

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

Policy Circular No. 30(RE-05)/2004-2009

Dated 10th October, 2005

**Importability of Alternative inputs allowed
as per SION under DFRC Scheme**

Representations have been received from the trade and industry that a doubt has arisen in the field formations of Customs on the issue of allowing alternative inputs as per SION under DFRC scheme even if exactly the same input, in the product value added chain, has not been utilized in the manufacture of the exported product.

The matter was examined in detail and it has been decided to inform all concerned that since the objective of SION is to allow duty free import of the inputs which are actually used or are capable of being used in the export product, the exporter has the flexibility to import the alternative input/product mentioned in the SION as long as the same can be used in the manufacture of the exported product under the DFRC scheme.

Any difficulty being faced in the matter should be brought to the notice of DGFT immediately.

Sd/-
(TAPAN MAZUMDER)
Joint Director General of Foreign Trade

(File No. 01/94/180/DFRC/AM06/PC I)