



**OFFICE OF THE COMMISSIONER OF CUSTOMS**  
**New Custom House, Panambur, Mangalore – 575 010**

F.No.: S-26/28/2006 Tech.

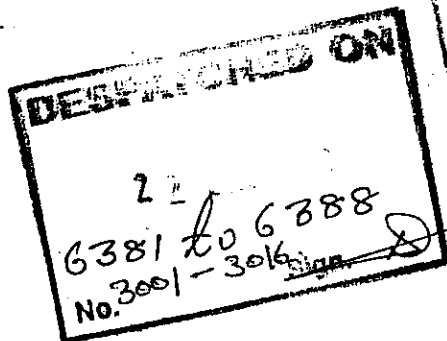
Dated: 18.12-2006

**Public Notice: NO. 21/2006**

Sub: procedure for debiting the original scrips issued under served from India Scheme(SFIS) for payment of Central Excise duty in the case of domestic procurement of goods - reg.

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A copy of the Board's Circular No. 837/14/2006-CX, dated 03.11-2006 (issued from file F.No. 605/168/2005-DBK) received from Government of India, Ministry of Finance, Department of Revenue, Central Board of Customs & Excise, New Delhi on procedure for debiting the original scrips issued underserved from India Scheme (SFIS) for payment of Central Excise duty in the case of domestic procurement of goods is enclosed herewith for information of the Trade, Public and others concerned.



(Dr. JOHN JOSEPH)  
COMMISSIONER

Encl: As above.

Copy to: As per mailing list.

The above Public Notice is available in Customs Commissionerate web-site [www.mangalorecustoms.org](http://www.mangalorecustoms.org).

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Circular No.837/14/2006-CX

F.NO.605/168/2005-DBK  
 Government of India  
 Ministry of Finance  
 Department of Revenue

3<sup>rd</sup> November, 2006

Sub: Procedure for debiting the original scrips issued under Served from India Scheme (SFIS) for payment of central excise duty in the case of domestic procurement of goods – reg.

Kind attention is invited to paragraph 3.6.4.5 of the Foreign Trade Policy, 2004-09 dealing with imports under Served from India Scheme (SFIS). In terms of this paragraph, duty credit scrip issued under SFIS can be used for import of any capital goods including spares, office equipment, professional equipment, office furniture and consumables that are otherwise freely importable under ITC(HS) Classification of Export and Import Items. The imports shall relate to any service sector business of the applicant. In the case of hotels, golf resorts having catering facility and stand alone restaurants, the duty credit entitlement may also be used for the import of consumables including food items and alcoholic beverages. Notification No.92/2004-Cus. dated 10.9.2004 governs imports under SFIS. Vide notification No.12(RE-2006)/2004-2009 dated 14.6.2006, the Foreign Trade Policy has been amended and a new para 3.6.4.10 has been inserted to provide that duty free credit scrips earned under the Scheme shall be permitted to be utilized for payment of excise duty in terms of the notification issued by Department of Revenue in this behalf for procurement from domestic sources of such inputs that are permitted for imports under Para 3.6.4.5. Accordingly, notification No.34/2006-CE dated 14.6.2006 has been issued to permit domestic procurement of goods against scrips issued under SFIS without payment of central excise duty.

2. References have been received from Trade and DGFT to prescribe a procedure for debiting the original scrip issued under SFIS for payment of central excise duty in the case of domestic procurement of goods. The matter has been examined by the Board and it has been decided that the following procedure shall be followed for debiting the original scrip by the Central Excise authorities in such cases.

- i) Whenever a holder of scrip issued under SFIS desires to procure goods from a domestic supplier/manufacturer, he shall, at the time of clearance of such goods, produce the original scrip before the jurisdictional Central Excise officer for debiting of the duties leviable on the goods but for the exemption contained in notification No.34/2006-CE dated 14.6.2006.
- ii) The jurisdictional Central Excise officer shall get the genuineness of the scrip verified from the Customs authorities at the Port of Registration along with the details of the last debit entry, if any when the scrip is received first time. The said officer shall, after verifying that the scrip is valid for import and sufficient balance is available in the scrip to debit the duties leviable on the goods, debit the original scrip and also endorse the name and address of the supplier/manufacturer on the back side of the scrip alongwith details of the excise duty debited. The Central Excise officer shall also keep a record of such clearances.
- iii) The holder of the SFIS scrip shall intimate in writing the details of debit by Excise to the Customs authorities at the Port of Registration for entering full details of such debit by Excise in the records of Customs at the Port of Registration. The scrip holder shall give this intimation to Customs before clearance of any further consignment either by way of import or domestic procurement. The jurisdictional Central Excise officer shall also intimate in writing the details of debit made to the Customs authorities at the Port of Registration.
- iv) It shall be the responsibility of the scrip holder to ensure that he gives proper intimation of debit by Excise to the Customs authorities at the Port of Registration before further clearances.
- v) The Customs authorities at the port of registration shall permit duty debit on imports after verifying the details of debit, if any done by Central Excise authorities.

3 The above procedure would obviate the need for issue of TRA by the Customs authorities at the