



1. Attention of all officers and staff is invited to the provisions of DFRC Scheme. Detailed instructions has been issued vide

Standing Order No:15/2000 dtd. 04.08.2000 from file No: S/6-Gen-280/2000 dtd. 04.08.2000 of DFRC Gp. And S.O. No.7736/2002

dtd. 6.9.2002 vide para 2.3 of the S.O. 15/.2000 dtd. 04.08.2000, it is made clear that the exporter operating under DFRC scheme shall

give declaration on all the copies of Shipping Bills indicating the S.No. of SION and product group of the export product as per SION of

Hand Book of Procedure Vol.II. The said Shipping Bill shall also contain declaration regarding the quality, technical characteristics of

the inputs used in the export product as is being done in respect of DEEC Shipping Bills.

2. Para 2.4 of the S.O. further elaborates that DFRC Licence shall be issued for import of inputs as per SION having same quality,

technical characteristics as of those inputs used in the export products and as indicted in the Shipping Bills at the time of export. The issue

is further elaborated in the para 2.5 and 2.6 of the said Standing Order. However, it has been observed by the DFRC Licence

Verification Section that in maximum cases the instructions are neither being followed by the exporters and nor ensured by the officers

at the time of assessment/ examination

3. Instances are noticed that plastic products, fabrics and stainless steel products are being exported without mentioning the grades

of polymers used, nature of fabric with GSM and grade of stainless steel, respectively. It is not correct practice and it is creating a lot

of problem at the time of DFRC verification. This should be stopped immediately and instructions contained in the Standing Order

No: 15/2000 as amended by S.O. No.7736/2002 dtd. 6.9.20002 shall be followed strictly.

4. It is also to be noticed that in cases of chemicals and allied items the purity and technical characteristics can not be ascertained by

physical examination only, therefore these items shall be subjected to test by authorized laboratories at regular intervals. The officers assessing

the Shipping Bills are required to endorse the order for withdrawal and testing of the samples at regular intervals. Shed Staff shall follow the

order and there shall not be any lapse on this part.

5. In fact non-observance of these instructions may adversely affect revenue and also affect the very basic of the DFRC Scheme.

This will further resolve the disputes at the time of issuance of DFRC Licenses by the DGFT and verification by the Customs.

6. Instances are there when it has been observed that in case of prior import by the exporters under DEEC Scheme like fabrics etc.,

on actual user basis, when the order for the tallying the export product i.e. garments etc. are given in the EDI System, the same are not

being followed by Shed Staff and no comments are offered in the System on this very vital aspect. It is not correct and should be

observed strictly. A lot of problems are faced by the officers at the logging stage on this account also.

7. Since, issue of nexus is very much important in DEEC and DFRC schemes, the non observance of the instructions issued from time

to time by the assessing and or Shed Staff shall be viewed seriously in future. Further due care should be taken for implementation of the

Allied Acts applicable for the goods under exportation also.

8. It has been demand of the Trade that in case of Verification of Advance Licences issued after 22.4.02 and wherein Shipping Bills

have been processed under EDI System, the Verification Unit, in general should not insist for the original copy of EDI Shipping Bills, photocopies

of EDI Shipping Bills, Bill of Lading and Custom attested invoices for the verification of licences. However, rest of the procedure will remain

as prescribed in Standing Order No.7736/2002 dt. 6.9.2002. The said Standing Order is modified up to above extent. However, in certain

special circumstances Customs can ask for any documents for verification as and when required.

Any inconvenience in observation of the instructions should be reported to the undersigned within seven days. Non observance of the instructions

will be viewed seriously.

10. Hindi version will follow.

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