GOVERNMENT OF INDIA

MINISTRY OF COMMERCE AND INDUSTRY

DEPARTMENT OF COMMERCE
DIRECTORATE GENERAL OF FOREIGN TRADE

POLICY CIRCULAR NO 4 (RE 2003) /2002-2007 Dated: 14th May , 2003

To

All Licensing Authorities
All Commissioners of Customs,

Subject:. Coverage of products under the duty free import entitlement for service providers

Paragraph 3.8 of the Export Import Policy (as amended upto 31.03.2003) , has enunciated the provision of the duty free imports to specified service providers based on the average foreign exchange earned by them in the preceding three licencing years.

This duty free entitlement provides for the import of spares, office equipment and furniture, professional equipment and consumables. However, it has been clearly indicated that this import list would exclude all agriculture and dairy products.

This office in receipt of queries from various sections of the trade and industry on the admissibility of the import of alcoholic beverages and cars under this duty free entitlement list. The matter was deliberated upon in this office and as per the mutual consultations with the Department of Revenue on the said issue prior to the amendment in the Exim Policy 2002-07 , it was decided that the following items would not be permitted to be imported under the duty free entitlement for service providers :

a) Milk and dairy products
b) Vegetable, horticulture and agriculture products vis cereals

However beverages, spirits and vinegar covered under Chapter 22 of the ITC (HS) Classification or seafood items (both processed and semi processed) are permitted to be imported under this duty free entitlement for service providers as per para 3.8 of the Export Import Policy (as amended on 31.03.2003).

On the other hand the import of car would be permitted for imports under this duty free entitlement only for hotels, tour operators and tourist transport operators.

This issues with the approval of the Commerce Secretary.

A.B. Menon
Deputy DGFT

(File No:01/94/180/17/AM04/ PC IV)