

**GOVERNMENT OF INDIA**  
**MINISTRY OF FINANCE**  
**(DEPARTMENT OF REVENUE)**

New Delhi, the 24<sup>th</sup> September, 2015

**NOTIFICATION No. 20/2015 -CENTRAL EXCISE (N.T.)**

G.S.R...(E).- In exercise of the powers conferred by sub-rule (3) read with sub-rule (2) of rule 19 of the Central Excise Rules, 2002, the Central Board of Excise and Customs hereby notifies the conditions, safeguards and procedures for supply of items like tags, labels, printed bags, stickers, belts, buttons and hangers (hereinafter referred as specified goods) produced or manufactured in an Export Oriented Undertaking ( hereinafter referred to as EOU) and cleared without payment of duty to a Domestic Tariff Area (hereinafter referred to as DTA) unit in terms of Para 6.09 (g) of Foreign Trade Policy, 2015-20, for the purpose of their exportation out of India (hereinafter referred as specified purpose) , namely:-

**1. Conditions:-**

- (i) the EOU shall furnish a general bond in the Form specified in Annexure-I to the Ministry of Finance (Department of Revenue) notification No. [42/2001](#) -Central Excise (N.T.), dated the 26th June, 2001, as amended from time to time, to the jurisdictional Deputy or Assistant Commissioner of Central Excise in a sum equal to the duty chargeable on the specified goods, with 5% Bank Guarantee or as cash security;
- (ii) the specified goods after being used for the specified purpose shall be exported within six months from the date on which such goods cleared from EOU or within such extended period as the Deputy or Assistant Commissioner of Central Excise may in any particular case allow;
- (iii) the shipping bill filed by the DTA exporter shall contain the name and I.E. Code of the DTA exporter along with the name and I.E. Code of the EOU as supporting manufacturer;
- (iv) the DTA exporter shall apply for export incentives based on the Freight [On Board](#) (FOB) value of the consignment exported minus the value of specified goods.

**2. Procedure to be followed by EOU manufacturing the specified goods:-**

- (i) after furnishing a bond alongwith Bank Guarantee or cash security, as the case may be, EOU is permitted to clear goods without payment of duty to DTA manufacturer or as the case may be, processer;
- (ii) the EOU shall ensure that the debit in bond account does not exceed the credit available therein at any point of time;

**3. Export of goods:-**

- (i) the DTA exporter shall export specified goods as part of export goods. The shipping bill filed by DTA exporter for export shall also contain name and address of the EOU as supporting manufacturer, details of the specified goods, like their description, quantity, value, etc., and reference of invoice number under which the said specified goods were received from the EOU. The value of the specified goods should not be less than the value of these goods removed by EOU :

**Provided that** in case of shipping bill filed claiming the benefits under any export promotion scheme, the FOB value of consignment exported shall exclude the value of specified goods procured from EOU for the purpose of claiming such benefits;

- (ii) the EOU will submit attested photocopy of the shipping bill (EP copy), Customs attested copy of invoice and self-attested photocopy of bill of lading or air way bill to the jurisdictional Central Excise and Customs Superintendent for verification of export of the specified goods. The said Superintendent of Central Excise having jurisdiction over EOU shall verify the details of export of the specified goods with reference to the document submitted by exporter;
- (iii) the proof of export should be submitted by the EOU to the jurisdictional Central Excise Office within a period of six months from the date of clearance of goods from the EOU;
- (iv) on submitting certification of export of specified goods and proof of payment received for the exported goods in which the said specified goods were contained such supplies of specified goods shall be taken into account for counting towards discharge of export obligation of the EOU by the Development Commissioner.

**4. Recovery of duty in certain cases:-**

Where the specified goods are not received by the DTA Unit or are not exported by the DTA exporter within the specified period or the extended period as permitted by the Assistant or Deputy Commissioner in charge of EOU, the EOU shall be

liable to pay the duty leviable on such specified goods alongwith interest and penalty, if any, in accordance with the provisions of the Central Excise Act, 1944 (1 of 1944).

**Explanation 1.-** For the removal of doubts, it is hereby clarified that the specified goods shall be deemed not to have been used for the specified purpose even if any of the quantity of the subject goods is lost or destroyed by natural causes or by unavoidable accidents or for any other reasons during transport from the place of procurement to the DTA exporter and no wastage of the specified goods shall be allowed and duty on such goods lost or destroyed shall be payable by the EOU, alongwith interest and penalty, if any, in accordance with provisions of Central Excise Act, 1944 (1 of 1944).

**Explanation 2.-** For the purpose of this notification,-

**(i) "Export Oriented Undertaking" has the same meaning as assigned to "hundred per cent. export oriented undertaking" in clause (ii) to the Explanation of sub-section (1) of section 3 of the Central Excise Act, 1944 (1 of 1944);**

(ii) "Domestic Tariff Area" means India except Special Economic Zone and hundred per cent. export oriented undertakings;

(iii) Foreign Trade Policy, 2015-20 means Foreign Trade Policy, 2015-20 notified by the Central Government in the Ministry of Commerce and Industry vide Notification No. 1/2015-2020, dated the 1<sup>st</sup> April, 2015 and as amended from time to time;

(iv) Development Commissioner means Development Commissioner of Special Economic Zone.

( F.No.DGEP/EOU/04/2015)

(Theodore Tigga)

Under Secretary to Govt. of India