



**Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Foreign Trade
New Delhi**

Policy Circular No. 31 (RE-2008)/2004-2009

Dated 8th September, 2008

**Subject : Clarification on transfer of inputs to the Notified areas stated
in paragraph 4.5 of HBP v.1 under DFIA Scheme.**

Attention is invited to paragraph 4.5 and 4.56 of HBP v.1 to be read with the Public Notice No. 34 dated 27.6.08, wherein it has stated that transfer of any duty free material imported or procured against actual user DFIA shall not be transferred to units located in areas covered by the Central Excise Notifications as mentioned in the aforesaid Public Notice. Representations have been received from trade and industry to clarify whether the restriction is applicable for DFIA's with 'No BG/LUT' endorsement or endorsement of transferability.

The matter has been examined and accordingly it is clarified that the restrictions on such transfer is limited to advance authorization and DFIA Scheme issued and operated under Actual User condition. Once transferability is endorsed on the DFIA, transfer of the imported/ domestically procured input(s) against such DFIA shall not be covered by the restrictive clause of the aforesaid Public Notice.

(File No. 01/94/180/367/AM09/PC-4)

Sd/-
(C. GANGADHARAN)
Director General of Foreign Trade