

**Circular No. 15/95-Cus.  
dated 23/2/95**

**F.No. 305/11/94-FTT**

Government of India  
Ministry of Finance  
Department of Revenue, New Delhi

**Subject :** Exemption from supervision by "cost recovery" officers to 100% EOUs in the area of horticulture, floriculture, aquaculture, etc.

A reference is invited to the provisions of the Scheme of exemption for 100% EOUs in terms of Notification No. 13/81-Customs dated 9.2.1981 which provides for grant of exemption to the 100% EOUs, *inter alia*, subject to the condition that the manufacturing operations are carried out under customs bond. Subsequently the Ministry has notified separate Schemes of exemption for 100% EOUs in the aquaculture, horticulture, viticulture and other such sectors where due to the large areas of operations the units are not amenable to customs bonding. (Notifications No. 126/94 dated 3.6.1994 and 196/ 94 dated 8.12.1994 refer). The units availing of the benefits of exemption under the new scheme (vide the above referred two notifications) are not required to be subjected to the Customs bonding procedure and here supervision by customs officers on cost recovery basis is also not required for these units.

2. The question of exempting the 100% EOUs in the aquaculture, horticulture, viticulture and other such sectors where the operations are not amenable to effective customs bonding and where the units had initially imported the goods in terms of Notification No. 13/81-Customs has also been examined by the Board. I am directed to say that it has been decided by the Board to do away with the requirement of supervision of the operations of the 100% EOUs in aquaculture, horticulture, floriculture and other like sectors covered by Notifications Nos. 126/ 94 and 196/94 on cost recovery even when such 100% EOUs may have imported some of their goods in terms of Notification No. 13/ 81-Customs. Necessary action may be taken to ensure that the nature of control exercised between units which earlier functioned under Notification 13/81 and new units functioning under the 126/94 and 196/94 Notifications are made uniform with immediate effect.

Sd/-  
(S.M. Bhatnagar)  
Under Secretary of the Govt. of India

