

**(To be published in The Gazette of India Extraordinary
Part-I-Section-1)**

Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Foreign Trade
Udyog Bhawan, New Delhi -110 011

Public Notice No. 14 /2009-2014 (RE- 2010)

The 2nd November, 2010

Subject: Amendment in paragraph 4.21 and 4.23 on enhancement in CIF / FOB values and revalidation of advance authorisations.

In exercise of the powers conferred under Paragraph 2.4 of the Foreign Trade Policy, 2009-14, the following amendments are being made in the Handbook of Procedures, Vol. 1, 2009-2014(RE 2010).

1. Amendment of second sub-paragraph of paragraph 4.21 of HBP, Vol. 1:

Existing sub-paragraph:

However, in case of advance authorisations issued prior to 27.8.09 under the FTP, 2004-09, the following conditions shall apply for any enhancement in the value of the authorisation:

- (i) Wherever, exports are subsequent to 27.8.09, enhancement in CIF/FOB values shall be subject to a minimum value addition (VA) of 15% for that component of exports.
- (ii) Wherever, the exports are prior to 27.8.09, enhancement of CIF/ FOB value shall be subject to a minimum Value addition of 15% or the V.A. declared in the original Advance Authorization application, whichever is lower.

Amended sub-paragraph:

“However, in case of advance authorisation(s) issued prior to 27.8.2009 under the FTP, 2004-09, the following conditions shall apply for any enhancement in the value of the authorisation:

- (i) *Wherever exports are on or subsequent to 27.8.09, enhancement in CIF / FOB values shall be subject to a minimum value addition (VA) of 15% or the value addition prescribed in Appendix 11B, whichever is lower, for that component of exports.*

- (ii) *Wherever exports are prior to 27.8.09, enhancement in CIF / FOB values shall be subject to a minimum value addition (VA) of 15% or the value addition prescribed in Appendix 11B, or the VA declared in the original advance authorisation application, whichever is lower.”*

Effect of this amendment:

- (a) Ambiguity in treating exports made on 27.8.2009 has been removed.
(b) Value addition as prescribed in Appendix 11B has also been included both in part (i) and (ii) of this sub-para.

2. Amendment of second sub-paragraph of paragraph 4.23 of HBP v1 stands replaced by the following:

Existing sub-paragraph:

In case of revalidation of advance authorization issued prior to 27.8.2009, it should be ensured that value addition is maintained at 15% (and as per details mentioned in para 4.1.6 of FTP) or as stipulated in the advance authorization, whichever is higher.

Amended sub-paragraph:

“In case of revalidation of advance authorization issued prior to 27.8.2009, it should be ensured that value addition (VA) is maintained at 15% (and as per details mentioned in para 4.1.6 of FTP) or as stipulated in the advance authorization, whichever is higher. However, for advance authorisations for products with VA as per Appendix 11B, the Value addition shall be as per the VA stated in Appendix 11B or as stated in Advance Authorisation, whichever is higher.”

Effect of this amendment: It incorporates the Value Addition of a specific product as stated in Appendix 11B. There is no other change.

Sd/-
(Anup K. Pujari)
Director General of Foreign Trade
E-mail: dgft@nic.in

(F. No. 01/94/180/Value addition/AA /AM11/PC-4)