

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
DIRECTORATE GENERAL OF FOREIGN TRADE
UDYOG BHAWAN, NEW DELHI

TRADE NOTICE NO. 13/2016

DATED 04.08.2016

TO

1. ALL IEC HOLDERS
2. ALL EPCs
3. ALL CHAMBERS OF TRADE AND INDUSTRY
4. FEDERATION OF INDIAN EXPORT ORGANISATIONS
5. GRAPE EXPORTERS ASSOCIATION OF INDIA (GEAI), NASIK, MAHARASHTRA
6. ALL RA's OF DGFT

Subject : VKGUY benefits on export of grapes including packing material – reg.

DGFT has received representations from Grape Exporters Association of India stating that the grape exporters are importing durable containers under the re-export notification 109/94-Cus. The re-export of such containers happen as it is used as packing materials for export of grapes. The value of these re-exported containers gets included in the FOB value of grapes and is taken into account for VKGUY benefits.

2. A view was taken by few field formation of DoR that the value of packing material which was imported should be deducted from FOB value of grapes for the purpose of granting VKGUY benefits under FTP 2009-14 and the grape exporters should pay back a part of the export benefits availed by them under Duty Drawback and VKGUY schemes as imported material used for packing grapes and shown as re-exported is not eligible for the incentives in terms of Para 3.17.2(ii) of FTP 2009-14.

3. The matter has been examined in consultation with Drawback Directorate of DoR. It is, hereby, clarified that grapes packed in imported packing material do not fall under ineligible category mentioned under para 3.17.2(ii) of FTP and, therefore, exporter is entitled for VKGUY benefit on FOB value i.e. without deducting the cost of imported packing material. As regards All Industry Rates of duty drawback on export of grapes, when packed in duty free imported punnets (packing material), CBEC has separately clarified the issue to their field formations.


(Shobhit Gupta)

DEPUTY DIRECTOR GENERAL OF FOREIGN TRADE

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Copy to:

1. PS to CIM
2. PPS to Commerce Secretary
3. Chairman, APEDA
4. PPS to DGFT
5. JS (DBK)

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