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सीमा शुल्क आयुक्त का कार्यालय
नव सीमा शुल्क गृह : पणंबूर : मंगलूर - १०
OFFICE OF THE COMMISSIONER OF CUSTOMS
NEW CUSTOM HOUSE: PANAMBUR: MANGALORE-10

मि. सं. S-15/ 02/2009 EOU

दिनांक: 15.09.2009.

PUBLIC NOTICE NO. 24/2009.

विषय/Sub: -Use of duty free material for capital goods manufactured within EOU for captive use - Reg.

Attention of the Trade and all concerned are invited to Notification No.52/2003 Cus dated 31.03.2003, wherein usage of inputs, imported or procured domestically, for manufacture of finished goods is allowed as per standard input output norms (SION).

2. An export oriented unit has represented regarding difficulties faced in grant of exemption from Customs & Central Excise duty on raw materials common for manufacture of both finished goods and capital goods (e.g. Jigs, moulds, dies etc) within EOU for captive use.
3. The issue has been examined. It is viewed that there may not be any difficulty in allowing duty free import/domestic procurement of raw materials common for the manufacture/production of finished goods as well as for the manufacture of capital goods for use within the unit. The usage of inputs, imported or procured domestically, for manufacture of finished goods is allowed as per standard Input Output norms (SION) [condition (d)(I) (ii) of opening paragraph of notification No. 52/2003- Cus dated 31.03.2003].
4. Raw materials for making capital goods for use within the unit is allowed vide Sl.No. 16 of Annexure -1 of notification No. 52/2003 -Cus dated 31.03.2003. Capital goods manufactured out of duty free inputs for use within the EOU are required to be accounted for and bonded as per the usual bonding procedure. While following the into-bond procedure, the value of such capital bonding would be assessed by following the computed value method in terms of the Customs valuation Rules, which would inter alia account for the raw material captively consumed in manufacture of capital

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goods. Such goods would be liable to duty as applicable in case of clearance outside the unit or debonding or exit from EOU scheme. Exemption from payment of duty of excise leviable under section 3 of the Central Excise Act, 1944 vide notification No. 24/2003-CE dated 31.03.2003 shall not be applicable in such cases.

5. Hence, it is clarified that capital goods manufactured for captive use should be accounted & bonded by following the usual procedure and shall be liable for payment of duty while making clearances outside the unit or debonding or exit from the EOU scheme.

6. Difficulties, if any, may be brought to the notice of the undersigned.

7. Hindi version follows.



(R.S.SIDHU)
COMMISSIONER

Copy to:

All EOUs/STPs under the jurisdiction of Mangalore Customs, Commissionerate.

As per mailing list.

Sent from EOU Section file no 5/15/02/2004.EOU.