

**ITC (HS), 2018**  
**SCHEDULE 2 – EXPORT POLICY**

**Explanatory Note for Row and Column Description of Schedule -2 Export Policy**

This Schedule is organized as under:

1. The titles of Chapters, Sub-chapters, Note and Chapter Licensing Note are provided for ease of reference only.
2. In an eight digit EXIM Code, the first two digits represent the Chapter, followed by two digits for the Heading, two digits for Sub-heading and another two digit developed in India under the common classification system for the Item.
3. In this Schedule, the meanings of Heading, Sub-heading and Items are as under:
  - a. "Heading", in respect of goods, means a description in list of this Schedule accompanied by a four –digit number and includes all sub-headings of items the first four digits of which correspond to that number;
  - b. "Sub-heading", in respect of goods, means a description in the list of this Schedule accompanied by a six-digit number and includes all items the first six-digits of which correspond to that number;
  - c. "Item Description" means a description of goods in the list of this Schedule accompanying eight digit EXIM Code as given in the Column 4.
4. Each Chapter contains number of rows and each row is divided into six columns.
5. The column name and their descriptions are given in the table below:

<b>Column No.</b>	<b>Column Name</b>	<b>Column Description</b>
1.	Entry No.	Gives the order of the main entry in the Schedule 1. The column is designed for easy reference and gives the identity of the row covering the set consisting of Tariff Item Code, Unit Item description Export Policy and Policy Conditions along with the connected Licensing Note and Appendix.

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2.	Tariff Item (HS) Code	<p>This is an eight digit code followed in the Schedule 1 - Import Policy, Customs and the DGCIS code. The first two digits give the Chapter, next two digit give the heading and the subsequent two digit for Sub-heading. The last two digits developed in India under the common classification system for the Item.</p> <p>The first six digit code and product description corresponds exactly with the six digit WCO (World Customs Organisation) website.</p> <p><b>The ITC(HS) code numbers in Schedule 2 (Export Policy) are illustrative of classification but does not limit the description by virtue of the standard description of the item against the code in the Import Schedule of the ITC(HS) Classification.</b></p>								
3.	Unit	The second column gives the unit of measurement or weight in the tariff item, which is to be used in shipping bill and other documents. In most cases, the unit is given as “u” denoting number of pieces.								
4.	Item Description	The item description against each code gives the specific description of goods, which are subject to export control. This description does not generally correspond with the standard description against the code. In most cases, the description will cover only a part of standard description.								
5.	Export Policy	<p>This column is for the general policy regime applicable on the item. Generally, the Export Policy is one of the following.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;"><b>Prohibited</b></td> <td>Not permitted to be exported. Export Licence will not be given in the normal course</td> </tr> <tr> <td style="text-align: center;"><b>Restricted</b></td> <td>Export is permitted under a licence granted by the DGFT</td> </tr> <tr> <td style="text-align: center;"><b>STE*</b></td> <td>Export allowed only through specified State Trading Enterprises (STEs) subject to specific conditions laid out in Para 2.20 of the FTP 2015-20</td> </tr> <tr> <td style="text-align: center;"><b>Free</b></td> <td>Export is permitted without a licence from DGFT. However, certain procedural conditions can be notified by DGFT time to time through Public Notice. The free exportability is, however, subject to any other law for the time being in force.</td> </tr> </table>	<b>Prohibited</b>	Not permitted to be exported. Export Licence will not be given in the normal course	<b>Restricted</b>	Export is permitted under a licence granted by the DGFT	<b>STE*</b>	Export allowed only through specified State Trading Enterprises (STEs) subject to specific conditions laid out in Para 2.20 of the FTP 2015-20	<b>Free</b>	Export is permitted without a licence from DGFT. However, certain procedural conditions can be notified by DGFT time to time through Public Notice. The free exportability is, however, subject to any other law for the time being in force.
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6.	Policy Conditions	This column specifies the special conditions, which must be met for the export of goods in the item description column. The column may also give the nature of restriction under the broad category in the Export Policy column. The intention of incorporating this column is solely and exclusively to make the Export Schedule self contained and user friendly. However, this does not imply that there may be no other conditions applicable on export.
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**\*STE** : State Trading Enterprises (STEs), for the purpose of this FTP, are those entities which are granted exclusive right/privileges export and /or import as per Para 2.20 (a) of FTP. [\[Para 9.59 of FTP 2015-2020\]](#)