

To be published in the Gazette of India Extraordinary Part II Section 3, Sub Section
(ii)
Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Foreign Trade
Udyog Bhawan

Notification No. 63 (RE-2010)/2009-2014
New Delhi, 04 August 2011

Subject: Export of Cotton [ITC (HS) Code 5201 & 5203]: obtaining of Registration Certificate

S.O. (E) In exercise of the powers conferred by Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No.22 of 1992) read with Para 2.1 of the Foreign Trade Policy, 2009-14, the Central Government hereby notifies the modalities and procedure for obtaining Registration Certificate (RC) in pursuance of Notification No. 62 (RE-2010)/2009-14 dated 01.08.2011, as under:

2. Registration Certificate (RC) for Export of Cotton [ITC (HS) Code 5201 & 5203]

Exporters intending to export cotton [ITC (HS) Codes 5201 and 5203] will apply to the Regional Authority (RA) for grant of Registration Certificate (RC) subject to the following conditions:

- (i) The applicant should not be a defaulter / must not be in the Denied Entities List (DEL).
- (ii) An applicant shall submit a performance guarantee in the form of a Bank Guarantee (in the format given in Annexure 2) for 2.5% of the value equivalent of the quantity for which RC is being applied, or for Rs 1 lakh, **whichever is more**.
- (iii) Each application for RC shall be accompanied with **either** an irrevocable letter of credit (LC), duly authenticated by a bank in India, **or** proof of receipt of 100 % advance payment (FIRC), **or** proof of receipt of 25 % advance payment (FIRC) and payment of rest (75 %) cash against document (CAD).
- (iv) Applicant will contact any of the designated RAs with an application (format given in Annexure 1 to this notification) along with a copy of IEC and documents as at (ii) & (iii) above for obtaining RC. RA's designated for this purpose are: Ahmedabad, Bengaluru, CLA (New Delhi), Chennai, Kolkata, Hyderabad, and Mumbai.

3. Time to Export (Validity of RC)

Export must be completed within 30 days from the date of issuance of the RC. The validity of the RC would expire after 30 days. Failure to complete export of the full quantity (with a tolerance level of -5 % by weight) for which RC was obtained would entail (a) forfeiture of performance Bank Guarantee submitted to DGFT and (b) debarment from obtaining any Registration Certificate in future, in addition to initiation of penal action under Section 11(2) of Foreign Trade (Development & Regulation) Act, 1992, (as amended).

4. Reporting

Holders of the RC would observe a two stage reporting system, sending two reports to the RA from whom the RC was obtained: (a) a simple first report only about the quantity of export, to whom exported, and when exported, in respect of each consignment **immediately on obtaining the Let Export Order (LEO)** and (b) a consolidated second report **within 35 days of the issue of RC** in detail (EP copy of

shipping bill required) about all exports done in respect of the complete quantity for which the RC was obtained.

5. RCs obtained till now

Holders of any valid RC that was obtained before 1st August 2011, in respect of which any balance quantity is still to be exported, has the option of getting the RC revalidated **or** applying afresh under this new dispensation. Thus any RC obtained before 1st August would lose its validity unless revalidated by the RA from whom it was obtained.

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

Annexure I to Notification No: 63 (RE-2010)/2009-2014 dated 04 August 2011_

SAMPLE FORMAT FOR APPLICATION FOR OBTAINING REGISTRATION CERTIFICATE
(In the official letter head of the Applicant Company / Firm)

IE Code (Example : 0500030001)

Name (Example : ABC Exports)

Quantity intended for export (In MT, both in figure and in words).
(Example 3,400 MT, Three Thousand Four Hundred MT)

DECLARATION / UNDERTAKING

1. I / We hereby declare that the particulars and the statements made in this application are true and correct to the best of my / our knowledge and belief and nothing has been concealed or held there from.
2. I / We hereby declare that in the name of this applicant firm, (a) no other application is being submitted or has been submitted for obtaining RC to export cotton to any office of DGFT (either before the present RA or any other RA); and (b) that in respect of RC obtained earlier, if any, the proof of having completed exports in full has been submitted to the concerned RA.
3. I / We fully understand that any information/document furnished with the application if found incorrect or false will render me / us liable for any penal action or other consequences as may be prescribed in law or otherwise warranted.
3. I / We undertake to abide by the provisions of the FT (D & R) Act, 1992, as amended, the Rules and Orders framed there under, FTP, HBP v 1 and HBP v2 and ITC (HS). I / We also undertake that in the event of non-performance after grant of Registration Certificate for export of cotton by the Directorate General of Foreign Trade, I / We shall be liable to Penal Action under Section 11(2) of Foreign Trade(Development & Regulation) Act, 1992, (as amended), including (a) forfeiture of performance Bank Guarantee submitted to DGFT and (b) debarment from obtaining any Registration Certificate in future..
4. I hereby certify that I am authorised to verify and sign this declaration.

Signature of the Applicant

Place Date

Name:

Designation:

Official Address (Complete):

Telephone Number(s):

Cell Phone Number(s):

Fax Number(s):

Email(s):

Required documents for submission for obtaining RC

- (a) Performance Guarantee in the form of Bank Guarantee(BG) for 2.5% of the applied value, or Rs 1 lakh whichever is more
- (b) Proof of payment (either Letter of Credit duly authenticated by a Bank in India, or 100 % advance payment (FIRC), or 25 % advance payment (FIRC) and rest 75 % against document
- (c) Copy of IEC

Annexure-II to Notification No: 63 (RE-2010)/2009-14

Dated 04 August, 2011

FORMAT OF BANK GUARANTEE

To,
The President of India

In consideration of the President of India, acting through the Director General of Foreign Trade (which expression shall be deemed to include the Joint Director General of Foreign Trade / Deputy Director General of Foreign Trade, or any other authority for the time being authorised to perform the duties of Joint Director General of Foreign Trade / Deputy Director General of Foreign Trade), Department of Commerce, Government of India, New Delhi [**hereinafter referred to as the Government**] having agreed to grant to _____ (full expanded name of the Exporter) having Importer Exporter Code (IEC) Number _____, [**hereinafter referred to as Exporter**], a Registration Certificate for export of _____ MTs of cotton for a value of Rs. _____ (Rupees _____ only) which requires production of performance guarantee in the form of a Bank Guarantee for 2.5% of the value of export or for Rs 1 lakh whichever is higher.

2. We _____ (indicate the name and full address and other particulars of the Bank, including IFSC Number), [**hereinafter referred to as Bank**], at the request of the Exporter do hereby unconditionally and irrevocably undertake to pay the Government an amount not exceeding Rs. _____ against non completion of export in full or any failure on the part of the said Exporter in fulfilling any of the terms or conditions contained in the said Registration Certificate .

3. We _____ (indicate the name of Bank) do hereby undertake to pay the amounts due and payable under this guarantee without any demur or protest, merely on a demand from the Government stating that the amount claimed is due to non completion of export in full or breach by the Exporter of any of the terms or conditions of the said Registration Certificate. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under these presents.

4. We _____ (indicate the name of Bank) undertake to pay to the Government any money so demanded notwithstanding any dispute or disputes raised by the Exporter in any suit or proceeding pending before any court or Tribunal relating thereto and our liability under these presents being absolute and unequivocal.

5. We, _____ (indicate the name of Bank) further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance under the said Registration Certificate, and that it shall continue to be enforceable till all the obligations of the Exporter under or by virtue of the said Registration Certificate have been fully discharged to the satisfaction of the Government or till Jt.DGFT/Dy.DGFT, or any Licensing authority for the time being authorised to perform the duties of Jt.DGFT/Dy.DGFT, Department of Commerce, New Delhi, certifies that the terms and conditions of the said Registration Certificate have been fully and properly carried out by the Exporter and accordingly discharges this guarantee. Provided, however, unless a demand or claim under this guarantee is made on us in writing on or before **30 November 2011**, we shall be discharged from all liability under this guarantee thereafter.

6. We _____ (indicate the name of bank), further agree with the Government that the Government shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder (i) to vary any of the terms and conditions of the said Registration Certificate and modify the said scheme from time to time or (ii) to extend time of performance by the said Exporter from time to time or to postpone for any time or (iii) from time to time any of the powers exercisable by the Government against the said Exporter and to forbear or enforce any of the terms and conditions relating to the said Registration Certificate and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said Exporter for any forbearance, act or omission on the part of the Government or any indulgence by the Government to the said Registration Certificate holder or by any such matter or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us.

7. That this shall be a continuing Bank Guarantee and shall not be discharged by any change in the constitution of the Exporter or of the Bank.

8. That the guarantor will not revoke the guarantee without prior written consent of the Government.

"Dated the _____ day of _____ year _____ for _____ (indicate the name of the Bank)"

Signature of Authorised officer of the Bank with stamp/seal

Note: "The Bank Guarantee shall be valid till 30th November 2011