TO BE PUBLISHED IN THE GAZETTEE OF INDIA EXTRAORDINARY
PART – II, SECTION – 3, SUB SECTION (ii)

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE

NOTIFICATION No. 19 (RE-2007)/2004-2009
DATED 30th July 2007

S.O.(E) In exercise of powers conferred by Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 read with paragraph 1.3 of the Foreign Trade Policy (FTP), 2004-2009, as amended, the Central Government hereby makes the following amendments in FTP, 2004-2009 (Updated as on 19.4.2007):

1. Paragraph 2.50 related to "Force Majeure clause" stands *deleted*.

2. First sentence of paragraph 3.8.6 shall be substituted by the following clause:

   All Status Holders shall be incentivised with duty credit scrip equal to 10% of FOB value of agricultural exports (including benefits entitled under paragraph 3.8.2) which can be used for duty free import / procurement of capital goods related to infrastructure meant for agro-processing to promote agricultural export.

3. At the end of paragraph 3.8.6, the following shall be added:

   This additional benefit shall be subject to Actual User condition and hence non-transferable.

4. Paragraph 3.11.2 stands replaced by the following paragraph:

   Exports of High Technology products (as notified in Appendix 37E of HBP v1) in free foreign exchange to all countries, *shall be entitled for Duty Credit Scrip equivalent to:*

(a) 1.25 % of FOB value of exports; or
(b) 5% of incremental growth in FOB value (realized as per BRC / FIRC) of exports of notified products for current year (i.e., 2007-08) over previous year (i.e., 2006-07) and similarly (all taken together) for each subsequent licensing year.

Exporter may opt for either (a) or (b) above. However, applicants with 'nil' exports in base year shall not be eligible.

5. A new paragraph 3.11.2.1 shall be added at the end of paragraph 3.11.2 as follows:

3.11.2.1 Exports made by EOUs / EHTPs / BTPs who do not avail direct tax benefits / exemption shall be eligible, provided the same is not covered under paragraph 3.11.4.

6. 3rd Sub-para of paragraph 4.4.2 related to "Entitlement" under DFIA scheme shall be replaced by the following paragraph:

Pre- export Authorisation shall be issued with actual user condition and shall be exempted from payment of basic customs duty, additional customs duty / Excise duty, *education cess, anti-dumping duty and safeguard duty, if any.*

7. Paragraph 4A.20.1 related to " Export of cut & polished precious and semi-precious stones for treatment and re-import" stands amended as follows:

Gems and Jewellery exporters shall be allowed to export cut and polished precious and semi-precious stones for the treatment and re-import as per customs rules and regulations. In case of re-export, the exporter shall be entitled for duty drawback as per rules.

8. Paragraph 5.1A is amended to read as under:

Spares (including refurbished / reconditioned spares), tools, spare refractories and catalyst for existing plant and machinery (imported earlier, under EPCG or otherwise) shall be allowed to be imported subject to an export obligation equivalent to 8 times of duty saved to be fulfilled in 8 years reckoned from Authorisation issue date.

9. Words " Supply of goods against" appearing at paragraph 8.3(a) stand *deleted.*

This issues in Public interest.

Sd/-
(R.S. Gujral)
Director General of Foreign Trade and
Ex Officio Additional Secretary to the Government of India

(Issued from File. No. 01/94/180/ Pol. Form. /AM08/PC-I)