

F.No. 140605/10/2025-DBK  
Government of India  
Ministry of Finance, Department of Revenue  
Central Board of Indirect Taxes and Customs  
Drawback Division

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New Delhi, dated 24<sup>th</sup> July, 2025.

To

All Principal Chief Commissioners/Chief Commissioners of Customs/Customs (Preventive),  
All Principal Chief Commissioners/Chief Commissioners of Customs & Central Tax,  
All Principal Commissioners/Commissioners of Customs/Customs (Preventive),  
All Principal Director Generals/Director Generals under CBIC.

**Subject: Correlation of Technical Characteristics, Quality and Specification of the Inputs with the Export Product under the DFIA Scheme - reg.**

Madam/Sir,

I am directed to invite your attention to the provisions of paragraph 4.12, 4.28(iv) and 4.29 of the Foreign Trade Policy, 2023 (i.e. FTP, 2023) and condition (iii) of Notification No. 25/2023-Cus dated 01.04.2023 regarding correlation of technical characteristics, quality and specification of the inputs at the time of import with the exported product, under the DFIA Scheme.

2. In this connection, representations have been received from trade stating that difficulties are being faced in clearance of material under DFIA Scheme on account of Customs insisting on establishing close nexus or correlation between the imported goods and the inputs used in the manufacture of exported product - in all cases of imports under the said scheme.

3. The matter has been examined by the Board. It is observed that:-

- (i) In terms of paragraph 4.12 and 4.28(iv) of the Foreign Trade Policy, 2023, wherever SION permits use of either a generic input or alternative input, the specific input together with quantity, which has been used in manufacturing the export product, should be indicated / endorsed in the relevant Shipping Bill.
- (ii) Further, in terms of paragraph 4.29 of the said Policy, in respect of some 22 items specified therein, the exporters are required to give a declaration with regard to technical characteristics, quality and specification in the Shipping Bill.

4. In line with the above stated policy provisions, the condition (iii) of notification No.25/2023-Cus dated 01.04.2023 states that:-

(a) in respect of inputs mentioned in paragraph 4.12 [which is applicable for inputs of 4.28(iv) also] the exporter shall declare the specific name or description of the material used in the export of the resultant products in the shipping bill/bill of export.

(b) in respect of the resultant product requiring inputs specified in paragraph 4.29, the materials permitted in the DFIA shall be of the same quality, technical characteristics and specification as the materials used in the said resultant product and that in respect of the said resultant product, the exporter shall give declaration with regard to the quality, technical characteristics and specification of materials used in the Shipping Bill or bill of export.

5. The position is thus clear that only in respect of inputs specified in paragraph 4.29 of the Foreign Trade Policy, 2023, a correlation of technical characteristics, quality and specification of the inputs with the export product is required to be established under the DFIA Scheme. Such correlation is not required to be established in case of other inputs.

6. It is, therefore, clarified that:-

(a) Only in case of import of inputs mentioned in paragraphs 4.29 of the FTP, 2023, correlation of technical characteristics, quality and specification of the inputs with the export product is required to be established when imported under the DFIA Scheme.

(b) In case of inputs mentioned in paragraphs 4.12 and 4.28(iii) of the FTP, 2023, only name of the specific input along with the quantity is required to be declared in the shipping bill/bill of export. Declaration of technical characteristics, quality and specification of the inputs used in the manufacture of the export product is not required.

7. A suitable Public Notice and Standing Order may be issued for the guidance of the trade and staff. Difficulties faced, if any in implementation of the Circular may be brought to the notice of the Board at an early date.

Hindi version follows.

Yours faithfully,

(Kapil Chaudhary)  
Joint Secretary (Drawback)