indian marketplace.

CLE's status as the apex Leather Export Promotion Organization in India also calls for its active involvement with the Central and State Governments in the evolution of suitable action plans and formulation and dissemination of pro-active Government policies to promote Indian leather exports as well as the infrastructure and fiscal support available to exporters. In this whole exercise of promoting exports, CLE works closely with its members and Government departments in having their individual and collective problems and difficulties resolved.

Ever since its inception about two decades ago, CLE has served as a powerful engine for the growth of the Indian Leather industry in the global market, through the adoption of modern, transparent and superior industry practices. Its dedicated efforts have fetched rich dividends, which is exhibited in the form of current high export growth rates and India's significance in the global leather market.

CLE is Committed to

- Promoting, facilitating & attracting foreign direct investments into the Indian Leather Industry including joint ventures, technical collaborations & strategic alliances
- Disseminating market information, trends & policy implications and publishing information on commercial, technical and technological developments in the Indian leather industry.
- Participating in major International fairs & specialized trade shows across the globe, organizing buyer-seller meets in India and abroad besides B2B meets in focus countries
- Offering technical, marketing & design assistance to Indian exporters in terms of design inputs, product development, branding and marketing
- Inviting key resource personnel for fairs, seminars and lectures for exchange of information, knowledge, ideas and strategies.
- Serving as a vital connecting link between the government and the industry members, while focusing on the overall health and growth of the Indian leather industry

ROLE OF CLRI

CLRI, today, is a central hub in Indian leather sector with direct **roles** in education, research, training, testing, designing, forecasting, planning, social empowerment and leading in science and technology relating to leather.

Central Leather Research Institute, India was founded on 24 April, 1948. It was a land mark decision of the country born at the mid- night of 15th August 1947, to invest into leather research. In 1947, the export basket of India included mostly raw hides and skins. There remained an untapped opportunity for India in leather sector for economic development, employment generation and export earnings. The missing link was addition of technology to the manufacturing base of Indian leather sector. CLRI was founded to develop an internal strength in the country to generate, assimilate and innovate technologies for leather sector.

It is one matter to design and develop technologies but entirely another to reach viable technologies in a traditional sector like leather. CLRI in 1948, made an initiative with foresight to link technology system with both academy and industry. CLRI assumed the role of being a part of the University of Madras in imparting education in leather technology. The seed sown in 1948 has now grown into a tree with nearly 60% of the industry in India being manned and

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managed by the Alumni of CLRI.CLRI, today, is a central hub in Indian leather sector with direct roles in education, research, training, testing, designing, forecasting, planning, social empowerment and leading in science and technology relating to leather. Looking back, CLRI seems a worthwhile investment of India in a sensitive industrial segment of a Nation.

CLRI is vying to emerge a global leader in leather research. The technological services of the institute are as durable as leather. Leather and allied research in CLRI form core areas of activities. There is critical strength for research and development in some critical areas of sciences and technology. Research in CLRI includes non-leather as well.

Leather today co-exists with number of non-leather fabrics. Complementality of non-leather materials with leather is as real as the uniqueness of leather. While man made many non-leather materials look like leather, the Nature made material has defied mankind through its architectural marvel and kindness to human skin.

Skin is unmatched in its architecture. Size distribution and connectivity of pores make skin breathe and thermo-regulate. Perspiration is Nature's way of relating body to the ambience. Well made leather preserves the unmatched property of skin. Human feet fluctuate in volume through the day. The visco-elastic material, leather, readjusts the changing volume of feet, when the shoe is made right. Gentle and kind is leather on human feet. Synthetics strive to perform like leather; but the original is leather that the other materials need to ape.

Leather is great; but the demand is larger than supply. With a mismatched demand-supply gap for hides and skins, leather and non-leather have come to coexist and complement. They are look alikes for leather; but the true like of leather is leather alone.

CLRI: A Technology Supermarket in Leather

CLRI strives to marry leather to its diverse functions. CLRI plays today a supermarket for leather related technologies.The strength of CLRI stems from the competence of the people, R&D infrastructure, linkages with the users.

CLRI Mandate

- To seek excellence in research in Frontier areas
- To serve the national apex body in leather
- To Participate in HRD through direct role in education and training in leather related areas
- To assess and forecast technology needs
- To serve as a reliable consultant to leather sector
- To develop technologies and deliver to the industry through effective extension network
- To serve as a dependable source of technologies and
- To provide a technology supermarket for users

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Module: 8

 ISBN: 978-81-961857-9-4

Electronic Export Promotion Council

Electronics and Computer Software Export Promotion Council (ESC) is mandated to promote India's exports of Electronics, Telecom, Computer Software and IT Enabled Services. ESC offers a varied set of services to its members for accelerating exports.

Benefits of Electronic and Computer Software Export Promotion Council

As per the Foreign Trade Policy (FTP) of India 2015-20 para 2.55, Export Promotion Councils (EPCs) are organisations of exporters, set up with the objective to promote and develop Indian exports. EPCs function as the Registering Authorities to issue Registeration – cum- Membership Certificate (RCMC) to its members.

ESC issues RCMC to Electronics and Computer Software / services exporters.

As per para 2.56 of FTP of India, RCMC is required when any person is applying for :

1. An authorisation to import / export any item (exept items listed as Restricted item in ITC (HS))
2. Any other benefit or concession under FTP such as :

- Advanced Licence
- Duty Draw Back Scheme
- Deemed Export Benefit
- MEIS
- Any other licence to import / export

The exporter / importer will furnish or upload on DGFT's website in the profile section, the RCMC granted by the competent authority in accordance with the procedure specified in HBP, unless specifically exempted under FTP.

ESC has over 2000 members from Electronics and Computer Software / ITeS industry. ESC provides its members a varied set of services some of which are listed below:

ESC: Value-Added Services

- Get your concerns related to Foreign Trade Policy and Procedures heard at the appropriate level in the Government of India. ESC acts as a link between the Government and its members and provides a platform for interaction on policy issues.
- ESC takes up specific trade related issues with the Concerned Government Officials.
- Participate in export promotional activities:
  - Trade fairs and exhibitions,
  - Buyer Seller Meets abroad
  - Reverse Buyer Seller Meets in India
  - Catalogue Shows
- Get the benefit of Government's financial assistance Schemes for Market Development such as MAI.
- Publicise your activities and achievements through ESC's Bi-Monthly magazine 'ELSOFTEX'
- Buyers seeking information of suppliers are provided relevant ESC members details.

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- Get trade enquiries and tender notifications received from all parts of the world.
- Hand holding in case of trade disputes.
- Visa recommendations letters for business trips abroad.
- Meeting space in ESC's head office in Delhi.
- Receive ESC's Magazines.

Market Access Initiative (MAI) Scheme

Market Access Initiative (MAI) Scheme is an Export Promotion Scheme envisaged to act as a catalyst to promote India's exports on a sustained basis. The scheme is formulated on focus product-focus country approach to evolve specific market and specific product through market studies/survey. Assistance would be provided to Export Promotion Organizations/Trade Promotion Organizations/National Level Institutions/ Research Institutions/Universities/Laboratories, Exporters etc., for enhancement of exports through accessing new markets or through increasing the share in the existing markets. Under the Scheme the level of assistance for each eligible activities has been fixed.

Under the scheme, ESC organises trade promotion activities for the benefit of members such as:

1. Participation in approved trade fairs abroad
2. Reverse Buyer Seller Meets

Participating members enjoy the benefit of subsidized cost of participation fees in trade fairs abroad.

Air fare Assistance

Eligible companies will get air fare assistance upto Rs 75000 (Rs 1 lakh for LAC and North America) or the cost of the ticket (whichever is lower).

- ESC member for at least last 12 months
- Export more that Rs 2 lakh and less than Rs 30 crore in preceding year
- Export turnover submitted to ESC for running financial year and for previous 2 financial years
- ESC annual membership fee paid upto running financial year without any arrears for current and previous years.
- Maximum 2 reimbursements of air fare in 1 financial year. (One company can participate only 2 times under MAI scheme in 1 financial year)
- One company can participate for maximum 3 times in 1 event.

Marine Products Export Development Authority of India

About MPEDA

The **Marine Products Export Development Authority** (MPEDA) is a Government of India company headquartered at Kochi. It was constituted on 24 th August 1972, under the Marine Products Export Development Authority Act 1972 (No.13 of 1972).The role envisaged for the MPEDA under the statute is comprehensive - covering fisheries of all kinds, increasing exports, specifying standards, processing, marketing, extension and training in various aspects of the industry.

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MPEDA functions under the Department of Commerce, Government of India and acts as a coordinating agency with different Central and State Government establishments engaged in fishery production and allied activities

The Marine Products Export Development Authority (MPEDA) was set up by an act of Parliament during 1972. The erstwhile Marine Products Export Promotion Council established by the Government of India in September 1961 was converged in to MPEDA on 24th August 1972. MPEDA is given the mandate to promote the marine products industry with special reference to exports from the country. It is envisaged that this organisation would take all actions to develop and augment the resources required for promoting the exports of "all varieties of fishery products known commercially as shrimp, prawn, lobster, crab, fish, shell-fish, other aquatic animals or plants or part thereof and any other products which the authority may, by notification in the Gazette of India, declare to be marine products for the purposes of (the) Act". The Act empowers MPEDA to regulate exports of marine products and take all measures required for ensuring sustained, quality seafood exports from the country. MPEDA is given the authority to prescribe for itself any matters which the future might require for protecting and augmenting the seafood exports from the country. It is also empowered to carry out inspection of marine products, its raw material, fixing standards, specifications, and training as well as take all necessary steps for marketing the seafood overseas.

MPEDA is the nodal agency for the holistic development of seafood industry in India to realise its full export potential as a nodal agency. Based on the recommendations of MPEDA, Government of India notified new standards for fishing vessels, storage premises, processing plants and conveyances. MPEDA's focus is mainly on Market Promotion, Capture Fisheries, Culture Fisheries, Processing Infrastructure & Value addition, Quality Control, Research and Development.

Functions of MPEDA in Brief

- Registration of infrastructural facilities for seafood export trade.
- Collection and dissemination of trade information.
- Promotion of Indian marine products in overseas markets.
- Implementation of schemes vital to the industry by extending assistance for infrastructure development for better preservation and modernised processing following quality regime.
- Promotion of aquaculture for augmenting export production through hatchery development, new farm development, diversification of species and up gradation of technology
- Promotion of deep-sea fishing projects through test fishing, joint ventures and up gradation & installation of equipments to increase the efficiency of fishing.
- Market promotional activities and publicity.
- To carry out inspection of marine products, its raw material, fixing standards and specifications, training, regulating as well as to take all necessary steps for maintaining the quality of seafood that are marketed overseas.
- Impart trainings to fishermen, fish processing workers, aquaculture farmers and other stake holders in the respective fields related to fisheries.
- Conduct research and development for the aquaculture of aquatic species having export potential through Rajiv Gandhi Centre for Aquaculture (RGCA).

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- Conduct extension and awareness activities, trainings etc through Network for Fish Quality Management and Sustainable Fishing (NETFISH) & National Centre for Sustainable Aquaculture (NaCSA).
- To prescribe for itself any matters required for protecting and augmenting the seafood exports from the country in the future.

MAJOR FISHING HARBORS

1. Requirements for approval of the landing centres/fishing harbours/auction centres

1	**Premises & Infrastructural facilities**
1.1	The Landing site/Fishing harbor of fish and fishery products shall be located at a site ideal for the purpose and shall be free from undesirable smoke, dust, other pollutants and stagnant water. The premises shall be kept clean.
1.2	The layout and design of landing site/fishing harbor shall be such as to preclude contamination. Adequate working space shall be provided for hygienic handling of fishery products
1.3	Suitable covering shall be given at the landing site/fishing harbor to protect fishery products from environmental hazards such as sunlight, rain, wind blown, dust etc.
1.4	Floor and walls shall be smooth and easy to clean and disinfect. The floor shall have sufficient slope for proper drainage and to avoid stagnation of water.
1.5	Drainage lines of adequate size and slope shall be provided to remove waste water, the outlet of which shall not open to the sea near the landing berth
1.6	Provision of adequate quantity of potable water or clean sea water shall be available in the landing sites for cleaning and sanitation.
1.7	There shall be provision for hygienic handling and storing of sufficient quantity of good quality ice.
1.8	Provision for crushing the ice hygienically shall be provided, as applicable.
1.9	Sufficient artificial lighting shall be provided and the lights shall be protected with suitable covering
1.10	There shall be sanitary facilities at appropriated places for hand washing with sufficient number of wash basis, soap, disinfectants and single use hand towels.
1.11	Appropriate number of flush lavatories shall also be provided outside the landing sites/auction centers
1.12	The utensils and equipment used to handle fish and fishery products shall be smooth and made of corrosion free material, which is easy to clean and disinfect and kept in a good state of repair and cleanliness
1.13	Landing site shall be constructed in such a way to avoid entry of exhaust fumes from vehicles
1.14	Suitable mechanism shall be adopted to prevent entry of birds/pests inside the landing platform, auction areas and other storage areas
1.15	There shall be a provision for lockable refrigerators storage for product declared unfit for human consumption and separate lockable refrigerator storage for detained fishery products
2	**Auction Hall**
2.1	Preferably, separate auction hall(s)may be provided, which is well protected from the entry

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1	**Premises & Infrastructural facilities**
	of pests/insects, for display and sale of fishery products
2.2	Since, fishery products shall not be kept directly on floor, as far as possible, provision may be given for raised platforms for display of fishery products, which are smooth, easy to clean and disinfect. However, instead of raised platforms, any other suitable provision can be made so as to ensure the fishery products will not come in contact with floor directly.
3	**Good hygiene practices**
3.1	Landing sites/fishing harbours shall be maintained hygienically. Cleaning and sanitation shall be implemented at all areas of the landing sites on a laid down frequency to avoid cross contamination.
3.2	Landing site/fishing harbor/ auction centre shall depute a responsible, experienced person, as hygienic inspector, to ensure the implementation of cleaning and sanitation effectively and good hygienic practices. Hygiene inspector shall ensure the quality of fishery products meant for export and also adequate icing of fishery products.
3.3	Floors, walls, partitions, ceilings, utensils, instruments and other food contact surfaces shall be kept in a satisfactory state of cleanliness and repair.
3.4	The premises and all the surfaces that come in contact with fishery products shall be cleaned before and after each sale. The crates/utensils shall also be cleaned and rinsed inside and outside with potable water or clean sea water and disinfected before use.
3.5	Detergents/disinfectants used shall not have adverse effect on the machinery, equipment and products. They shall be stored in a suitable place away from fish landing area.
3.6	Sign boards prohibiting smoking, spitting, eating, drinking etc. inside the landing sites shall be exhibited at prominent positions.
3.7	Fishery products shall be properly iced using good quality ice made up of potable water so as to maintain the core temperature of fishery products below 40C. Refrigerated room of adequate size for storing fishery products may be provided, if required.
3.8	Fishery products, ice, utensils etc. shall not be kept on the floor directly.
3.9	Proper waste management shall be adopted to remove solid and liquid wastes immediately after its formation so as to avoid cross contamination.
3.10	Adequate pest management system shall be developed to avoid entry of insects, rodents and other pests into the landing, auction and storage areas. Insecticides and other toxic chemicals shall be stored in lockable cupboards
3.11	Separate area may be earmarked for storage of fishery products unfit for human consumption.
3.12	Workers engaged in handling fishery products shall maintain highest degree of cleanliness. They shall wash their hands properly before and after handling fishery products, ice and food contact surfaces.
3.13	Workers shall adopt good personal hygiene practices to avoid contamination of fishery products
3.14	Person responsible for hygiene shall ensure that employees are following personal hygiene practices strictly.
3.15	Unauthorized person(s) shall not be permitted to enter into the landing site/fishing harbor.
4	**Inspection and testing**
4.1	Person responsible for hygiene shall conduct random checking of fishery products meant

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1	**Premises & Infrastructural facilities**
	for export for organoleptic/freshness factors, including the core temperature to ensure chilling of fishery products below 40C and maintain records.
5	**Monitoring and record keeping**
5.1	Hygiene inspector shall maintain records of fishing vessels landed and variety-wise details of fishery products supplied by each vessel to the approved establishments.
5.2	He /She shall monitor the fishing vessels during berthing on a laid down frequency to assess the hygienic condition/infrastructure of the vessel, quality/quantity of ice used etc. and maintain records.

1. Requirements for approval of the landing centres/fishing harbours/auction centres

1	**Premises & Infrastructural facilities**
1.1	The Landing site/Fishing harbor of fish and fishery products shall be located at a site ideal for the purpose and shall be free from undesirable smoke, dust, other pollutants and stagnant water. The premises shall be kept clean.
1.2	The layout and design of landing site/fishing harbor shall be such as to preclude contamination. Adequate working space shall be provided for hygienic handling of fishery products
1.3	Suitable covering shall be given at the landing site/fishing harbor to protect fishery products from environmental hazards such as sunlight, rain, wind blown, dust etc.
1.4	Floor and walls shall be smooth and easy to clean and disinfect. The floor shall have sufficient slope for proper drainage and to avoid stagnation of water.
1.5	Drainage lines of adequate size and slope shall be provided to remove waste water, the outlet of which shall not open to the sea near the landing berth
1.6	Provision of adequate quantity of potable water or clean sea water shall be available in the landing sites for cleaning and sanitation.
1.7	There shall be provision for hygienic handling and storing of sufficient quantity of good quality ice.
1.8	Provision for crushing the ice hygienically shall be provided, as applicable.
1.9	Sufficient artificial lighting shall be provided and the lights shall be protected with suitable covering
1.10	There shall be sanitary facilities at appropriated places for hand washing with sufficient number of wash basis, soap, disinfectants and single use hand towels.
1.11	Appropriate number of flush lavatories shall also be provided outside the landing sites/auction centers
1.12	The utensils and equipment used to handle fish and fishery products shall be smooth and made of corrosion free material, which is easy to clean and disinfect and kept in a good state of repair and cleanliness
1.13	Landing site shall be constructed in such a way to avoid entry of exhaust fumes from vehicles
1.14	Suitable mechanism shall be adopted to prevent entry of birds/pests inside the landing platform, auction areas and other storage areas
1.15	There shall be a provision for lockable refrigerators storage for product declared unfit for human consumption and separate lockable refrigerator storage for detained fishery

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1	**Premises & Infrastructural facilities**
	products
2	**Auction Hall**
2.1	Preferably, separate auction hall(s)may be provided, which is well protected from the entry of pests/insects, for display and sale of fishery products
2.2	Since, fishery products shall not be kept directly on floor, as far as possible, provision may be given for raised platforms for display of fishery products, which are smooth, easy to clean and disinfect. However, instead of raised platforms, any other suitable provision can be made so as to ensure the fishery products will not come in contact with floor directly.
3	**Good hygiene practices**
3.1	Landing sites/fishing harbours shall be maintained hygienically. Cleaning and sanitation shall be implemented at all areas of the landing sites on a laid down frequency to avoid cross contamination.
3.2	Landing site/fishing harbor/ auction centre shall depute a responsible, experienced person, as hygienic inspector, to ensure the implementation of cleaning and sanitation effectively and good hygienic practices. Hygiene inspector shall ensure the quality of fishery products meant for export and also adequate icing of fishery products.
3.3	Floors, walls, partitions, ceilings, utensils, instruments and other food contact surfaces shall be kept in a satisfactory state of cleanliness and repair.
3.4	The premises and all the surfaces that come in contact with fishery products shall be cleaned before and after each sale. The crates/utensils shall also be cleaned and rinsed inside and outside with potable water or clean sea water and disinfected before use.
3.5	Detergents/disinfectants used shall not have adverse effect on the machinery, equipment and products. They shall be stored in a suitable place away from fish landing area.
3.6	Sign boards prohibiting smoking, spitting, eating, drinking etc. inside the landing sites shall be exhibited at prominent positions.
3.7	Fishery products shall be properly iced using good quality ice made up of potable water so as to maintain the core temperature of fishery products below 40C. Refrigerated room of adequate size for storing fishery products may be provided, if required.
3.8	Fishery products, ice, utensils etc. shall not be kept on the floor directly.
3.9	Proper waste management shall be adopted to remove solid and liquid wastes immediately after its formation so as to avoid cross contamination.
3.10	Adequate pest management system shall be developed to avoid entry of insects, rodents and other pests into the landing, auction and storage areas. Insecticides and other toxic chemicals shall be stored in lockable cupboards
3.11	Separate area may be earmarked for storage of fishery products unfit for human consumption.
3.12	Workers engaged in handling fishery products shall maintain highest degree of cleanliness. They shall wash their hands properly before and after handling fishery products, ice and food contact surfaces.
3.13	Workers shall adopt good personal hygiene practices to avoid contamination of fishery products
3.14	Person responsible for hygiene shall ensure that employees are following personal hygiene practices strictly.

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1	**Premises & Infrastructural facilities**
3.15	Unauthorized person(s) shall not be permitted to enter into the landing site/fishing harbor.
4	**Inspection and testing**
4.1	Person responsible for hygiene shall conduct random checking of fishery products meant for export for organoleptic/freshness factors, including the core temperature to ensure chilling of fishery products below 40C and maintain records.
5	**Monitoring and record keeping**
5.1	Hygiene inspector shall maintain records of fishing vessels landed and variety-wise details of fishery products supplied by each vessel to the approved establishments.
5.2	He /She shall monitor the fishing vessels during berthing on a laid down frequency to assess the hygienic condition/infrastructure of the vessel, quality/quantity of ice used etc. and maintain records.

Engineering Export Promotion Council

Engineering goods include metal products, industrial machinery and equipment, auto and its components, and transport equipment. Experts attribute the rise to the significant competitive edge the Indian companies have acquired in the engineering space and their ability to rise up the value chain.

EEPC India is the premier trade and investment promotion organization . It is sponsored by the Ministry of Commerce & Industry, Government of India and caters to the Indian engineering sector. As an advisory body it actively contributes to the policies of Government of India and acts as an interface between the engineering industry and the Government.

Set up in 1955, EEPC India now has a membership base of over 12,000 out of whom 60% are SMEs.

EEPC India organizes a large number of promotional activities such as buyer-seller meets (BSM) – both in India and abroad, overseas trade fairs/exhibitions, and India pavilion/information booths in selected overseas exhibitions to demonstrate the capabilities of Indian engineering industry and to provide the overseas buyers with true value as propagated by Brand India.

India Engineering Exhibition (INDEE) is EEPC India's own brand and is one of the largest expositions of engineering in the world. This has been happening for the last few decades and is established as the largest and most important showcase for Indian engineering.

EEPC India facilitates sourcing from India and boosts the SMEs to raise their standard at par with the international best practices. It also encourages the SMEs to integrate their business to the global value chain.

To encourage building global partnerships with India, EEPC India organizes India Engineering Sourcing Show (IESS), the largest display of engineering products and services every year. This is recognized as the only sourcing event in India – showcasing the latest technologies and a preferred meeting place for global buyers & sellers. This show is also important to encourage foreign investments in line with the newly initiated "Make in India" campaign, by Government of India.

Extending its regular agenda, EEPC India publishes several reports/studies to make the members aware about the international trends and opportunities in order to enhance their global footprints.

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Keeping ‘Engineering the Future’ as the motto, EEPC India serves as the reference point for the Indian engineering industry and the international business community in its efforts towards establishing India as a major engineering hub in the future.[1]

EEPC India aims to raise $900 billion with the implementation of New Foreign Trade Policy (2015-2020)

The council started a monthly magazine named "ie2" on 10 November 2006 by Shri Nirupam Sen, Minister of Industries, Government of West Bengal. It covers insights on current trends of the global economy, international trade and all things related to the Indian Economy. It also have section on Success Stories where members views about the best practices and success formulae for becoming one of the India's leading exporters.

Manufacturing Outsourcing: Manufactured Goods & Engineering Products

India has a strong and diversified industrial base for the production of engineering goods and services, with the term engineering goods being used as a catch-all for all of the following: ferrous and non-ferrous materials used for producing other products and components, components manufactured from such materials, intermediate products such as bearings, valves, pumps and compressors that go into the production of other engineering machinery and systems, and such engineering machinery and systems themselves.

India’s rising engineering exports include heavy engineering goods, transport equipment, capital goods, other machinery/equipment and light engineering products like castings, forgings and fasteners.

The major categories of engineering and manufactured goods being exported from India to North America and Europe included the following:

Metal (Ferrous and Non-Ferrous) Manufactured Parts. This category comprises parts such as pipes, fittings, flanges, sheets, wire, rods, lugs, coils, connectors, precision turned parts, nuts, bolts, screws, fasteners, deep drawn sheet metal components, pressed and stamped parts for electrical and automotive applications as well as a whole host of other similar parts. It also includes castings and forgings which are also listed as a separate category below.

Castings & Forgings. India manufactures and exports all kinds of castings and forgings for automotive, defense, material handling, earthmoving and electrical applications. There are over 300 companies that manufacture forged parts (excluding the large number of units classified as tiny) and forging capabilities exist for all kinds of carbon, alloy and stainless steels using open-die and closed-die processes. Of these, there are about 10 large units and about 100 mid-size units.

India is the fourth largest manufacturer of castings worldwide and its output has more than doubled in the last 10 years. There are 4,500 foundries and are clustered in some parts of the country. Capabilities exist for expendable mold castings including precision castings, and for non-expendable mold die casting. Castings produced span ferrous, non ferrous, aluminum alloy, graded cast iron, ductile iron, steel etc for application in automobiles, pumps, compressors & valves, diesel engines, and, sanitary pipes & fittings etc. Grey iron castings constitute about 70% of total castings produced.

Metal Valves. India today produces a wide variety of world-class products in the metal valve segment and is emerging as a large exporter. The valve industry is growing at 8 percent and exports are growing at over 10 per cent due to Indian manufacturers. Types of valves produce include high temperature valves, butterfly valves, globe valves, gate valves, high pressure valves, ball valves, needle valves, rotary valves, exhaust valves, valve seat inserts, valve guides, diaphragm valves, diaphragm valves and screwed bonnet needle valve. These valves are

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available in a wide variety of metals including bronze, gun metal, non-ferrous nickel alloys, cast titanium, copper, aluminum and stainless steel.

Pumps & Compressors. There are over 800 large, medium and small units producing pumps in India for sectors from agriculture, HVAC to nuclear power generation.

The Indian pump industry produces positive displacement pumps (such as rotary, piston, diaphragm, screw and gear), buoyancy pumps, impulse pumps (such as hydraulic ramp), velocity pumps (such as centrifugal, radial flow and axial flow) and gravity pumps among others. Pump and compressor applications range from hydraulic, sea-water, slurries, chromatography, solvents, alkalis, acids, sewage etc to industrial, domestic and agricultural applications.

General Purpose Machinery. India has a well developed machine tool industry that manufactures almost the entire range of metal-cutting and metal-forming machine tools. There are over 150 machine tool manufacturers in the "organized" sector and about 300 units in the small/ancillary sector. The top ten machine tool manufacturers produce approximately three-fourths of the total production of machine tools in India.

Apart from conventional machine tools and Computer Numerically Controlled (CNC) machines, the Indian industry also has capabilities to produce special purpose machines, robotics, handling systems, and Total Productive Manufacturing (TPM) friendly machines.

Consultancy Services

General Agreement on Trade in Services (GATS) covers four modes of delivery of services in cross border trade. Typical examples of trade in Consultancy Services in four modes of supply are as under:

Cross Border Services (Mode 1)	Cross border supply of consultancy services using technological means. For Example: - An Indian Consultant prepares an organization analysis for a USA based client and communicates the same via email.
Consumption abroad (Mode 2)	Usage of consultancy services in the territory of another country. For Example: An American client visits India and uses the services of consultancy firm.
Commercial Presence (Mode 3)	Expansion of a Consultancy firm into a foreign country. For Example: An Indian consultancy firm establishes an office in USA.
Movement of natural persons (Mode 4)	Consultants enter into a foreign territory to provide their services. For Example: An Indian Consultant Provides his services by visiting a client in USA.

State Trading Corporation

The State Trading Corporation of India Ltd. (STC) is a premier International trading company of the Government of India engaged primarily in exports, and imports operations. It was set up in 1956 primarily with a view to undertake trade with East European Countries and to supplement the efforts of private trade and industry in developing exports from the country. The Corporation is registered as an autonomous company under the Companies Act, 1956 and functions under the administrative control of the Ministry of Commerce & Industry, Govt. of India.

The Corporation has played a key role in the Indian economy. In the pre-liberalisation era, it acted as an arm of the Government of India not only to regulate foreign trade but also for intervention in the domestic market. The Corporation handled canalized exports and imports of

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large number of items varying from chemicals and drugs to bulk commodities such as edible oils, cement, sugar, newsprint, wheat, urea, etc. thereby ensuring timely availability and equitable distribution of mass consumption items as well as essential raw materials for the industry. Canalisation also helped the nation to benefit from economies of scale and keeping a close watch on the scarce foreign exchange.

It undertook price support operations to ensure remunerative prices to growers for their crops such as raw jute, shellac, tobacco, rubber and vanilla as and when called upon by the Government to do so.

Management

The State Trading Corporation is a registered company under Indian Companies Act and managed by a Board of Directors including both executive and non-executive directors. It is headed by a Chairman.

OBJECTS OF THE STC

The Main Objects of The STC are as Follows

1. To organise and undertake trade in socialist countries as well as other countries in commodities entrusted to the company from time to time by the Government of India and to undertake the purchase, sale and transport of such commodities in India or elsewhere in the world.
2. To undertake at the instance of the Union Government of India import and/or internal distribution of any commodity in short supply with a view to stabilising prices and rationalizing distribution.
3. To implement such special arrangement for imports/export, internal trade or distribution of particular commodities as the Union Government may specify in the public interest.
4. To arrest the declining trend in exports or to boost export by introducing new products in new markets.
5. To assist small exporters in their export trade.
6. To assist export-oriented organisations in their export and financial and organisational activities.

Workings of Stc

The State Trading Corporation has completed 54 years of its existence. It has played a commendable role in achieving its objectives for which it was established.

Its Workings Can be Evaluated by the Facts Written Below

1. The Turnover of the STC

The turnover of the STC over the years has increased. Before 1971-72 the turnover was quite insignificant but after that the increase was significant. The exports reached to the highest peak during 1980-85 and started declining afterwards.

In the beginning the STC efforts were guided by the policies of the Government. But in latter years it has developed the non-canalized exports such as of items marine products, garments, engineering goods and products and textiles.

2. Important Products

It deals in nearly 3000 commodities including agricultural and consumer items and items of construction materials, software, miscellaneous engineering items, fresh and processed food, leather and leather products, meat and marine products. The major imports of STC are edible

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oils, cement, explosives, natural rubber standard and glazed newsprint. Its trade is stretched over 115 countries.

PROGRESS IN OTHER FIELDS

The STC Has Taken Various Steps in Different Fields. these are:

1. It has diversified its product range and continued to add new items to its export basket like orthopedic shoes, sports shoe; upper compressors. H.D. Pipe etc.
2. Trying to spearhead the national effort to identify new markets for Indian commodities and manufactured goods and establish itself in these markets on long-term basis.
3. It has established 100 per cent export oriented production units mainly with foreign collaboration and equity participation and 100 per cent buy-back arrangements.
4. It has developed a reliable supply base for production of quality goods in association with the state undertakings, co-operative organisations and other in selected and identified sectors. If necessary STC shall undertake investments for development of such production base.
5. It has taken steps for improvement in quality grading, packing etc.
6. The STC also performs serving functions thereby bringing, buyers and sellers together and assisting them in fulfilling business contracts. It assists Government departments and industrial concerns in procuring supplies of plant and machinery from abroad. In some cases, it settles trade disputes amicably between Indian and foreign parties.
7. The original idea of its setting up was to develop foreign trade with socialist countries. It has therefore improved relations with countries of socialist block but at the same time, its operations are wider with non-communist countries.
8. The STC marketing expertise has been of particular advantage to small industries because they are unable to participate in foreign trade without STC support.

Weaknesses of the Stc

There are certain inherent weaknesses of the STC, pointed out in a study conducted by Indian Institute of Management, Ahmedabad were:

1. Though the objectives of the STC were quite clear and well defined but it has not taken any major entrepreneurial decision of its own so far.
2. There seems to be no guidelines for the choice of new products to be exported and new markets to sell its products.
3. Not much expertise has been developed to locate and develop sources of supply for exportable products and also for procuring imports from sources of supply abroad.
4. Much of the expertise is in operation as an agent, in processing indents and tenders and transportation and distribution not in merchandising, procurement and marketing.
5. The set back in the exports of non-canalized items can be attributed to the STC’s failure to develop an appropriate supply base and take adequate promotional step among importers.

The Other Weaknesses Which are Also Important are:

(a) It is guided by the bureaucrats who lack business experience and initiative, businessmen with practical knowledge should replace them.

(b) The interlocking of the activities of the Government of India and the STC makes possible the concealment of inefficiency under intricate official procedure. There is an urgent need of coordinating the trade of Private Traders and the STC.

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(c) Moreover, the STC offices abroad have not been in a position to create an impact.

Commodity Agreements

The market for commodities is particularly susceptible to sudden changes in the conditions of supply conditions, which are called supply shocks. Shocks such as bad weather, disease, and natural disasters are largely unpredictable, and cause commodity markets to become highly volatile. In comparison, markets for the final products derived from these commodities are much more stable.

As with petrol pump prices, the prices of finished goods rarely reflect changes in the prices of basic commodities from which they are derived. For example, cocoa and sugar prices fluctuate considerably as harvests vary from year to year, but the prices of confectionery rarely change from year to year. There are many reasons for this, including the following:

1. The cost of the commodity input, such as cocoa, represents a small proportion of total costs of the final product, such as a bar of chocolate. The price of chocolate is largely determined by the refining, manufacturing, and packaging costs of the manufacturer, and the retailer's costs including labour, rents and marketing costs.
2. Indirect taxes, like VAT, often form a larger proportion of the price than commodity costs, and such indirect taxes tend to remain stable of time.
3. The existence of stocks of commodities act as a buffer against sudden changes in commodity prices, so manufacturers will be using old stocks purchased at the old prices.
4. Futures contracts help reduce some of the underlying volatility in commodity markets. In the case of cocoa, the large confectioners, such as Nestle and Cadbury-Schweppes, agree cocoa prices in advance by fixing contracts with suppliers, such as those based in the Ivory Coast and Ghana, the two largest cocoa exporters.
5. Manufacturers and retailers may choose not to pass on cost changes following commodity price changes for a number of reasons, such as a preference for stable prices, or the need to remain price competitive.

Commodity Agreements

Commodity agreements are arrangements between producing and consuming countries to stabilise markets and raise average prices. Such agreements are common in many markets, including the market for coffee, tea, and sugar.

- International Cocoa Organization (ICCO)
- International Coffee Organization (ICO)
- International Cotton Advisory Committee (ICAC)
- International Grains Council (IGC)
- International Olive Council (IOC)
- International Sugar Organization (ISO)
- International Tropical Timber Organization (ITTO)

ABOUT THE BOOK

This book is for Students at Graduation and Post- Graduation levels who want to learn about

International Trade Procedure & Documentation in detail. It aims to help learners to develop knowledge about Import & Export Licensing Procedures in India.

International Trade: Procedure & Documentation is developed on the belief that the learners need to understand import and export policies, types of duties, and customs fees. It also gives the learners idea of how to set up a business considering import and export licenses.

International Trade: Procedure & Documentation discusses the online process through IFC

Application Form and also gives ideas on the objectives and roles of Export Credit Guarantee Corporation (ECGC). The text also addresses the Trade Policy Analysis and the Role of DGFT.

The main purpose of the text is to provide a thorough guideline on International Trade and its procedures. This text has the following unique features:

- The text begins with import and export licensing procedures, types of duties, objectives, and roles of the f Export Credit Guarantee Corporation (ECGC).
- The Text also discusses Import Trade Control and Balance of Payment and Special Economic Zone (SEZ).
- The Text also explained India's Foreign Trade Policy and it concludes with Electronic Export Promotion Council.

The text uses the theory and presented the contents methodically and consistently.

International Trade (Procedure & Documentation) by the Authors intends to provide thorough and in-depth knowledge to the learners on various topics on International Trade.

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