

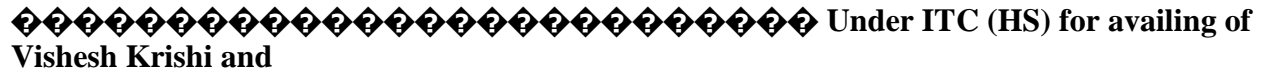
**OFFICE OF THE COMMISSIONER OF CUSTOMS (EXPORT),
JAWAHARLAL NEHRU CUSTOM HOUSE, NHAVA SHEVA.**

File No. S/12-Gen- 02/2006-07 AM

(X)  Date. 07.11.2006

STANDING ORDER NO. 43 /2006

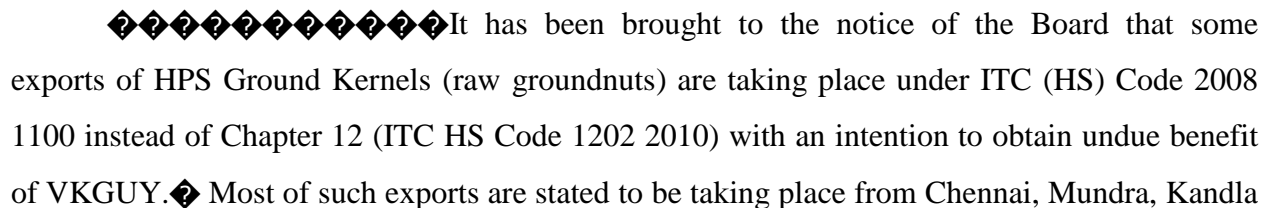
Sub : Export of HPS Groudnut Kernels, misdeclaration of classification

 Under ITC (HS) for availing of Vishesh Krishi and

 Gram Udyog Yojana (VKGUY) reg.



Attention of all concerned is invited to Ministry's F. No. D. O. No. 609/251/2006-DBK dated 28.09.2006 regarding Export of HPS Groudnut Kernels, misdeclaration of classification Under ITC (HS) for availing of Vishesh Krishi and Gram Udyog Yojana (VKGUY).

 It has been brought to the notice of the Board that some exports of HPS Ground Kernels (raw groundnuts) are taking place under ITC (HS) Code 2008 1100 instead of Chapter 12 (ITC HS Code 1202 2010) with an intention to obtain undue benefit of VKGUY. Most of such exports are stated to be taking place from Chennai, Mundra, Kandla

and Nhava Sheva Ports.

2. Under the Foreign Trade Policy 2004-09, the agricultural products eligible for VKGUY benefits are those which are listed in Appendix 37A of the Handbook of Procedures Vol. I. The list includes items covered by Chapter 20 of ITC (HS) classification but not items falling within chapter 12 of ITC (HS) classification. As per HS Explanatory Notes, Heading 1202 covers groundnuts whether or not shelled or broken, which are not roasted or otherwise cooked. (They may have undergone moderate heat treatment designed mainly to ensure better preservation by inactivating lipolytic enzymes and removal of part of moisture). Roasted or otherwise cooked groundnuts, dry roasted, oil roasted or fat roasted whether or not containing or coated with vegetable oil, salt, flavour etc. Therefore, groundnut kernels HPS, not roasted or otherwise cooked, are classifiable under ITC (HS) 1202 2010 and not under ITC (HS) 2008 1100.

3. In view of the above, due care may be taken by all the concerned officers to ensure that correct ITC (HS) classification of groundnut kernels and other export commodities is declared in the Shipping Bills so that the exporters do not claim undue benefit of VKGUY and similar other schemes later.

All concerned are directed to follow the above guidelines scrupulously.

