

G. DFRC SCHEME:**GENERAL EXEMPTION NO. 31****Exemption to goods when imported against DFRC or DFRC for intermediate supply:**

[Notfn. No.90/04-Cus. dt. 10.9.2004 as amended by 46/05, 77/05, 97/05, 41/06, 63/07, 116/07, 63/08,19/09, 123/09, 93/10, 37/12, 40/12, 50/12, 4/13, 20/13, 5/15]

In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts materials required for the manufacture of the final goods when imported into India, from **whole of the duty of customs** leviable thereon under the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), subject to the following conditions, namely :-

- (i) that the importer has been granted **Duty Free Replenishment Certificate or Duty Free Replenishment Certificate for Intermediate Supply**, as the case may be, by the Licensing Authority, for import of the said materials in terms of Chapter 4 of the Foreign Trade Policy, and the said Duty Free Replenishment Certificate or Duty Free Replenishment Certificate for Intermediate Supply, as the case may be, is produced at the time of clearance for debit by the proper officer of customs;
- (ii) that the said Duty Free Replenishment Certificate or Duty Free Replenishment Certificate for Intermediate Supply, as the case may be, contains the endorsements specifying, *inter alia*, -
 - (a) the Standard Input Output Norm number, description and value of the resultant product exported ;
 - (b) the shipping bill number(s) and date(s) and FOB value in Indian rupees of the resultant product or excise certified invoice number(s) with value in Indian rupees in the case of supplies made under the categories of deemed exports in terms of paragraph 8.2 of the Foreign Trade Policy; and
 - (c) the description, value and quantity of the materials which are allowed to be imported:

Provided that in respect of resultant product specified in paragraph 4.31 of the Hand Book of Procedures (Volume I) of the Foreign Trade Policy, the materials permitted in the said Duty Free Replenishment Certificate or Duty Free Replenishment Certificate for Intermediate Supply, as the case may be, shall be of the same quality, technical characteristics and specifications as the materials used in the said resultant product:

Provided further that in respect of said resultant products the exporter shall give declaration with regard to technical characteristics, quality and specification of materials used in the shipping bill;

- (iii) that the said Duty Free Replenishment Certificate or Duty Free Replenishment Certificate for Intermediate Supply, as the case may be, or materials shall be freely transferable:

Provided that the Duty Free Replenishment Certificate or Duty Free Replenishment Certificate for Intermediate Supply, as the case may be, or the materials imported shall not be transferable if in respect of goods the Standard Input Output Norms are subject to actual user condition or where the export proceeds have not been realized or for import of fuel under the general norms:

Provided further that in respect of canalized fuel, the import entitlement shall be transferable to a canalizing agency authorised by the Government of India in the Ministry of Petroleum and Natural Gas.

(iv) that the imports and exports are undertaken through sea ports at Mumbai, Kolkata, Cochin, Magdalla, Kakinada, Kandla, Mangalore, Mormagoa, Chennai, Nhava Sheva, Paradeep, Pipavav, Sikka, Tuticorin, Visakhapatnam, Dahej, Mundhra, Nagapattinam, Okha, Bedi (including Rozi-Jamnagar), Muldwarka, Porbander, Dharamtar, Vadimar and Haldia (Halida Dock Complex of Kolkata Port, Krishnapatnam and Ennore (Tamil Nadu), Karaikal (Union territory of Puducherry) and Kattupalli (Tamil Nadu) or through any of the airports at Ahmedabad, Bangalore, Bhubaneswar, Mumbai, Kolkata, Coimbatore, Delhi, Hyderabad, Jaipur, Chennai, Srinagar, Trivandrum, Varanasi, Nagpur, Cochin, Rajasansi (Amritsar), Lucknow (Amausi), Indore and Dabolim (Goa), Visakhapatnam and Calicut or through any of the Inland Container Depots at Agra, Bangalore, Coimbatore, Delhi, Faridabad, Gauhati, Guntur, Hyderabad, Jaipur, Jalandhar, Kanpur, Ludhiana, Moradabad, Nagpur, Pimpri (Pune), Pitampur (Indore), Surat, Tirupur, Varanasi, Nasik, Rudrapur (Nainital), Dighi (Pune), Vadodara, Daulatabad (Wanjarwadi and Maliwada), Waluj (Aurangabad), Talegoan (District Pune), Dhannad Rau (District Indore), Kheda (Pithampur, District Dhar), Patli (Gurgaon), Irugur Village (Tamil Nadu), Thudiyalur (Tamil Nadu), Chettipalayam (Tamil Nadu) and Veerapandi (Tamil Nadu), Mrippalem Village in Taluk of Edlapadu, District Guntur and Tondiarpet (TNPM), Chennai and Irungattukottai, SIPCOT Industrial Park, Kattrambakkam Village, Sriperumbudur Taluk, Kanchipuram District, Tamil Nadu, Anaparthi (Andhra Pradesh), Salem, Malanpur, Singanalur, Jodhpur, Kota, Udaipur, Ahmedabad, Bhiwadi, Madurai, Bhilwara, Pondicherry, Garhi Harsaru, Bhatinda, Dappar (Dera Bassi), Chheharata (Amritsar), Karur, Miraj, Rewari, Bhusawal, Jamshedpur, Surajpur, Dadri, Tuticorin, Kundli, Bhadohi, Raipur Mandideep (District Raisen), Durgapur (Export Promotion Industrial Park), Babarpur, Loni (District Gaziabad) and Melapakkam Village (Arakkonam Taluk, Vellore District) or through the Land Customs Station at Ranaghat, Singhabad, Raxaul, Jogbani, Nautanva (Sonauli), Petrapole, Mahadipur, Nepalganj Road, Dawki, Agartala, Sutarkhandi, Amritsar Rail Cargo Attari Road, Hilli, Ghojadanga and Changrabandha or Special Economic Zone as specified in the notification issued under section 76A of the Customs Act, 1962 (52 of 1962).

Provided that the Commissioner of Customs may, by special order and subject to such conditions as may be specified by him, permit import and export from any other seaport, airport or inland container depot or through a land customs station:

Provided further that in case of supplies made under the categories of deemed export in terms of paragraph 8.2 of the Foreign Trade Policy, import of materials may be permitted from any of the seaports, airports, inland container depots or land customs stations.

Explanation. - For the purposes of this notification, -

- (i) "Foreign Trade Policy" means Foreign Trade Policy 2004-09, published in the notification of the Government of India in the Ministry of Commerce and Industry vide No. 1/2004, dated the 31st August, 2004;
- (ii) "Licensing Authority" means the Director General of Foreign Trade appointed under section 6 of the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992) or an officer authorized by him to grant a licence under the said Act;
- (iii) "Materials" means -
 - (a) raw materials, components, intermediates, consumables and parts used in the manufacture of resultant product;
 - (b) packaging materials required for packing of resultant product; and
 - (c) fuel

