

CHAPTER-9

DEFINITIONS

- 9.1 For the purpose of this Policy, unless the context otherwise requires, the following words and expressions shall have the following meanings attached to them.
- 9.2 "Accessory" or "Attachment" means a part, sub-assembly or assembly that contributes to the efficiency or effectiveness of a piece of equipment without changing its basic functions.
- 9.3 "Act" means the Foreign Trade (Development and Regulation) Act, 1992 (No.22 of 1992).
- 9.4 "Actual User" means an actual user who may be either industrial or non-industrial.
- 9.5 "Actual User (Industrial)" means a person who utilises the imported goods for manufacturing in his own industrial unit or manufacturing for his own use in another unit including a jobbing unit.
- 9.6 "Actual User (Non-Industrial)" means a person who utilises the imported goods for his own use in
- (i) any commercial establishment carrying on any business, trade or profession; or
 - (ii) any laboratory, Scientific or Research and Development (R&D) institution, university or other educational institution or hospital; or
 - (iii) any service industry.
- 9.7 "AEZ" means Agricultural Export Zones notified by DGFT.
- 9.8 "ALC" means the Advance Licensing Committee in the Directorate General of Foreign Trade for recommending grant of licences under Duty Exemption Scheme and for recommending Input Output norms and value addition norms to be notified by Director General of Foreign Trade.
- 9.9 "Applicant" means the person on whose behalf the application is made and shall, wherever the context so requires, include the person signing the application.

- 9.10 "Capital Goods" means any plant, machinery, equipment or accessories required for manufacture or production, either directly or indirectly, of goods or for rendering services, including those required for replacement, modernisation, technological upgradation or expansion. Capital goods also include packaging machinery and equipment, refractories for initial lining, refrigeration equipment, power generating sets, machine tools, catalysts for initial charge, equipment and instruments for testing, research and development, quality and pollution control. Capital goods may be for use in manufacturing, mining, agriculture, aquaculture, animal husbandry, floriculture, horticulture, pisciculture, poultry, sericulture and viticulture as well as for use in the services sector.
- 9.11 "Competent Authority" means an authority competent to exercise any power or to discharge any duty or function under the Act or the Rules and Orders made thereunder or under this Policy.
- 9.12 "Component" means one of the parts of a sub-assembly or assembly of which a manufactured product is made up and into which it may be resolved. A component includes an accessory or attachment to the component.
- 9.13 "Consumables" means any item, which participates in or is required for a manufacturing process, but does not necessarily form part of the end-product. Items, which are substantially or totally consumed during a manufacturing process will be deemed to be consumables.
- 9.14 "Consumer Goods" means any consumption goods, which can directly satisfy human needs without further processing and includes consumer durables and accessories thereof.
- 9.15 "Counter Trade" means any arrangement under which exports/imports from/ to India are balanced either by direct imports/exports from the importing/ exporting country or through a third country under a Trade Agreement or otherwise. Exports/Imports under Counter Trade may be carried out through Escrow Account, Buy Back arrangements, Barter trade or any similar arrangement. The balancing of exports and imports could wholly or partly be in cash, goods and/ or services.
- 9.16 "DFRC" means Duty Free Replenishment Certificate issued under Duty Remission Scheme.
- 9.17 "Drawback, " in relation to any goods manufactured in India and exported, means the rebate of duty chargeable on any imported material or excisable material used in the manufacture of such goods in India. The goods include imported spares, if supplied with capital goods manufactured in India.
- 9.18 "EHTP " means Electronic Hardware Technology Park.
- 9.19 "EOU" means Export Oriented Unit.
- 9.20 "EPZ" means Export Processing Zone.
- 9.21 "Excisable goods" means any goods produced or manufactured in India and subject to a duty of excise under the Central Excise and Salt Act 1944 (1 of 1944).
- 9.22 "Exporter" means a person who exports or intends to export and holds an Importer-Exporter Code number unless otherwise specifically exempted.
- 9.23 "Export Obligation" means the obligation to export the product or products covered by the licence or permission in terms of quantity, value or both, as may be prescribed or specified by the licensing or competent authority.

- 9.24 "Handbook (Vol.1)" means the Handbook of Procedures (Vol.1) and "Handbook (Vol.2)" means Handbook of Procedures (Vol.2) published under the provisions of the paragraph 2.4 of the Policy.
- 9.25 "Importer" means a person who imports or intends to import and holds an Importer-Exporter Code number unless otherwise specifically exempted.
- 9.26 "ITC(HS)" means ITC(HS) Classifications of Export and Import Items Book.
- 9.27 "Jobbing" means processing or working upon of raw materials or semi-finished goods supplied to the job worker so as to complete a part or whole of the process resulting in the manufacture or finishing of an article or any operation which is essential for the aforesaid process.
- 9.28 "Licensing Authority" means the authority competent to grant a licence under the Act/Order.
- 9.29 "Licensing Year" means the period beginning on the 1st April of a year and ending on the 31st March of the following year.
- 9.30 "Manufacture" means to make, produce, fabricate, assemble, process or bring into existence, by hand or by machine, a new product having a distinctive name, character or use and shall include processes such as refrigeration, repacking, polishing and labeling. Manufacture, for the purpose of this Policy, shall also include agriculture, aquaculture, animal husbandry, floriculture, horticulture, pisciculture, poultry, sericulture, viticulture and mining.
- 9.31 "Manufacturer Exporter" means a person who export goods manufactured by him or intends to export such goods.
- 9.32 "MAI" means Market Access Initiative
- 9.33 "Merchant Exporter" means a person engaged in trading activity and exporting or intending to export goods.
- 9.34 "NFEP" means Net Foreign Exchange Earning as a percentage of exports.
- 9.35 "Notification" means a notification published in the Official Gazette.
- 9.36 "Order" means an Order made by the Central Government under the Act.
- 9.37 "Part" means an element of a sub-assembly or assembly not normally useful by itself and not amenable to further disassembly for maintenance purposes. A part may be a component or an accessory.
- 9.38 "Person" includes an individual, firm, society, company, corporation or any other legal person.
- 9.39 "Policy" means the Export and Import Policy, 2002-07 as amended from time to time.
- 9.40 "Prescribed" means prescribed under the Foreign Trade (Development and Regulation) Act, 1992 (No. 22 of 1992) or the Rules or Orders made thereunder or under this Policy.
- 9.41 "Public Notice" means a notice published under the provisions of paragraph 2.4 of the Policy.
- 9.42 "Raw material" means:

- (i) basic materials which are needed for the manufacture of goods, but which are still in a raw, natural, unrefined or unmanufactured state; and
- (ii) for a manufacturer, any materials or goods which are required for his manufacturing process, whether they have actually been previously manufactured or are processed or are still in a raw or natural state.

- 9.44 "Registration-Cum-Membership Certificate" (RCMC) means the certificate of registration and membership granted by an Export Promotion Council or other competent authority as prescribed in the Policy or Handbook (Vol.1).
- 9.45 "Rules" means Rules made by the Central Government under Section 19 of the Act.
- 9.46 "Services" include all the tradable services covered under General Agreement on Trade in Services and earning free foreign exchange.
- 9.47 "Service Provider" means a person providing
- (i) Supply of a "service" from India to any other country;
 - (ii) Supply of a "service" from India to the service consumer of any other country in India; and
 - (iii) Supply of a "service" from India through commercial or physical presence in the territory of any other country.
 - (iv) Supply of a "service" in India relating to exports paid in free foreign exchange or for such services paid in Indian rupees, which are otherwise considered as free foreign exchange by RBI.
- 9.48 "SEZ" means Special Economic Zone notified by the Ministry of Commerce & Industry, Department of Commerce.
- 9.49 "Ships" mean all types of vessels used for sea borne trade or coastal trade and shall include second hand vessels.
- 9.50 "SION" means Standard Input Output Norms notified by DGFT in the Handbook (Vol.2), 2002-07.
- 9.51 "Spares" means a part or a sub-assembly or assembly for substitution, that is ready to replace an identical or similar part or sub-assembly or assembly. Spares include a component or an accessory.

- 9 . 52 "Specified" means specified by or under the provisions of this Policy.
- 9 . 53 "Status holder" means an exporter recognised as "Export House/Trading House/Star trading House/ Super Star Trading House" or service provider recognised as "Service Export House, International Service Export House, International Star Service Export House International Super Star Service Export House" by the Director General of Foreign Trade.
- 9 . 54 "STP" means Software Technology Park
- 9 . 55 "Third-party exports" means exports made by an exporter or manufacturer on behalf of another exporter(s). In such cases, shipping bills shall indicate the name of both the exporter/ manufacturer and exporter(s).
- 9 . 56 "Wild Animal" means any wild animal as defined in Section 2(36) of the Wildlife (Protection) Act, 1972.