

REGISTRATION UNDER RBI'S 20 / 80 GOLD IMPORT SCHEME:

REGISTRATION:

Parties will be enrolled on first come first basis after completing registration as per STC's terms and conditions completed in all respects.

1) Registration process and documents required thereof.

A. Documents required by STC for Enrolment:-

1. Exporter's documents related to business transaction with the overseas buyers of gold jewellery from India for the last 3 years:

- a. Copy of Overseas Buyer's confirmed order
- b. Copy of GR form/AWB/Commercial Invoice pertaining to past transactions
- c. Copy of proof for receipt of overseas payments/BRC/LC

2. Copy of IEC registration.

3. GJEPC registration certificate.

4. Affidavit stating that they are not blacklisted by DRI, ED, Customs, Banks, PSUs and other Govt agencies.

5. Past three year audited Balance Sheet and Profit & Loss Account.

6. Current year provisional Balance Sheet and Profit & Loss Account.

7. Sales tax Documents (CST+Local) and TIN No.

8. Banker's details.

9. If Proprietor, then business profile to be submitted.

10. If Partnership, then the deed to be submitted.

11. If Company, then memorandum, PAN Card, list of board of directors and Board resolution to be submitted.

12. DNB report.

13. Bank Report/Credibility Report.

14. Custom registration certificate

15. FEMA Declaration.

B. Documents required from Exporters for Indenting:-

1. Copy of Overseas Buyer's confirmed order to execute export under 20/80 scheme.
2. Back-up funds/security collateral (50% of cost of metal) towards 200% of customs duty + VAT + penal Interest etc. FD to be released only after export obligation towards 20% of gold is fulfilled.
3. Indemnity bond (for any claim, loss, damage, quality/quantity issues and any other disputes on connection with import of gold for us).
4. Exporter's Undertaking to STC to have 1st lien on Imported gold, same will not be pledged and value added jewellery will be exported ASAP.
5. Undertaking stating that quantity released for export will be used only for export and it is his responsibility for repatriation of entire Export proceeds without any delay through his AD/bank.
6. Associate's undertaking letter to STC for availing VAT exemption in the prescribed format as per concerned states VAT Act, before STC's every delivery order, if required.
7. Insurance coverage from the period immediately after STC's delivery order and release of metal from the vault.
8. FD for:-
 - a. One time deposit of Rs 50 lakhs
 - b. 5% of margin money: Margin money will be adjusted with final delivery.
9. Proof of Exports (to show the usage of imported gold of the same lot)
 - a. GR Form/Export Declaration Form(EDF) for Duty Free Goods
 - b. Original Export Promotion (Shipping bill)
 - c. Original Customs attested Invoice (Value- addition and wastage % should be mentioned and be within limits allowed by Customs)
 - d. AWB
 - e. Packing List
 - f. Overseas buyer's confirmation for receipt of jewellery consignment
 - g. Purchase Certificate for export obligation issued by STC duly attested by Customs.
 - h. BRC (Required to release STC's bond submitted to Customs towards Duty Free Gold)
10. Document proof of utilisation of Imported Gold: - Invoice, AWB, Bill of Entry No. of the import related documents should be shown on Invoice, AWB, GR/EDF of the Export related documents.

Modus Operandi for Supply of Gold to Associates under RBI's 20:80 scheme

- 1) Upon request of associate, he will be registered as per guidelines upon one time deposit of Rs.50 Lakhs with STC, branch-wise to meet any unexpected incidental/miscellaneous expenses and claims/contingent liability from Customs/Sales Tax Authorities etc., if any which will be valid for one year and extendable. Accrued interest will be passed on to associate, after deducting applicable TDS, and other charges if any.
- 2) Each associate will be allotted quantity port-wise/branch-wise based on their past dealings/ performance with STC, who can quickly export entire quantity of gold jewellery out of 20% of the imported gold, strictly following RBI /DGFT/Customs guidelines and submit the required export proof documents and BRC to STC, within the stipulated time frame.
- 3) On receipt of indent from STC's Associate, 5% margin money (interest free) for the entire indented quantity against each lot shall be collected from the associate buyer and the margin money will be adjusted while issuance of last delivery order of gold meant for domestic purpose.
- 4) STC to collect an interest free advance before pricing (interest free) of 50% of the value of 20% Duty free gold alongwith 100% cost of metal before pricing and adjust 20% advance after submission of export proof and balance after submission of BRC and STC's relevant bond is released by the Custom authorities.
- 5) 50% margin money on gold meant for export purposes will be refunded/ adjusted as per the following schedule:-
 - i. 20% margin money after submission of complete export documents for the entire export obligation and their due approval, within a possible time-frame of 2-3 working days.
 - ii. Balance margin money to be refunded after submission of BRC. Only e-BRCs or BRC issued by banks under section 22A will be accepted. Certificate of Inward Remittance/ FIRC will not be treated as BRC.
- 6) On receipt of 150% money against 20% metal meant for export purpose, parties are eligible for lifting 80% quantity meant for domestic consumption on 100% payment CIF value of gold plus Supplier's Premium, STC's Trading margin, VAT, customs duty for debonding and other charges, if any.
- 7) Lifting of quantity for domestic consumption will be allowed only after complete lifting of metal for export purposes.
- 8) No credit facility shall be provided towards imported Gold meant for Export and Home consumption.
- 9) All expenditures/bank charges/taxes etc. applicable present and future will be to party's A/c.

10) STC will also obtain an Indemnity Bond from the local Associate buyer on every Indent stating "We fully understand the limited role played by STC and RBI's 20/80 scheme and indemnify STC from any claim, loss, damage, quality/quantity issues and any other disputes on connection with import of Gold for us. We take entire responsibility to sort out dispute, if any, directly with the customs, vault owners, supplier, CHA and other authorities at our cost and risk. In regards, with export of Gold jewellery, the associate would indemnify STC that he will take entire responsibility to sort out dispute, if any, directly with the shipper/overseas buyers/banks/customs, CHA, insurance company and other agency at their cost and risk".

11) Please note that at C.O. limited tender system will be followed for fixation of TM and allocation of gold to the registered associates, which shall be intimated by email.

N.B.:- STC reserves the right to cancel/increase/decrease any quantity allocated to business associates without assigning any reason thereof.