

GUIDELINES
FOR
EXPORT OF ONIONS

GUJARAT AGRO INDUSTRIES
CORPORATION LIMITED

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GUJARAT AGRO INDUSTRIES CORPORATION LTD.,
KHETUDYOG BHAVAN, OPP. OLD HIGH COURT.,
NAVRANGPURA, AHMEDABAD – 380014, GUJARAT

GUIDELINES FOR EXPORT OF ONIONS

Govt. of India through its notification 42(RE-98)/1997-2002, New Delhi dated 5th March 1999 & 20(RE-2003)/2002-2007 has allowed export of onion from the country and authorized the Government of Gujarat to designate an agency for canalized export of onions. In turn the Government of Gujarat has designated Gujarat Agro Industries Corporation Ltd. (hereinafter referred to in short as GAIC) as the designated Agency for canalization of Onion Exports through its notification No. GH/KH-20-M/S/1099-387/K.7 dated 10.8.99

1. OBJECTIVE:

The main objective before Gujarat Agro Inds. Corpn. Ltd. as the exclusive canalizing agency for the State of Gujarat are to maximize foreign exchange earnings for the country through streamline system of export so that India's image as a dependable exporter of onion is again established in the world market, helping onion farmers in getting a fair return for their produce particularly during marketing season and help in maintaining domestic availability of onions at reasonable prices to the consumers.

2. REGISTRATION:

Any person/company desires to participate in export of onion is required to register themselves with the authorized office of Gujarat Agro Inds. Corpn. Ltd. This will be only on time requirement. The registration of Associate Shippers may be reviewed on the basis of their onion export performance from time to time.

2.1 Application for registration with GAIC is required to be submitted in prescribed Performa given at **Annexure I** on the letter head of the person/company/cooperative societies accompanied by any nationalized Bank Draft for Rs. 5000/- (Rupees Five Thousand only) drawn in favour of Gujarat Agro Industries Corporation Ltd. payable at Ahmedabad. The amount of Rs. 5000/- is non-refundable. Indemnity Bond in prescribed format as per **Annexure II** on Rs. 50/- stamp paper duly notarized along with all enclosures mentioned in the application form have to be submitted. On scrutiny of the application, registration number will be allotted to the Associate Shipper. Which should be quoted in all future correspondence.

3. FIXATION OF MINIMUM EXPORT PRICE (MEP)

The export of onion will be subject to MEP as fixed in the monthly meeting (last working day of every month) of all the canalizing agencies. GAIC will immediately inform MEP to Registered Associate Shippers.

4. NO OBJECTION CERTIFICATE (NOC):

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The exporter shall apply for No Objection Certificate (NOC) as per Performa at **Annexure III** to GAIC for each export consignment. The exporter will furnish to Gujarat Agro Inds Corpn. Ltd. the details such as quantity to be exported, export rate, port of shipment, shipment period, destination and details of L/C, Inward remittance, contract etc. The party is also required to submit Performa invoice and copy of advance remittance certificate, L/C or contract along with application for NOC.

5. SERVICE CHARGES:

While granting and issuing NOC, GAIC will be entitled to collect service charges from the Associate Shipper at the fixed rate of 1% of invoice price. The amount of service charge shall be to be remitted by D.D./ Local Cheque only in favour of GAIC along with application. Service charge will not be refunded if shipment is not effected by the Associate Shipper in part or full.

6. Agricultural Development Fund:

Development fund is decided by the Ministry of Commerce New Delhi from time to time. The Associate Shipper will have to deposit the Development Fund amount in advance by D.D. / Local cheque to GAIC at the time of applying for NOC.

7. EXTENSION OF VALIDITY:

In case the shipping documents are passed on or before the last date of validity of the MEP but shipment could not be made due to late arrival of vessel, berthing and cancellation of the vessel, a grace period of 7 days for execution of the such shipment on the previous month MEP will be permitted.

8. INDEMNITY:

The Associate Shipper shall have to provide an indemnity bond in the prescribed format on Rs. 50/- stamp paper duly notarized. In case of breach of any of the condition mentioned in the indemnity bond GAIC will be at liberty to cancel the NOC issued and forfeit the registration charges, service charges, amount of development fund paid by the Associate shipper. The Associate Shipper further state that in that eventuality the Associate Shipper shall have no claims or lien on GAIC and GAIC shall be indemnified for all costs / expenses incurred by them in this regard.

9. DOCUMENTATION:

The Associate Shipper shall apply for NOC in the prescribed format along with all the requisite documents, service charges and development fund.

The export of onion will be carried out as per the prevailing Export Import Policy and RBI's guidelines in force.

The Inward remittance as per RBI's guidelines for export of onion undertaken will be the sole responsibility of the Associate Shipper.

The execution of shipment will be the sole responsibility of the Associate Shipper. In case of any dispute arising between the exporter and importer about the quality, packing, period of shipment non-shipment or any other reason, the same will be settled between them mutually.

The Associate Shipper will furnish within 7 days from the date of shipment the details of shipment for which the NOC obtained as pr Performa enclosed at **Annexure IV** along with a set of non-negotiable documents to GAIC Office.

10. The Associate Shipper shall be entitled to all export benefits accruing from their export of onion.
11. Export of Onion to the countries where imports are regulated by the respective Governments will be undertaken by GAIC.
12. The Associate Shipper shall comply and continue to comply with the provisions of other laws applicable to Associate Shippers or any other person on whose behalf the application for registration as Associate Shipper is submitted to GAIC. The registration of contracts does not also confer any immunity, exemption or relaxation at any time from obligation or compliance of any requirement to which the Associate Shippers are bound or required to fulfill under various laws/regulations of the country.
13. GAIC reserves the right to change the above guidelines as and when the need arises and also reserves right for interpretation of these guidelines.

ONION/NOC/REGISTRATION/DOCUMENTS

Dt.

To;

_____,
_____,
_____.

Sub: Guidelines for Registration and NOC application for export of Onion

(A) Documents to be submitted for registration as associate shipper of GAIC LTD

- 1) Nonrefundable Demand Draft of Scheduled bank for Rs. 5000/- favouring Gujarat Agro Industries Corporation Ltd. payable at Ahmedabad/Mumbai/Kolkata/Chennai.
- 2) Copy of Import Export Code No. issued by D.G.F.T.
- 3) Copy of Permanent Account No. issued by the Income Tax Dept.
- 4) Banker Confidential Report in sealed cover.
- 5) Memorandum and Articles of Association in the case of registered company.
- 6) Indemnity Bond in prescribed format duly notarized on Rs. 50/- stamp paper.
- 7) Application in prescribed format on party's letter head. Signature of Authorized Signatory duly verified by the bankers.

(B) Documents to be submitted for NOC

- 1) Application for NOC in prescribed format.
- 2) Application to be accompanied by Letter of Credit/Copy of Inward Remittance Certificate/Cotract/Buyers Orderand Invoice.
- 3) D.D. favouring Gujarat Agro Industries Corporation Ltd. payable at Mumbai/Kolkata/Ahmedabad of 1 % of the MEP or Invoice value if higher than MEP towards service charges and Rs. 20/- per MT of NOC sought towards development Fund.

Only after submission of above documents registration certificate and NOC will be issued.

(Please note that MEP for different destinations are declared every month by the Central Govt. Exporters are to export onion at the MEP declared by the Central Govt. for the particular month. Proof of Exports to be furnished to GAIC LTD subsequent to completion of export formalities.)

For Gujarat Agro Industries Corporation Ltd.

[M.S.Munshi]
A.M.(M)

Dt.

Annexure I

To;
The General Manager (M & P)
Gujarat Agro Industries Corporation Ltd.,
4th Floor, Blue Star Bldg.,
Opp. Old High Court, Navrangpura,
Ahmedabad – 380 014

Dear Sir,

Sub: REGISTRATION OF OUR COMPANY / FIRM FOR EXPORT OF ONION
UNDER CANALIZATION SCHEME AS ASSOCIATE SHIPPER OF
GUJARAT AGRO INDUSTRIES CORPORATION LTD.

The Govt. of India vide notification No. 42(RE-98)/1997-2002 & 20(RE-2003)/2002-2007 have allowed export of onion from the country. The Govt. of Gujarat have appointed you as Designated Agency for export of onion from the country. We request you to kindly register us as your Associate Shipper in the export of onion. The particulars about our firm are as under for your information and consideration.

1. Name of firm and date of establishment:
2. Status of the firm:
(Public/Partnership/Proprietorship/Cooperative/HUF)
(copy of Memorandum and Articles of Association/Partnership deed is enclosed)
(Name of the Partners/Directors/Managing Directors/Proprietors is furnished with their permanent address)
3. Address of Registered Office and Branches
alongwith Tel/Telex/Fex No.
4. Name and designation with specimen signature
of authorized representative(s)
(to be attested from the Bank Authorities)
5. Name and Address of Bankers
(Attach Bankers certificate, certifying financial position)
6. Import / Export Code number (copy enclosed)
7. Particulars of registration with any Export
Promotion Councils, if any.
8. Commodity wise Statement of Exports for the last two years.

9. Permanent Income Tax A/c number indicating the issuing authority.
10. Whether the Organisation is Export House, Trading House etc.
(Please attach certificate)

We also attach herewith Indemnity Bond as required by you as per annexure – II(a).

We have carefully read the guidelines issued by GAIC LTD for the purpose and we hereby solemnly undertake unconditionally to abide by all the terms and conditions, laid down by GAIC and also to comply with any addition/alteration to be made therein from time to time and also provisions of any laws / rules regulations affecting the canalization of export of onion. We shall be bound by Clause regarding the settlement of dispute through arbitration.

We further understand that our registration is liable to be cancelled in the event of breach of any of the undertakings mentioned above.

We do hereby certify that all information furnished above and documents submitted herewith are true and correct.

Thanking you,

Yours faithfully,

(Signature)
Office Seal

ANNEXURE II

PROFORMA OF INDEMNITY BOND TO BE FURNISHED ON STAMP PAPER OF Rs. 50/- (DULY ATTESTED BY NOTARY PUBLIC)

We _____ having our registered office at _____ hereafter referred to as the "OBLIGOR" which expression shall include our heirs, successors and assigns, furnish this Indemnity Bond in favour of Gujarat Agro Industries Corporation Ltd. hereafter referred to as GAIC.

- 2) Whereas the Government of India has permitted the Export of Onions from the country to all permissible destinations vide Notification No. 42(RE-98)/1997-2002 & 20(RE-2003)/2002-2007.
- 3) And whereas, the obligor has to enter into a contract / agreement with various buyers of permissible destinations hereinafter referred to as the BUYER for the export of Indian onion to permissible destinations and whereas in consideration of said, GAIC having agreed to allow us to effect the shipment of our contracted order(s) under canalized scheme, we hereby undertake and bind ourselves for the total and faithful performance of the terms and condition of the contract entered into by and between the buyer and ourselves.
- 4) Notwithstanding any breach in the performance of the contractual obligations and discrepancy(ies) in the draft / documents and the terms of contracts which may be discovered / objected by the buyer and or any other port authorities, the Obligor hereby solemnly and unconditionally agrees to bind itself / himself for all the repercussions and consequences, arising out of its / his executing this transaction and also hereby further undertakes to reimburse to the said GAIC upon demand, for the aggregate amount of claims, including costs, legal or otherwise which the GAIC may be called upon and/or compelled to and/or bound to pay for and/or on behalf of the obligor/on account of the obligor in connection with the above said shipments, including any guarantee, and/or indemnities given/required to be given, together with interest at the rate determined by GAIC plus all other expenses of whatsoever nature incurred by GAIC in connection with any claim and/or claims/penalties, relating to its buyer and/or ship agents or any other persons connected with the said shipment and the same shall be accepted by the Obligor, without equivocation, dispute and/or delay, as correct and just.
- 5) The obligor hereby waives all its/his rights to contest the amount or any of claims paid under such guarantee and/or Indemnity(ies) should there be any valid reason, then the Obligor should settle the outstanding with the buyer within one month or earlier under advise to GAIC. The Obligor shall inform the said GAIC about shipment of the order mentioned hereinabove and shall also furnish to them a copy of the non-negotiable set of shipping Documents for their information and records

ANNEXURE – III

The General Manager
Gujarat Agro Industries Corporation Ltd.,
4th Floor, Blue Star Bldg.,
Opp. Old High Court, Navrangpura,
Ahmedabad – 380 014

Dear Sir,

RE: EXPORT OF FRESH ONIONS VARIETY _____

REF: OUR REGISTRATION No.: _____

We request you to please issue No Objection Certificate addressed to customs _____ (name of the port) for export order of onion secured by us, details of which are given below:

- a) Quantity MT.
- b) Price per MT in FOB/C&F/CIF
 - i) Freight in US\$
 - ii) Insurance in IRS.
(converted on average exchange rate) US\$
 - iii) FOB value in US\$
 - iv) Total C&F/CIF value in US\$
 - v) Total FOB value in US\$
- c) Shipment period.
- d) Packing.
- e) Mode of payment.
Advance remittance/LC No./Dt., amount.
(copy enclosed)
- f) Validity of LC for shipment and negotiation.
- g) Port of shipment
- h) Port of destination.

As desired we send herewith a proforma invoice and copy of advance remittance certificate/LC/Contract from the authorized bank for above shipment.

A Bank Draft No. _____ Dated _____ for Rs. _____ drawn in your favour being service charges and development fund is enclosed.

We also undertake that Consignment shall be shipped to the destination above and no high sea sales or diversion of this cargo shall be made by ourselves or by our buyers without prior approval from GAIC.

Yours faithfully,

(Authorised signatory)
Company/Firm Seal
Encl: a/a

Annexure IV

STATEMENT SHOWING EXPORT OF ONION MADE DURING WEEK ENDING

S.NO.	NOC.NO. DATE	INC NO. DATE	NAME OF THE IMPORTER	DEST- NATION	QTY. SHIPPED
(1)	(2)	(3)	(4)	(5)	(6)

RATE PMT	CIF/C&F VALUE	FOB VALUE RS.	NAME OF VESSEL	BL NO DATE	LC NO. DATE	REMARKS
(7)	(8)	(9)	(10)	(11)	(12)	(13)
