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Please give Specific Description in Export Shipping Bill, Generic Description not Acceptable, Says JNPT Customs

The following Public Notice was issued by the Commissioner of Customs (Export) Jawaharlal Nehru Customs House on 5th May 2011.

Subject: Mention of correct description in the Shipping Bill.

75-PN 05.05.2011 Attention is invited to Public Notice no. 42/2010 dated 07 04-2010 issued by the Chief Commissioner's Office Mumbai Zone-II regarding information to be furnished by Importers/ Exporters for assessment purposes.

2. One of the essential requirement for ensuring correct classification and valuation of goods is the quality of data furnished by the importers and exporters. The declared description should be accurate, specific and complete.

3. In spite of the issuance of the said Public Notice, it has been observed that in number of cases specially in the case of export of fabrics, the data quality is very poor. Some of the illustrations are given below:

i) It has been noticed that exporters/CHAs simply reproduce the relevant entry from Drawback Schedule or DEPB Schedule. For example generic entry such as "DYED & OR PRINTED FABRIC MADE FROM 100% PFY/TEX YARN W OR W/O EMBD. & W OR W/ O MET YARN DYED & OR PRINTED", is being mentioned in the Shipping Bill and even in the invoices. From the said generic description it is not possible to identify whether the exported fabric is only dyed or printed or with embroidery or without embroidery. This results in increased examination and raising objection leading in delay in clearance of consignment for export. Number of times, the exporters claim EPCG benefit also but in the absence of specific description it becomes difficult to verify whether the exported goods comply with the requirement of EPCG Licence, like against import of Embroidery Machines whether export of embroidered fabric has been made or not.

ii) Normally, the value of fabric depends upon GSM of fabric. It is also a common trade practice to purchase or sale of fabric based upon GSM. However, it has been noticed that in most of the cases, the GSM is not declared in the invoice and Shipping Bills.

iii) It has also been noticed that even though different types of fabric (different GSM, with embrodiery,without embroidery, printed or non printed) is being exported in one invoice but an uniform price per sq. yard is being declared for all such fabric cases. In such cases, officers find difficult to verify the declared value.

iv) In number of cases, exported goods is declared as embroidered fabric. However, on examination it is found that part of the fabric is not embroidered. This has been noticed specially in cases where a set consisting of salwar, kameez and dupatta is being exported where one of the fabric is not embroidered.

4. In view of the above mentioned issues, it has been decided that in order to improve the data quality and to ensure determination of correct value and speedy clearances, all Exporters and CHAs are advised to follow the below mentioned guidelines in case of export of fabrics.

(i) Instead of generic description, the specific and clear description must be given in the Invoice and Shipping Bills. For example "Printed polyester fabric without embroidery", "Polyester fabric with embroidery" "15% Polyester, 35% Viscose Suiting fabric" etc. should be mentioned, as the case may be. Further, when specific description is given , there is no need to reproduce the generic description as per Drawback/DEPB schedule. The office of DGFT, Mumbai has also clarified that if specific description without generic description is given, there would not be any difficulty in issue of DEPB or other export incentives.

(ii) GSM of each type of fabrics should be declared.

(iii) If there are different type of fabric in a consignment, then except for embroidered fabric, the quantity and value of each type of fabric should be declared separately. However if a set of fabric like Salwar, Kameez and dupatta is being exported, in that case a combined value for full set may be declared.

(iv) Quantity of embroided and non-embroided fabrics should also be declared separately.

(v) For the purpose of claiming drawback or DEPB, relevant RITC/Drawback Sl.No./DEPB Sl.No. shall also be given.

5. Similarly, for the DEPB/Drawback entries wherever more than one type of material/process is given, like "HDPE/PP beauty case/suit case with or without aluminium frame ...-(entry No.33E of Product code 63") the exact description of items being exported may be given. Like wise for "made-ups", the exact description like bedsheet or pillow/cover alongwith composition of constituent material etc., may be given.

6. It is Clarified that the requirement of GSM would not be applicable for garments. But specific description like Shorts, Trousers,Ladies Gown,Children Frock etc should be given alongwith composition of fabric used therein.

7. During assessment and examination the officer would ensure that accurate, specific and complete description is being given for the correct classification, valuation and assessment of goods.

8. However in case of genuine difficulties in following the above mentioned guidelines, the AC/DC may accept the declared description.

9. This Public Notice is issued after considering the views given by Exporters/CHA Association on the draft Public Notice issued on 03.12.2010. However Any difficulty in following the above mentioned instructions may be brought to the notice of the undersigned.

10. This P N would be applicable for all goods which would be brought in CFS from 16.05.2011.

F. NoS/12-Gen-160/2011 AM (X)

Indonesia (7), Ukraine (5) Issue Safeguard Notifications, WTO Review Actions

The Committee on Safeguards, on 2 May 2011, considered 23 notifications of safeguard action led by Indonesia with seven and Ukraine with five.

Indonesia said the increase in its safeguard notifications was the result of recent awareness in the domestic industry of the availability of trade remedies like safeguards to counter the negative effects of trade liberalization. It said that its notifications should be seen as a reflection of its wish to be as transparent as possible, and assured other members that its safeguard investigations would be conducted in line with WTO rules.

Indonesia notified safeguard actions on the following products: cotton yarn other than sewing thread; tarpaulins, awnings and sunblinds of synthetic fibres; stranded wire, ropes and cables, excluding locked coil, flattened strands and non-rotating wire ropes; certain stranded wire, ropes and cables; certain wire of iron/non-alloy steel, plated with zinc; certain wire of iron non-alloy steel; and bleached and unbleached woven fabric of cotton.

Japan expressed concern that it was denied the opportunity of prior consultations because of Indonesia's late notification regarding certain wire of iron/non-alloy steel, plated with zinc. The United States and Canada shared Japan's concern.

India thanked Indonesia for replies to its questions, which it said were being reviewed in New Delhi.

Ukraine notified safeguard actions on the following products: cooling and refrigerating equipment; ferro-manganese and ferro-silico-manganese; mineral or chemical fertilizers; matches; and certain products of crude oil processing.

Turkey expressed concern over the delay in Ukraine's notification regarding certain products of crude oil processing. The European Union questioned the large scope of products covered by this notification.

Concerning Ecuador's notification on imposition of safeguard measure on windshields, Colombia requested, in accordance with Article 13.1(b) of the Agreement, that the Committee examine whether the procedural requirements of the Safeguards Agreement have been complied with. The chair said that he would ask the incoming chair to hold a separate meeting on this matter. This is the first time ever that a Member has made a request under Article 13.1(b).

Turkey notified three safeguard actions: on polyethylene terephthalate, on spectacle frames, and on travel goods, handbags and similar containers.

The European Union expressed concern over what it said was the extensive use of safeguard measures. Turkey stated that it needed to rely on the safeguard instrument due to, among other things, its obligation in the Customs Union.

Under "Other Business", two Members each expressed concern over safeguard actions by another Member.

New Chair

The Committee elected Ms Lillian Bwalya (Zambia) and Ms Tomoko Ota (Japan) as the new chair and vice-chair for 2011, respectively. Ms Bwalya, on behalf of the Committee, thanked her predecessor Mr. Tobias Lorentzsen (Sweden) for his leadership during the past year.

The next regular meeting is scheduled for the week of 24 October 2011.

Karzai-Manmohan Meet in Kabul

India-Afghanistan in Strategic Partnership

At the invitation of His Excellency Mr. Hamid Karzai, President of the Islamic Republic of Afghanistan, His Excellency Dr. Manmohan Singh, Prime Minister of India, paid an official visit to the Islamic Republic of Afghanistan.

Reaffirming their commitment to the purposes and principles of the United Nations Charter, India and Afghanistan decided to establish a Strategic Partnership covering all areas of mutual interest. Based on mutual understanding and long term trust in each other, this Partnership envisages the elevation of their multifaceted ties to a higher level, both in the bilateral field and in the international arena.

The two sides declared that the Strategic Partnership between the two countries is based upon the principles of sovereignty, equality and territorial integrity of States, non-interference in their internal affairs, mutual respect and mutual benefit.

The two sides agreed that the Strategic Partnership between India and Afghanistan will include various facets of the bilateral relationship.

The two sides agreed to hold regular Summit level meetings, institutionalized dialogues at various levels, regular consultations on peace and security, and closer cooperation and coordination at the United Nations and other international and regional fora.

In the area of economics and commerce, the two sides decided to enter into a Strategic Economic Partnership, recognizing the advantages of closer economic integration with the South Asian market and the region. They agreed to explore greater cooperation in sectors such as mining, metallurgy, fuel and energy, information technology, communications and transport, and also jointly explore the possibilities of regional trading arrangements with other countries. The two countries agreed on the importance of regional projects such as TAPI, in promoting regional integration.

The Indian side announced an additional outlay of US$ 500 million for these and other

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Dollar-Rupee Rate at NSE Futures

Trade Date	Open Price	High Price	Low Price	Close Price	Daily Settlement Price	Open Interest	No. of Contracts	Value (Rs. lakhs)	RBI Reference rate
16-May-11	45.0825	45.2675	45.0825	45.2500	45.2500	1112295	2883569	1302923	45.0700
13-May-11	45.0475	45.1650	44.9375	44.9825	44.9825	1147262	3350335	1508091	44.9100
12-May-11	44.9150	45.1350	44.8700	45.1100	45.1100	1139834	3974812	1789077	44.7900
11-May-11	44.8200	44.8775	44.7875	44.8350	44.8350	1086145	2215874	993448	44.6900
10-May-11	44.8225	44.9750	44.8000	44.9425	44.9425	1039197	2913435	1308062	44.7300

[Source: NSE and RBI Website]

India- New Zealand FTA to be Concluded in Next Ten Month: Anand Sharma

New Zealand to Provide a Growing Market for India's Service Sector

Indian Commerce Minister Sharma said: "It should be possible to ramp up India- New Zealand bilateral trade of US $ 1 billion to 3 billion a year by 2014." He jointly addressed a business forum in Auckland. Mr. Sharma addressed a combined business forum in Wellington with his New Zealand Counterpart Tim Groser.

Mr Groser welcomed Mr. Sharma's commitment and proposals for strengthening the relationship. He stressed New Zealand's interest in enhancing the export of agricultural products, including dairy, horticulture and wine and industrial goods, over and above the traditional export of coking coal and wood from New Zealand to India. He stressed that New Zealand's interests in dairy and apples were complementary and not in competition with Indian goods.

More open access and investment flows can come from the FTA,'' Minister Sharma noted the proposed FTA was a logical extension of India's "Look East" policy. Both Ministers recognised the strategic importance of the increased economic integration in the Asia-Pacific region.

[Source: PIB Press Release dated 10 May 2011]

CBEC Clarification: Forklifts in Ch. 84 not Subject to Homologation and other Restrictions on Motor Vehicles in Ch. 87

[Ref: F. No. 524/8/2011-STO (TU) dated 11th May 2011]

Subject: Regarding imports of goods under Chapter 84 of ITC (HS) and the requirement of compliance to Chapter 87 Import License Notes.

Attention is drawn to Directorate General of Foreign Trade (DGFT) Policy Circular No. 21/ 2007, dated 14/12/2007, on applicability of Licensing Note No.1 and 2, of Chapter 87 of ITC (HS) classification on import of special purpose vehicles used in off-highway operations such as mining, industrial undertakings, irrigation, general construction etc. Doubts have been raised by field formations whether licensing Note 1 and 2 of Chapter 87 of ITC (HS) will apply to goods which though classifibale under Chapter 84 of the ITC (HS) are falling within the definition of vehicle as explained in the policy. Accordingly, matter was refered to DGFT for suitable clarification.

2. DGFT Policy Circular No. 30/2010, dated 27/04/2011, has clarified that for goods like Reach Stackers / Fork Lifts specifically covered under Chapter 84 of ITC (HS), the Import Licensing Note No.1 and 2 of Chapter 87 of ITC (HS) Classification are not applicable to goods covered under Chapter 84 of ITC (HS) as such goods, that are in the nature of machine and equipment are covered under Chapter 84 of ITC (HS), cannot be classified under Chapter 87 of ITC (HS). It has also clarified that Policy Circular No. 21 (RE-2007)/ 2004-09 dated 14th December, 2007 quoted "Special Purpose Vehicles" which are classified under Code: 8705 at 4 digit level. Thus, Policy Circular No. 21 dated 14th December, 2007 is limited to goods covered under Chapter 87 of ITC (HS) only.

3. Suitable instructions may be issued to the field formations.

Anti-dumping Duty on Viscose Rayon Filament Yarn Extended upto 24 Feb 2012 Pending Review

Ntfn 38 09.05.2011 (DoR)

Whereas, the designated authority vide notification No. 15/23/2010-DGAD, dated the 25th February, 2011, published in the Gazette of India, Extraordinary, Part I, section 1, dated the 25th February, 2011, has initiated review in terms of sub-section (5) of section 9A of the Customs Tariff Act, 1975 (51 of 1975) and in pursuance of rule 23 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, in the matter of continuation of anti-dumping duty on imports of Viscose Filament Yarn, falling under tariff item 5403 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), originating in, or exported from, the People Republic of China, imposed *vide* notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 45/2006-Customs, dated the 24th May, 2006, published in the Gazette of India, Extraordinary, Part II, section 3, sub-section (i), *vide* number G.S.R.308(E), dated the 24th May, 2006, and has requested for extension of anti-dumping duty, in terms of sub-section (5) of section 9A of the said Customs Tariff Act;

Now, therefore, in exercise of the powers conferred by sub-sections (1) and (5) of section 9A of the Customs Tariff Act, 1975 (51 of 1975) and in pursuance of rule 23 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, the Central Government hereby makes the following amendment in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), **No. 45/ 2006-Customs, dated the 24th May, 2006,** published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R.308(E), dated the 24th May, 2006, namely:-

In the said notification, the following paragraph shall be **inserted** at the end, namely: -

"This notification shall remain in force up to and inclusive of the 24th February, 2012, unless the notification is revoked earlier".

[F.No.354/48/2006-TRU (Pt.)]

Phthalic Anhydride Anti-dumping Investigation Initiated on Imports from Korea, Taiwan and Israel

[Ref: F. No. 14/1/2011-DGAD dated 29th April 2011]

Subject: Initiation of anti-dumping investigation concerning imports of Phthalic Anhydride, originating in or exported from the Korea RP, Taiwan (Chinese Taipei) and Israel.

Whereas IG Petrochemicals Limited, Mysore Petrochemicals Limited, Thirumalai Chemicals Ltd., and SI Group India Limited (herein after referred to as applicants) have filed an application before the Designated Authority (hereinafter referred to as the Authority), in accordance with the Customs Tariff Act, 1975 as amended from time to time (herein after referred to as the Act) and Customs Tariff (Identification, Assessment and Collection of Anti Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 as amended from time to time (herein after referred to as the Rules), alleging dumping of Phthalic Anhydride, originating in or exported from the Korea RP, Taiwan (Chinese Taipei) and Israel (herein after referred to as "subject countries") and requested for initiation of Anti Dumping investigations for levy of anti dumping duties on the subject goods.

1. Product under Consideration

Product under consideration in the present investigation is "Phthalic Anhydride" (hereinafter referred to as "Subject Goods"), having molecular formula 'C8H4O3'. Phthalic Anhydride, also referred as PAN, is an anhydride of Phthalic Acid, and is commercially produced by catalytic oxidation of Ortho- xylene or Naphthalene. It is a colourless solid, variously referred as Phthalic Anhydride flakes, Phthalic Anhydride (98% min.), Phthalic Acid Anhydrous, Phthalic Anhydride (99.8% min), etc. The product is produced only in one grade. As regards different applications, it does not have distinguishable different types of forms. It is mainly used in the production of phthalate esters, which functions as plasticizers. It is an important chemical intermediate in plastic industry. It is also used in making of the products like Polyester resins, Alkyd Resins used in paints and lacquers, Unsaturated Polyester Resins, Polyester Polyols, Dyes and Pigments, Halogenated Anhydrides, Polyetherimide Resins, Isatonic Anhydride, Insect Repellents. It is an organic chemical classified under Customs Sub-Heading No. 29173500.

2. Like Article

The applicant has claimed that there are no known differences in subject goods produced by the petitioner and those exported from subject countries. Both products are comparable in terms of parameters such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification, etc. The goods produced by the domestic industry are comparable to the imported goods from subject countries in terms of essential product properties. The goods offered by the domestic industry are prima facie treated as like article to the goods imported from subject countries.

3. Domestic Industry Standing

The application has been jointly filed IG Petrochemicals Limited, Mysore Petrochemicals Limited and Thirumalai Chemicals Ltd., and SI Group India Limited. There is one more producer of product under consideration in India, viz., M/s. Asian Paints India Limited. As per the production figures provided in the application, the applicants' share in the domestic production is to the tune of 90.61% during the proposed POI of Jan'2010-December'2010.

M/s IG Petrochemicals Limited and Thirumalai Chemicals Limited are stated to have imported the subject goods from Korea RP (one of the subject countries). M/s Thirumalai Chemicals Ltd. have imported 100 MT during POI (0.41% of total imports from Korea RP during POI). As regards M/s IG Petrochemicals, they have imported 1142 MT (4.6% of total imports from Korea RP during POI) from subject country, Korea RP. The imports made by IG Petro were all got cleared under advance license and in respect of M/s Thirumalai Chemicals Ltd., out of total imports of 100 MT from

subject country, Korea RP, 33 MT got cleared under advance license. From the imports made by the applicants during the POI, it is apparent that a) the imports are too insignificant to cause self inflicted injury to the domestic industry and b) the entire imports by M/s IG Petro got cleared under advance license scheme and a sizeable portion of imports by TCL is under advance license scheme. In view of this and keeping in view the reasoned position in this regard taken by the Authority in past cases, the Authority does not consider it appropriate to exclude these two entities, namely, M/s IG Petrochemicals Ltd. and M/s Thirumalai Chemicals Ltd. (TCL) from the scope of domestic industry at this stage.

The Authority after examining the above, holds that the applicants constitute Domestic Industry within the meaning of the rule 2(b) and they satisfy the criteria of standing in terms of Rule 5 of the Rules supra.

4. Countries Involved

The countries involved in the present investigation are Korea RP, Taiwan (Chinese Taipei) and Israel.

5. Normal Value

Applicants have claimed that Oxylene account for 80-85% of total cost of production for a producer worldover, hence normal value in subject countries is claimed on the basis of constructed cost of production considering Oxylene prices in the subject countries and conversion cost on the basis of cost of production of subject goods in India of the most efficient of the applicant companies, including selling, general & administrative expenses and reasonable profit. The petitioners have also claimed Normal Value on monthly basis because of significant price fluctuations in the input prices. The Authority, for the purpose of initiation, has adopted this as prima-facie evidence of Normal Value in the Subject Countries.

6. Export Price

Export price of the subject goods from the subject countries has been claimed on the basis of transaction-wise import data collected from IBIS. Petitioners have submitted that the DGCI&S data is not available for the entire POI. Adjustments have been claimed on account of ocean freight, marine insurance, and port expenses. in the exporting country to arrive at ex-factory export price. There is sufficient prima facie evidence with regard to export price claimed by the petitioners.

7. Dumping Margin

There is sufficient prima facie evidence that the normal value of the subject goods in subject countries is significantly higher than the ex-factory export price indicating, prima facie, that the subject goods are being dumped by exporters from subject countries into the Indian market. Normal value and export price have been compared at ex-factory level, which shows significant dumping margin in respect of the subject countries.

8. Injury and Causal Link

The applicant has furnished information on various parameters relating to material injury. Analysis of the information shows that imports from subject countries have increased in the period of investigation in absolute terms as also in relation to production and consumption in India. Various economic parameters like the loss in market share, significant decline in the profitability of the domestic industry, significant deterioration in return on investment and cash profit, prima facie, indicate collectively and cumulatively that the domestic industry have suffered material injury on account of dumped imports of subject goods from subject countries.

9. Initiation of Anti Dumping Investigations

The Designated Authority, in view of the foregoing, finds sufficient prima facie evidence of dumping of the subject goods from the Korea RP, Taiwan and Israel, injury to the domestic industry and causal link between the dumping and injury. The Authority hereby initiates an investigation into the alleged dumping and consequent injury to the domestic industry in terms of the Rules 5 of the said Rules, to determine the existence, degree and effect of any alleged dumping and to recommend the amount of antidumping duty which, if levied, would be adequate to remove the injury to the domestic industry.

[See Full text of Notification at our website www.worldtradescanner.com]

Guidelines for Prosecution under Service Tax

Subject: Prosecution provision in Finance Act, 1994.

140-ST
12.05.2011
(DoR)

With the enactment of Finance Act, 2011 (No.8 of 2011), Section 89 which provides for prosecution of specified offences involving service tax, becomes a part of Chapter V of Finance Act, 1994.

2. Prosecution provision was introduced this year, in Chapter V of Finance Act, 1994, as part of a compliance philosophy involving rationalization of penal provisions. Encouraging voluntary compliance and introduction of penalties based on the gravity of offences are some important principles which guide the changes made this year, in the penal provisions governing service tax. While minor technical omissions or commissions have been made punishable with simple penal measures, prosecution is meant to contain and tackle certain specified serious violations. Accordingly, it is imperative for the field formations, in particular the sanctioning authority, to implement the prosecution provision keeping in view the overall compliance philosophy. Since the objective of the prosecution provision is mainly to develop a holistic compliance culture among the tax payers, it is expected that the instructions will be followed in letter and spirit.

3. In the following paragraphs, some important aspects of the prosecution provision are explained, to guide the field formations:

4. Clause (a) of section 89(1) of Finance Act, 1994, is meant to apply, inter alia, where services have been provided without issuance of invoice in accordance with the prescribed provisions. In terms of rule 4A of the Service Tax Rules, 1994, invoice is required to be issued inter-alia within 14 days from the date of completion of the taxable service. Here, it should be noted that the emphasis in the prosecution provision is on the non-issuance of invoice within the prescribed period rather than non-mention of the technical details in the invoice that have no bearing on the determination of tax liability.

5. In the case of services where the recipient is liable to pay tax on reverse charge basis, similar obligation has been cast on the service recipient, though the invoices are issued by the

DRI Seizure of Fake Indian Currency of Rs 3 Lakhs at Farakka

[Ref: DRI Kolkata Zonal Unit Press Release dated 9 May 2011]

Subject: Seizure of Fake Indian Currency Notes (FICN) Having Face Value of Rs. 3,00,000/-

Acting on a specific intelligence, the officers of DRI, Kolkata & Berhampore had effected a seizure of **Fake Indian Currency Notes (FICN) having total face value of Rs.3.00.000/-** on 08.05.2011 at 06.00 hrs. from one person namely Jahangir Alam at Farakka railway station, Farakka, Dist-Murshidabad when he was about to board Malda town Farakka – New Delhi express train. The said FICN were recovered from one bag carrying by him. Altogether 500 pcs. of FICN comprising 400 pcs. of 500 denomination notes and 100 pcs. of 1000 denomination notes were recovered. The said FICN were seized under section 110 of the Customs Act, 1962 on reason to believe that the same had been smuggled into India from Bangladesh. The person (Indian national) involved in smuggling of the said FICN was arrested and produced before the Chief Judicial Magistrate, Berhampore on 08.05.2011. Further investigation is in progress.

Common Bond for Availing Duty Exemption under Export Promotion Schemes

The following Public Notice was issued by the Commissioner of Customs (Export) Jawaharlal Nehru Customs House on 5th May 2011.

SUB: Execution of common bond for specified Export Promotion (EP) Scheme

71-PN
05.05.2011

Attention of all Importers/ Exporters/CHAs and General Public is invited to the enclosed Board's Circular No 11(A)/ 2011- CUS dated 25.02.2011 issued vide F.No.605/39/2010-DBK regarding Execution of common bond for specified Export Promotion (EP) Scheme.

2. All concerned are herby requested to avail the facility provided by the Government as contained in the above referred Ministry's letter dated 25.02.2011.

3. The contents of this notice may be brought to the attention of all the constituent members of your Association / Organisation.

4. Any difficulty faced by the trade may be brought to the notice of the undersigned.

F. No. S/12-Gen-22/2011-12 AM(X)

service provider. It is clarified that the date of provision of service shall be determined in terms of Point of Taxation Rules, 2011. In the case of persons liable to pay tax on reverse charge basis, the date of provision of service shall be the date of payment except in the case of associated enterprises receiving services from abroad where the date shall be earlier of the date of credit in the books of accounts or the date of payment. It is at this stage that the transaction must be accounted for. Thus the service receiver, liable to pay tax on reverse charge basis is required to ensure that the invoice is available at the time the payment is made or at least received within 14 days thereafter and in the case of associated enterprises, invoice should be available with the service receiver at the time of credit in the books of accounts or the date of payment towards the service received.

6. Further, invoice mentioned in section 89(1) will include a bill or as the case may be a challan, in accordance with the Service Tax Rules, 1994. Invoice, bill, or as the case may be, challan, shall also include "any document" specified in respect of certain taxable services, in the provisos to Rule 4A and Rule 4B of Service Tax Rules, 1994.

7. Clause (b) of section 89(1) of Finance Act, 1994, refers to the availment and utilization of the credit of taxes paid without actual receipt of taxable service or excisable goods. It may be noted that in order to constitute an offence under this clause the taxpayer must both avail as well as utilize the credit without having actually received the goods or the service. The clause is not meant to apply to situations where an invoice has been issued for a service yet to be provided on which due tax has been paid. It is only meant for such invoices that are typically known as "fake" where the tax has not been paid at the so called service provider's end or where the provider stated in the invoice is non-existent. It will also cover situations where the value of the service stated in the invoice and/or tax thereon have been altered with a view to avail Cenvat credit in excess of the amount originally stated. While calculating the monetary limit for the purpose of launching prosecution, the value shall be the amount availed as credit in excess of the amount originally stated in the invoice.

8. Clause (c) of section 89(1) of Finance Act, 1994, is based on similar provision in the central excise law. It should be noted that the offence in relation to maintenance of false books of accounts or failure to supply the required information or supplying of false information, should be in material particulars have a bearing on the tax liability. Mere expression of opinions shall not be covered by the said clause. Supplying false information, in response to summons, will also be covered under this provision.

9. Clause (d) of section 89(1) of Finance Act, 1994, will apply only when the amount has been collected as service tax. It is not meant to apply to mere non-payment of service tax when due. This provision would be attracted when the amount was reflected in the invoices as service tax, service receiver has already made the payment and the period of six months has elapsed from the date on which the service provider was required to pay the tax to the Central Government. Where the service receiver has made part payment, the service provider will be punishable to the extent he has failed to deposit the tax due to the Government.

10. Certain sections of the Central Excise Act, 1944, have been made applicable to service tax by section 83 of Finance Act, 1994. Section 9AA of the Central Excise Act provides that where an offence has been committed by a company, in addition to the company, every person who was in charge of the company and responsible for conduct of the business, at the time when offence was committed, can be deemed guilty of an offence and can be proceeded against. A person so charged, however has an option to establish that offence was committed without his knowledge or he had exercised all due diligence to prevent the commission of offence.

11. Section 9C of Central Excise Act, 1944, which is made applicable to Finance Act, 1994, provides that in any prosecution for an offence, existence of culpable mental state shall be presumed by the court. Therefore each offence described in section 89(1) of the Finance Act, 1994, has an inherent *mens rea*. Delinquency by the defaulter of service tax itself establishes his 'guilt'. If the accused claims that he did not have guilty mind, it is for him to prove the same beyond reasonable doubt. Thus "burden of proof regarding non existence of 'mens rea' is on the accused".

12. It may be noted that in terms of section 89(3) of Finance Act, 1994, the following grounds are not considered special and adequate reasons for awarding reduced imprisonment:

(i) the fact that the accused has been convicted for the first time for an offence under Finance Act, 1994;
(ii) the fact that in any proceeding under the said Act, other than prosecution, the accused has been ordered to pay a penalty or any other action has been taken against him for the same act which constitutes the offence;
(iii) the fact that the accused was not the principal offender and was acting merely as a secondary party in the commission of offence;
(iv) the age of the accused.

On the above grounds, sanctioning authority cannot refrain from launching prosecution against an offender.

13. Sanction for prosecution has to be accorded by the Chief Commissioner of Central Excise, in terms of the section 89(4) of the Finance Act, 1994. In accordance with Notification 3/2004-ST dated 11th March 2004, Director General of Central Excise Intelligence (DGCEI), can exercise the power of Chief Commissioner of Central Excise, throughout India.

14. Board has decided that monetary limit for prosecution will be Rupees Ten Lakh in the case of offences specified in section 89(1) of Finance Act, 1994, to ensure better utilization of manpower, time and resources of the field formations. Therefore, where an offence specified in section 89(1), involves an amount of less than Rupees Ten Lakh, such case need not be considered for launching prosecution. However the monetary limit will not apply in the case of repeat offence.

15. Provisions relating to prosecution are to be exercised with due diligence, caution and responsibility after carefully weighing all the facts on record. Prosecution should not be launched merely on matters of technicalities. Evidence regarding the specified offence should be beyond reasonable doubt, to obtain conviction. The sanctioning authority should record detailed reasons for its decision to sanction or not to sanction prosecution, on file.

16. Prosecution proceedings in a court of law are to be generally initiated after departmental adjudication of an offence has been completed, although there is no legal bar against launch of prosecution before adjudication. Generally, the adjudicator should indicate whether a case is fit for prosecution, though this is not a necessary pre-condition. To launch prosecution against top management of the company, sufficient and clear evidence to show their direct involvement in the offence is required. Once prosecution is sanctioned, complaint should be filed in the appropriate court immediately. If the complaint could not be filed for any reason, the matter should be immediately reported to the authority that sanctioned the prosecution.

17. Instructions and guidelines issued by the Central Board of Excise and Customs (CBEC) from time to time, regarding prosecution under Central Excise law, will also be applicable to service tax, to the extent they are harmonious with the provisions of Finance Act, 1994 and instructions contained in this Circular for carrying out prosecution under service tax law.

18. Field formations may be instructed accordingly.

F. No. 354/45/2011-TRU

Labelling in Bonded Warehouses Allowed

The following Public Notice was issued by the Commissioner of Customs (Import) Jawaharlal Nehru Customs House on 3rd May 2011.

Sub: Compliance of DGFT Notification No.44 (RE-2000)/1997-2002 dt. 24.11.2000- Labeling of goods in bond prior to Ex-bond clearance.

76-PN 03.05.2011 — Attention of all Importers/ Exporters, Trade and CHA is invited to Circular No. 19/2011 Customs dated 15.04.2011 issued vide F. No. 450/29/2011-Cus IV by Central Board of Excise & Customs, New Delhi regarding labeling of goods in bond prior to Ex-bond clearance and JNCH Public Notice No. 24/2010 dt. 26.02.2010.

2. Representations have been received about difficulties being faced by the importers in carrying out labeling of certain commodities which are small sized and sensitive to heat and dust in CFSs prior to clearance of the same under the provisions of DGFT Notification No. 44 (RE-2000)/1997-2002 dated 24.11.2000. The problem is further compounded due to shortage of space in various CFSs. It has been represented that importers should be allowed to carry out the labeling activities as mandated under DGFT Notification No. 44 (RE-2000)/1997-2002 dated 24.11.2000 in the warehouse before the clearance of the goods by the proper officer of Customs for home consumption.

3. DGFT Notification No. 44 (RE-2000)/1997-2002 dated 24.11.2000 provides for labeling of the goods imported into India which are covered

by the provisions of 'Standards of Weights & Measures (Packaged Commodities) Rules, 1977. This notification mandates that compliance of labeling conditions have to be ensured before the import consignment of such commodities are cleared by Customs for home consumption.

4. The matter has been examined in the Board. In order to redress the issue and to remove the difficulties faced by the importers on account of space constraints at CFSs/ Port/ICDs and the nature of goods etc., it has been decided to extend the facility of labeling on imported goods in Bonded Warehouses subject to certain procedural conditions.

5. In this regard, it is clarified that the importers should first ascertain that for such marking / labeling facility, space, is available in warehouse prior to exercising this option. In such cases, importers may file Warehousing Bill of Entry. The assessing group will give suitable directions to Dock Staff to allow bonding of the goods without labeling and with endorsement on the Warehousing Bill of Entry that verification of compliance of DGFT Notification No. 44 (RE-2000)/1997-2002 is to be done prior to debonding by Bond Superintendent. The goods will be labeled in the bonded premises and compliance of DGFT

Notification No. 44(RE-2000)/1997-2002 will be ensured at the time of ex-bonding of the goods, by the Bond officer, by examining the goods again and endorsing the Examination Report on the Ex-bond Bill of Entry. It is provided that 100% examination at the time of Ex-bond clearance of goods should be done to ensure compliance of DGFT Notification No. 44 (RE-2000)/1997-2002. The examination report shall be endorsed on hard copy of Ex-bond Bill of Entry as EDI facility is not extended to bonded warehouses in this Commissionerate. It is also clarified that this facility is applicable only to goods that can not be easily labeled in ports/ CFS, having regard to their size and other factors such as sensitivity to temperature and dust.

6. Further, as the activity of labeling including declaration of Retail Sale Price (RSP) on goods amounts to the manufacture in terms of Section 2(f) of the Central Excise Act, 1944, if the same is carried out on goods warehoused, it would be considered as manufacturing operations having been undertaken in bond/ warehouse and accordingly, the provisions of 'Manufacture and other operations in Warehouse Regulations, 1966' would apply on those goods. Importers, can therefore, avail the facility of carrying out labeling in the warehouse after following above procedure and the provisions of 'Manufacture and other operations in Warehouse Regulations, 1966'.

7. All the Public/ Private Bonded Warehouses under the jurisdiction of this Commissionerate who want to provide the above said facility and all importers/CHAs who wish to avail the said facility may follow the procedure prescribed above and the provisions of the above said Regulations.

8. Public Notice No. 24/2010 dt. 26.02.2010 is hereby rescinded.

9. Any difficulties faced in the implementation of this Public Notice may be brought to the notice of the undersigned.

F.NO. S/22-Gen-73/2010 AM (I)

Clarification on Service Tax on Short Term Accommodation and Restaurant Services

Subject: Short Term Accommodation Service and Restaurant Service- clarification

139-ST 10.05.2011 (DoR) Since the levy of service tax on the two new services relating to services provided by specified restaurants and by way of short-term hotel accommodation came into force with effect from 1st May 2011, a number of queries have been raised by the potential tax payers.

2. These are addressed as follows:

Short Term Accommodation Service:

SNo	Queries	Clarification
1.	What is the relevance of declared tariff? Is the tax required to be paid on declared tariff or actual amount charged?	"Declared tariff" includes charges for all amenities provided in the unit of accommodation like furniture, air-conditioner, refrigerators etc., but does not include any discount offered on the published charges for such unit. The relevance of 'declared tariff' is in determining the liability to pay service tax as far as short term accommodation is concerned. However, the actual tax will be liable to be paid on the amount charged i.e. declared tariff minus any discount offered. Thus if the declared tariff is Rs 1100/-, but actual room rent charged is Rs 800/-, tax will be required to be paid @ 5% on Rs 800/-.
2.	Is it possible to levy separate tariff for the same accommodation in respect of corporate/privileged customers and other normal customers?	It is possible to levy separate tariff for the same accommodation in respect of a class of customers which can be recognized as a distinct class on an intelligible criterion. However, it is not applicable for a single or few corporate entities.
3.	Is the declared tariff supposed to include cost of meals or beverages?	Where the declared tariff includes the cost of food or beverages, Service Tax will be charged on the total value of declared tariff. But where the bill is separately raised for food or beverages, and the amount is charged in the bill, such amount is not considered as part of declared tariff.
4.	What is the position relating to off-season prices? Will they be considered as declared tariff?	When the declared tariff is revised as per the tourist season, the liability to pay Service Tax shall be only on the declared tariff for the accommodation where the published/printed tariff is above Rupees 1000/-. However, the revision in tariff should be made uniformly applicable to all customers and declared when such change takes place.
5.	Is the luxury tax imposed by States required to be included for the purpose of determining either the declared tariff or the actual room rent?	For the purpose of service tax luxury tax has to be excluded from the taxable value.
Services Provided by Restaurants:		
1.	If there are more than one restaurants belonging to the same entity in a complex, out of which only one or more satisfy both the criteria relating to air-conditioning and licence to serve liquor, will the other restaurant(s) be also liable to pay Service Tax?	Service Tax is leviable on the service provide by a restaurant which satisfies two conditions: (i) it should have the facility of air conditioning in any part of the establishment and (ii) it should have license to serve alcoholic beverages. Within the same entity, if there are more than one restaurant, which are clearly demarcated and separately named, the ones which satisfy both the criteria is only liable to service tax.
2.	Will the services provided by taxable restaurant in other parts of the hotel e.g. swimming pool, or an open area attached to a restaurant be also liable to Service Tax?	The taxable services provided by a restaurant in other parts of the hotel e.g. swimming pool, or an open area attached to the restaurant are also liable to Service Tax as these areas become extensions of the restaurant.
3.	Is the serving of food and/or beverages by way of room service liable to service tax?	When the food is served in the room, service tax cannot be charged under the restaurant service as the service is not provided in the premises of the air-conditioned restaurant with a licence to serve liquor. Also, the same cannot be charged under the Short Term Accommodation head if the bill for the food will be raised separately and it does not form part of the declared tariff.
4.	Is the value added tax imposed by States required to be included for the purpose of service tax?	For the purpose of service tax, State Value Added Tax (VAT) has to be excluded from the taxable value.

3. Trade Notice/Public Notice may be issued to the field formations and taxpayers.

F.No.334/81/2011-TRU

Tariff Value on Brass Scrap Up by US$136/MT

Poppy Seeds Tariff Value Cut by US$112/MT

34-Cus(NT) 13.05.2011 (DoR) In exercise of the powers conferred by sub-section (2) of section 14 of the Customs Act, 1962 (52 of 1962), the Board, being satisfied that it is necessary and expedient so to do, hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 36/2001-Cus (N. T.), dated, the 3rd August 2001, namely: -

In the said notification, for the Table, the following Table shall be substituted namely:-

Table

SNo.	Chapter/ heading/ sub-heading/ tariff item	Description of goods	Tariff value US $ (Per Metric Tonne)
(1)	(2)	(3)	(4)
1	1511 10 00	Crude Palm Oil	447 (i.e. no change)
2	1511 90 10	RBD Palm Oil	476 (i.e. no change)
3	1511 90 90	Others – Palm Oil	462 (i.e. no change)
4	1511 10 00	Crude Palmolein	481 (i.e. no change)
5	1511 90 20	RBD Palmolein	484 (i.e. no change)
6	1511 90 90	Others – Palmolein	483 (i.e. no change)
7	1507 10 00	Crude Soyabean Oil	580 (i.e. no change)
8	7404 00 22	Brass Scrap (all grades)	4408
9	1207 91 00	Poppy seeds	2633

[F. No. 467/2/2011-Cus.V]

Only One Monthly Technical Report from Chief Commissioner to Director of Legal Affairs Required

Subject – Monthly Technical Reports both Customs and (Central Excise and Service Tax) Annexures on litigation matters – revisions.

944-CBEC 10.05.2011 (DoR) It has been noticed that several reports are received by the Judicial & Review Section and the Legal Section of the Board as well as the Directorate of Legal Affairs (DLA) in matters relating to litigation. Many of the reports contain similar or identical information and some of them have outlived their utility and are not required any more. The multiplicity of such reports, duplication of work in preparing similar reports for different wings of the Board leads to waste of priceless resources. This was also discussed in the Annual Conference of the Chief Commissioners and Directors General held in June 2010 in New Delhi. It has, therefore, been decided to call for a comprehensive monthly report as part of the Monthly Technical Report (MTR) being sent by the field formations in matters concerning Legal and Judicial Sections of the Board as well as the Directorate of Legal Affairs (DLA).

2. Barring the reports sent by the CDR, CESTAT and Registrar, CESTAT to the Judicial Cell, all other reports presently being sent by the field

Customs Valuation Exchange Rates

	May 2011	Imports	Exports
Schedule I			
1	Australian Dollar	48.25	47.05
2	Canadian Dollar	47.35	46.15
3	Danish Kroner	8.85	8.55
4	EURO	65.65	64.05
5	Hong Kong Dollar	5.80	5.70
6	Norwegian Kroner	8.45	8.15
7	Pound Sterling	74.35	72.55
8	Swedish Kroner	7.40	7.15
9	Swiss Franc	51.25	49.75
10	Singapore Dollar	36.50	35.60
11	U.S. Dollar	45.00	44.15
Schedule II			
1	Japanese Yen	55.40	53.85

Rate of exchange of one unit of foreign currency equipment to Indian Rupees

Rate of exchange of 100 units of foreign currency equivalent to Indian rupees

(Source: Customs Notification 32(NT)/27.04.2011)

Commodity Spot Prices in India – 13-16 May 2011

These commodity prices are taken from Multi Commodity Exchange of India (Mumbai) at 6 pm every day.

(Rs.)

Commodity	Unit	Market	13-May	14-May	16-May
CER (Carbon Trading)	1 MT	Mumbai	815	812.5	812.5
Chana	100 KGS	Delhi	2293	2335	2345
Masur	100 KGS	Indore	2993	2995	3040
Potato	100 KGS	Agra	589.3	NA	583.7
Potato TKR	100 KGS	Tarkeshwar	542.1	NA	548.4
Arecanut	100 KGS	Mangalore	NA	NA	NA
Cashewkern	1 KGS	Quilon	NA	NA	NA
Cardamom	1 KGS	Vandanmedu	852.5	NA	878.8
Coffee ROB	100 KGS	Kushalnagar	NA	NA	NA
Jeera	100 KGS	Unjha	NA	NA	NA
Pepper	100 KGS	Kochi	NA	NA	NA
Red Chili	100 KGS	Guntur	NA	NA	NA
Turmeric	100 KGS	Nzmbad	8782	8782	8781
Guar Gum	100 KGS	Jodhpur	NA	NA	NA
Maize	100 KGS	Nzmbad	1206	1200	1181
Wheat	100 KGS	DELHI	1220	1221.5	1231.3
Mentha Oil	1 KGS	Chandausi	1078.5	1059	1040.7
Cotton Seed	100 KGS	Akola	NA	NA	NA
Castorsd RJK	100 KGS	Rajkot	4731	4731.5	4770.5
Guar Seed	100 KGS	Bikaner	3143	3175	3198
Soya Bean	100 KGS	Indore	2335.5	2340.5	2350.5
Mustrdsd JPR	20 KGS	Jaipur	540	542.5	549.15
Sesame Seed	100 KGS	Rajkot	5250	5263	5088
Coconut Oil Cake	100 KGS	Kochi	NA	NA	NA
RCBR Oil Cake	1 MT	Raipur	NA	NA	NA
Kapaskhali	50 KGS	Akola	1128.3	1125	1135.3
Coconut Oil	100 KGS	Kochi	10816	10816	10816
Refsoy Oil	10 KGS	Indore	622.05	627.5	628.6
CPO	10 KGS	Kandla	523.5	523.7	524.3
Mustard Oil	10 KGS	Jaipur	587.6	590.3	610.9
Gnutoilexp	10 KGS	Rajkot	830	832.5	832.5
Castor Oil	10 KGS	Kandla	NA	NA	NA
Crude Oil	1 BBL	Mumbai	4433	4475	4475
Furnace Oil	1000 KGS	Mumbai	NA	NA	NA
Sourcrd Oil	1 BBL	Mumbai	NA	NA	NA
Brent Crude	1 BBL	Mumbai	5031	5087	5087
Gur	40 KGS	Muzngr	NA	NA	NA
Sugars	100 KGS	Kolhapur	NA	NA	2666
Sugarm	100 KGS	Delhi	2919	2920	2909
Natural Gas	1 mmBtu	Hazirabad	187.8	190.7	190.7
Rubber	100 KGS	Kochi	22969	NA	22836
Cotton Long	1 Candy	Kadi	NA	NA	NA
Cotton Med	1 Maund	Sriganganagar	NA	NA	NA
Jute	100 KGS	Kolkata	3401	3453	3504.5
Gold	10 GRMS	Ahmd	22100	21950	21950
Gold Guinea	8 GRMS	Ahmd	17751	17631	17630
Silver	1 KGS	Ahmd	54760	53905	52350
Sponge Iron	1 MT	Raipur	NA	NA	NA
Steel Flat	1000 KGS	Mumbai	NA	NA	NA
Steel Long	1 MT	Gobindgarh	NA	NA	NA
Copper	1 KGS	Mumbai	392.05	394.4	394.4
Nickel	1 KGS	Mumbai	1110.5	1110.5	1085.6
Aluminium	1 KGS	Mumbai	118.9	118.9	116.1
Lead	1 KGS	Mumbai	106.2	106.2	102.6
Zinc	1 KGS	Mumbai	97.9	97.9	94.6
Tin	1 KGS	Mumbai	1324.5	1324.5	1238.25

(Source: MCX Spot Prices)

formations to the Judicial & Review Cell, Legal Cell and the DLA therefore stand withdrawn/ superseded. In place thereof the reports will be sent to the Directorate of Legal Affairs (DLA)as Annexures to MTR as indicated in paragraph 5 of this Circular.

3. It has been noticed that many of the Commissionerates are directly sending MTRs or copy thereof to the Board which is not required. Many MTRs contain Annexures which stand withdrawn by the Board vide Instruction issued from F. No 275/90/2007-CX.8A dated 31.12.2007.It is, therefore, to be noted that Annexure IX, IXA, IXB, IXC,X, XA, XB, XC of the Central Excise and Service Tax MTR had been discontinued and need not be sent/repeat must not be sent. Similarly, in respect of Customs MTR, Annexures VA(A),VA(B), VB(Part-I and Part-II), VIB, VIC and VII were discontinued vide same Circular/Instruction. Also MTRs shall be compiled and sent by the Zonal Chief Commissioners only and a copy of the MTR containing Annexuresbeing introduced vide this Circular as per Para 5 shall be invariably sent to the Commissioner (DLA) without fail. The MTR shall also be e-mailed to the DLA. The DLA would compile information in respect of the Annexures being introduced for Customs, Central Excise and Service Tax litigation.

4. Reference is invited to Instruction issued from F No 390/Misc/163/2010-JC dated 20.10 2010 fixing monetary limit below which appeal shall not be filed by the Department in the Tribunal and the High Courts. It was decided to call for a monthly report as per Annexure III E and IIIF in respect of cases which are being accepted by the field formations for the reason of low amount. The Annexure III E has been slightly modified by adding a column to show the Court where the matter was appellable, i.e. S.C. in respect of valuation and rate of duty matters and H.C. in matter other than valuation and rate of duty. Further, since separate MTRs for customs are being maintained, it has been decided to have Annexures VE and VF in Customs MTR equivalent to Annexures III E and III F of CX(&ST) MTR so as to indicate the details of CESTAT and High Court Orders accepted on account of low amount or merit as the case may be.

5. Thus, the MTR for Central Excise and Service Tax from the month of July 2011 shall henceforth include Annexure III A, III B, III C ,III D, III E (as revised) and III F and III G and the MTR for Customs shall include Annexure VB(new), VC,VD,VE,VF,VG and VH.

6. It is desired that the above changes/directions are noted for strict compliance. It is once again reiterated that the Commissioners will not send any MTR to Legal, Judicial/review Cell of CBEC or the Directorate of Legal Affairs. The Zonal Chief Commissioner will send the MTRs containing the compiled Annexures being inserted in respect of his/her charge directly to the Commissioner, Directorate of Legal Affairs, 4th Floor, Rajendra Bhawan, 210 Deen Dayal Upadhyaya Marg, New Delhi and also by e-mail at dla-rev@nic.in . The DLA will compile the all India data on the basis of the Annexures received from the Zonal Chief Commissioners. None of the Annexure is required to be sent to Judicial/Review Cell or Legal Cell.

F.No.390/Misc/108/2010-JC

WORLD TRADE SCANNER

BIG's WEEKLY INDEX OF CHANGES

Manual Filing only when EDI Filing not Possible – Permission Authority Pushed up to Commissioner Level

[Ref: Corrigendum – F. No. 401/81/2011-Cus.III dated 12th May 2011]

Subject: Manual filing and processing of bills of entry / shipping bills - stringent checks required to prevent misuse.

Attention is invited to instructions issued vide Board's instruction of even number dated 4.5.2011 on the subject mentioned above.

2. Paragraph 2 of the said instruction is hereby omitted and the subsequent paragraphs 3, 4 and 5 are renumbered as 2, 3 and 4. Further, the renumbered paragraph 2 shall read as under:

"2. The Board has taken a serious note of the cases of misuse detected on account of manual documentation as well as of casual manner in which this facility is being extended, which is prone to be detrimental to revenue. Accordingly, to redress the issue it has been decided that manual processing and clearance of import/export goods shall be allowed only in exceptional and genuine cases when it is not feasible to process the import/export documents through EDI. Further, in accordance with Sections 46 and 50 of the Customs Act, 1962, this authority shall be exercised only by the Commissioner of Customs. It is reiterated that the facility of manual processing of import/exports documents shall be provided as an exception to the rule of EDI processing and whenever granted it shall be withdrawn no sooner EDI processing is feasible."

3. The other contents of the said instruction shall remain unchanged.

Cont'd..70

projects to be decided in consultation with Afghan partners making their total development commitment to Afghanistan US $ 2 billion. The Afghan side expressed gratitude to India for its commitment to Afghanistan's reconstruction and development and for its generous support over the past ten years, including the new announcement of an additional US$ 500 million to its past contribution.

The two sides agreed that regional economic cooperation, with a view to assisting Afghanistan in emerging as a land bridge and trade, transportation and energy hub connecting Central and South Asia by enabling free and more unfettered transport and transit linkages would be in the interest of the country and the region as a whole. In this context, the two sides agreed on the need to explore regional infrastructure development projects and further energize cooperation under the framework of the South Asian Association of Regional Cooperation (SAARC).

The two sides affirmed that their Strategic Partnership was not directed against any other State or group of States.

[Source: PIB Press Release dated 12 May 2011]

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