

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:3011

ANSWERED ON:13.12.2005

IMPORT OF CAPITAL GOODS

Manvendra Singh Shri ;Yadav Shri Anirudh Prasad (Sadhu)

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the details with regard to the stipulated provisions for the import of capital goods;
- (b) whether the import of second hand diesel generating sets have been restricted;
- (c) if so, the reasons therefor;
- (d) whether Duty Free Replenishment Certificate Scheme has been amended and
- (e) if so, the details thereof alongwith the benefits likely to be accrued from this step of the Government?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGO VAN)

(a) : Capital goods, including second hand capital goods are importable by any person. However, if such imports require a licence/certificate/permission under the Foreign Trade Policy / Handbook of Procedures, the actual user alone may import the same unless the actual user condition is specifically dispensed with by the licensing authority. The details about importability of various types of capital goods and machinery are given in the book titled `ITC (HS) Classifications of Export and Import Items`.

(b) & (c) : Second hand diesel generating sets are allowed to be imported only against a licence issued in this behalf. The restriction has been imposed because the Government does not intend to permit unrestricted imports of second hand goods like diesel generating sets having wide household use.

(d) & (e) : Duty Free Replenishment Certificate (DFRC) Scheme introduced in the year 2000, have been amended from time to time and such amendments notified by Government of India is available at the DGFT Web-site i.e. <http://www.nic.in/eximpol> . Under DFRC Scheme, duty free import of inputs used in the manufacture of export products are allowed as per Standard Input Output Norms(SION), notified by Government of India.