
	सीमाशुल्क अग्रिम विनिर्णय प्राधिकरण Customs Authority for Advance Rulings नवीन सीमाशुल्क भवन, बेलार्ड इस्टेट, मुंबई - ४०० ००१ New Custom House, Ballard Estate, Mumbai - 400 001 E-MAIL: cus-advrulings.mum@gov.in	
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F.No. CAAR/CUS/APPL/220 /2025 - O/o Commr-CAAR-Mumbai दिनांक/Date :20.04.2026
 DIN No.: 202604770500000F477

Ruling No. & date	CAAR/Mum/ARC/05/2026-27 dated 20.04.2026
Issued by	Shri Prabhat K. Rameshwaram, Customs Authority for Advance Rulings, Mumbai
Name and address of the applicant	M/s. Unibourne Food Specialities LLP 308, 3rd Floor, Neelkanth Corporate Park, Kirol Road, Vidhyavihar West, Mumbai 400086 Email – account3@unibourne.in
Concerned Commissionerate	The Pr. Commissioner/Commissioner of Customs, Nhava Sheva-I, JNCH, Nhava Sheva, Mumbai. Email- commr-ns1@gov.in

ध्यान दीजिए/ N.B.:

- सीमा शुल्क अधिनियम, 1962 की धारा 281 की उप-धारा (2) के तहत किए गए इस आदेश की एक प्रति संबंधित को निःशुल्क प्रदान की जाती है।
A copy of this order made under sub-section (2) of Section 281 of the Customs Act, 1962 is granted to the concerned free of charge.
- बोर्ड द्वारा प्राधिकृत कोई भी अधिकारी, अधिसूचना द्वारा या आवेदक प्राधिकरण द्वारा पारित किसी भी निर्णय या आदेश के खिलाफ ऐसे निर्णय वा आदेश के संचार की तारीख से 60 दिनों के भीतर क्षेत्राधिकार उच्च न्यायालय में अपील दायर कर सकता है।
Any officer authorised by the Board, by notification or the applicant may file an appeal before the jurisdictional High Court of **concerned jurisdiction** against any ruling or order passed by the Authority, within 60 days from the date of the communication of such ruling or order.
- प्रधान आयुक्त या आयुक्त धारा 28KA की उप-धारा (1) के संदर्भ में अग्रिम निर्णय के खिलाफ अपील दायर करने के लिए अधिकृत होंगे।
The Principal Commissioner or Commissioner shall be authorised to file appeal against the advance ruling in terms of sub-section (1) of section 28KA.
- धारा 28-I के तहत प्राधिकरण द्वारा सुनाया गया अग्रिम विनिर्णय पाँच साल तक या कानून या तथ्यों में बदलाव होने तक, जिसके आधार पर अग्रिम विनिर्णय सुनाया गया है, वैध रहेगा, जो भी पहले हो।
The advance ruling pronounced by the Authority under Section 28 - I shall remain valid for five years or till there is a change in law or facts on the basis of which the advance ruling has been pronounced, whichever is earlier.
- जहाँ प्राधिकरण को पता चलता है कि आवेदक द्वारा अग्रिम विनिर्णय धोखाधड़ी या तथ्यों की गलत बयानी द्वारा प्राप्त किया गया था, उसे शुरू से ही अमान्य घोषित कर दिया जाएगा।
Where the Authority finds that the advance ruling was obtained by the applicant by fraud or misrepresentation of facts, the same shall be declared void *ab initio*.



अग्रिम विनिर्णय / Advance Ruling

1. M/s. Unibourne Food Ingredients LLP (IEC No. AAIEFU2777J) (hereinafter referred as "The Applicant") filed an application for advance ruling in the Office of Secretary, Customs Authority for Advance Ruling, Mumbai. The said application was received in the secretariat of the CAAR, Mumbai on 24.12.2025, along with its enclosures in terms of Section 28H (I) of the Customs Act, 1962 (hereinafter referred to as the 'Act'). The applicant is seeking advance ruling regarding applicability of Customs Notification No. 25/2023-Cus dated 01.04.2023 which exempts materials imported into India against a valid DFIA issued by Regional Authority in terms of Para 4.24 and 4.26 of FTP from the whole duty of customs, which is specified in the First schedule to the Customs Tariff 1975 (51 of 1975) subject to conditions specified therein.

2. Submission by the Applicant:

2.1 The applicant (M/s. Unibourne Food Ingredients LLP) is a Limited Liability Firm holding a valid import-export code number AAHFU0738L issued by the Office of the Director General of Foreign Trade in terms of the provision of Section 7 of the Foreign Trade Development & Regulation Act, 1992. The applicant seeking an Advance Ruling under Section 28H of the Customs Act, 1962 is covered by the definition of 'applicant' as per Section 28E (c) of Customs Act, 1962. The Applicant seeks to claim exemption from payment of Basic Customs Duty (BCD) under Notification No. 25/2023-Cus dated 01.04.2023 against their proposed import of various goods as listed in the table A below, against a valid Transferable Duty-Free Import Authorisations (DFIAs) issued by the Regional Authority in terms of Paragraph 4.24 and Paragraph 4.26 of Foreign Trade Policy subject to conditions specified therein. The said DFIA's are issued against (i) Export of Assorted Confectionary Products as per Standard Input Output Norms (SION E- 1); (ii) Export of Biscuits as per Standard inputoutput Norms (SION E-5) notified by the Director General of Foreign Trade.

2.2 The applicant further submitted that currently, the said SION E-1, SION E-5, are suspended by the Director General of Foreign Trade vide Public Notice No. 20/2025-26 dated 26.08.2025 pending review as initiated by the Norms Committee by inviting suggestions/feedback from Export Promotion Councils, Exporters, importers and other stake holders vide Trade Notice No. 11/2025-26 dated 27.08.2025. The Applicant further submitted that they intend to procure valid DFIA's issued by Regional Licensing Authorities prior to suspension of norms and are therefore eligible for claiming DFIA benefits under Notification No. 25 of 2023.

2.3 The applicant submitted that the relevant Custom Notification No.25 of 2023-Cus dated 01.04.2023 was issued in exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962) granting exemption to materials imported in India against a valid Duty-Free Import Authorisation issued by Regional Authority from whole of Customs duty. The said Exemption of BCD is granted under Section 25 (1) of Customs Act, 1962 subject to conditions specified which is reproduced as under: -

The Notification No. 25/2023-Cus dated 01.04.2023, as amended from time to time, exempts materials imported into India against a valid Duty Free Import Authorisation issued by the Regional Authority in terms of paragraphs 4.24 and 4.26 of the Foreign Trade Policy (hereinafter referred to as the said authorisation) from the whole of the duty of customs leviable thereon which is specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), subject to the following conditions, namely :-



- (i) that the said authorisation is produced before the proper officer of customs at the time of clearance for debit;
- (ii) that Standard Input Output Norms (SION) number, description, quantity and Free on-Board value of the resultant product exported and the shipping bill number(s) and date(s) are endorsed on the said authorization:

Provided that the said SION does not prescribe the actual user condition;

- (iii) that the description and other specifications wherever applicable, value and quantity of materials imported are mentioned in the said authorisation and the value and quantity thereof are within the limits specified in the said authorization:

Provided that in respect of inputs referred in paragraphs 4.12(i) and 4.12(ii) of the Foreign Trade Policy, the material permitted to be imported in the said authorisation shall be of the specific name/description or quantity, respectively, as the material used in the export of the resultant product. The exporter shall declare these particulars of materials used in the shipping bill/bill of export:

Provided further that in respect of resultant products requiring inputs specified in paragraph 4.30 of the Foreign Trade Policy, the materials permitted in the said authorisation shall be of the same quality, technical characteristics and specifications as the materials used in the said resultant product. The exporter shall declare these particulars of materials used in the shipping bill or bill of export;

- (iv) that the said authorisation shall be transferable subject to such conditions as may be specified;

2.4 The applicant proposed to purchase 2 DFIA's issued as per Para 4.24 and Para 4.26 of FTP (2023) bearing No. 0311046641 dated 19.08.2025 issued against Export of Assorted Confectionery Products as per SION E-1 and DFIA No.3411006954 dated 11.09.2025 issued against export of biscuits (SION E5). The list of inputs proposed to be imported under DFIA's issued as per SION E 1 & SION E-5 are mentioned under Table A.

Table A

SION E-1		SION E-5	
Generic description. (SION E-1)	Specific description of goods proposed to be imported. (SION E-1)	Generic description. (SION E-5)	Specific description of goods proposed to be imported. (SION E-5)
Food Additives	Food Colours / Food Flavours	Biscuit Additives and Ingredients	(i) Leavening Agent / Dough Conditioner (ii) Emulsifier / Stabilizing Agent (iii) Relevant (Food flavour/ agent/ flavour improvers. (iv) Starch (v) Relevant food colour (vi) Anti oxidant



			(vii) Fruit/Cocoa powder. (viii) Dietary fibre.
Other Confectionery Ingredients	Edible Oils and Fats / Fruits and fruit products / Nut and Nut Products, malt extracts, tea extracts, coffee extracts etc.	Dairy Products	Milk and Milk Products

2.5 The applicant submitted that they are seeking an Advance Ruling on the applicability of notification no. 25/2023-Cus dated 01.04.2023 since the importability of said inputs under a Transferable DFIA has a bearing on rate of duty.

2.6 The applicant submitted that they observed that under condition no. 15 and 16 of DFIA No. 0311046641 dated 19.08.2025 – (Export of Confectionary Products), there are additional conditions attached for certain items permitted for imports. Since the applicant do not intend to import 'Saffron' as food flavour, the Condition no. 15 does not apply to them. As regards, condition no. 16, value cap restrictions to the extent of 5% of total CIF value are attached on Essential Oils, Food Colours, Food flavours and for import items Binder/Thickeners- Starch CIF value shall not exceed 3% of total CIF value. Further value cap restriction is attached on Other Confectionary ingredients –Fruit & Nut to the extent of 2% of CIF value. Inputs viz., Liquid Glucose, Fruit Juice and Citric Acid are subjected to Actual user condition. As regards Condition No. 17, it is mentioned that import items under Appendix 4J of the Hand Book of Procedures are not allowed to import under the authorisation. The proposed import goods do not fall under Appendix 4 J and therefore does not apply to the applicant.

2.7 The applicant submitted that the Condition No. 14 of DFIA No. 3411006954 dated 11.09.2025 (Export of Biscuits) stipulates that import of Lactose/Mannitol/Sodium Saccharin and other Artificial Sweetening Agents are not allowed as substitute inputs against import of inputs. Under Condition No.15, it is specified that CIF value of input item S.No.4 (Leavening Agent, Emulsifier, Flavouring Agent, Starch, Food Colour, Anti-Oxidant, Fruit/Cocoa Powder, Dietary Fibre) together shall not exceed 10% of the total CIF value of Authorisation.

2.8 The applicant submitted that though the conditions of DFIA's specifies value cap restrictions and actual user conditions on certain inputs under both the DFIA's, in applicant's understanding and interpretation of law the same shall not apply in the applicant's case, in view of the Order dated 23.10.2024 passed by the Division Bench of Hon'ble Rajasthan High Court (Jodhpur Bench).

3. Applicants Interpretation of Law/Facts:

3.1 The applicant submitted that the Advance Ruling being sought under this application has a bearing on rate of duty. The applicant is exempted from payment of whole of duty of customs for imports made under a Transferable Duty-Free Import Authorisation subject to fulfilment of conditions stipulated under Notification No. 25/2023-Cus dated 01.04.2023. Otherwise, applicant would be required to pay applicable customs duty for import of 'Instant Full Cream Milk Powder'.

3.2 The applicant placed its reliance upon the Order and judgement dated 09.10.2018 of Hon'ble Madras High Court in the case of **Maruti Udyog Ltd Vs. Commissioner of Customs, Chennai**



holding entitlement of benefit of exemption notification being related to rate of duty can be decided only by Supreme Court under Section 130(1) of Customs Act, 1962. Therefore, being an issue related to entitlement to the benefit of exemption notification no.25 of 2023 under Transferable DFIA which has a bearing on rate of duty, the applicant sought an Advance Ruling under this application before this Authority.

3.3 The applicant referred to the relevant paragraphs 4.24 and Paragraph 4.26 of FTP (2023) as mentioned in Customs Notification No. 25/2023-Cus dated 01.04.2023, which are reproduced below:

4.24 DFIA Scheme

(a) *Duty Free Import Authorisation is issued to allow duty free import of inputs. In addition, import of oil and catalyst which is consumed/ utilised in the process of production of export product, may also be allowed.*

(b) *Provisions of paragraphs 4.12, 4.18, 4.20, 4.21 and 4.23 of FTP shall be applicable to DFIA also.*

(c) *Import of Tyre under DFIA scheme is not allowed.*

4.26 Eligibility

i. *Duty Free Import Authorisation shall be issued on post export basis for products for which Standard Input Output Norms have been notified.*

ii. *Merchant Exporter shall be required to mention name and address of supporting manufacturer of the export product on the export document viz. Shipping Bill/ Bill of Export / Tax Invoice for export prescribed under the GST rules.*

iii. *Application is to be filed with concerned Regional Authority before effecting export under Duty Free Import Authorisation.*

iv. *No Duty-Free Import Authorisation shall be issued for an input which is subjected to pre-import condition or where SION prescribes 'Actual User' condition or Appendix-4J prescribes pre import condition for such an input.*

3.4 The applicant submitted that as per Para 4.12 (i) (ii) of FTP (2015-2020) , "Wherever SION permits use of either (a) a generic input or (b) alternative input, unless the name of the specific input together with quantity [which has been used in manufacturing the export product] gets indicated / endorsed in the relevant shipping bill and these inputs, so endorsed, within quantity specified and match the description in the relevant bill of entry, the concerned Authorisation will not be redeemed. In other words, the name/description of the input used (or to be used) in the Authorisation must match exactly with the name/description endorsed in the shipping bill. In addition, if in any SION, a single quantity has been indicated against a number of inputs (more than one input), then quantities of such inputs to be permitted for import shall be in proportion to the quantity of these inputs actually used/consumed in production, within overall quantity against such group of inputs. Proportion of these inputs actually used/consumed in production of export product shall be clearly indicated in shipping bills."

Paragraph 4.29 of FTP. (Sensitive items under Duty Free Import Authorisation).

In respect of following inputs, exporter shall be required to provide declaration with regard to technical characteristics, quality and specification in Shipping Bill: " Alloy steel including Stainless



Steel, Copper Alloy, Synthetic Rubber, Bearings, Solvent, Perfumes / Essential Oil/ Aromatic Chemicals, Surfactants, Relevant Fabrics, Marble, Articles made of Polypropylene, Articles made of Paper and Paper Board, Insecticides, Lead Ingots, Zinc Ingots, Citric Acid, Relevant Glass fibre reinforcement (Glass fibre, Chopped / Stranded Mat, Roving Woven Surfacing Mat), Relevant Synthetic resin (unsaturated Polyester Resin, Epoxy Resin, Vinyl Ester Resin, Hydroxy Ethyl Cellulose), Lining Material ” . (b)While issuing Duty Free Import Authorisation, Regional Authority shall mention technical characteristics, quality and specification in respect of above inputs in the Authorisation.

3.5 The applicant submitted that the primary condition of customs notification no.25 of 2023, according to the understanding of the applicant, is that DFIA should be produced before the proper office of customs at the time of clearance and that Standard input output Norms (SION number, description, quantity and free on-board value of the resultant product exported and the shipping bill number(s) and date(s) are endorsed on the said authorisation. Condition (iii) of Notification No.25 of 2023 inter alia stipulates that the description and other specifications, wherever applicable, value and quantity of materials imported are mentioned in the said authorisation and the value and quantity thereof are within the limits specified in the authorisation. Therefore, the applicant submitted that in their understanding of the above provisions of notification makes it clear that the imported goods must be covered by the description, value and quantity as per DFIA issued as per relevant SION is produced.

3.6 The applicant submitted that various food ingredients as specified under Table A above are some of the inputs required for manufacturing export product of confectionary products and biscuits respectively. These inputs are part of SION E- 1 (confectionary products) and SION E-5 (Export of Biscuits).

3.7 The applicant submitted that the goods proposed to be imported by them as per Table A is as per permitted list of inputs specified in both the DFIA's. Though some of the conditions specified in the DFIA's relates to value cap restrictions and actual user conditions, as per their understanding and interpretation of law are eligible to claim exemption from payment of Basic Customs Duty under Notification No.25 of 2023, without any condition, on the following grounds and not prejudiced to each other:

(a) that the inputs proposed to be imported (Table A) are not specified inputs under Paragraph 4.29 of the FTP. Therefore, no correlation is required to be established for technical specification, quality and characteristics of the inputs used in export goods and imported goods as clarified by Central Board of Indirect Taxes vide 20/2025 –Cus dated 24.07.2023.

(b) The Applicant relied upon the judgement and order dated 7th November, 2022 of **Hon'ble Tripura High Court in the case of Sri Sibhankar Bhowmik Vs. UOI**. The Hon'ble High Court has more particularly dealt with this issue under Para 8, 9, 10 and 11 of the said order which is reproduced below:

“8. It is amply clear that whereas these further words i.e., “same quality, technical characteristics and specification” are categorically used in Paragraph 4.30 of FTP and also in the second proviso to the condition (iii) of the Customs Notification No. 19 of 2015, however they are absent in Paragraph 4.12 of FTP and also in the first proviso to condition (iii) of the said Customs Notification. These further words i.e., “same quality, technical characteristics and specifications cannot be read in paragraph 4.12 and also in first proviso to condition



(iii). These further words would apply only while making declaration in shipping bills in respect of sensitive inputs specified in paragraph 4.30 of FTP, while issuing DFIA in respect of such specified sensitive inputs, or white duty-free import of such specified sensitive items under such DFIA to establish close nexus with the specified inputs used.

9. Paragraph 4.27 (i) of the FTP stipulates the eligibility criteria for issuance of DFIA as follows:

“4.27 Eligibility:

(i) Duty Free import Authorisation shall be issued on post export basis for products for which Standard Input Output Norms have been notified

10. It is clear that Paragraph 4.30 is an exception to the above Paragraph 4.27 (i) of FTP regarding eligibility for issuance of DFIA. Therefore, wherever sensitive inputs specified in paragraph 4.30 are used, the DFIA would be issued to permit import of only those material which shall not only be of the specific name/description or quantity, but also having close nexus having “the same quality, technical characteristics and specification, as the material used in the export of resultant product. The exporter would also require to declare all these particulars of materials used in the shipping bill.

11. However, in other cases i.e., wherever sensitive inputs specified in Paragraph 4.30 are not used, as per Paragraph 4.27 (i) of FTP, DFIA would be issued for products for which SION have been notified and broad nexus to be established would be limited to specific name/description or quantity, without requirement of establishing close nexus of having the same quality, technical characteristics and specification as the material used in the export of resultant product. The exporter would also require to declare only these limited particulars as per SION, without any requirement of declaring the quality, technical characteristics and specification of materials used in the shipping bill.

(c) The applicant submitted that the list of inputs as mentioned in Table A are specific inputs. As per applicant’s understanding, the inputs required for manufacturing resultant products are covered by the generic description of ' Confectionary ingredients' in the case of Export Goods ' Assorted Confectionary' and in the case of Export of Biscuits, the inputs are covered by the broad description ' Biscuit Additives & Ingredients' & Dairy products and therefore the provisions of Para 4.12 (i) and 4.12 (ii) of FTP has no application in the present case.

(d) The applicant submitted that in any event, DFIA scheme is a post export incentive scheme. The Hon’ble Tripura High Court, in the aforementioned judgement has categorically rejected the argument of the Petitioner that material used in the export goods would include not only materials imported but also even such material used is domestically procured, under Para 12 of the Order as reproduced below:

12. There is also no merit in the contention of the petitioner that although substantive condition (iii) of Notification No. 19 of 2015 concerns mentioning in Transferable DFIA the details “of material imported”, in the first proviso the words “as the materials used” for the purpose of ascertaining the “materials permitted to be imported” would include not only the “material imported’ but also even such material used which is domestically procured”.



(e) The applicant submitted that the conditions of value cap restrictions and actual user conditions on certain inputs are endorsed in both the DFIA's on the basis of DGFT Public Notice No. 41 dated 02.11.2016.

(f) The applicant submitted that as per their understanding and interpretation of law, the power to impose Pre import condition and actual user condition flows from the provisions of Paragraph 4.13 of the Foreign trade Policy, which is reproduced below:

"Para 4.13 Pre-Import Condition in certain cases

(i)DGFT may, by Notification, impose pre-import condition for inputs under this Chapter;

(ii)Import items subjected to pre-import condition are listed in Appendix-4J or will be indicated in Standard Input-Output Norms

(g) The applicant submitted that in terms of provisions of Paragraph 4.13 of the FTP, the pre-import conditions and actual user conditions are required to be issued only through a Notification and not by way of Public Notice.

(h) The applicant further relied upon the Order & Judgement dated 23.10.2024 of Hon'ble Rajasthan High Court in the case of Nrapen Shanker Acharya Vs. UOI. Para 6 and Para 7 of the Order is relevant for the purpose of making the ground to support the submission:

"6... .. The learned senior counsel appearing for the petitioner referred to clause 4.13 which provides for "pre-import condition in certain cases" to support the prayer made under clause 9i) of the present writ petition. However, we are of the opinion that the pre-import condition for inputs under chapter 4 can be issued only by the Ministry of Commerce and Industry subjecting the import items under appendix 4-j to pre-import condition. The expression 'may' occurring under clause 4.13 has to be read in consonance with the powers of the Union of India to issue a Notification and the powers of the DGFT shall remain confined to issue a Notification under clause 4.13 only in tune with the Notification, if any, issued by the respondent no. 1 imposing pre-import conditions for inputs. As to imposition of Actual user condition by way of public notice, this is well remembered that such an exercise shall also be touching upon the policy decision and, therefore, can be notified only through a Notification in the official gazette."

(i) The applicant submitted that in view of the aforementioned judgement of Hon'ble Rajasthan high court, the conditions attached to certain inputs in both the DFIA's to the extent of actual user conditions on the basis of Public Notice No. 41 of 2016 has no legal basis and hence Honest in law. In applicant's understanding and interpretation of law, the applicant is entitled to claim DFIA benefits without actual user condition on inputs, wherever applicable.

(j) The applicant submitted that in their understanding and interpretation of law amendments in SION by way of restricting imports through value caps cannot be imposed by disregarding the requirement of production and consumption data for taking a decision for review of SION as held by Hon'ble Rajasthan High Court in the aforementioned case, under Para 7 of the Order:

7. The requirement of regarding production of data and information would be the foundation for taking a decision for review of SIONs and no exception can be taken to such a requirement of calling for data and information by the Norms Committee and the respondent no.2 cannot review SIONs unilaterally without calling the data and information. Therefore,



the prayer made at clause (ii) of the present writ petition that the provisions of under paragraph 4.25 of the Hand Book Procedure should be declared not mandatory is liable to be rejected”

(k) The applicant submitted that in view of the above submissions, in the Applicant’s understanding and interpretation of law, on the strength of the DFIA’s issued against export of Confectionary Products and Biscuits, the Applicant is entitled to import 'various food ingredients' as per Table ' A' are non-sensitive inputs under the Custom Notification No. 25/2023-Cus dated 01.04.2023 without value cap and actual user conditions, wherever applicable.

3.8 Based on the facts and circumstances of the case, the applicant sought an Advance Ruling on following questions:

(i) “Whether the Applicant is entitled to claim Exemption from payment of Basic Customs Duty against Custom Notification No. 25/2023-Cus dated 01.04.2023 read with Circular No. 20 of 2025 under Transferable DFIA’s issued against Export of Confectionary goods (SION E-1) for import of various Food Ingredients (non-sensitive inputs) Table A without establishing correlation between quality, technical specification and characteristics of the imported goods and inputs used in export goods and without value cap and actual user condition in the light of Hon’ble Rajasthan High Court Order dated 23.10.2024?

(ii) “Whether the Applicant is entitled to claim Exemption from payment of Basic Customs Duty against Custom Notification No. 25/2023-Cus dated 01.04.2023 read with Circular No. 20 of 2025 under Transferable DFIA’s issued against Export of Biscuits (SION E-5) for import of various Food Ingredients (non-sensitive inputs) Table A without establishing correlation between quality , technical specification and characteristics of the imported goods and inputs used in export goods and without value cap in the light of Hon’ble Rajasthan High Court Order dated 23.10.2024?

4. Port of Import and reply from Jurisdictional Commissionerate

4.1 The applicant in their CAAR-1 indicated that they intend to import the subject goods i.e. various food ingredients which are not sensitive inputs, not covered by Paragraph 4.29 of FTP for trading purpose by availing exemption from payment of Basic Custom Duty (BCD) under notification No. 25/2023-Cus dated 01.04.2023 at the jurisdiction of office of the Pr. Commissioner/Commissioner of Customs, Nhava Sheva-I, JNCH, Nhava Sheva, Mumbai. In terms of Provisions of the Section 28-I(1) of the Customs Act, 1962 read with the Sub-regulation No. (7) of the Regulation No. 8 of the Customs Authority for Advance Rulings Regulations, 2021, the application was forwarded to the office of the Pr. Commissioner/Commissioner of Customs, Nhava Sheva-I, JNCH, Nhava Sheva, Mumbai on 02.01.2026, 28.01.2026, 16.02.2026 and 12.03.2026 as indicated by the applicant at Sr. No. 13 of their CAAR-1 Forms calling upon them to furnish the relevant records with comments, if any, in respect of the said application. However, no comments were received from the concerned jurisdictional commissionerate.

5. Records of Personal Hearing:

5.1 Personal Hearing was held on 06.04.2026 and 16.04.2026. Ms Soumya Ail, Advocate/Representative appeared for the online hearing on behalf of the applicant and reiterated the contention of the applicant filed with the application. She submitted that the applicant sought advance ruling in the case of four different DFIA’s about applicability of Custom Notification No. 25/2023-Cus dated 01.04.2023 for claim of the exemption benefit. The four DFIA’s that were submitted in their



additional submission dated 06.04.2026 that Sr. No. 1,2,3 and 4 are for SION E-1, SION E-5, SION E-126 and SION E-132 respectively. The learned AR would submit that no co-relation is required to be established for technical characteristics, quality and specification of the inputs used in the export of goods and imported goods of non-sensitive inputs and that no actual user condition is applicable in the respective four licenses. She also relied upon Hon'ble Rajasthan High Court Order dated 23.10.2024 in the case of Nrapen Shanker Acharya vs Union of India.

Nobody appeared for Personal Hearing from the Department side.

6. Additional Submissions by the Applicant

6.1 The applicant, vide its email dated 21.01.2026 sought to withdraw the first question of law pertaining to import of food additives against Export of Confectionary Products (SION E-1) and sought ruling only for the second question of law pertaining to import of various food ingredients against Export of Biscuits (SION E-5).

6.2 The applicant vide its email dated 25.02.2026 again sought to amend the application to include the import of non-sensitive goods against export of Assorted Confectionery Products (SION E-1); Export of Vegetable Pickles (SION E-126); and Export of Namkeen / Mixtures / Savouries (SION E-132). The applicant submitted copies of (i) DFIA No. 0311051259 dated 05.02.2026 against Export of Assorted Confectionary Products (SION E-1); (ii) Copy of DFIA No. 031083914 dated 15.10.2020, valid till 26.03.2026 against Export of Biscuits (SION E-5); (iii) Copy of DFIA No. 341107247 dated 02.12.2025 against Export of Vegetable Pickles (SION E-126); and (iv) Copy of DFIA No. 3411007258 dated 03.12.2025 (SION E-132) as an illustrative sample.

6.2.1 The applicant reframed the question of law as under:

Whether the Applicant is entitled to claim Exemption from payment of Customs Duty against Custom Notification No.25/2023-Cus dated 01.04.2023 read with Board Circular No.20/2025-Cus dated 24.07.2025 under Transferable DFIA's issued against (i) Export of Assorted Confectionary products (SION E-1); (ii) Export of Biscuits (SION E-5), (ii) Export of Vegetable Pickles (SION E-126) and (iii) Export of Namkeens/Mixtures/Savouries (SION E-132) without establishing correlation between the quality, technical characteristics, quality and specifications of imported goods and inputs used in export goods?

6.3 The applicant vide its email dated 06.04.2026 submitted that they had submitted total 4 DFIA's, as per details given below for seeking an Advance Ruling with regard to the applicability of Customs Notification No. 25/2023-Cus dated 01.04.2023 for claiming Exemption benefits under DFIA's issued as per SION E-1 (Export of Assorted Confectionary products); SION E-5 (Export of Biscuits); SION E-126 (Export of Vegetable Pickles) and SION E-132 (Export of Namkeens/Mixtures/Savouries).

Sr. No.	DFIA No.	Date	Validity	Relevant SION
01	0311051259	05.02.2026	05.02.2027	SION E-1
02	0310838914	15.10.2020	26.03.2026	SION E-5



03	3411007247	02.12.2025	02.12.2026	SION E-126
04	3411007258	03.12.2025	03.12.2026	SION E-132

6.3.1 They submitted that they reframed the question of law to include all the aforementioned SIONs, as above, seeking a ruling whether applicant is permitted to import non-sensitive inputs without establishing correlation of technical characteristics, quality and specification of inputs used in export goods and imported goods in view of the Board Circular No. 20 of 2025. They further submitted that as per their interpretation of law and considering the aforementioned legal position, no correlation is required to be established for technical characteristics, quality and specification of the inputs used in export goods and imported goods of non-sensitive inputs under DFIA Scheme.

7. Discussions and Findings

7.1 I have considered all the materials placed before me in respect of the applicability of the notification issued under Section 25 (1) of the Customs Act, 1962 for import of subject goods. I have gone through the submissions made by the applicant during the personal hearing and additional submissions made by the applicant. Therefore, I proceed to pronounce a ruling on the basis of information available on record as well as existing legal framework.

7.2 The applicant has sought advance ruling in respect of the following questions:

Q.1 *Whether the Applicant is entitled to claim Exemption from payment of Customs Duty against Custom Notification No.25/2023-Cus dated 01.04.2023 read with Board Circular No.20/2025-Cus dated 24.07.2025 under Transferable DFIA's issued against (i) Export of Assorted Confectionary products (SION E-1); (ii) Export of Biscuits (SION E-5) , (ii) Export of Vegetable Pickles (SION E-126) and (iii) Export of Namkeens/Mixtures/Savouries (SION E-132) without establishing correlation between the quality, technical characteristics, quality and specifications of imported goods and inputs used in export goods?*

7.3 At the outset, I find that the issue raised at the Sr. No. 08 in the CAAR-1 form is squarely covered under Section 28H (2) of the Customs Act, 1962 being a matter related to the Applicability of a notification issued under sub-section (1) of section 25, having a bearing on the rate of duty. I further find that the applicant is a holder of an Importer Exporter Code (IEC) and thereby, is a valid applicant under Section 28E (c) of the Customs Act, 1962 for filing application under Section 28H of the Customs Act, 1962.

7.4 The applicant submitted that they intend to import various non-sensitive goods against the valid Transferable DFIA's issued against Export of Assorted Confectionery Products by Regional Authority in terms of Paragraph 4.24 and 4.26 of the Foreign Trade Policy, 2023.

7.5 The applicant is seeking exemption from the payment of whole of Customs duty under Notification No. 25/2023-Cus dated 01.04.2023 issued under Sub-Section (1) of Section 25 of the Customs Act, 1962 on the import of various non-sensitive under a valid transferable DFIA Licenses issued against Export of Assorted Confectioneries (SION E-1), Export of Biscuits (SION E-5), Export of Vegetable Pickles (SION E-126) and Export of Namkeens / Mixtures / Savouries (SION E-132). Therefore, before proceeding further, I find it essential to examine the notification No. 25/2023-Cus dated 01.04.2023. The above referred notification exempts materials imported into India against a valid Duty-Free Import Authorisation issued by the Regional Authority in terms of paragraphs 4.24 and 4.26 of the Foreign Trade Policy (hereinafter referred to as the said authorisation) from the whole of the duty of customs leviable thereon which is specified in the First Schedule to the Customs Tariff



Act, 1975 (51 of 1975), subject to the conditions specified therein. For ease of reference, the conditions prescribed under Notification No. 25/2023-Cus dated 01.04.2023 are mentioned below:

- (i) *that the said authorisation is produced before the proper officer of customs at the time of clearance for debit;*
- (ii) *that Standard Input Output Norms (SION) number, description, quantity and Free On-Board value of the resultant product exported and the shipping bill number(s) and date(s) are endorsed on the said authorisation:*

Provided that the said SION does not prescribe the actual user condition;

- (iii) *that the description and other specifications wherever applicable, value and quantity of materials imported are mentioned in the said authorisation and the value and quantity thereof are within the limits specified in the said authorisation:*

Provided that in respect of inputs referred in paragraphs 4.12(i) and 4.12(ii) of the Foreign Trade Policy, the material permitted to be imported in the said authorisation shall be of the specific name or description or quantity, respectively, as the material used in the export of the resultant product. The exporter shall declare these particulars of materials used in the shipping bill/ bill of export:

Provided further that in respect of resultant products requiring inputs specified in paragraph 4.29 of the Foreign Trade Policy, the materials permitted in the said authorisation shall be of the same quality, technical characteristics and specifications as the materials used in the said resultant product. The exporter shall declare these particulars of materials used in the shipping bill or bill of export:

- (iv) *that the said authorisation shall be transferable subject to such conditions as may be specified;*
- (v) *that the imports and exports are undertaken through the seaports, airports or through the inland container depots or through the land customs stations as mentioned in the Table 2 annexed to the Notification No.26/2023-Customs dated 1st April, 2023 or a Special Economic Zone notified under section 4 of the Special Economic Zones Act, 2005 (28 of 2005):*

Provided that the Commissioner of Customs may, by special order or a public notice and subject to such conditions as may be specified by him, permit import and export through any other seaport, airport, inland container depot or through a land customs station within his jurisdiction;

- (vi) *that the exports as specified in the said authorisation (both in value and quantity terms) were fulfilled within the period specified in paragraph 4.28 of the Foreign Trade Policy by exporting resultant products, manufactured in India, which are specified in the said authorisation:*

Provided that in case of an authorisation for intermediate supply, the export obligation shall have been discharged by supplying the resultant products to the exporter in terms of paragraph 4.05(c)(ii) of the Foreign Trade Policy;



- (vii) *that the importer produces evidence of fulfilment of the export obligation to the satisfaction of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be;*
- (viii) *that in relation to the said authorisation issued to a merchant exporter, the name and complete postal address of the supporting manufacturer who manufactured the export product is declared in the shipping bills and specified in the said authorization."*

7.6 From the plain reading of the above, it emerges that the first condition for availing the exemption benefit under the subject notification, the applicant must have a valid DFIA license issued by the Regional Authority in terms of paragraphs 4.24 and 4.26 of the Foreign Trade Policy, 2023 and should produce it before the proper officer of Customs at the time of clearance for debit. The second condition for availing the exemption benefit under the subject notification is that the DFIA license should be endorsed with SION (Standard Input Output Norms) Number, Description, Quantity and Free On-Board value of the Resultant product exported and the Shipping Bill Number(s) and date(s); and the description and other specifications (wherever applicable), value and quantity of materials imported are within the limits specified in the said authorisation. However, the proviso to second condition makes the exemption provisional to SION norms not prescribing Actual User Condition on input items.

7.7 Further, I observe that the DFIA licenses are issued by the Directorate General of Foreign Trade (DGFT) in terms of Para 4.24 and 4.26 of the Foreign Trade Policy for import of input used in exported products for which SION Norms have been notified. Para 4.24 and 4.26 of the Foreign Trade Policy, 2023 are as under:

4.24 DFIA Scheme

- (a) *Duty Free Import Authorisation is issued to allow duty free import of inputs. In addition, import of oil and catalyst which is consumed/ utilised in the process of production of export product, may also be allowed.*
- (b) *Provisions of paragraphs 4.12, 4.18, 4.20, 4.21 and 4.23 of FTP shall be applicable to DFIA also.*
- (c) *Import of Tyre under DFIA scheme is not allowed.*

4.26 Eligibility

- i. *Duty Free Import Authorisation shall be issued on post export basis for products for which Standard Input Output Norms have been notified.*
- ii. *Merchant Exporter shall be required to mention name and address of supporting manufacturer of the export product on the export document viz. Shipping Bill/ Bill of Export / Tax Invoice for export prescribed under the GST rules.*
- iii. *Application is to be filed with concerned Regional Authority before effecting export under Duty Free Import Authorisation.*
- iv. *No Duty-Free Import Authorisation shall be issued for an input which is subjected to pre-import condition or where SION prescribes 'Actual User' condition or Appendix-4J prescribes pre import condition for such an input.*

7.8 From the above, I observe that the DFIA license are issued for duty free import of inputs including intermediates on post export basis for products for which SION Norms have been notified



by the Regional Authority. I further observe that no DFIA license can be issued by the authority for the inputs where a pre-import condition or an actual user condition has been notified.

7.9 Further, Para 4.29 of the Foreign Trade Policy lists sensitive items and puts a mandate on exporter as well as the regional authority to mention technical characteristics, quality and specification in the Authorization in respect of such sensitive outputs as listed there. Para 4.29 of the FTP, 2023 is reproduced as under:

4.29 Sensitive Items under Duty Free Import Authorisation

(a) In respect of following inputs, exporter shall be required to provide declaration with regard to technical characteristics, quality and specification in Shipping Bill: "Alloy steel including Stainless Steel, Copper Alloy, Synthetic Rubber, Bearings, Solvent, Perfumes / Essential Oil/ Aromatic Chemicals, Surfactants, Relevant Fabrics, Marble, Articles made of Polypropylene, Articles made of Paper and Paper Board, Insecticides, Lead Ingots, Zinc Ingots, Citric Acid, Relevant Glass fibre reinforcement (Glass fibre, Chopped / Stranded Mat, Roving Woven Surfacing Mat), Relevant Synthetic Resin (unsaturated Polyester Resin, Epoxy Resin, Vinyl Ester Resin, Hydroxy Ethyl Cellulose), Lining Material".

(b) While issuing Duty Free Import Authorisation, Regional Authority shall mention technical characteristics, quality and specification in respect of above inputs in the Authorisation.

7.10 Further, provisions of Para 4.12 are also applicable to DFIA license. Para 4.12 (i) and Para 4.12 (ii) states as under:

4.12 Accounting of Input

(i) Wherever SION permits use of either (a) a generic input or (b) alternative input, unless the name of the specific input together with quantity [which has been used in manufacturing the export product] gets indicated / endorsed in the relevant shipping bill and these inputs, so endorsed, within quantity specified and match the description in the relevant bill of entry, the concerned Authorisation will not be redeemed. In other words, the name/description of the input used (or to be used) in the Authorisation must match exactly with the name/description endorsed in the shipping bill.

(ii) In addition, if in any SION, a single quantity has been indicated against a number of inputs (more than one input), then quantities of such inputs to be permitted for import shall be in proportion to the quantity of these inputs actually used/consumed in production, within overall quantity against such group of inputs. Proportion of these inputs actually used/consumed in production of export product shall be clearly indicated in shipping bills.

7.11 Further, since the applicant intends to import subject goods on strength of transferable DFIA's, I find it prudent to examine the Para 4.28 of the FTP, 2023 as well and the same is reproduced as under:

4.28 Validity & Transferability of DFIA

(i) Applicant shall file online application to Regional Authority concerned before starting export under DFIA.

(ii) Export shall be completed within 12 months from the date of online filing of application and generation of file number.



(iii) While doing export/supply, applicant shall indicate file number on the export /supply documents viz. Shipping Bill / Bill of Export / Tax invoice for supply prescribed under GST rules.

(iv) In terms of Para 4.12 of FTP, Wherever SION permits use of either (a) a generic input or (b) 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/ Bill of Export / Tax invoice for supply prescribed under GST rules. Only such inputs may be permitted for import in the authorisation in proportion to the quantity of these inputs actually used/consumed in production, within overall quantity against such generic input/alternative input.

(v) In addition, if in any SION, a single quantity has been indicated against a number of inputs (more than one input), then quantities of such inputs to be permitted for import shall be in proportion to the quantity of these inputs actually used/consumed in production and declared in Shipping Bill / Bill of Export / Tax invoice for supply prescribed under GST rules within overall quantity against such group of inputs. Proportion of these inputs actually used/consumed in production of export product shall be clearly indicated in Shipping Bill / Bill of Export / Tax invoice for supply prescribed under GST rules.

(vi) Separate DFIA shall be issued for each SION.

(vii) Exports under DFIA shall be made from any port listed in Para 4.35 of Handbook of Procedures. However, separate application shall be made for EDI and non-EDI ports. In case export is made from a non-EDI port, separate application shall be made for each non-EDI port.

(viii) Regional Authority shall issue transferable DFIA with a validity of 12 months from the date of issue. No further revalidation shall be granted by Regional Authority.

7.12 From the above, I observe that the exemption under Notification No. 25/2023-Cus is conditional upon strict compliance with the DFIA scheme framework, wherein a valid DFIA licence must be produced, duly endorsed with SION details, and imports must conform to the description, quantity and value specified therein, subject to the proviso that no actual user condition is prescribed in SION; further, DFIA licences are issued post-export under the Foreign Trade Policy only where SION norms exist and do not prescribe pre-import or actual user conditions, while sensitive inputs under Para 4.29 require additional declaration of technical specifications.

7.13 Further, this position is also affirmed by the CBIC vide Circular NO. 20/2025-CUS. [F. NO. 140605/10/2025-DBK], dated 24.07.2025, wherein it has been clarified 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. The relevant excerpts of the Circular No. 20/2025-CUS dated 24.07.2025 are as under:

"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.”

7.14 Further, I have gone through the application and I find that the question raised by the applicant is general in nature, concerning the permissibility of availing exemption for import of non-sensitive goods under transferable DFIA without adherence to certain conditions. In this context, I do not consider it necessary to undertake a detailed examination of the SION norms applicable to each of the export products covered under the subject DFIA or the DFIA themselves at this point, as the issue for determination does not turn on product-specific norms but on the interpretation of the overarching legal provisions and the binding nature of conditions attached to the authorisation.

7.15 Accordingly, after having examined the statutory framework governing the DFIA scheme, including the provisions of the Foreign Trade Policy, relevant SION norms, and the conditions stipulated under Notification No. 25/2023-Cus dated 01.04.2023, it becomes necessary to now consider the specific contentions advanced by the applicant in light of the above legal position. The issue for determination is not merely the eligibility of the goods under the scheme, but whether the applicant is entitled to claim exemption without adhering to certain conditions endorsed in the DFIA licences, particularly with regard to value restrictions and the “actual user” condition. Accordingly, I proceed to examine the submissions of the applicant and the reliance placed on judicial precedents, to determine whether such conditions can be disregarded or whether they continue to remain binding within the framework discussed above.

7.16 I find that one of the principal contentions raised by the applicant is that the “actual user” condition and value cap restrictions endorsed in the DFIA licences are not legally sustainable, being based on Public Notice No. 41/2015-2020 dated 02.11.2016. The applicant relied on the Order dated 23.10.2024 of the Hon’ble Rajasthan High Court in the case of Nrapen Shanker Acharya v. Union of India and have contended that such conditions can only be imposed through a Notification and not by way of Public Notice.

7.17 I have gone through the referred order of the Hon’ble Rajasthan High Court. On a careful reading of the said judgment, I find that the Hon’ble Court has primarily dealt with the scope of powers under Para 4.13 of the Foreign Trade Policy in the context of pre-import conditions and has observed that such conditions are in the nature of policy decisions. The Court has not struck down the SION amendments nor has it held that conditions incorporated in SION or DFIA licences are invalid. On the contrary, the judgment reinforces the principle that formulation and modification of policy conditions fall within the executive domain. Therefore, the reliance placed by the applicant to contend that conditions endorsed in the DFIA licence are unenforceable is misplaced and devoid of merit.

7.18 I further observe that Notification No. 25/2023-Cus dated 01.04.2023 (refer to Para 7.5 above) itself makes the exemption conditional upon the authorisation being valid and compliant with SION norms, and specifically provides that the benefit is available only where SION does not prescribe actual user condition. Thus, where SION itself prescribes such condition, the same becomes binding



and enforceable for the purposes of availing exemption. Further, in *Commissioner of Customs v. Dilip Kumar and Company*, the Hon'ble Supreme Court held that exemption notifications must be strictly construed and the burden of satisfying all conditions lies on the claimant. Thus, any condition forming part of the governing framework must be strictly complied with.

7.19 I further observe that the DFIA licences issued by the Regional Authority contain specific condition sheets prescribing value caps, exclusions, and actual user conditions in respect of certain inputs. These conditions are issued by the competent licensing authority under the Foreign Trade (Development & Regulation) Act, 1992 read with the Foreign Trade Policy and Handbook of Procedures. Further, a reading of Para 4.13 of the Foreign Trade Policy shows that pre-import conditions can be imposed through two distinct modes: first, by issuance of a Notification as referred to by the Hon'ble Rajasthan High Court; and second, by specifying such conditions in Appendix 4J or within the SION norms themselves. Thus, the policy framework is not limited to notifications alone and expressly permits incorporation of conditions through SION Norms. Accordingly, conditions embedded in SION norms constitute a valid and enforceable mode of prescription under the policy framework, even in the absence of a separate notification.

7.20 Further, the various courts in a catena of judgments have held that Customs authorities are bound by the terms and conditions of the licence/authorisation as issued by the competent authority and cannot go beyond or sit in judgment over the same. In *Titan Medical Systems Pvt. Ltd. v. Collector of Customs* on 12.11.2002 (2003 (9) SCC 133), the Hon'ble Supreme Court held that "*Once an advance licence was issued and not questioned by the licensing authority, the customs authorities cannot refuse exemption on an allegation that there was misrepresentation. If there was any misrepresentation, it was for the licensing authority to take steps in that behalf.*" Further, in *A.V. Industries vs Union of India (UoI)* on 4 May, 2005 (2005 (187) ELT9(BOM)), the Bombay High Court held that "*when the import is in accordance with the import licence issued to the petitioner, the respondents cannot take shelter under the import policy and purport to take action against the petitioner.*"

7.21 In view of the foregoing discussion, it is held that the condition sheet forming part of the DFIA licence is integral to the authorisation and derives its authority from the Foreign Trade Policy and SION norms framed under the Foreign Trade (Development & Regulation) Act, 1992. Such conditions, including value caps, exclusions and "actual user" requirements wherever specified, constitute binding stipulations governing the import. Further, the conditions in SION norms are itself validated by FTP vide its Para 4.13 which covers "Pre-Import conditions in certain cases". Accordingly, Customs authorities are duty-bound to assess imports strictly in accordance with the terms of the licence as issued and have no jurisdiction to add to, ignore, dilute or otherwise modify the conditions contained therein. The condition sheet, therefore, assumes primacy in determining eligibility to exemption, and any deviation from the same would render the benefit inadmissible.

7.22 As per the discussion above, I find that the exemption under Notification No. 25/2023-Cus dated 01.04.2023 can be availed for import of non-sensitive inputs not mentioned in Para 4.29 of FTP, 2023 as long as the goods fall within the specific description endorsed in the DFIA licence and SION norms and are not covered under Appendix 4J subject to the conditions mentioned in the DFIA Licence. I further find that the "actual user" condition, where incorporated in SION norms, is valid and enforceable; the conditions endorsed in the DFIA licence are binding on the importer as well as Customs authorities; Customs authorities cannot add to or subtract from the licence conditions.



7.23 Therefore, I conclude that the applicant is entitled to avail exemption under Notification No. 25/2023-Cus dated 01.04.2023 only to the extent that the imports are in strict conformity with the DFIA licence, SION norms, and the conditions attached thereto, and any deviation including violation of actual user condition, wherever applicable, would render the benefit inadmissible.

8. In light of the above facts, discussions and observations, my views on the questions raised by the applicant are as under:

Q.1 Whether the Applicant is entitled to claim Exemption from payment of Customs Duty against Custom Notification No.25/2023-Cus dated 01.04.2023 read with Board Circular No.20/2025-Cus dated 24.07.2025 under Transferable DFIA's issued against (i) Export of Assorted Confectionary products (SION E-1); (ii) Export of Biscuits (SION E-5) , (ii) Export of Vegetable Pickles (SION E-126) and (iii) Export of Namkeens/Mixtures/Savouries (SION E-132) without establishing correlation between the quality, technical characteristics, quality and specifications of imported goods and inputs used in export goods?

Ans. I answer in the affirmative that where the goods sought to be imported are non-sensitive inputs (not specified under Para 4.29 of the FTP, 2023); fall within the specific description of goods mentioned in the relevant SION norms and endorsed in the DFIA licence; are not covered under Appendix 4J of the Handbook of Procedures; and are within the value and quantity limits specified in the authorisation; the exemption benefit under Notification No. 25/2023-Cus dated 01.04.2023 is available to the applicant under transferable DFIA, subject to strict compliance with the conditions prescribed therein read with the Foreign Trade Policy, relevant SION norms and the DFIA licence; and any deviation from conditions including violation of actual user condition, wherever applicable, would render the benefit inadmissible

9. I rule accordingly.

Prabhat K. Rameshwaram
20/4/26

(Prabhat K. Rameshwaram)

Customs Authority for Advance Rulings, Mumbai.



F. No. CAAR/CUS/APPL/220/2025-O/o Commr-CAAR-Mumbai

Dated: 20.04.2026

This copy is certified to be a true copy of the ruling and is sent to:

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