

GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
DEPARTMENT OF COMMERCE  
DIRECTORATE GENERAL OF FOREIGN TRADE

Policy Circular No. 5 (RE-2005)/2004-2009      Date: 13<sup>th</sup> May'2005

To

1. All Licensing Authorities
2. Development Commissioners of SEZs
3. EOU Division of Deptt. of Commerce

Subject: Supplies made from 100% EOU to EPCG licence holder in DTA - clarification thereon.

Attention is invited to para 6.9(a) of Foreign Trade Policy, 2004-09, in terms of which supplies by EOU/EHTP/STP/BTP Units in the DTA under EPCG Scheme are counted for the purpose of fulfillment of positive NFE. Representations have been received drawing attention to the fact that in the absence of any specific Customs/Central Excise notification for exempting payment of Central Excise on such supplies, the units are facing difficulties in removal of goods from the EOUs.

2. The matter has been considered in consultation with Central Board of Excise & Customs. It is, accordingly, clarified that since EPCG Scheme is implemented through end use based notifications, the goods being cleared from an EOU under EPCG Scheme would attract a Central Excise Duty equal to aggregate of effective customs duty leviable on like goods imported i.e. Duty calculated after applying end use based notification as per circular dated 15.9.1994 issued from CBEC F.No.305/83/94-FTT. Therefore, EOUs can clear goods under EPCG licence at concessional rate of duty and there is no requirement for any other separate exemption notification in this regard.

3. This issues with the approval of DGFT.

Sd/-

(P.K.Santra)

Dy. Director General of Foreign Trade  
For Director General of Foreign Trade