



## BMC Advisors

Corporate Laws and Intellectual Property Rights Consultants



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# *WEEKLY UPDATES*

*NOVEMBER 27<sup>TH</sup>, 2017-DECEMBER 03<sup>RD</sup>, 2017*

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# SEBI UPDATES

## CIRCULAR

SEBI/HO/MIRSD/MIRSD2/CIR/P/2017/123

November 29, 2017

To  
The Managing Directors / Chief Executive Officers  
All Recognized Stock Exchanges

Dear Sir / Madam,

### **Sub: Modification to Enhanced Supervision Circular**

1. SEBI vide circular no. SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016, has issued guidelines covering broad areas for enhanced supervision based on the recommendation of the committee constituted by SEBI.
2. In this regard, following modifications are made:
  - a. Clause 7.1.2 stands modified as follows: "End of day securities balances ISIN wise (as on last trading day of the month) and End of day securities balances (as on last trading day of the month) consolidated ISIN wise (i.e., total number of ISINs and total number of securities across all ISINs)"
  - b. Clause 7.1.3 stands modified as follows: "ISIN wise number of securities pledged, if any, and the funds raised from the pledging of such securities and consolidated number of securities pledged (i.e., total number of ISINs and total number of securities across all ISINs), if any and the funds raised from the pledging of such securities."
  - c. Clause 7.1.4 stands modified as "The data at Para 7.1.1, 7.1.2 and 7.1.3 pertains to the last trading day of the month. The stock broker shall submit the aforesaid data within seven calendar days of the last trading day of the month."
  - d. Clause 7.2 stands modified as below -  
"Each Stock Exchange shall in turn forward -
    - a. Information at Para 7.1.1, 7.1.2 and 7.1.3 to clients via Email on the email IDs uploaded by the stock broker to the exchange for their clients.
    - b. Information at Para 7.1.1, 7.1.2 (only consolidated data) and 7.1.3 (only consolidated data) to clients via SMS on mobile numbers uploaded by the stock broker to the Exchange for their clients."
3. The above provisions shall be applicable one month from the date of this circular.
4. You are advised to take necessary steps to ensure compliance with the above.
5. The Stock Exchanges are directed to
  - a. Bring the contents of this circular to the notice of the Stock Brokers and also disseminate the same on their website.
  - b. Make necessary amendments to the relevant bye-laws, rules and regulations for this implementation of the above directions in co-ordination with one another to achieve uniformity in approach.

6. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
7. This circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) under the categories “Legal Framework”.

Yours faithfully,

**Debashis Bandyopadhyay**  
**General Manager**

CIRCULAR

CIR/HO/MIRSD/MIRSD2/CIR/P/2017/124

November 30, 2017

To

All Recognized Stock Exchanges

Dear Sir / Madam,

**Sub: Clarification to Circular on Prevention of Unauthorised Trading by Stock Brokers**

1. SEBI vide circular no. CIR/HO/MIRSD/MIRSD2/CIR/P/2017/108 dated September 26, 2017 has inter-alia specified that brokers shall execute trades of clients only after keeping evidence of the client placing such order. Further, SEBI has made it mandatory to use telephone recording system to record client instructions and maintain telephone recordings wherever the order instructions are received from clients through the telephone.
2. Subsequently, SEBI has received representations from stock brokers and their associations expressing operational difficulties caused to stock brokers. Accordingly, in view of operational difficulties faced by stock brokers, it has been decided as under.
  - i. Brokers are required to maintain the records specified at para III of aforementioned circular for a minimum period for which the arbitration accepts investor complaints as notified from time to time, currently three years. However in cases where dispute has been raised, such records shall be kept till final resolution of the dispute.
  - ii. If SEBI desires that specific records be preserved then such records shall be kept till further intimation by SEBI.
  - iii. The above mentioned SEBI circular also prescribes that 'when dispute arises, the burden of proof will be on the broker to produce the above records for the disputed trades'. However for exceptional cases such as technical failure etc. where broker fails to produce order placing evidences, the broker shall justify with reasons for the same and depending upon merit of the same, other appropriate evidences like post trade confirmation by client, receipt/payment of funds/ securities by client in respect of disputed trade, etc. shall also be considered.
3. The Stock Exchanges are directed to:
  - a. Bring the provisions of this circular to the notice of the Stock Brokers and also disseminate the same on their websites.
  - b. Make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above directions.
  - c. Communicate to SEBI, the status of the implementation of the provisions of this circular in their Monthly Development Reports.
4. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

**Debashis Bandyopadhyay**  
General Manager

CIRCULAR

SEBI/HO/IMD/DF2/CIR/P/2017/125

November 30, 2017

**All Mutual Funds/ Asset Management Companies (AMCs)/  
Trustee Companies/ Boards of Trustees of Mutual Funds**

Sir/Madam,

**Sub: Enhancing fund governance for Mutual Funds**

In order to strengthen the governance structure for Mutual Funds (MFs), it has been decided to implement the following:

**A. Tenure of independent trustees and independent directors:**

1. Regulation 16 (5) and Regulation 21 (1) (d) of SEBI (Mutual Funds) Regulations, 1996 mandate appointment of independent trustees of MFs (“independent trustees”) and independent directors of AMCs (“independent directors”) respectively. With respect to tenure of independent trustees and independent directors, it has been decided that:

- i. An independent trustee and independent director shall hold office for a maximum of 2 terms with each term not exceeding a period of 5 consecutive years.
- ii. No independent trustee or independent director shall hold office for more than two consecutive terms, however such individuals shall be eligible for re-appointment after a cooling-off period of 3 years. During the cooling-off period, such individuals should not be associated with the concerned MF, AMC & its subsidiaries and / or sponsor of AMC in any manner whatsoever.
- iii. Existing independent trustees and independent directors shall hold office for a maximum of 10 years (including all preceding years for which such individual has held office). In this respect, the following may be noted:
  - a. Individuals who have held office for less than 9 years (as on date of issuance of this circular) may continue for the residual period of service.
  - b. Individuals who have held office for 9 years or more (as on date of issuance of this circular) may continue for a maximum of 1 year from date of issuance of this circular.
  - c. Such individuals shall subsequently be eligible for re-appointment after a cooling-off period of 3 years, in terms of Para A (1) (i) and Para A (1) (ii) above.

**B. Auditors of Mutual Funds:**

1. The auditor of a MF, appointed in terms of Regulation 55 (1) of SEBI (MFs) Regulations shall be a firm, including a limited liability firm, constituted under the LLP Act, 2008.

2. Period of appointment:

With respect to appointment of auditors in terms of Regulation 55 (1) of SEBI (MFs) Regulation, 1996, it has been decided that:

- i. No MF shall appoint an auditor for more than 2 terms of maximum five consecutive years. Such auditor may be re-appointed after cooling off period of 5 years.

- ii. Further, during the cooling-off period of five years, the incoming auditor may not include:
    - a. Any firm that has common partner(s) with the outgoing audit firm
    - b. Any associate / affiliate firm(s) of the outgoing audit firm which are under the same network of audit firms wherein the term “same network” includes the firms operating or functioning, hitherto or in future, under the same brand name, trade name or common control
  - iii. Existing auditors may be appointed for a maximum of 10 years (including all preceding years for which an auditor has been appointed in terms of Regulation 55 (1) of SEBI (Mutual Funds) Regulation, 1996). In this respect, the following may be noted:
    - a. Auditors who have conducted audit of the Mutual Fund for less than 9 years (as on date of issuance of this circular) may continue for the residual period of service.
    - b. Auditors who have conducted audit of the Mutual Fund for 9 years or more (as on date of issuance of this circular) may continue for a maximum of 1 year from date of issuance of this circular.
    - c. Such auditors shall subsequently be eligible for re-appointment after a cooling-off period of 5 years, in terms of Para B (2) (i) and Para B (2) (ii) above.
- C. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, read with the provisions of Regulation 77 of SEBI (Mutual Funds) Regulations, 1996, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

**Harini Balaji**  
**General Manager**

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Email: harinib@sebi.gov.in



## RBI UPDATES

RBI/2017-18/103  
DGBA.GBD.1472/31.02.007/2017-18

November 30, 2017

All Agency Banks  
Dear Sir

### **Reporting of Transactions by agency banks to RBI**

It has been brought to our notice that some agency banks are reporting government transactions after considerable delay and along with the current transactions to RBI, without taking necessary authorisation from the concerned government departments.

2. As per the extant instructions, state government transactions (electronic as well as in physical mode) of previous month reported after 8th of the succeeding month and those pertaining to earlier months should be reported to RBI through a separate statement for accounting, after being confirmed by the competent authorities of concerned state government.

3. It has now been decided that, for Central Government transactions (electronic as well as in physical mode), if the transactions or any adjustments thereof are reported after a gap of 90 days from the date of transaction, agency banks have to obtain prior approval from concerned ministry/department and submit the same to RBI separately at the time of reporting such transactions for settlement.

4. It may be noted that all instructions related to the timeline to be adhered to, for reporting of government transactions, remain unchanged.

Yours faithfully

(Partha Choudhuri)  
General Manager

## EXCISE UPDATES

Circular No. 1060/9/2017-cx

F.No: 116/15/2017-CX-3  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Excise & Customs

New Delhi, dated 27<sup>th</sup> November, 2017

To

The Principal Chief Commissioner/Chief Commissioner of GST & Central Excise  
(Chandigarh, Meerut, Kolkata and Shillong zone)  
DG, GSTI, New Delhi

**Subject: Procedure for manual disbursal of budgetary support under Goods and Service Tax Regime to the units located in States of Jammu & Kashmir, Uttarakhand, Himachal Pradesh and North East including Sikkim. - reg.**

Madam/Sir,

As you are aware, under the Central Excise regime as it existed prior to 01.07.2017, the units located in the states of Jammu & Kashmir, Uttarakhand, Himachal Pradesh and North East including Sikkim were eligible to avail exemption from payment of Central Excise duty in terms of area based exemption notifications. While ab-initio exemption was available to the units located in the States of Uttarakhand and Himachal Pradesh, the units located in other aforesaid areas were required to pay Central Excise duty and avail exemption by way of refund of cash component of such duty paid.

2. Under GST regime there is no such exemption and the existing units which were availing exemption from payment of Central Excise duty prior to 01.07.2017 are required to pay CGST & SGST/IGST like a normal unit. Thus, presently no exemption is available to these units by way of either ab-initio exemption or by way of refund.

3. In order to obviate the hardships faced by such units, Central Government has decided to provide budgetary support to the eligible units which were operating under erstwhile Area Based Exemption Schemes, for the residual period for which the units would have operated under the schemes, by way of refund of the Goods and Service tax, limited to its share of CGST and/ or IGST retained after devolution of taxes to the states. In this regard Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce & Industry which is the administrative department for the scheme, has issued a notification dated 05.10.2017 regarding "Scheme of budgetary support under Goods and Service Tax Regime to the units located in States of Jammu & Kashmir, Uttarakhand, Himachal Pradesh and north East including Sikkim." The gazette copy of the scheme, issued on 11.10.2017, can be accessed from website [www.e-gazette.nic.in](http://www.e-gazette.nic.in) under Ministry of Commerce and Industry. The new scheme is introduced as a measure of goodwill, only to the units which were eligible for availing benefits under the earlier excise duty exemption/refund Schemes but has otherwise no relation to the erstwhile schemes. The schemes of budgetary support has come into operation w.e.f. 01.07.2017 for an eligible unit (as defined under para 4.1 of the scheme) and shall remain in operation for residual period (as defined in para 4.3 of the scheme) in respect of specified goods (as defined in para 4.2 of the scheme). Budgetary support under the scheme shall be worked out on quarterly basis and claims for the same shall also be files on a quarterly basis viz. April to June, July to September, October to December and January to March. The manner and method for determination of amount of Budgetary Support, recovery procedure thereof etc. has been has been enumerated in the scheme.

4. The amount of such budgetary support under the scheme for specified goods manufactured by the eligible units shall be determined in terms of para 5 of the scheme and shall be the sum total of

(i) 58% of the Central Tax paid through debit in the cash ledger account maintained by the units in terms of sub-section (1) of section 49 of the Central Goods and Services Act, 2017 and (ii) 29% of the integrated tax paid through debit in the cash ledger account maintained by the units in terms of section 20 of the Integrated Goods and Services Act, 2017. However, where inputs are procured from a registered person operating under Composition Scheme under Section 10 of the Central Goods and Services Act, 2017 the amount i.e. sum total of (i) & (ii) above shall be reduced by the same percentage as is the percentage value of inputs procured under Composition scheme out of the total value of inputs.

5. The budgetary support shall be disbursed from the budgetary allocation of DIPP, which shall further allocate to PAO, CBEC for its disposal. The eligible unit is required to obtain one time registration and file an application for payment of budgetary support. The application shall be processed by the Deputy/Assistant Commissioner of the Central Taxes for sanction of the admissible amount. The sanctioned amount shall be credited into bank accounts of the beneficiaries through PFMS platform of the Central Government.

6. The claim for the quarter ending September, 2017 has already become due. In order to mitigate the difficulties of the eligible units, it has been decided that units would be registered on the basis of application filed by them manually and application for claim of budgetary support for the said quarter would also be filed and processed manually. The approval of the registration for the scheme and processing of the application for budgetary support for the quarter shall also be undertaken manually by the jurisdictional Deputy Commissioner/Assistant Commissioner of the Central Tax. The sanctioned amount shall be credited into the bank accounts of the beneficiaries through the PFMS platform in a manner fully compliant with the direct transfer of the benefit to the account of the assessee.

7. The standard operating procedure for the claims relating to the first quarter ending September, 2017 shall be as per para 8 to para 9 below.

#### **8. Registration of the eligible units under the scheme**

- (i) The application for registration under the scheme by the eligible units shall be submitted in triplicate in the format attached to this circular. The application shall be signed by the proprietor/partner/managing director of the eligible unit or by the person authorized by him in this behalf and supported by the self-authenticated copies of the documents in support of information as per the application. The registration under GST is a necessary pre-requisite for the scheme.
- (ii) In case more than one eligible unit is operating under the same GSTIN, separate registration is required to be obtained for each of the eligible units.
- (iii) The jurisdictional Deputy Commissioner/Assistant Commissioner of the Central Taxes would examine the application in terms of the scheme as notified on the basis of documents submitted along with the application for registration.
- (iv) A unique ID for each of the eligible units shall be allotted after registration and ID shall be indicated in the following manner: - sl. no./name of Central Tax Division/name of Commissionerate/GSTIN. The ID shall be endorsed on all the three copies of the application.
- (v) It shall be ensured by the jurisdictional Divisional Officer that record of registration is maintained against the sl. no. which is part of the unique ID.
- (vi) The second copy of the application after registration of the eligible unit under an official communication shall be forwarded to the DDO of the Division for registration of the unit under PFMS. This would ensure validation of the Bank Account details of the

beneficiary. This exercise should be completed within 3 days of receipt of the copy of application by the DDO.

- (vii) The third copy of the application after registration shall be forwarded to the ADG, DG Audit, Delhi who in turn would be providing the details to programme division (PD) of DIPP in a compiled manner. The DIPP on the basis of these details shall draw a programme for inspection of the eligible unit by a team constituted by them. Jurisdictional Commissionerate of CGST shall provide necessary assistance in carrying out the inspection. Immediately after completion of inspection a copy of Inspection report would be forwarded to the Assistant/Deputy Commissioner having jurisdiction over the eligible unit.

**9. Submission of application for budgetary support by the eligible unit for quarter ending September, 2017 and its sanction**

- (i) An eligible unit after allotment of the unique ID may file an application for claiming budgetary support under the provisions of para 5.7 of the scheme in the format attached to this circular. The application shall be filed by the eligible unit only after return for the quarter has been filed and tax per return is paid.
- (ii) Once application is filed, duly supported by the prescribed documents, the same shall be processed for sanction. The claim shall be sanctioned after verification of the tax paid by the eligible unit. The details relating to tax payment in cash and input tax credit availed, utilized including purchases made from a composition dealer during the quarter shall be available in the GST return of the taxpayer, which are available on the CBEC GST Application for verification of the application for the budgetary support filed by the unit. The closing balance of the credit after end of the quarter shall also be provided for verification by the Assistant/Deputy Commissioner.
- (iii) In cases where an entity is carrying out its operations in a State from multiple business premises, in addition to manufacture of specified goods by the eligible unit, under the same GSTIN as that of the eligible unit, the application for budgetary support shall be supported by additional information duly certified by a Chartered Accountant, relating to receipt of inputs (receipt from composition dealer to be indicated separately), input tax credit involved on the inputs or capital goods received by the eligible unit and the quantity of specified goods manufactured by the eligible unit vis-à-vis the inputs, input tax credit availed and specified goods supplied by the registrant under the given GSTIN.  
In such case, on the basis of additional information and the refund application the jurisdictional Deputy Commissioner/Assistant Commissioner shall ensure that budgetary support is limited to the tax paid in cash after utilization of the input tax credit on the specified goods manufactured by the eligible unit. The return filed by the unit may be covering the entire transactions taking place outside the eligible unit in the same GSTIN.
- (iv) Further, in cases where the other unit operating under same GSTIN, is supplying the inputs to the eligible unit as such or after manufacture, the credit availed by supplying unit on the inputs would have to be factored for determining the input tax credit of the eligible unit. The information in terms of para 5.9.2 of the scheme is required to be submitted by the eligible unit duly certified by a Chartered Accountant. The jurisdictional Deputy/Assistant Commissioner in such cases shall sanction the budgetary support after reducing input tax credit relating to inputs used by the supplying unit under same GSTIN without payment of tax as certified by a Chartered Accountant.
- (v) Para 5.8 of the scheme defines the scope of manufacture by the eligible unit. The eligible unit shall also indicate the value addition achieved by it in respect of each category of specified

goods and where the value addition is higher than the limit provided in the table under the said para, the sanction of the claim shall be after verification of the value addition.

- (vi) Para 6 of the scheme provides for inspection of the eligible unit by a team constituted by DIPP and the findings of the team shall be provided to the Deputy/Assistant Commissioner before sanction of the claim of budgetary support. However, in cases where inspection cannot be conducted the budgetary support amount may be sanctioned provisionally for a period of six months.

10. A separate circular on the manner of allocation of the budget by DIPP and direct transfer of the sanctioned amount into bank accounts of the beneficiaries through PFMS would be issued shortly. In the interim, trade facility may be issued to initiate the process of registration and receipt of application for payment of budgetary support for the quarter July, 2017 to September, 2017.

Yours faithfully,

(Rohan)  
Under Secretary  
CX3

For stated Form, please follow the below link.

<http://www.cbec.gov.in/resources//htdocs-cbec/excise/cx-circulars/cx-circulars-2017/circ1060-2017cx.pdf>

Circular No. 1061/10/2017- cx

F.No:116/15/2017-CX-3  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Excise & Customs

New Delhi, dated 30<sup>th</sup> November, 2017

To

The Principal Chief Commissioner/Chief Commissioner of GST & Central Excise  
(Chandigarh, Meerut, Kolkata and Shillong zone)

DG, GSTI, New Delhi

Pr. CCA, CBEC

DG, DG Audit, New Delhi

**Subject: Procedure for manual disbursement of budgetary support under Goods and Service Tax Regime to the units located in States of Jammu & Kashmir, Uttarakhand, Himachal Pradesh and North East including Sikkim.-reg.**

Madam/Sir,

Attention is invited to the Circular No. 1060/9/2017-CX dated 27.11.2017 issued by the Board on the above subject. In terms of para 10 of the aforesaid circular a separate circular on the manner of allocation of the budget by DIPP and direct transfer of the sanctioned amount into bank accounts of the beneficiaries through PFMS was also required to be issued by the Board. The issue was consulted with the Principal C.C.A., CBEC. Accordingly, it has been decided to substitute sub-para (vi) of Para 8 of the circular dated 27.11.2017 as under:-

“(vi) After registration of the eligible unit, based on the details mentioned by the applicant on the Registration Form, the bank account of the applicant shall be validated by the Asstt./Dy. Commissioner (in the capacity of Program Division of CBEC) and a Unique vendor id will be created. This exercise should be completed within 3 days of registration of the eligible unit and the unique vendor id shall be endorsed on all the copies of the application. The second copy of the application shall be kept record by the DDO.”

2. The manner of transfer of the budget by DIPP to DDOs and manner of sanction and payment shall be as per paras 3 & 4 below:-

**3. Transfer of budget by DIPP to DDOs**

- (i) The Assistant/Deputy Commissioner of CGST Division after receipt of the application for budgetary support shall determine the tentative amount of budget allocation required for disposal of all the pending applications. The budget requirement shall be forwarded by the CGST Commissionerates in respect of all the Divisions in their jurisdiction to ADG, DG Audit, New Delhi who has been nominated as the nodal officer for the scheme by the Board. The DDO Code and PAO code of the concerned Division & Commissionerate and amount required by each of the Division shall also be indicated in the requirement. The

- ADG, DG Audit would compile the requirement and forward it to the concerned Scheme Division of the DIPP with a copy endorsed to the Pr. CCA, CBEC.
- (ii) Scheme Division of the DIPP on the basis of requirement received from ADG, DG Audit would issue a Letter of Budget Authorization *through the* Pr. Accounts Office, DIPP in favour of the Pr. Accounts Office, CBEC on PFMS portal allocating/authorizing the budget in favour of each of the DDO duly mapped to a specific PAO, CBEC. The Pr. Accounts Office, CBEC shall forward the authorized budget to the respective PAOs and the budget shall get reflected against the concerned DDO on PFMS.
  - (iii) Once the budget so authorized is exhausted after disbursement, further assessment of the budget requirement shall be made and a communication for further requisition of budget authorization shall be sent by the Commissionerate to the ADG, DG (Audit). The Scheme Division of the DIPP shall get the fresh Letter of Authorization issued through Pr. Accounts Office, DIPP in favour of Pr. Accounts Office, CBEC per para 3(ii) above.
  - (iv) DDO of each of the Division of CGST Commissionerates must ensure availability of sufficient budget so authorized by DIPP before sending the bill to the concerned PAO. The PAO shall pass the bill on First-In-First-Out basis subject to availability of budget and return the bill if sufficient budget is not available against the respective DDO.
  - (v) The entire process of Budget authorization and the payments against such authorization will be dealt by the provision of IGAA Module of PFMS. For further details with regard to the authorization of budget through PFMS, the User Manual as available at <http://cga.nic.in//writereaddata/file/FinalMODIFIEDLOAUSERMANUAL25092017.pdf> may be referred.

#### 4. Sanction and payment of budgetary support:

- (i) After the sanction of the budgetary support, a sanction order addressed to concerned Pay and Accounts Officer shall be issued by the jurisdictional Assistant/Deputy Commissioner of CGST Division in duplicate, a copy of which shall be endorsed to DDO for preparation of the bill. The sanction order should, inter alia contain the detailed Account Head and the beneficiary details along with the amount to be paid.
- (ii) The Assistant/Deputy Commissioner shall also act as Programme Division (PD) on PFMS portal and prepare the sanction on PFMS and forward it online to concerned DDO. It should be ensured by the Programme Division that the sufficient budget is available.
- (iii) DDO on the basis of physical copy of the sanction order received from Programme Division (PD) shall prepare the bill and forward the same to the mapped pay and Account Office. Bank account details of the beneficiaries duly certified by DDO shall be attached with the bill along with ink signed Section Order.
- (iv) The standard operating procedure as applicable for payment through PFMS shall be applicable and funds shall be transferred into the account of beneficiaries by the PAO.

5. Zone-wise list of Commissionerates containing details of the mapped PAOs and DDOs along with the Codes is enclosed for reference.

Yours faithfully

(Rohan)  
Under Secretary  
CX3

For enclosure, please follow the below link

<http://www.cbec.gov.in/resources//htdocs-cbec/excise/cx-circulars/cx-circulars-2017/circ1061-2017cx.pdf>

# CUSTOM UPDATES

Circular No. 47/2017-Cus

F.No. 609/13/2017-DBK  
Government of India  
Department of Revenue  
Central Board of Excise & Customs  
Drawback Division

New Delhi, the 27<sup>th</sup> November, 2017

To  
Principal Chief Commissioners/ Principal Directors General,  
Chief Commissioners/ Directors General,  
Principal Commissioners & Commissioners,  
All under CBEC.

Sir/Madam,

Subject: Drawing of samples for the purpose of grant of drawback.

I am directed to invite your attention to Circular Nos. 34/95-Cus dated 6.4.1995, 57/97-Customs dated 31.10.1997 and 25/2005-Customs prescribing monetary limits with respect to drawing of samples for the purpose of grant of drawback and giving exemptions from sampling requirements in certain situations.

2. In this regard, in order to further facilitate trade and enhance the ease of doing business, Board has decided to rescind the Circular Nos. 34/95-Cus dated 6.4.1995, 57/97- Customs dated 31.10.1997 and 25/2005-Customs. The export shipments shall continue to be subjected to appropriate treatment in terms of risk criteria provided in Risk Management System (RMS). Wherever export consignments are selected for assessment or examination, the officer of Customs not below the rank of Assistant or Deputy Commissioner of Customs would determine the need to draw sample on merits of each case. Since drawback payment is subject to finalisation of case after receipt of test report of samples, monitoring on regular basis at senior level should be undertaken so that samples are drawn only where necessary and the cases are closed in a timely manner and not later than thirty days from date of let export. Customs may draw samples in case of any specific intelligence or doubt of misuse, fraud, etc.

3. Suitable Public Notice and Standing Order should be issued for guidance of the trade and officers. Any difficulty faced should be intimated to the Board.

Yours faithfully,

(Dipin Singla)  
OSD (Drawback)



[TO BE PUBLISHED IN PART II, SECTION 3, SUB-SECTION (i) OF THE GAZETTE OF INDIA  
(EXTRAORDINARY)]

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE  
(CENTRAL BOARD OF EXCISE AND CUSTOMS)

New Delhi, the 27<sup>th</sup> November, 2017

G.S.R.---- (E)- In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 56/2000-Customs, dated the 5<sup>th</sup> May, 2000, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-Section (i) vide number G.S.R. 399 (E), dated the 5<sup>th</sup> May, 2000, namely:-

In the said notification, -

- (i) in the opening paragraph, for the word, figures and letter "paragraph 4A.8", the word and figures "paragraph 4.45" shall be substituted;
- (ii) in the second proviso, for the figures and word "120 days", at both the places where they occur, the figures and word "90 days" shall be substituted.

[F.No. DGEP/G&J/36/2017]

(Anand Kumar Jha)  
Under Secretary to the Government of India

Note. - The principal notification No. 56/2000-Customs, dated the 5<sup>th</sup> May, 2000 was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-Section (i) vide number G.S.R. 399 (E), dated the 5<sup>th</sup> May, 2000 and was last amended by notification no. 26/2017-Customs, dated 29<sup>th</sup> June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-Section (i) vide G.S.R. 727 (E), dated the 29<sup>th</sup> June, 2017.

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART-II, SECTION-3,  
SUB-SECTION (ii)]

Government of India  
Ministry of Finance  
(Department of Revenue)  
**(Central Board of Excise and Customs)**

Notification No. 112/2017-CUSTOMS (N.T.)

New Delhi, 30<sup>th</sup> November, 2017  
9 Agrahayana, 1939 (SAKA)

S.O. ... (E).- In exercise of the powers conferred by sub-section (2) of section 14 of the Customs Act, 1962 (52 of 1962), the Central Board of Excise & Customs, being satisfied that it is necessary and expedient so to do, hereby makes the following amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 36/2001-Customs (N.T.), dated the 3rd August, 2001, published in the Gazette of India, Extraordinary, Part-II, Section-3, Sub-section (ii), vide number S. O. 748 (E), dated the 3rd August, 2001, namely:-

In the said notification, for TABLE-1, TABLE-2, and TABLE-3 the following Tables shall be substituted namely:-

“TABLE-1

Sl. No.	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	703
2	1511 90 10	RBD Palm Oil	742
3	1511 90 90	Others - Palm Oil	723
4	1511 10 00	Crude Palmolein	743
5	1511 90 20	RBD Palmolein	746
6	1511 90 90	Others - Palmolein	745
7	1507 10 00	Crude Soya bean Oil	844
8	7404 00 22	Brass Scrap (all grades)	3677
9	1207 91 00	Poppy seeds	2576

TABLE-2

Sl. No.	Chapter/ heading/ sub-heading/ tariff item	Description of goods	Tariff value (US \$)
(1)	(2)	(3)	(4)
1	71 or 98	Gold, in any form, in respect of which the benefit of entries at serial number 356 and 358 of the Notification No. 50/2017-Customs dated 30.06.2017 is availed	413 per 10 grams
2	71 or 98	Silver, in any form, in respect of which the benefit of entries at serial number 357 and 359 of the Notification No. 50/2017-Customs dated 30.06.2017 is availed	544 per kilogram

TABLE-3

S.No.	Chapter/ heading/ sub-heading/ tariff item	Description of goods	Tariff value (US \$ Per Metric Tonne )
(1)	(2)	(3)	(4)
1	080280	Areca nuts	3965"

[F. No. 467/01/2017 -Cus-V]

(Zubair Riaz)  
Director (Customs)

Note: - The principal notification was published in the Gazette of India, Extraordinary, Part-II, Section-3, Sub-section (ii), vide Notification No. 36/2001-Customs (N.T.), dated the 3<sup>rd</sup> August, 2001, vide number S. O. 748 (E), dated the 3<sup>rd</sup> August, 2001 and was last amended vide Notification No. 109/2017-Customs (N.T.), dated the 15<sup>th</sup> November, 2017, e-published in the Gazette of India, Extraordinary, Part-II, Section-3, Sub-section (ii), vide number S. O. 3601(E), dated 15<sup>th</sup> November, 2017.

## DGFT UPDATES

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

**Notification No. 40/2015-2020**  
**New Delhi Dated the 27 November, 2017**

**Subject: Relaxation in export policy for export of Red Sanders wood by Government of Karnataka under Sl. No. 188, chapter 44 of Schedule 2 of ITC (HS) Classification of Export and Import 2012.**

S.O. (E ) In exercise of the powers conferred by Section 3 of the Foreign Trade (Development & Regulation) Act, 1992 ( No. 22 of 1992), as amended, read with Para 1.02 of the Foreign Trade Policy, 2015-2020, the Central Government hereby makes the following amendments in respect of Sl.No. 188 of Schedule 2 of ITC(HS) Classifications of Export and import Items, 2012 read with Notification No. 47 (RE-2013)/2009-2014 dated 24.10.2013 and Notification No. 25/2015-2020 dated 02.09.2016 as under:

“The condition stipulated in Column 5 against S.No. 188 of Chapter 44 of Schedule 2 of the ITC(HS) Classification of Export and Import Items shall be relaxed to allow export of 186.588 MT of Red Sanders wood in the form of log, obtained out of confiscated/seized stock by the Police and Forest Departments, State Government of Karnataka”.

2. (i) Government of Karnataka is hereby permitted to export 186.588 MTs of Red Sanders wood in log form, either by itself or through any entity by itself or through any entity/entities, so authorised by them, for the purpose.  
(ii) Such entity/entities or Government of Karnataka, as the case may be, shall be granted export authorisation by the concerned Regional Authority of DGFT upon production of quantity allocation letter from the State Government of Karnataka.
3. State Government of Karnataka shall finalize the modalities including allocation of quantities to various entities, as applicable, for export of the respective quantities within 6 months of issue of this notification and such export must be completed within 6 months thereafter. The whole process of export shall be completed within twelve months from the date of issue of this Notification.

4. **Effect of this notification:**

Prohibition on export of Red Sanders wood in log form has been relaxed for export of 186.588 MTs of Red Sanders wood, in log form, through State Government of Karnataka.

(Alok Vardhan Chaturvedi)  
Director general of Foreign Trade  
E-mail: dgft@nic.in



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