

F.No. 305/ 3/ 97-FTT

Government of India
Ministry of Finance
Department of Revenue
(Central Board of Excise & Customs)

Subject : Supply of furnace oil to 100% EOUs. Requirement of separate license - regarding

It has been brought to the notice of the Board by Ministry of Commerce and Petroleum and Natural Gas that the 100% EOUs are facing problems because of differing interpretations of the provisions of the Notification No. 13/ 81-Cus. It provides for duty free import of specified goods for the purpose of manufacture of articles for export out of India or for being used in connection with the production or packaging of goods for export out of India by 100% EOUs approved by the Board of Approvals, subject to the condition that the importer has been granted necessary licence for the import of the goods for the said purpose. The Commissioner are asking for a separate Licence for release of the furnace oil.

2. In this connection, Ministry of Petroleum & Natural Gas and Oil Companies have stated that only EOUs holding the import licence in their name are entitled to get exemption from payment of the Customs duty. Further the Petroleum products being canalised items would be procured by authorised Oil Companies only.

3. Ministry of Commerce have clarified that the Letter of Approval issued to the units is itself a licence.

4. I am directed to clarify, that letter of approval issued for procurement of duty free furnace oil by the Board of Approval or Development Commissioner may be treated as licence and the specified quantity of Furnace Oil and P.O.L. product be released to the EOUs.

5. The above provisions will also apply for procurement of petroleum products by EOUs from indigenous sources.

6. It may be stated that Notification No. 13/ 18-Cus. has since been rescinded by Notification No. 53/ 97-Cus. dated 3rd June, 1997. The new notification similarly provides that Fuel lubricants and other consumable required for the Captive Power Plants including captive generating sets can be imported duty free on the approval of Commissioner of Customs on the recommendation of the Development Commissioner.

7. All pending cases of clearance may also be decided in light of above clarification.

Sd /-
(O.P. Khanduja)
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