

**F.No. 305/ 60/ 98-FTT**

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

**Subject:-** Clearance of Samples from EOU/ EPZ/ EHTP/ STP units - for sending to D.T.A. and for Export.

It has been brought to the notice of the Board by the trade associations and Ministry of Commerce that the units in EPZ/ EHIP are unable to take out samples to show it to their prospective buyers because of the lengthy procedure to be followed.

2. The issue has been examined and it is noticed that para 9.12 of EXIM Policy 1997-2002 allows these units to supply or sell in DTA, samples of goods produced by EOU / EPZ/ EHTP/ STP units for display/ market promotion upto 1% of the value of previous year's export or maximum of Rs. 1 lakh in case of new units going into production, on payment of applicable duties. Such samples may also be allowed to be removed from the unit on furnishing a suitable undertaking to the customs authority for return of such goods. The clearances under para 9.12 do not affect clearances under para 9.9 of the Policy. The notifications governing all these units also provide that goods manufactured may be cleared into D.T.A. without payment of duty for display and return to the units.

3. Similarly provisions also exist in these notifications for clearance of goods manufactured and allowed to be sold in India on payment of appropriate duty. The quantum of such sale is decided by the MOC in each case. The EXIM Policy further provides {para 9.9(e)} that units may be permitted to sell finished products which are freely importable under the Policy, into DTA over & above the levels otherwise permissible against payment of full duties, provided the units have achieved on an annual basis, the stipulated NFEP and export obligation.

4. In view of the above provisions, the units may be allowed to take out the returnable samples into DTA without payment of duty for the purpose of display including for showing to the prospective buyer. In such cases the procedure prescribed for subcontracting may be allowed clearance on payment of appropriate duty within the permissible limits and such clearances may be debited to their entitlement of DTA clearance.

5. Units desirous of sending samples abroad through courier may be allowed to seal the samples in the presence of the customs officer and to hand-over the same to the representative of courier company authorised by Commissioner of Customs for its presentation at the port/ airport or export. These sealed samples need not be examined again before 'let export' is given if the seals are intact and clearly not tampered with. The representative of the courier company shall produce the proof of export to the Ass. Commissioner of Customs in the Zone. The difficulties faced in implementing the above procedure may be brought to the notice of the board by returning post.

6. The procedure may be given wide publicity by issue of a Public Notice.

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

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