

**APPENDIX- 4C**  
**VALUE ADDITION NORMS FOR EXPORTS FOR WHICH PAYMENTS ARE**  
**NOT IN FREELY CONVERTIBLE CURRENCY**

1. The trade with all erstwhile Rupee Payment Area (RPA) countries has since been switched over to payment in freely convertible currency except
  - (i) for exports from India against liquidation of Rupee balances to the credit of erstwhile RPA countries; and for exports to the Russian Federation against funds available in the special Rupee Accounts in the names of Russian entities.
  - (ii) For exports to the Russian Federation against India's repayment of State credits granted by the former USSR.
  
2. The following value addition norms shall be applicable for exports to erstwhile Rupee Payment Area countries:-
  - (a) For the trade taking place in freely convertible Currency, the value addition norms will be the same as applicable to exports to GCA countries:
  
  - (b) For the exports from India against liquidation of rupee balances to the credit of erstwhile RPA countries, the value addition norms shall be 33% or the percentage of value addition indicated in the Handbook of Procedures, whichever is higher.
  
  - (c) For exports to the Russian Federation against India's repayments of State credits granted by the former USSR, the value addition norms shall be 33% or the percentage of value addition indicated in the Handbook of Procedures whichever is higher.
  
  - (d) For exports to the Russian Federation against funds available against Special Rupee Accounts in the name of Russian Entities, the value addition norms in cases involving duty free imports under the Duty Exemption/ Remission Scheme shall be 33% or the percentage of value addition indicated in the Hand Book of Procedures, whichever is higher".
  
3. In respect of the exports indicated at sub-paragraphs (b),(c) and (d) above, following further relaxations shall be applicable:-
  - (i) The provisions of Paragraph 2.52 of the Foreign Trade Policy shall stand relaxed to the extent that export contracts and invoices shall be determined in non-convertible Indian Rupees; and
  
  - (ii) The provisions of Paragraph 9.01(a) of the Handbook of Procedures shall stand relaxed to the extent that imposition and discharge of export obligation on the Advance Authorisation, if availed under the Duty Exemption Scheme on such exports, shall be indicated in non-convertible Indian Rupees.
  
4. In case of exports to Iran in Indian Rupees, minimum value addition to be achieved will be 15%. This will also apply to exports of jewellery to Iran in Indian rupees and value addition mentioned in Para 4.61 of HBP will not be applicable in such cases.