

Government of India
Ministry of Commerce and Industry
Department of Commerce
Directorate General of Foreign Trade

Policy Circular No.13(Re-2006)/2004-09 New Delhi: 20th July 2006

To,

All Licensing Authorities
All Customs Ports

Subject: Clarification regarding meaning of term 'Duty' under Para 3.2.5 of Handbook of Procedures, Vol.I (EXIM Policy, 2002-07) and Para 3.7.6 of Foreign Trade Policy 2004-09 for Target Plus Schemes (for export during 01.04.2004 to 31.03.2006).

Attention is invited to Para 3.2.5 of Handbook of Procedures (Vol.I) of EXIM Policy (2002-07) as amended vide Public Notice 42 dated 06/01/2005 and Para 3.7.6 of Foreign Trade Policy 2004-09 which gives details of imports allowed for utilizing DFCE issued under DFCE for Status Holder Scheme (for exports with effect from 01/04/03 till 31/03/2004) and Target Plus Scheme (for exports with effect from 01/04/04 till 31/03/2006).

2. The word "Duty" appears in Para 3.2.5 of Handbook of Procedures (Vol.I) of EXIM Policy (2002-07) and Para 3.7.6 of Foreign Trade Policies issued on 31.03.2004 and revised Foreign Trade Policy 2004-2009 (updated as on 31.03.2005) states; where import of Agricultural Products listed in Chapter 1 to 24 of ITC (HS) Classification of Export and Import items **except** the following were allowed:
 - (i) Garlic, Peas and all other Vegetables with a **Duty** of more than 30% under Chapter 7 of ITC (HS) Classification of Export and Import items.
 - (ii) Coconut, Areca Nut, Oranges, Lemon, Fresh Grapes, Apple and Pears and all other fruits with a **Duty** of more than 30% under Chapter 8 of ITC (HS) Classification of Export and Import items.
 - (iii) All spices with a **Duty** of more than 30% under Chapter 9 of ITC (HS) Classification of Export and Import items (except Cloves) in addition to other items listed in the Para.
3. Representations have been received from various quarters seeking clarification regarding the meaning of term 'duty' appearing in the above sub-paragraphs (i), (ii) & (iii) of Para 3.2.5 of Handbook of Procedures (Vol.I) of EXIM Policy (2002-07) and sub paragraph (i), (ii) and (iii) of Para 3.7.6 of Foreign Trade Policy.

4. The matter has been examined and it is clarified that the term 'Duty' appearing in above sub-paragraphs means '**Basic Customs Duty**' only.
5. This issues with the approval of Director General of Foreign Trade.

Sd/-
(Subhash R)

Assistant Director General of Foreign Trade

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