

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
DIRECTORATE GENERAL OF FOREIGN TRADE**

Policy Circular No. 42 (RE 2004)/2002-2007

Dated 27th July, 2004

To

All Licensing Authorities
All Commissioners of Customs
All Exporters concerned.

Sub: DFRC with Actual User condition for inputs allowed with prior import
condition under SION

Attention is invited to Notification No. 28 dated 28.01.04 wherein in paragraph 4.2.3 of the EXIM Policy it was stated that for products having standard Input Output Norms which are subject to “actual user” condition or where the input(s) is allowed with prior import condition or for import of fuel under the general norms, DFRC will be issued with actual user condition for those inputs.

The purpose of the aforesaid amendment was to replenish the inputs utilised in the export product with actual user condition which were otherwise not available to exporters availing DFRC. In the aforesaid amended paragraph, the words “where the inputs(s) is allowed with prior import condition” were added inadvertently. Since DFRC is a post export replenishment scheme, a confusion seems to have arisen on the prior import condition vis-à-vis the post export replenishment.

The matter has been deliberated upon in this office and it has been decided to suitably amend the said clause allowing DFRC for inputs with prior import condition. In the meantime, it is clarified that no DFRC would be allowed for the inputs with prior import condition because it defeats the very purpose of prior import condition.

This issues with the approval of DGFT.

(AJAY SRIVASTAVA)
Joint Director General of Foreign Trade

(F.No : 01/94/180/11/AM05/ PC IV)