

GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
DEPARTMENT OF COMMERCE  
DIRECTORATE GENERAL OF FOREIGN TRADE  
UDYOG BHAVAN, NEW DELHI-110001

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POLICY CIRCULAR NO. 25 (RE-2003)/2002-2007

Dated : 28 - 1 - 2004

To

All Licensing Authorities  
All Commissioners of Customs

Subject : Condition 8 of Chapter I A (General conditions of import) of the ITC (HS)  
Classification of Export and Import items.

I. Several representations have been received regarding the transaction cost involved in 100% sampling of edible / food products under the PFA Act in terms of Condition 8 of Chapter I A (General conditions of import) of the ITC (HS) Classification of Export and Import items. In consultation with the Ministry of Health and Family Welfare the procedure for sampling has been modified and is detailed below :

- (1) In respect of consignments of high risk food items (list to be notified separately) and perishable items like fruits, vegetables, meat, fish, cheese, etc., samples would be drawn and tested as per the instructions contained in the Customs Circular No. 58/2001-Cus, dated 25.10.2001.
  - (2) In respect of food items not covered under (1) above, the following procedure would be adopted:
    - (a) Samples would be drawn from the first five consecutive consignments of each food item, imported by an individual importer and referred to Port Health officers (PHOs) for testing to ascertain the quality and health safety standards of the consignments.
    - (b) In the event of the samples conforming to the prescribed standards, the Customs would switch to a system of checking 5% - 20% of the consignments of these food items on a random basis, for checking conformity to the prescribed standards;
- © The selection of food items for random checking and testing would be done by the Customs taking into

consideration factors like the nature of the food products, its source of origin as well as track record of the importers.

- (d) In case, a sample drawn from a food item in a particular consignment fails to meet the prescribed standards, the Customs would place the import of the said food item on alert, discontinue random checking for import of such food items and revert to the procedure of compulsory checking. The system of random sampling for import of such food items would be restored only if the test results of the samples drawn from the 5 consecutive consignments re-establish that the food items are in conformity with the prescribed standards.
- (e) The Customs would also develop and maintain a database regarding the food items imported, its importers and the test results, which would be periodically shared with DOC and Ministry of Health and Family Welfare.

II. It is further clarified that the condition on import of edible / food products as per Condition No. 8 of the Chapter I A (General conditions of import), of ITC (HS) Classification of Export and Import items shall not be applicable on imports made under Annual Advance Licenses and Advance Licenses for physical exports issued with A.U. condition. Similarly, this condition will not be applicable on imports made by 100% EOUs and units in EPZ / SEZ. However, the aforementioned condition shall be applicable when the 100% EOUs and units in EPZ / SEZ, effect sale / transfer any edible / food products to Domestic Tariff Area.

This issues with the approval of DGFT.

(Pratima Dikshit)  
Joint Director General of Foreign Trade