

VKGUY – Vishesh Krishi and Gram Udyog Yojana

Chapter - 3

3.13 TO 3.13.4 From FT Policy:

3.13

VISHESH KRISHI AND GRAM UDYOG YOJANA (VKGUY) (SPECIAL AGRICULTURE AND VILLAGE INDUSTRY SCHEME)

3.13.1

Objective

Objective of VKGUY is to compensate high transport costs and offset other disadvantages to promote exports of the following products :

- (i) Agricultural Produce and their value added products;
- (ii) Minor Forest Produce and their value added variants;
- (iii) Gram Udyog Products;
- (iv) Forest Based Products; and
- (v) Other Products, as notified from time to time.

3.13.2

Entitlement

(a) Products listed in Appendix 37A of HBPv1, shall be entitled for Duty Credit Scrip equivalent to 5 % of FOB value of exports (in free foreign exchange) for export made from 27.8.2009 onwards, unless a specific date of export/period is specified by a public notice/notification.

(b) However, for exports made w.e.f 27.8.2009 (unless a specific date of export/period is specified by a public notice/notification), some Flowers and Fruits, as listed in Table 1 of Appendix 37A shall be entitled to an additional Duty Credit Scrip equivalent to 2 % of FOB value of exports; over and above the 5 % or 3 % reduced rate VKGUY entitlement as per para 3.13.3 below.

3.13.3

Applicability of Reduced Rate

Duty Credit Scrip under VKGUY scheme shall be granted only at a reduced rate of 3 % of FOB value of exports in cases where exporter has also availed following benefits:

- (i) Drawback at rates higher than 1%;
and/or

- (ii) Specific DEPB rate (i.e. other than Miscellaneous Category – Sr. Nos. 22 C & 22 D of Product Group 90); and/or
- (iii) Advance Authorization or Duty Free Import Authorization for Import of inputs (other than catalysts, consumables and packing materials) for the export product for which Duty Credit Scrip under VKGUY is being claimed

3.13.4

Agri. Infrastructure Incentive Scrip

(a) Status Holders (having status recognition for the current year) exporting products covered under ITC HS Chapters 1 to 24 , shall be granted Duty Credit Scrip equal to 10% of FOB value of agricultural exports (including VKGUY benefits entitled under Policy Para 3.13.2) for exports made during a particular year. This shall be subject to the condition that the total benefits for all status holders put together does not exceed Rs 100 Cr (i.e. Rs 50 Cr for each half year) and the conditions specified in Para 3.7.2 of HBPv1 are satisfied.

(b) Zonal Office, CLA, New Delhi shall be the licensing office for grant of Duty Credit Scrip to all status holders under this para.

(c) The following capital goods / equipments shall be permitted for import:

(i) Cold storage units (including Controlled Atmosphere (CA) and Modified Atmosphere (MA) Stores); Precooling Units and Mother Storage Units for Onions, etc.;

(ii) Pack Houses (including facilities for handling, grading, sorting and packaging etc.); for items notified in Appendix 37 F

(iii) Reefer Van / Containers; and

(iv) Other Capital Goods / Equipment as may be notified in Appendix 37 F.

(d) Imported capital goods/equipment shall be utilized for storage, packing etc. (as in (ii) above) and transportation of

agricultural products (including agro-processed perishable products).

(e) This additional benefit shall be subject to actual user condition and hence non-transferable.

(f) For import of Cold Chain Equipment this Scrip shall be freely transferable amongst Status Holders as well as to Units (the term 'Units' shall not include Developers) in the Food Parks.