

**Government of India  
Ministry of Commerce & Industry  
Department of Commerce  
Directorate General of Foreign Trade  
New Delhi**

**Policy Circular No. 06 (RE-2007)/2004-2009**

Dated 21st August, 2007

**Clarification on export documentation and entitlement under DFCE for Status Holders Scheme under EXIM Policy and Target Plus Schemes under Foreign Trade Policy.**

Attention is invited to Policy Circular No.9 (RE2005)/2004-09 dated 14.06.2005. In Para 3 therein, it has been stated that where more than one names are mentioned in export documents, the exporter shall give documentary evidence to prove that such mentioning was mandatory and legally required.

An issue has been pointed out by FIEO regarding disallowing goods manufactured by supporting manufacturers in case supporting manufacturer is a status holder and authorities calling for documentary proof of more than one name in export documents.

The issue has been examined in detail and it is decided that

1. Policy Circular No.9 (RE2005)/2004-09 dated 14.06.2005 has clarified, and it is being made explicit herein, that a shipment shall be taken into account of applicants' export performance only if export proceeds are received in free foreign exchange by applicant directly from overseas.
2. Further, in terms of clause (v) of Note 1 of Para 3.2.7.1 (vii) of DFCE for Status Holders Scheme under EXIM Policy (RE2003), supplies from one status holder to another is not eligible for entitlement. Representation have been received from FIEO that supporting manufacturers who happen to be status holders and are manufacturing goods on behalf of applicant exporter, are being treated as 'suppliers' leading to making such exports ineligible. The issue has been examined and it has been decided that 'suppliers' and 'supporting manufacturers' are distinct categories and cannot be clubbed together. Hence goods manufactured by supporting manufacturer cannot be made ineligible under the above referred clause, although supporting manufacturer may happen to have a status certificate.
3. Once condition 1 and 2 above are satisfied, applicant can count a shipment in his export performance and the same would be entitled for benefits under the reward schemes.

Sd/-

(A. K. SINGH)

Joint Director General of Foreign Trade

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