

OFFICE OF THE COMMISSIONER OF CUSTOMS (IMPORT), MUMBAI-II,
JAWAHAR LAL NEHRU CUSTOM HOUSE, SHEVA, TAL-URAN,
DISTRICT - RAIGAD, MAHARASHTRA - 400707

F.NO. S/22-GEN-21/2004-APPG.(MAIN-IMP.)

Date:18/03/2004

STANDING ORDER NO. 19/2004

Sub: Restriction regarding import of agriculture & dairy products under DFCEC Scheme for Status Holders in terms of para 3.7.2.1 of the Exim Policy and DFCEC Scheme for service providers in terms of para 3.8 ibid

The Status Holders, who show specified incremental exports during the financial year 2003-04 would be issued DFCEC Licences permitting duty free import of capital goods, office equipments and inputs free of customs duty with effect from 01.04.2004 in terms of para 3.7.2.1 of Export Import Policy 2002-2007. Similarly, in terms of the amended provisions of Para 3.8 of the EXIM Policy specified service providers have been permitted duty free import of spares, office equipments and furniture, any capital goods, professional equipments and consumables. However, import of agriculture and dairy products is not permitted under the

DGFT have sought a clarification from DOR, whether the restriction regarding agriculture and dairy products would apply to all products derived from agriculture/dairy origin. A clarification has also been sought whether under DFCEC Scheme for Status Holders, under the import of crude edible oils may be permitted under category of inputs.

The issue has been examined in DOR. The objective of restricting import of agriculture and dairy products under the aforesaid two DFCEC Schemes is to safeguard the interest of domestic agriculture and dairy sector. For this purpose, substantially higher rates of customs duties have also been specified in respect of most of the agriculture and dairy products. Therefore, even if inputs like crude edible oil are required by a Status Holder in the manufacture of resultant product, on account of the restriction regarding import of agriculture/dairy products specified in the scheme, its import under DFCEC Scheme is not permissible. Similarly, import of any other product derived from agriculture/dairy origin shall not be permitted as input under DFCEC Scheme for Status Holders and Service Providers because that would mean subverting the tariff barrier which has been specifically created to safeguard the interests of domestic agriculture/dairy industry.

It is, therefore, reiterated that the import of all types of products derived from agriculture/dairy origin including crude edible oil shall not be permitted under DFCEC Scheme for status holders and service providers.

All the officers are directed to ensure strict compliance of aforesaid provisions. Any deviations from these instructions will be viewed seriously.

(R. SHARMA)
COMMISSIONER OF CUSTOMS(IMPORT)

