



सीमा शुल्क आयुक्त के कार्यालय **OFFICE OF THE COMMISSIONER OF CUSTOMS**
नं.1, विलियम्स रोड/ **NO.1, WILLIAMS ROAD,**
तिरुच्चिरापल्ली – 620001/ **TIRUCHIRAPPALLI - 620001,**
दूरभाष सं **TEL : (0431) 2418819, फेक्स / Fax: (0431) 2418819.**

TRADE NOTICE NO. 01/2014

Sub: Customs – Availment of duty Drawback resorting to mis-declaration by the EOUs – Reg.

Attention of the Trade, Industry, Stake holders and Staff is invited to Directorate General of Export Promotion (DGEP), New Delhi letter issued in F.No.DGEP/EOU/01/2014/874 to 907 dated 01.05.2014 (copy enclosed) regarding 'Availment of duty Drawback resorting to mis-declaration by the EOUs'.

Encl: As above.

hsg
21/5/14
(ए.आर.एस. कुमार A.R.S. KUMAR)
आयुक्त COMMISSIONER

C. No. VIII/9/5/2013-Cus.Pol.
Customs Policy, Hqrs., Trichy.
Date: .05.2014

Copy submitted to:

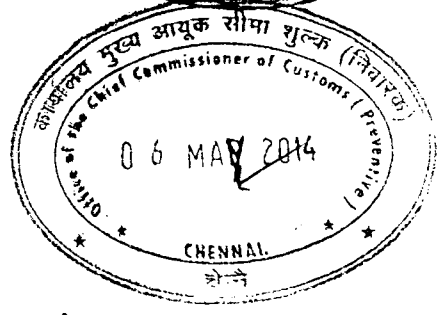
The Chief Commissioner of Customs (P), Trichy.

To:

1. As per mailing list;
2. Commissionerate website;
3. Notice Board, Trichy.

LC-632/14

DIRECTORATE GENERAL OF EXPORT PROMOTION
Deptt. of Revenue, Ministry of Finance, Govt. of India
1st Floor, Hotel Janpath, New Delhi- 110 001



F.No. DGEP/EOU/01/2014/874 to 907.

To

All Chief Commissioners of Customs & Central Excise.

Madam/Sir,

Sub: Availment of duty Drawback resorting to mis-declaration by the EOUs - reg.

It has been brought to the notice of the Board that certain EOUs have resorted to mis-use of the facility of duty drawback. These EOUs have got LOP issued from Jurisdictional Development Commissioner and declared themselves as functional and operational EOU before Income Tax Authorities and availed Income Tax exemption under section 10B of the Income Tax Act 1961 as applicable during the relevant period. However, these Units suppressed their identity to Customs & Central Excise authorities and did not obtain bonding licenses under Section 58 and 65 of Customs Act, 1962. In the guise of a normal exporter, these units, however, claimed duty drawback.

2. The matter has been examined by the Board. As per para 9.24 of FTP, "EOU" means 'Export Oriented Unit for which an LOP has been issued by Development Commissioner'. As per Explanation 2 (ii) of Section 3(1) of Central Excise Act, 1944, "hundred per cent export-oriented undertaking" means 'an undertaking which has been approved as a hundred per cent export-oriented undertaking by the Board appointed in this behalf by the Central Government in exercise of the powers conferred by section 14 of the Industries (Development and Regulation) Act, 1951 (65 of 1951), and the rules made under that Act'. In terms of notifications for All Industry rate of duty draw back issued from time to time (e.g notification No. 68/2007-Cus (NT) dated 16.07.2007 as superseded vide Notification No.103/2008-Cus dated 29.08.2008.....), the rate of DBK specified in the schedule annexed thereto are not applicable to export of a commodity or product if such commodity or product is manufactured or exported by a unit licensed as hundred per cent Export Oriented Unit in terms of the provisions of the relevant Export and Import Policy and the Foreign Trade Policy.

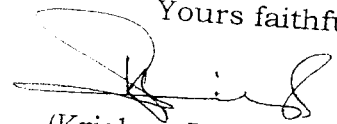
3. In view of the above, it is clarified that an EOU having been issued an LOP, is not entitled to duty drawback, whether or not such units have obtained bonding license under Section 58 and 65 of the Customs Act, 1962, during the relevant period.

Handwritten notes: 'Sis. 65', '15/5', and a signature.

Handwritten notes: 'Suppl DPA M'.

4. Cases of Units proposing to exit out of EOU scheme shall, however, be eligible to claim duty drawback in accordance with the relevant regulations, especially para 6.18(e) of Foreign Trade Policy (2009-2014).
5. The above clarification may please be brought to the notice of all the field formations and Trade for necessary compliance.
6. Difficulties faced, if any, in implementation of these instructions may be brought to the notice of the Board immediately.

Yours faithfully,



(Krishna Pratap Singh)
Addl. Director General