

**Circular No. 11/96
dated 16/2/96**

F.No. 305/ 113/ 93- FTT

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

Subject : Status of EOU / EPZ units after the expiring of bonded period - Ambiguity pointed out by Confederation of Export Units - regarding

I am directed to draw attention to the letter of the Confederation of Export Units, pointing out some ambiguity about the status of EOU / EPZ units in the interim period between the completion of the initial period of approval and actual approval to continue as an EOU. In this regard it is clarified that Section 65 of Customs Act 1962 would adequately cover their case if they wished to continue the manufacturing operations in bond after the expiring of the initial bonding period and they can continue to function under the said Section. This is brought to the notice of field formations for their information and necessary action. Any EOU / EPZ Unit desiring to so function under bond in terms of Section 65 may be suitably advised.

Sd/-
(Ranjana Jha)
Under Secretary to the Govt. of India.