

**Circular No. 42.98- Customs
dated 19/6/1998**

F. No. 305/86/98- FTT

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

Subject : Customs and 100% EOUs and Units EPZs execution of a single B- 17 bond in lieu of the different bonds being executed at present - regarding

I am directed to refer to Board's Circular No. 14/98-Cus dated 10.3.98 issued from F.No. 305/107/97 - FTT regarding execution of the single bond in lieu of different bonds being executed at present by 100% EOUs / EPZs units which has been notified vide Notification No. 6/98-CE (NT) dt. 2.3.98 called B-17 bond. It was provided in the above said circular that only surety bond has to be executed by such units.

2. It is seen that some units specially the capital oriented units being set up by equity participation of their foreign collaborators, are not able to organise prescribed individual/ corporate surety equivalent to the bond amount. They have requested that they may be allowed to furnish security for the Bond and a lower rate for giving bank guarantee or other security be fixed.
3. The matter has been considered by the Board and it has been decided that where the units are unable to give a surety for the B-17 bonds as prescribed in the above said Circular, they may be allowed to execute the bond coupled with security for 5% (five per cent) of the value of the bond in the bond in the form of bank guarantee of cash deposit or any other mode of securities recognized by the Government.
4. The circular and reference stand modified to the above extent and it may be given wide publicity by way of issue of a Trade Notice/ Public Notice.

Sd/-
(O.P. Khanduja)
Sr. Technical Officer (FTT)