



Cabinet

# Cabinet approves implementation of Supreme Court's Judgment regarding Target Plus Scheme (TPS) under Foreign Trade Policy (FTP) 2004-09

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The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has approved the implementation of Supreme Court's Judgment dated 27th October 2015 regarding Target Plus Scheme (TPS) 2004-09 in Civil Application No. 554 of 2006.

The revenue implication under the TPS arising from the Hon'ble Supreme Court's Judgment is about Rs. 2700 crore.

Benefit is being extended to all the applicant exporters eligible as per provisions of the initially notified TPS Scheme under FTP for the year 2005-06, and as per provisions of Foreign Trade Policy 2004-09 throughout the country.

The Target Plus Scheme (TPS) 2005-06 was already implemented partially. However, the claims which were denied as a result of retrospective Notification will be now settled as per direction of the Supreme Court in the CA No. 554 of 2006. The scheme has been discontinued w.e.f. 01.04.2006.

The claims will be considered as per original notifications till the date of the Notification No. 48 dated 20.02.2006 and Notification No. 8 dated 12.8.2006. The guidelines and modalities for processing the claims will be worked out by the DGFT HQs in consultation with Deptt. of Revenue and is proposed to be completed in one year from the date of approval of the Cabinet.

The corrective measure will bring an end to multiple litigations with the Government and the claims under the TPS will be issued as per original provisions under Foreign Trade Policy in compliance with the decision of the Hon'ble Supreme Court.

## Background

In the Civil Appeal No. 554/2006 titled DGFT v/s Kanak Exports & Ors., the Hon'ble Supreme Court, in its Judgment dated 27.10.2015 gave verdict on the Target Plus Scheme for Export Promotion. It held that the Notification No. 48/2005 dated February 20, 2006 (certain products were made ineligible) and Notification No. 8/2006 dated June 12, 2006 (rates were reduced to 5% from the earlier 5, 10 and 15%) related to the Target Plus Scheme (TPS) could not be applied retrospectively and they would be effective only from the date of their issue.

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