

**To all members of the Council**

Dear Sir,

In the new Foreign Trade Policy (2004-09) , announced by the Hon'ble Union Minister of Commerce & Industry on 31<sup>st</sup> August, 2004, the handloom sector has been identified as a **"Thrust sector"** with a view to double our percentage share of global trade within next five years and expand employment opportunities in semi urban and rural areas and in one of the policy measures, the Ministry of Finance had issued a Notification No. 89/2004-Customs dated 10-9-04, including Handloom Export Promotion Council and making registration with HEPC as a condition for manufacturers of textile garments for imports of trimmings and embellishments duty free. Since Made-ups constitute the major chunk of exports in handloom sector, we have requested the Ministry to make necessary amendment in the Notification to include handloom made-ups also along with garments. Consequently, In the new Foreign Trade Policy announced on 23<sup>rd</sup> August, 2010 Handloom Made-ups have been included for the benefit of Duty free import of specified trimmings, embellishments etc @ 5% of FOB value of exports. Accordingly, The Ministry of Finance has issued a Notification vide Customs Notification No. 91/2010 dated 6-9-2010 after making necessary amendments. As such, Manufacturer-exporters of handloom made-ups are eligible for Duty free import entitlement of the following trimmings and embellishments @5% of FOB value of exports during previous financial year i.e. 1<sup>st</sup> April 2010 to 31<sup>st</sup> March, 2011.

1. Zipper, Fastner and slider
2. Lace
3. Velcro tape
4. Elastic tape, curtain tape and edgeband tape
5. Curtain hook
6. Button and eyelet
7. Tassel
8. Bead and sequin
9. Insert
10. Sample fabric of total length upto 500 metres

For this purpose, HEPC is authorized to issue Export Performance Certificate/Import Certificate to the applicant manufacturer-exporter. The procedure for submitting application for issuance of Export Performance Certificate (only against exports of handloom made-ups) for the purpose of importing the above mentioned specified trimmings and embellishments along with prescribed proformae in this regard are attached herewith and member exporters are requested to strictly adhere to the guidelines while making the application to HEPC for issuance of Export Performance Certificate/Import Certificate.

Thanking you,

Yours faithfully,

(Beela Rajesh)  
Executive Director

# THE HANDLOOM EXPORT PROMOTION COUNCIL

EPS/EXPORT PERFORMANCE CIRCULAR NO: 1/2010 Dated: 23-12-2010

TO: ALL MEMBERS OF HEPC

**Sub: procedure for submitting application for issuance of export performance certificate (only against exports of handloom made-ups) for the purpose of importing (a) Zipper, Fastner and slider, (b) Lace (c) Velcro tape, (d) Elastic tape, curtain tape and edge band tape (e) Curtain hook (f) Button and eyelet (g) Tassel (h) Bead and sequin (i) Sample fabric (of total length upto 500 metres) under Customs Notification No.91/2010 dated 06-09-2010.**

1. Applications are invited from eligible Manufacturer-exporters of Handloom Made ups for issuance of Export Performance Certificate by the Handloom Export Promotion Council (HEPC) for the purpose of importing eligible item/s (as specified in Customs Notification No. 91/2010 dated 6-9-2010) for use in the manufacture and export of Handloom Made-ups, by them.
2. The applicant Manufacturer-exporters of handloom Made-ups are required to give correct and complete information strictly in the prescribed formats duly supported by Certification from Chartered Accountant and self-certified copies of Bank Certificate of Exports and Realisation Form towards realization of export proceeds equivalent to the amount of export performance claimed in the prescribed proforma of applications which are attached herewith.
3. Applications will be received by HEPC only from the Manufacturer-exporters of handloom made-ups who are registered with the Handloom Export Promotion Council. The applications may be addressed to:-

Executive Director,  
Handloom Export Promotion Council,  
34, Cathedral Garden Road,  
Nungambakkam,  
Chennai – 600 034

4. Application for issuance of Export Performance Certificate (format given at Annexure-I) should contain the details of exports of only handloom made-ups exported and proceeds realized (FOB value) in Indian Rupees during the (preceding) financial year 2010-11 (i.e. from 1<sup>st</sup> April'2010 to 31<sup>st</sup> March'2011)
5. Details of shipment/s of free samples should not be included in the Statement of Exports as they are not considered as exports for this purpose. Exporters should therefore furnish the details physical/actual exports and proceeds realized.
6. Applicant Manufacturer-exporters of Handloom Made ups are required to give correct and complete information strictly in the prescribed formats duly supported by Certification from Chartered Accountant and self-certified copies of Bank Certificate of Exports and Realisation (Appendix-22A, Form No.1) towards realization of export proceeds equivalent to the amount of export performance claimed.
7. A certificate on the Letter Head of the Exporter to the effect that the export performance claimed and all the shipping Bills referred in the statement of exports pertain to Handloom Made ups only should also be submitted.
8. The Council reserves the right to call for any other documents/information that may be relevant and required for this purpose.
9. Applications should be accompanied by a Multicity Cheque or Pay Order/Demand Draft in favour of "Handloom Export Promotion Council", payable at Chennai, for an amount at the rates given below towards Application fees/Service charges (which are non refundable).

Sl. No.	Details	Fee
1	Export performance upto Rs. 1 crore	Rs. 2,500/-
2.	Export performance between Rs. 1 crore to Rs. 10 crore	Rs. 5,000/-
3	Export performance of Rs. 10 crore and above	Rs. 10,000/-

10. The Council will verify the details received from exporters and issue the Export Performance Certificate.
11. For import of the permissible item/s, exporter should apply to the Council (Head Office at Chennai) in the prescribed format (given at Annexure-II) on the Letter Head of the Exporter and submit the original Export Performance Certificate well in advance.
12. The Council after verifying the details will issue the Import Certificate which should be submitted to the Customs authorities at the time of clearance of import consignment.
13. For every import clearance, the exporter shall obtain an Import Certificate from the Council by submitting a separate application each time in the format (given at Annexure-II).
14. The details imports against the Import Certificates will be debited to the Export Performance Certificate (Original) based on the Bill of Entry submitted by the exporter along with the application for Import Certificate.
15. As an export promotion measure and to accommodate eligible exporters for smooth operation of the scheme for importing of permissible embellishments and above Notification, it has been decided to issue Import Certificate/s as per the actual requirement of the exporters. The scheme would be operative as follows:
  - (a) Exporter can apply for issuance of Import Certificate on the basis of provisional Bill of Entry also. For each Import Certificate, a separate application should be submitted to Head Office of HEPC.
  - (b) Exporter may obtain any number of Import Certificates which will be debited to Export Performance Certificate, as per existing procedure.
  - (c) Exporter shall submit a copy of final Bill of Entry issued by Customs within 30 (Thirty) days from the clearance of the goods from the Customs to Head Office of HEPC.
  - (d) No add back would however be permitted in Export Performance Certificate for the Import Certificate/s once issued for those Bills of Entry which were provisionally prepared and submitted to HEPC for obtaining Import Certificate/s.
16. As per the clarification issued by the Joint Secretary (Drawback), duty free clearance of embellishments from Private Bonded Warehouse is permitted. Exporters, therefore, while seeking imports from the Private Bonded Warehouse should carefully fill Serial No. 9 of application for issuance of Import Certificate (Annexure-II), at the time of applying for Import Certificate.
17. The last date for receipt of the applications for issuance of Export Performance Certificate (EPC) for the financial year 2010-2011 is 31-1-2012.
18. Applications received after the last date (i.e. 31-1-2012) will however be accepted along with late fees of Rs. 1000/- per application in addition to the normal fees/charges, as prescribed above.
19. Export Performance Certificate issued for the year 2010-11 in unutilized may be surrendered to the Council after 1-4-2012, for cancellation.

(Beela Rajesh)  
Executive Directors

**ANNEXURE –I**

(To be submitted on Letter Head of Manufacturer-exporter of Handloom Made ups)

FORMAT OF APPLICATION TO BE SUBMITTED TO THE HANDLOOM EXPORT PROMOTION COUNCIL (HEPC) FOR ISSUANCE OF EXPORT PERFORMANCE CERTIFICATE(EPC) FOR THE YEAR 2009-2010

To

The Executive Director,  
Handloom Export Promotion Council,  
34, Cathedral Garden Road,  
Nungambakkam, Chennai – 600 034.

Sub: Submission of application for issuance of Export Performance Certificate (EPC) for the purpose of importing (a) Zipper, Fastner and slider, (b) Lace (c) Velcro tape, (d) Elastic tape, curtain tape and edge band tape (e) Curtain hook (f) Button and eyelet (g) Tassel (h) Bead and sequin (i) Sample fabric (of total length upto 500 metres) under Customs Notification No.91/2010 dated 06-09-2010.

Dear Sir/Madam,

**DECLARATION**

With reference to your EPS/Export Performance Circular No.1/2010 dated 23-12-2010 we wish to state that we have exported Handloom Made-ups and realized the export (sale) proceeds amounting to Rs.....as per the Bank Certificate of Exports and Realisation. A statement of exports, showing the Invoice No. and date, S/Bill No. and date, date of export, date of realization of Export proceeds, FOB amount realized (in Indian Rs.) etc., and the supporting self attested copies of Bank Certificate of Exports and Realization from 1<sup>st</sup> April, 2010 to 31<sup>st</sup> March, 2011 are submitted herewith for your consideration.

2. We are enclosing herewith a cheque/Pay Order/Demand Draft No.....Dated.....for Rs.....favouring "The Handloom Export Promotion Council" towards the application fees/service charges (non-refundable).

3. We hereby confirm and declare tat the statement made above is true and correct to the best of our knowledge. We understand and agree that in the event of the above statement being found to be incorrect or false, our Export Performance Certificate will be cancelled and we shall be liable for any penal action that may be taken by The Handloom Export Promotion Council (HEPC), or by the Government of India under the relevant Rules.

4. We also hereby declare that "the imported embellishments/goods shall not be put to any other use or sold in the market except for use in the manufacture/export of Handloom Made-ups by us".

5. Name of Exporter.....

6. RCMC No. (issued by HEPC).....

7. IE Code No. (issued by DGFT authorities).....

Signature.....

Name of the authorized Signatory.....

Date.....

Place.....

**VERIFICATION**  
(By Chartered Accountant)

We have verified the statement made by M/S.....and certify that the total FOB value of exports of Handloom Made-ups based on the Bank Certificate of Exports and Realization (Appendix-22A, Form No.1) of exporter during the year 2010-2011 (i.e. from 1-4-2010 to 31-3-2011) was amounted to Rs.....(Rupees.....)

Name & Address of the  
Chartered Accountant's Firm/Co.....

Signature of the Chartered  
Accountant.....

Seal/Stamp.....

Membership Number of the  
Chartered Accountant.....

Date.....

Place.....

Enclosures:

1. Statement of Exports (date wise) showing Invoice No. & date, S/Bill No. & date, date of export, date of Realization of export proceeds, FOB realization in Indian Rs. etc.
2. CHEQUE/Pay Order/DEMAND draft in favour of "The Handloom Export Promotion Council"
3. Self attested copy of valid/latest RCMC issued by HEPC
4. Self attested copies of Bank Certificate of Export and Realization.

## ANNEXURE-II

### (To be submitted on Letter Head of Exporter) Application for issuance Import Certificate to import

Application form for issuance of Certification to import (a) Zipper, Fastner and slider, (b) Lace (c) Velcro tape, (d) Elastic tape, curtain tape and edge band tape (e) Curtain hook (f) Button and eyelet (g) Tassel (h) Bead and sequin (i) Sample fabric (of total length upto 500 metres) under Customs Notification No.91/2010 dated 06-09-2010.

**FOR HEPC USE**

**CERTIFICATE NO.....**

1. Name & Address of Exporter.....
2. RCMC No. of Exporter.....
3. Importer-Exporter Code No.....
4. Item/s to be imported and HS Codes.....
5. Country of Origin.....
6. Overseas Supplier's Name & Address.....
7. Exporter Performance Certificate No.....dt.....valid upto .....
8. In case the application is for issuance of Import Certificate for procurement from Private Bonded Warehouse, the following information is to be furnished:-
  - a) Name of the Private Bonded Warehouse:.....
  - b) Licence No.....& Date.....issued by Commissioner of Customs with the validity (attached self attested copy)
  - c) Whether Licence is valid on the date of application Yes/No  
(Please tick Yes/No)
  - d) Whether Private Bonded Warehouse provides storage of material permitted for Handloom Made ups (Please tick Yes/No) Yes/No

Item	HS Code	Qty	Value (in Rs.)	Bill of Entry Nos. & Date
(a) Zipper, Fastner and slider	Any chapter			
(b) Lace	Any chapter			
(c) Velcro tape	Any chapter			
(d) Elastic tape, curtain tape and edge band tape	Any chapter			
(e) Curtain hook	Any chapter			
(f) Button and eyelet	Any chapter			
(g) Tassel	Any chapter			
(h) Bead and sequin	Any chapter			
(i) Sample fabric (of total length upto 500 metres)	Any chapter			
<b>TOTAL</b>				

SIGNATURE .....

NAME OF THE AUTHORISED REPRESENTATIVE.....

SEAL OF EXPORTER

Enclosures:

1. Export Performance Certificate (Original)
2. Copy of Bill of Entry (for import under Customs Notification No. 91/2010 dated 06-09-2010.
3. Copy of Invoice from supplier
4. Affidavit (in the format given at Annexure – III) on Stamp Paper (of Rs. 100 or more) duly Notarized.

**ANNEXURE – III**

**(On Rs. 100/ Stamp paper duly notarized)  
(FORMAT OF AFFIDAVIT)**

**AFFIDAVIT**

This is with reference to our request dated.....for issuance of Import Certificate for importing either one or more or all these items viz. (a) Zipper, Fastner and slider, (b) Lace (c) Velcro tape, (d) Elastic tape, curtain tape and edge band tape (e) Curtain hook (f) Button and eyelet (g) Tassel (h) Bead and sequin (i) Sample fabric (of total length upto 500 metres) falling under the Chapter against Export Performance Certificate No.....dated.....within the entitlement amount, (which is restricted to 5% of FOB Value of Handloom Made ups exported and proceeds realized during 2010-2011).

We undertake that such material upon import/procurement will be used in the manufacture/export of Handloom Made ups for exports by us and the same will not be put to any other use, transferred to others or sold in the market.

We indemnify The Handloom Export Promotion Council (HEPC) against any misuse and take total responsibility for any such misuse.

We understand fully that any violation of the conditions of the Customs Notification No. 91/2010 dated 06-09-2010 (it shall be construed as malpractice) will render us liable to penal and/or any other action under Foreign Trade Policy 2009-2014/Foreign Trade Development and Regulation Act 1992, Criminal Law, and any other Act or Rules as may be applicable and that such action may be resorted to against us without any opportunity or show cause notice to us.

SIGNATURE.....

NAME OF THE AUTHORISED  
REPRESENTATIVE.....

SEAL OF THE EXPORTER

Dated.....

Place.....

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