[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II, SECTION 3, SUB- SECTION(ii)]

MINISTRY OF FINANCE

(DEPARTMENT OF REVENUE)

(CENTRAL BOARD OF INDIRECT TAXES AND CUSTOMS)

NOTIFICATION

[No. 37/2026 – Customs]

New Delhi, the 20th of November, 2026

S.O. ….(E).- In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby, exempts the natural cut and polished diamonds falling under Chapter 71 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), (hereinafter referred to as the Act), when imported into India, from-

i. the whole of the duty of customs leviable thereon under the First Schedule to the Act;

ii. the whole of the additional customs duty leviable thereon under sub-sections (1), (3) and (5) of section 3 of the Act, when specifically claimed by the importer;

iii. anti-dumping duty leviable thereon under section 9A, countervailing duty leviable thereon under section 9, safeguard duty leviable thereon under section 8B, if leviable;

iv. transition product specific safeguard duty, education cess, if leviable;

v. the whole of integrated tax leviable under sub-section (7) of section 3 of the Act.

2. The exemption granted under this notification shall be subject to the following conditions, namely:-

a. that the goods imported are covered by the valid authorisation under the Diamond Imprest Authorisation (DIA) Scheme in terms of Chapter 4 of the Foreign Trade Policy permitting import of such goods at zero customs duty;

b. that the authorisation is issued under, sub-paragraph (v) of paragraph 4.32 read with paragraphs 4.60 and 4.61 of the Foreign Trade Policy for the value up to five percent of the average annual export performance value of the cut and polished diamonds over the preceding three financial years, subject to a maximum value of US$ 15 million;

c. that the registration of the authorisation and all custom clearance related procedures be undertaken, as applicable, at the Precious Cargo Customs Clearance Centre situated at Bharat Diamond Bourse, Bandra Kurla Complex, Mumbai and all imports and exports under the Scheme is done only through Mumbai Airport;

d. that the maximum weight of any individual piece, in a consignment, of the natural cut and polished diamond so imported, shall not be more than 25 Cents or 1/4th of a Carat;

e. that the importer has the status of a two star export house or above, as per the Foreign Trade Policy, and,-

   i. having achieved a minimum export performance of US$ 15 million for the cut and polished diamonds in each of the preceding three financial years;

   ii. having filed all goods and services tax returns and income tax returns for the said three years and in case income tax returns of the preceding year is not finalised, a certificate issued by the chartered accountant may be submitted, stating that the proof of submission of said income tax returns shall be produced by 31st December of the application year;

f. that the importer maintains relevant or appropriate records in terms of the description of goods including carat, colour, clarity and cut (i.e., size of the diamonds in carat, colour, clarity and cut) and the value of each lot of imports and exports, bills of entry wise and shipping bill wise respectively, for subsequent inspection, if any, conducted by the customs officers;

g. that the DIA and the goods imported under DIA shall be subject to "actual user" condition and the same shall not be transferrable even after completion of the export obligation;

h. that the imported goods may be used by the DIA holder in any of its units, subject to the condition of paragraph 4.10 of the Handbook of Procedures or by the jobber or supporting manufacturer, provided the same is endorsed on the authorisation by the Regional Authority and the facility of co-licencee is not available for the DIA;

i. that the importer abides by all the provisions and the conditions of the Scheme of the Diamond Imprest Authorisation, as stipulated in Chapter 4 of the Foreign Trade Policy and the Handbook of Procedures;

j. that the importer shall execute a Bond, in such form and with such surety as may be specified by the Deputy Commissioner of Customs or the Assistant Commissioner of Customs, binding themselves to comply with all the conditions of this notification and to fulfil the export obligation, on free on-board basis, for an amount equal to the export obligation under the DIA; and shall furnish security, in such form as may be specified by the said officer, for an amount equivalent to the duty foregone on the goods allowed to be imported under the DIA; and therein undertaking to pay on demand, without demur, to the Government an amount equal to the customs duty leviable on the value of the unutilised natural cut and polished diamonds imported under the Scheme, along with interest at the applicable rates notified under section 28AA, and penalty or fine, if any.

k. that the natural cut and polished diamonds exported under DIA may be re-imported subject to compliances with the conditions of relevant notifications, issued in this regard.

3. This notification shall come into force with effect from the date of its publication in the Official Gazette.

Explanation- For the purpose of this notification: -

a. "DIA" means the Diamond Imprest Authorisation;

b. "Foreign Trade Policy" means the Foreign Trade Policy, 2023, notified by the Government of India, Ministry of Commerce and Industry, published in the Gazette of India, Extraordinary, Part-II, Section 3, Sub- section (ii), *vide* notification No. 01/2023, dated the 31st March, 2023.

c. "Handbook of Procedures" means the Handbook of Procedures, 2023, notified by the Government of India, Ministry of Commerce and Industry, published in the Gazette of India, Extraordinary, Part-I, Section-I, *vide* Public Notice No. 1/2023, dated the 1st April, 2023.

d. Natural cut and polished diamonds shall include semi-processed diamonds, half-cut diamonds and broken diamonds.

e. Synthetic or reconstructed diamonds, commonly referred to as "Laboratory Grown Diamonds" are not eligible to avail the exemption granted under this notification.

f. "export obligation" means obligation on the importer to export to a place outside India, with value-addition of goods imported in terms of this notification with the condition that-

i. a minimum value addition of ten percent is made by realising in freely convertible foreign currency; the provision of sub-paragraph (d) of paragraph 2.52 of the Foreign Trade Policy shall not be applicable to this Scheme;

ii. the obligation is fulfilled exclusively through physical export of natural cut and polished diamonds, with each diamond weighing not more than 25 cents or 1/4th of a Carat, within a period of six months from the date of clearance of the import consignment through customs;

iii. is subject to pre-import condition and only those exports, which are made after the date of import shall be accepted towards discharge of the export obligation under the Scheme;

iv. the deemed exports are not permitted under this Scheme;

v. obligation is discharged in such a manner, that the quantity of diamonds imported (in Carats) shall not exceed the quantity of diamonds exported (in Carats), against any such DIA;

vi. the shipping bills of exports made under this Scheme with the relevant scheme code shall be endorsed with the Diamond Imprest Authorisation Number to establish correlation of exports within the specified time limit.

[No. 450/73/2024-Cus IV]

20/11/2026

(Indrajit Panda)

Under Secretary (Cus IV)