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|  | <p>ಭಾರತಸರ್ಕಾರ, ಹಣಕಾಸು ವಿಭಾಗ, ಕಂದಾಯ ಇಲಾಖೆ भारत सरकार, वित्त मंत्रालय, राजस्व विभाग GOVERNMENT OF INDIA, MINISTRY OF FINANCE, DEPARTMENT OF REVENUE, ಆಯುಕ್ತರ ಕಛೇರಿ, ನಗರ ಸೀಮಾ ಸಂಕ, ಅಂಚೆ ಸಂ. 5400, ಕೇಂದ್ರೀಯ ರಾಜಸ್ವ ಭವನ, ಕ್ವೀನ್ಸ್ ರಸ್ತೆ, ಬೆಂಗಳೂರು सीमा शुल्क आयुक्त का कार्यालय, सीमा शुल्क आयुक्तालय, पी.बी.सं 5400, बेंगलूर OFFICE OF THE COMMISSIONER OF CUSTOMS, CITY CUSTOMS COMMISSIONERATE, BANGALORE P.B. NO. 5400, C.R. BUILDING, QUEEN'S ROAD, BANGALORE - 560 001 Email: commr-citycusblr@gov.in Fax: 080-2866 4753</p> |   |
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Dated 14.06.2021.

Standing Order 10/2021

Sub: Compliance verification by Customs officers posted in Export promotion cells reg

1. Background:

1.1. The EOUs/EHTPs/STPI units (hereinafter referred to as EOUs) functions under the administrative control of the Development Commissioner of SEZ, Director of EHTP/STPI. The Customs Commissionerate is having control over such units in respect of compliance to the provisions of the Customs Act, 1962 and related circulars/notifications. Since these units are subject to multiple monitoring mechanisms, there is a challenge in respect of monitoring their compliance. Due to this challenge, a meticulously designed mechanism/procedure to check the compliance of these units is very much needed.

1.2. To resolve such difficulties, for better trade facilitation and to have a standard operating procedure for various issues concerning these Units, Public Notice No. 25/2021 dated 27.05.2021 (Hereinafter referred to as PN no. 25/2021) has been issued by the undersigned for information, clarification, guidance, and strict compliance by these Units. Recent instances of non-compliance detected by Export Promotion Cells (EPCs) is also pointed out in the said PN.

1.3. In continuation to the said Public Notice, it is felt that Standard Operating Procedures (SOP) is also essential for the functioning of Export Promotion Cells. The said SOP will be helpful to the officers for systematic verification of the documents/records of the units in a time-bound manner. Accordingly, the following Standard Operating Procedure is notified regarding the functioning of EOU units. This document will also be considered as a Standing order for the Staff working under Export Promotion Cells under the jurisdiction of this office and strict compliance to the procedures mentioned is warranted from the officers.

2. Procedure (SOP) for import of goods:

2.1. Reference is invited to Para 3 and Para 5 of PN No.25/2021. The EPC Officer shall monitor the guidelines/procedures as mentioned in the said paras. The officer should also follow and ensure the following points of verification.

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| Documents required to be submitted by the Unit. | <p>(i) Intimation of import of goods in Form Annexure III,</p> <p>(ii) Checklist of Bill of entry along with the Invoice, packing list, etc (in case of Annexure III)</p> <p>(iii) Worksheet showing the computation of duty foregone amount and debit particulars in B.17 Bond,</p> <p>(iv) In case of bulk Annexure, copy of the B.17 Bond/BG should also be enclosed along with the application,</p> <p>(v) Copies of Bill of Entries, Invoice, packing list (post import-subject to exceptions permitted on case-to-case basis)</p> |
| Verification by the officers | The Officer should verify the details furnished by the Importer as per the Checklist appended in Annexure-1 to this SO. The Checklist should be reproduced in the file put up to AC/DC. |
| Time limit to complete the verification or to give an acknowledgment or approval. | In case of individual Annexure-III, an acknowledgment in the mail should be sent within 12 hours from the time of mail. In case of Bulk Annexure, the entire verification including sending letters to AC/DC of concerned ports should be completed within two working days from the date of application. |
| Post verification & action by the officers | A Letter to AC/DC of concerned ports enclosing the copy of B.17 Bond/BG, worksheet and Importer's letter should be sent to AC/DC of concerned ports for clearance of the goods. Additionally, the officers should update the details of imports in the Bond register (that is electronically maintained), which gives an idea about the current and past import clearances. The report covering the number of annexures issued, duty foregone amount and value of imports, etc should be sent to Hqrs on monthly basis. |

All Annexures acknowledged/approved must be given a running unique

number taken from the Annexure register of EPC also. The same may be written on top of Annexure/Approvals. In case of re-imports, the applicability of time periods mentioned in Sl. No 14 of the Annexure I to notification 52/2003 as amended by notification 79/2018 -Customs is to be verified before approvals.

3. Procedure (SOP) for acceptance of B-17 Bond and surety/security:

3.1. Reference is invited to Para 4 of PN No.25/2021. The EPC Officer shall strictly monitor the guidelines/procedures as mentioned in the said Para. The officer should also follow and ensure the following points of verification.

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| Documents required to be submitted by the Unit. | (i) B.17 Bond in proper format along with BG, if required, (ii) Chartered Accountant certificate certifying the solvency of the guarantor along with the details of assets and liabilities of guarantor (In case of Surety) (iii) APRs for the last three years to verify the fact of achievement of positive NFE (wherever applicable) (iv) Self-declaration stating that no show cause notice or a confirmed demand pending against the unit during the preceding 3 years to claim the exemption from BG. |
| Verification by the officers | The Officer should verify the details furnished by the Importer as per the Checklist appended in Annexure-2. The Checklist should be reproduced in the file put up to AC/DC. |
| Time limit to complete the verification or to give an acknowledgment or approval. | The process of acceptance of Bond/BG may be completed within two working days from the time of receipt of letter. |
| Post verification & action by the officers | After acceptance of Bond/BG, necessary entries may be made in the concerned Bond register (both digital and hard copies) and assign the serial number for future correspondences. Communication may also be sent to Importer regarding the acceptance of Bond/BG. The Bond register may be reviewed on monthly basis and put up to DC/AC. |

3. Procedure (SOP) for procurement of indigenous goods:

3.1. Reference is invited to Para 6 of PN No.25/2021. The EPC Officer shall strictly monitor the guidelines/procedures as mentioned in the said Para. The officer should also follow and ensure the following points of verification.

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| Documents required to be submitted by the Unit. | (i) The prior intimation in the format, Form A, prescribed under Circular No. 14/14/2017-GST dated 6.11.2017 along with the approval letter of CSEZ/STPI, (ii) copies of invoices received from the supplier, (iii) The EOUs shall maintain the records in the prescribed format Form B prescribed under the above said GST circular. |
| Verification by the officers | The Officer should verify and fill the details furnished by the Importer as per the Checklist appended in Annexure- 3. The Checklist should be reproduced in the file put up to AC/DC. |
| Time limit to complete the verification or to give an acknowledgment. | The officer shall verify the intimation and put up to AC/DC along with the result of verification within two working days from the receipt of intimation. |
| Post verification & action by the officers | File may be put up to AC/DC with remarks |

4. Procedure (SOP) for DTA sale:

4.1. Reference is invited to Para 8 of PN No.25/2021. The EPC Officer shall strictly monitor the guidelines/procedures as mentioned in the said Para. The officer should also follow and ensure the following points of verification.

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| Documents required to be submitted by the Unit. | (i) The intimation letter along with details of DTA sale including the computation of reversal of customs duty along with the approval given by CSEZ (if applicable) (ii) TR.6 Challan along with the DD/Cheque for counter signature of Inspector/Superintendent. (Subject to exceptions permitted on case-to-case basis) iii)APRs showing Positive NFE. iv) Declaration regarding reversal of benefits under Chapter 7 of FTP availed by the EOU/Supplier, on |
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| | the goods used for manufacture of goods cleared to DTA |
| Verification by the officers | The officer should ensure whether the unit is eligible to clear the goods in DTA by observing all the conditions stipulated in the Notifications/Circulars. The Officer should verify and fill the details furnished by the Importer as per the Checklist appended in Annexure- 4. The Checklist should be reproduced in the file put up to AC/DC. |
| Time limit to complete the verification or to give an acknowledgment or approval. | The process of accepting intimation may be completed within two working days |
| Post verification & action by the officers | The file with observations should be put up to AC/DC within 2 days along with confirmation of the correctness of duty. Details of DTA sales including value, duty reversal, etc are entered in the DTA Register and put up to AC/DC on monthly basis. Report should also be sent to Hqrs about the recovery of duty on DTA sales. |

5. Procedure (SOP) for inter-unit transfer:

5.1. Reference is invited to Para 9 of PN No.25/2021. The EPC Officer shall strictly monitor the guidelines/procedures as mentioned in the said Para. The officer should also follow and ensure the following points of verification.

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| Documents required to be submitted by the Unit. | (i) The EOUs shall intimate the transfer of goods under IUT as per para 6.13 of FTP, 2015-20 along with the details of recipient unit and submit the Invoices. (ii) Worksheet showing the duty foregone on the inputs utilized for manufacture of finished goods covered under the invoices. |
| Verification by the officers | The Officer should verify and fill the details furnished by the Importer as per the Checklist appended in Annexure- 5. The Checklist should be reproduced in the file put up to AC/DC. |
| Time limit to complete the verification or to | The process of accepting intimation may be completed within two working days. |

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| give an acknowledgment or approval. | |
| Post verification & action by the officers | File may be put up to AC/DC with observations if any within two days of receipt of intimation. |

6. Procedure (SOP) for clearance of by-products/rejects/waste/scrap, etc.:

6.1. Reference is invited to Para 10 of PN No.25/2021. The EPC Officer shall strictly monitor the guidelines/procedures as mentioned in the said Para. The officer should also follow and ensure the following points of verification.

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| Documents required to be submitted by the Unit. | <p>(i) The EOUs shall make an application by furnishing the details of waste/scrap generated in the factory,</p> <p>(ii) Copy of the approval letter given by CSEZ/STPI or any other correspondences on the issue,</p> <p>(iii) Worksheet showing the duty foregone on the inputs contained in such scrap along with the certification by CA,</p> <p>(iv) Copy of the Board resolution for destruction of scrap within the factory along with the details of scrap including duty foregone on such scrap.</p> <p>v) Copy of clearances require from other agencies wherever applicable.</p> <p>vi) APRs to show achievement of positive NFE if the scrap is outside SION norms.</p> |
| Verification by the officers | The Officer should verify and fill the details furnished by the Importer as per the Checklist appended in Annexure-6. In case of destruction of scrap within the factory, the officer may visit the unit after obtaining permission from AC/DC. The Checklist should be reproduced in the file put up to AC/DC. |
| Time limit to complete the verification or to give an acknowledgment or approval. | The permission for destruction of scrap should be given within two working days from the receipt date of intimation. |
| Post verification & action by the officers | The details of waste/scrap cleared in DTA and destroyed within the factory shall be recorded in the Register and put up to AC/DC on monthly basis. |

7. Procedure (SOP) for Re-export:

7.1. Reference is invited to Para 11 of PN No.25/2021. The EPC Officer shall strictly monitor the guidelines/procedures as mentioned in the said Para. The officer should also follow and ensure the following points of verification.

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| Documents required to be submitted by the Unit. | (i) consent letter from the overseas supplier, (ii) copy of Bill of entry under which the subject goods are initially imported, (iii) GR waiver wherever applicable (iv) copy of STPI /CSEZ approval, (v) Re-export invoice. |
| Verification by the officers | The Officer should verify and fill the details furnished by the Importer as per the Checklist appended in Annexure- 7. The Checklist should be reproduced in the file put up to AC/DC. |
| Time limit to complete the verification or to give an acknowledgment or approval. | The permission for re-export should be given on the same day of the receipt date of intimation. |
| Post verification & action by the officers | The details of permission for re-export shall be recorded in the Register and put up to AC/DC on monthly basis |

8. Procedure (SOP) for sub-contracting:

8.1. Reference is invited to Para 12 of PN No.25/2021. The EPC Officer shall strictly monitor the guidelines/procedures as mentioned in the said Para. The officer should also follow and ensure the following points of verification.

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| Documents required to be submitted by the Unit. | (i) Covering letter detailing the GSTIN, Legal name and Registered premises of the Job worker. (ii) Consent letter from the job workers along with the flow chart of the process to be carried out in job |
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| | <p>worker premises,</p> <p>(iii) In case of goods sent to job work for abroad, details of job worker, time limit of completing of job work process shall be submitted.</p> <p>iv) Declaration from CA regarding the limit of sub-contracting as per FTP</p> |
| Verification by the officers | The Officer should verify and fill the details furnished by the Importer as per the Checklist appended in Annexure- 8. The Checklist should be reproduced in the file put up to AC/DC. |
| Time limit to complete the verification or to give an acknowledgment or approval. | The permission for job work may be given within two working days from the receipt date of intimation. |
| Post verification & action by the officers | The details of such permission may be maintained in a register and put up to AC/DC on monthly basis. |

9. Procedure (SOP) for de-bonding of capital goods:

9.1. Reference is invited to Para 13 of PN No.25/2021. The EPC Officer shall strictly monitor the guidelines/procedures as mentioned in the said Para. The officer should also follow and ensure the following points of verification.

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| Documents required to be submitted by the Unit. | <p>(i) Copies of Bill of entries and invoices under which the capital goods were re-imported,</p> <p>(ii) Duty calculation sheet in respect of de-bonding goods duly certified by Chartered Accountant,</p> <p>(iii) Copy of the letter of approval/intimation of CSEZ/STPI,</p> <p>(iv) Copies of APRs or certificate from CA to the effect that the Unit has achieved positive NFE.</p> |
| Verification by the officers | The officer shall countersign the TR.6 Challan for payment of duty on de-bonding of goods. The Officer should verify and fill the details furnished by the Importer as per the Checklist appended in Annexure- 9. The Checklist should be reproduced in |

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| | the file put up to AC/DC. |
| Time limit to complete the verification or to give an acknowledgment or approval. | The permission for de-bonding may be given within two- working days from the receipt date of intimation. |
| Post verification & action by the officers | The details of de-bonding permission may be recorded in the register and simultaneously updated for future reference. |

10. Procedure (SOP) for re-credit:

10.1. Reference is invited to Para 14 of PN No.25/2021. The EPC Officer shall strictly monitor the guidelines/procedures as mentioned in the said Para. The officer should also follow and ensure the following points of verification.

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| Documents required to be submitted by the Unit. | <p>(i) Excel sheet consisting of details such as Bill of Entry no/date, description of the goods imported, Opening Balance, Quantity Imported, Value in INR, Total Quantity, Consumption Quantity, Quantity Exported, Quantity re-exported, Quantity Cleared to Domestic Market, Closing Balance, goods manufactured during the Quarter, etc.</p> <p>(ii) Copies of Bill of entries and invoices under which the inputs /capital goods were imported, (to be produced on-demand only)</p> <p>(iii) B.17 Bond register showing the duty debit particulars of import consignment,</p> <p>(iv) Copies of Shipping Bills (to be produced on-demand only)</p> <p>(v) Chartered Accountant certificate certifying the details provided in the worksheet,</p> <p>(vi) Copy of letter of approval by CSEZ/STPI, in case re-credit is on account of disposal of capital goods, permanent re-export of capital goods, destruction of capital goods</p> |
| Verification by the officers | The Officer should verify and fill the details furnished by the Importer as per the Checklist |

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| | appended in Annexure-10. The Checklist should be reproduced in the file put up to AC/DC. |
| Time limit to complete the verification or to give an acknowledgment or approval. | The process of accepting intimation of re-credit may be completed within two working days. |
| Post verification & action by the officers | The details of re-credit may be updated in the register for future reference. File may be put up to AC/DC with observations if any within two days of receipt of intimation, along with confirmation of the correctness of calculations. |

11. Procedure (SOP) for replacement/repair of imported /indigenous goods:

11.1. Reference is invited to Para 15 of PN No.25/2021. The EPC Officer shall strictly monitor the guidelines/procedures as mentioned in the said Para. The officer should also follow and ensure the following points of verification.

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| Documents required to be submitted by the Unit. | (i) Letter of intimation mentioning the details of capital goods, viz description, chapter sub-heading, Bill of entry under which originally imported, brief write up on the process required, name/address of the unit undertaking the repair of capital goods. |
| Verification by the officers | The Officer should verify and fill the details furnished by the Importer as per the Checklist appended in Annexure-11. The Checklist should be reproduced in the file put up to AC/DC. |
| Time limit to complete the verification or to give an acknowledgment or approval. | The process of accepting intimation of may be completed within the same day of receipt of application. |
| Post verification & action by the officers | The details of such permission may be maintained in a register and put up to AC/DC on monthly basis. |

12. Procedure (SOP) for third party exports:

12.1. Reference is invited to Para 16 of PN No.25/2021. The EPC Officer shall strictly monitor the guidelines/procedures as mentioned in the said Para. The officer should also follow and ensure the following points of verification.

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| Documents required to be submitted by the Unit. | (i) The details of third-party exporter including GSTIN, IEC Code, address, jurisdiction of GST office, etc, (ii) Export documents viz shipping bills invoice, packing list, etc under which goods are exported. iii)E-way bill Copies (To be produced on-demand only post the transaction) |
| Verification by the officers | The Officer should verify and fill the details furnished by the Importer as per the Checklist appended in Annexure-12. The Checklist should be reproduced in the file put up to AC/DC. |
| Time limit to complete the verification or to give an acknowledgment or approval. | The process of accepting intimation of may be completed within two working days. |
| Post verification & action by the officers | File may be put up to AC/DC with observations if any within two days of receipt of intimation along with confirmation that the procedures are adhered to as per HBP. The details of such permission may be maintained in a register and put up to AC/DC on monthly basis. |

13. Procedure (SOP) for Exit from the Scheme:

13.1. Reference is invited to Para 18 of PN No.25/2021. The EPC Officer shall strictly monitor the guidelines/procedures as mentioned in the said Para. The officer should also follow and ensure the following points of verification.

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| Documents required to be submitted by the Unit. | (i) The copy of the Board's resolution seeking the EXIT from EOU/STPI scheme, (ii) 'in-principle' de-bonding permission letter from CSEZ/STPI, |
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| | (iii) Pending stock of inputs and capital goods along with the duty reversal thereof, (iv) Undertaking on the Bond to the effect that all duties of Customs including GST may accrue in future on account of audit, verification etc., will be remitted to the Govt. account. |
| Verification by the officers | The Officer should verify and fill the details furnished by the Importer as per the Checklist appended in Annexure-13. The Checklist should be reproduced in the file put up to AC/DC. |
| Time limit to complete the verification or to give an acknowledgment or approval. | Initiation of Communication for confirmation of No Dues, should be done within 2 working days of receipt of application. The process of issue of NOC must be completed within 2 working days from the date of confirmation from the field formation regarding No dues. |
| Post verification & action by the officers | The details of such permission may be maintained in a register and put up to AC/DC on monthly basis. |

14. Records and returns maintained by EOUs:

14.1. To maintain records of receipts, storage, processing, and removal of goods, imported by the units, the Board has prescribed that the units shall maintain records of imported goods, in digital form, based upon data elements contained in Form A. A digital copy of Form - A, containing transactions for the month, shall be provided to the proper officer, each month (by the 10th of month) in a CD or Pen drive, as convenient to the unit. The EOUs should also submit the Quarterly Performance Report and Annual Performance Reports as mandated by DGFT Public Notice no. 36/2015-2020 dated 04.09.218.

14.2 The EPC Superintendents in charge of the units should put up the list of units, with remarks "Form A - Returns filed(Y/N)" and "Whether Customs Duty liable on DTA Sales as per 6.08 FTP is paid by the unit for the month and the same is verified? (Y/N)", before 15th of every-month to the AC/DC of EPC. For Non-filing and non-reversal regarding DTA sales, Show Cause Notices (SCNs) should be issued before 25th of the respective month in which the returns are due to be filed. APRs and QPRs are to be verified and reconciled with Form-A, within 5 days of submission and in case of Discrepancies, SCNs are to be issued within 15 days of submission of the returns.

15. Import of goods without payment of customs duty or at concessional rate of duty by non-EOU Units under Notification 68/2017- Customs

15.1. The facility of importing the goods without payment of customs duty or at concessional rate of duty has been provided to non-EOU Units in certain cases. The facility has been extended to some specified inputs intended to be utilized for the manufacture of specified final products which are exempted under certain notifications, where it is specifically mentioned that importer must follow procedures mentioned under Notification 68/2017.

15.2. The non- EOU units which intend to avail the benefit of Zero rate of duty or reduced rate of duty under specified Notifications are required to follow the procedures prescribed under the Customs Import of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods Rules, 2017(IGCRD) Rules, 2017. The important procedures, in brief, are summarized as under.

(i) Furnishing of Continuity Bond and Bank Guarantee: The non-EOU units which intend to import the goods are required to furnish the Continuity Bond along with Surety/Security with an undertaking to pay the amount equal to the difference between the duty leviable on inputs but for the exemption and that already paid/if any paid at the time of imploration along with the interest as per the Notification issued under Section 28AA of the Customs Tariff Act, 1962. The requirement of Bank Guarantee is as per the Circular No. 48/2017 Cus dated 8.12.2017.

(ii) Intimation of imports: The Units which intend to import the goods by availing the exemption Notifications shall intimate the AC/DC before the actual imports. The intimation must include the following details.

- (i) Name and address of the manufacturer/importer,
- (ii) Description of the finished goods intended to be manufactured,
- (iii) Description of inputs intended to be imported,
- (iv) Notification under which exemption is availed,
- (v) Estimated quantity, value of the goods, duty payable on merit, duty payable under concession,
- (vi) Continuity Bond/BG details and duty foregone amount debit particulars,

The details must be filled in the format Annexure III and forwarded to AC/DC for information/approval. The units free to submit the Annexure III for individual consignments or the period not exceeding one year.

(iii) Forwarding copies of intimations (Annexure -III): The AC/DC of EPC shall forward the copies of Annexure III to the AC/DC of Customs at the port for clearance of goods.

(iv) Furnishing of information of the receipt of imported goods: The importer shall provide the information of the receipt of the imported goods within two days (excluding holidays, if any) of such receipt to the AC/DC of EPC.

(v) Maintenance of accounts: The Importer shall maintain the accounts by clearly indicating the quantity and value of goods imported, the quantity of imported goods consumed, quantity of the goods re-exported, if any, under rule 7(IGCRD rules) and the quantity remaining in stock, bill of entry wise and shall produce the said account as and when required by the DC/AC of EPC.

(vi) Furnishing of Returns: **The Importers required to file the quarterly returns in the prescribed format by the 10th day of the following quarter. The officer is required to verify the quarterly returns within 5 days from the submission of Returns and put up the result of verification to AC/DC. The Superintendent, EPC should scrutinize the returns and a consolidated sheet clearly indicating the unit's name, status of filing of returns(Y/N), whether the goods are verified to be used for the intended purpose (Y? N) and whether goods are consumed within six months of import(Y/N) must be put up to AC/DC of EPC within 15th of month following the quarter.** Attention is invited to Standing Order 07/2021, which details the actions to be taken if it is found out that any unit has violated the IGCRD rules,2017.

(vii) Re-export or clearance of unutilized or defective goods: The importer who has availed the benefit of an exemption notification shall re-export the un-utilized or defective imported goods, within six months from the date of import provided that the value of such goods for re-export shall not be less than the value of the said goods at the time of import. Alternatively, Importer with the permission of AC/DC may also clear the un-utilized or defective goods on payment of duty which is equal to the difference between duty already paid at the time of imports and the duty leviable on such goods at the time of imports.

viii) Recovery of duty: The importer liable to pay duty along with the interest, in cases where the importer failed to follow the procedures contained in Rule 7 of Customs (IGCRD) Rules, 2017.

Attention is invited to Notification 09/2021 vide which facility for Job work and clearance of capital goods was provided for importers, importing under IGCRD notification. Reference is also invited to PN 24/2021 which enumerated the changes brought by Circular No.10/2021-Customs. Officers should ensure that the said provisions, newly introduced are complied with.

16. Inspection /audit of units:

16.1. It is instructed that EPC officers may identify the units, for inspection, each month-based risk parameters like duty free imports of inputs/capital goods, Subcontracting, Job-work, DTA sales, Refund of taxes paid on the export of goods/services, etc., and put up to the AC/DC with clear reasons. The AC/DC should select two units, per officer, each month based on the feedback given by the officers and allot such units for inspection. The officers must complete the inspection of such units within one month from the date of allotment and submit the inspection report to AC/DC. The standard format of verification report/checklist is as per the Annexure 14.

17. Registers to be maintained

The following Registers are to be maintained by the officers.

- (i) EOU Bond Register (Should mandatorily be updated during new Bond approval, every Annexure approval/intimation and re-credit intimations)
- (ii) Revenue Register (should mandatorily be updated regarding customs duty payment on DTA Sales, Sales of Scrap, and de-bonding)
- (iii) Confirmed and unconfirmed demand register,
- (iv) Order-In-Original Register,
- (v) LAR/SOF/DAP Register,
- (vi) Drawback Register,
- (vii) Refund Register,
- (viii) Re-import/re-export goods register (Should mandatorily be updated while giving re-export/re-import permissions)
- (ix) EOU Job work Permission Register (Should mandatorily be updated during annual permission)
- (x) EOU Job work clearance register (Should Mandatorily be updated for every intimation regarding clearance of Job work being filed)
- (xi) DTA clearance register- Records every DTA intimation being filed.
- (xii) Cash Register,
- (xiii) Application register for the applications filed under the Customs (IGCRD) Rules, 2017,
- (xiv) IGCRD Bond register should mandatorily be updated during new Bond approval and every Annexure intimation/approval.
- (xv) IGCRD Job work register should mandatorily be updated for every job work clearance.
- (xvi) Scrutiny of Monthly/Quarterly returns register (Columns as mentioned in the Paras Above-Columns of the scrutiny sheet to be put up to AC/DC EPC)

The above said registered to be maintained in electronic/physical form and must be put up to DC before 5th of every month by the Superintendents of EPC.

COMMISSIONER OF CUSTOMS

Copy submitted to:

The Chief Commissioner of Customs, Bengaluru Zone, Bengaluru.
The Joint Commissioner of Customs, ICD, Bengaluru

Copy to:

The Notice Board.
The Webmaster to upload the PN in the official website.

ANNEXURE - 1**Checklist for verification of Annexure- III or Bulk Annexure filed by the EOU.**

| S · N o · | Type of Check | Remarks |
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| 1. | Whether the description of the goods have been properly and completely declared and whether classification is appropriate? | |
| 2. | Whether the Annexure number along with the serial number mentioned while claiming exemption under Notification No. 52/2003 is correct? | |
| 3. | Whether goods are re-imported goods or not? | |
| | If yes, conditions of notifications fulfilled or not? | |
| 4. | Whether the norms related to Quantum of Bank Guarantee/ cash security were complied with while clearing the goods? | |
| 5. | Whether the importer has enough balance in B.17 Bond and debited appropriate amount towards the duty foregone amount, | |
| 6. | Whether any other Exemption Notification benefits has been availed at the time of Import in addition to Notification No. 52/2003-Cus dated 31.03.2003? | |
| 7. | Whether eligible for benefit of exemption claimed under any Notification (BCD/CVD/SAD/Cess/IGST) as in S. No. 6? | |
| 8. | Whether the rate of duty or tariff valuation has been correctly applied with reference to date of filing of Bill of entry? | |

While putting up to AC/DC, the checklist is to be put up with Bond amount, Closing balance, BG validity and amount.

Name & Signature of the Inspector

Name & Signature of the Superintendent

ANNEXURE -2**Checklist for acceptance of B-17 Bond and surety/security furnished by the Importer.**

| S · N o · | Type of Check | Remarks |
|----------------------------------|--|----------------|
| 1. | Whether the B.17 Bond furnished by the Importer is as per the format prescribed under Notification No. 1/2018 CE (N.T.) dated 5.12.2018? | |
| 2. | Whether the Bond is having the signature of the Authorised Person of the Unit and independent witnesses? | |
| 3. | Whether the Importer is exempted from furnishing BG? If so, whether the following conditions are satisfied in the case; (i) unblemished track record with export turnover of Rs. 5 Crores or above, (ii) no show cause notice or a confirmed demand during the preceding 3 years pending against the unit, (iii) positive NFE. | |
| 4. | If BG is furnished by the Importer, whether it is 5% of the Bond value and having 'auto renewal' clause? | |
| 5. | Whether surety is given by the independent legal entity other than the Proprietor/ Partner of the concerned Proprietorship/ Partnership EOU firm? | |
| 6. | Whether the Solvency of the Guarantor is certified by Chartered Accountant along with the statement of assets and liabilities of the Guarantor? | |
| 7. | Whether proper entries have been made in the Bond Register after acceptance by AC/DC? | |

Name & Signature of the Inspector

Name & Signature of the Superintendent

ANNEXURE -3**Checklist for verification of application for indigenous procurement of goods**

| S · N o · | Type of Check | Remarks |
|----------------------------------|---|----------------|
| 1. | Whether the intimation is in the prescribed format Form A (prescribed under Circular No. 14/14/2017-GST dated 6.11.2017)? | |
| 2. | Description of the inputs intended to be procured locally | |
| 3. | Whether the inputs intended to be procured locally are required for the manufacture of finished goods by EOU unit. If so, whether any approval has been taken from CSEZ or any intimation has been given? | |
| 4. | Check and confirm whether the supplier unit is having valid GSTIN | |
| 5. | Whether the supplier Unit has charged appropriate GST on the Invoices? | |
| 6. | Whether the EOU Unit has maintained the details of procurement in the prescribed format Form B (prescribed under Circular No. 14/14/2017-GST dated 6.11.2017) | |

Name & Signature of the Inspector

Name & Signature of the Superintendent

ANNEXURE - 4

Checklist for verification of application submitted by the EOU Unit seeking permission for DTA sales.

| S · N o · | Type of Check | Remarks |
|----------------------------------|--|----------------|
| 1. | Description of the finished goods intended to be cleared in DTA | |
| 2. | Whether any approval has been taken or intimation has been given to CSEZ for such sale? | |
| 3. | Whether the following conditions are fulfilled by the unit. (i) Net Foreign Exchange fulfilment, (ii) Payment of applicable GST on product under DTA sale, (iii) Reversal of the BCD exemption, (iv) Refund/reversal of any benefits taken (deemed exports benefits availed as per GST/Customs-Both suppliers and the EOU unit). | |
| 4. | Whether the amount of reversal of customs duty on DTA sale worked out by the unit is correct? (Including ADD/Safeguard duty calculation) | |
| 5. | Whether the unit has achieved positive NFE? | |
| 6. | Ensure the customs duty is paid before effecting the clearances. (Or else interest to be recovered) | |

Name & Signature of the Inspector

Name & Signature of the Superintendent

ANNEXURE 5**Checklist for verification of intimation for Inter-unit transfer**

| S · N o · | Type of Check | Remarks |
|----------------------------------|--|----------------|
| 1. | Description of the inputs/finished goods/capital goods proposed to be sent to another EOU/SEZ unit on IUT basis | |
| 2. | Name and address of the recipient unit | |
| 3. | Check and confirm whether the recipient unit is EOU or SEZ unit and having valid LoP? | |
| 4. | Whether appropriate GST has been charged on the tax Invoices? | |
| 5. | Whether applicable customs duty (duty foregone amount) involved on such clearances has been shown in the Invoices. If so, whether such duty has been calculated correctly? | |

Name & Signature of the Inspector

Name & Signature of the Superintendent

ANNEXURE 6

Checklist for verification of application seeking permission for clearance of by-products/rejects/waste/scrap, etc.

| S · N o · | Type of Check | Remarks |
|----------------------------------|--|----------------|
| 1. | Description of the finished goods | |
| 2. | Major inputs utilised for the manufacture of finished goods | |
| 3. | Type of scrap intended to be cleared | |
| 4. | Whether the scrap is generated during manufacture of finished goods or otherwise? | |
| 5. | Whether the scrap is intended to be cleared in DTA or export to foreign countries? | |
| 6. | Percentage of scrap generated over the consumption of raw materials declared in the application. | |
| 7. | Whether any SION norms are applicable to the scrap? If so, what is the percentage of scrap allowed as per SION norms? If no, whether CSEZ have fixed the percentage limit? | |
| 8. | Whether the customs duty on the inputs contained in scrap has been calculated correctly and certified by Chartered Accountant? | |
| 9. | Whether the customs duty has been paid, if the clearance is over and above the percentage fixed under SION? | |
| 10. | Whether the taxable value of the scrap arrived correctly for payment of GST? | |
| 11 | Whether the scrap intended to be destroyed within the factory. If so, whether the CSEZ has given the approval for the same? | |

Name & Signature of the Inspector

Name & Signature of the Superintendent

ANNEXURE 7

Checklist for verification of application seeking permission for re-export of goods.

| S · N O · | TYPE OF CHECK | REMARKS |
|----------------------------------|--|----------------|
| 1 | Description of the goods manufactured/ exported. | |
| 2. | Reasons for re-export of goods | |
| 3 | Reasons for rejection of goods by the foreign buyers- (in case for providing re-placement of goods) | |
| 4 | In case the goods are rejected due to defects in quality whether rejection report/other documents are enclosed. specify the documents. | |
| 5 | Whether re-export is for providing replacement of goods? | |
| 6 | Whether the identical goods are exported. make the findings by verifying the relevant documents viz, original export invoice and bill of entries under which defective goods were returned | |
| 7 | Provisions under which permission is sought for. | |
| 8 | If the re-export is due to un-utilising of imported raw materials, whether the application is supported by documents? mention the reasons | |
| 9 | Whether the condition of one year as per Notification No. 79/2018 Cus dated 5.12.2018 is applicable to this case? If so, whether any duty implication arises? | |
| 10 | Whether the importer is availing any export benefits on these transactions? if no, whether any undertaking has been given in this regard. | |

Name & Signature of the Inspector

Name & Signature of the Superintendent

ANNEXURE 8**Checklist for verification of application seeking the permission for annual sub - contracting.**

| SL. NO | TYPE OF CHECK | REMARKS |
|---------------|---|----------------|
| 1. | Name and address of sub-contractor | |
| 2. | GSTIN of sub-contractor | |
| 3 | Description of the inputs/ semi-finished goods intended to be sent for sub -contracting. | |
| 4 | Nature of sub-contractor | |
| 5 | Whether the consent letter obtained from sub-contractor is enclosed? | |
| 6 | Whether flow chart of manufacturing/sub-contracting process is submitted or not? | |
| 7 | Reasons for sending the goods for sub-contracting. | |
| 8 | Provisions under which permission is sought for? | |
| 9 | Whether the value of the goods sent for job work in the current financial year is well within 50% of overall production of previous year in value terms? Verify and furnish findings. | |
| 10 | Validity of annual permission sought for. | |
| 11. | Whether the Unit fulfil the conditions stipulated under section 143(1) of CGST Act and the rule 45(1) /55 of CGST Rules, 2017? | |

Name & Signature of the Inspector

Name & Signature of the Superintendent

ANNEXURE 9**Checklist for verification of application seeking permission for de-bonding of capital goods.**

| SL. NO | TYPE OF CHECK | REMARKS |
|---------------|--|----------------|
| 1 | Whether the approval obtained from STPI/CSEZ for de-bonding of capital goods? | |
| 2 | Whether the depreciation is calculated as per the FTP norms? | |
| 3 | Whether Duty Liability calculated is correct? | |
| 4 | Whether the relevant documents viz, bills of entry/invoices/shipping bills, etc submitted along with the application? | |
| 5 | Whether CA certificate is enclosed certifying the computation of duty (where de-bonding duty exceeds Rs. 50 lakh) | |
| 6 | Whether the unit has achieved positive NFE? if not, appropriate duty has been calculated in proportion to non-achieved portion of NFE? | |

*The said checklist to be put up to AC/DC along with Duty calculated details and description of goods.

Name & Signature of the Inspector

Name & Signature of the Superintendent

ANNEXURE 10**Checklist for verification of intimation for taking re-credit.**

| SL. NO | TYPE OF CHECK | REMARKS |
|---------------|---|----------------|
| 1 | Whether utilisation statement is verified or not? | |
| 2 | Whether utilisation statement is certified by Chartered Accountant or not? | |
| 3 | Whether the running bond statement is verified? | |
| 4 | Whether shipping bills/bill of entries are verified or not? | |
| 5 | Whether the Unit has achieved positive NFE? | |
| 6. | Whether re-credit is on account of destruction of capital goods /permanent export of capital goods. if so, approval from CSEZ /STPI is taken? | |

***The checklist is to be put up to AC/DC with B-17 Bond details/BG Details, Opening Balance and Closing Balance**

Name & Signature of the Inspector

Name & Signature of the Superintendent

ANNEXURE 11

Checklist for verification of application seeking permission for replacement/repair of imported goods.

| SL. NO | TYPE OF CHECK | REMARKS |
|---------------|--|----------------|
| 1. | Description of the capital goods intended to be removed for repairs / re-test, etc | |
| 2. | Reasons for sending the capital goods for repair | |
| 3. | Name and address of the job worker to whom the capital goods are sending for repair/re- test | |
| 4 | Whether the sub-contractor is in India or abroad? | |
| 5 | Whether the sub-contractor has given the consent letter? | |
| 6 | Provisions under which the permission is sought for. | |

Name & Signature of the Inspector

Name & Signature of the Superintendent

ANNEXURE 12**Checklist for verification of intimation filed for third party exports.**

| S. No. | Type of Check | Remarks |
|---------------|--|----------------|
| 1. | Whether the orders for exports are under EOU Scheme? | |
| 2. | Whether intimation for exports has been given to CSEZ? | |
| 3. | Whether intimation letter submitted along with copies of export documents? | |
| 4. | Whether exports documents contain the names of both the EOU Unit and third-party exporter? | |
| 5. | Verify and confirm BRC, Self-Declaration Form, export orders | |
| 6. | Whether the goods directly sent to port of shipment? | |
| 7. | Whether all the conditions mentioned in para 6.19 of HBP, 2015-20 are fulfilled in the transactions. If no, whether the Unit has reverse the customs duty involved in the manufacture of such finished goods.? | |

***The checklist to be put up with the description of goods and Details of Third-party export.**

Name & Signature of the Inspector

Name & Signature of the Superintendent

ANNEXURE 13**Checklist for verification of application submitted for final Exit from the scheme.**

| S . N o . | Type of Check | Remarks |
|----------------------------------|---|----------------|
| 1. | Reasons for Exit from 100% EOU/STPI/BTP/HTPI scheme | |
| 2. | Whether copy of the Board resolution enclosed along with the application? | |
| 3. | Whether CSEZ/STPI has given 'in-principle' approval for Exit? | |
| 4. | Whether all the capital goods in stock are de-bonded on payment of duty? | |
| 5. | Whether appropriate customs duty on the raw materials, semi-finished and finished goods lying in stock at the time of de-bonding has been reversed? | |
| 6. | Whether the unit has furnished any undertaking to pay the liabilities arising after Exit from the scheme? | |
| 7. | Whether any SCNs or confirmed arrears are pending against the Unit? If so, whether Unit has furnished Bond and BG for the same? | |
| 8. | Whether No Dues Certificates received from all the formations? | |

Name & Signature of the Inspector

Name & Signature of the Superintendent

ANNEXURE 14**CHECKLIST FOR INSPECTION OF UNITS**

| SL NO | ITEMS OF WORK | Observations |
|-------|--|--------------|
| 1. | Check whether the Bond is in force and the Bank Guarantee is given in terms of Board's guidelines. | |
| 2. | Check the balance of Bond amount and ensure that the balance is adequate and within limit. | |
| 3. | Check regarding the validity of LOP | |

Duty free Imports

| SL NO | ITEMS OF WORK | Observations |
|-------|--|--------------|
| 1 | Check whether the imported goods have been used for intended purposes or re-exported within three years or extended period or within the period of validity of LoP. | |
| 2. | Whether unused goods (including empty cones, bobbins, or containers suitable for repeated use) have been exported or cleared for home consumption within a period of one year or extended period. If not, duty together with the applicable interest at the applicable rate should be demanded. | |
| 3. | Check whether the unit has achieved positive Net Foreign Exchange Earning as per NFE. This must be verified closely in respect of the proof of export and realisation. If it has not been achieved, compute the ratio of unachieved portion of NFE to positive NFE. Apply this ratio to the differential duty (duty payable on the goods but for the exemption) to arrive at the duty that would have to be recovered. | |
| 4. | Check whether the goods taken out of the unit for test, repairs, replacement, calibration, job-work etc., as well as the waste, scrap or remnants are either returned or duly accounted for. | |

| | | |
|----|---|--|
| 5. | Check appropriate customs duty has been recovered on capital goods and other goods (except used packaging materials) that have been allowed to be taken outside the unit, to any other place in India, under paragraph 4 of the notification. In these cases, check the value of and rate of duty applicable on the relevant dates have been correctly applied. | |
| 6. | In case of capital goods, check the depreciated value has been properly worked out. | |
| 7. | Check whether the inputs/semi-finished goods sent to job worker for further processing. If so, whether they have followed the procedures contained in para 6.14 of FTP, 2015-20. | |
| 8. | Check regarding the re-imports/re-exports and if the provisions are adhered to. | |

Inter unit transfer (From EOU to EOU):

| SL NO | ITEMS OF WORK | REMARKS |
|-------|--|---------|
| 1. | Check whether the Unit followed the procedures contained in Para 6.13 of FTP, 2015-20, while sending the goods on IUT basis. | |
| 2. | Verify whether the receiving unit is an EOU and whether its license/LOP is in force. | |
| 3. | Check whether duty liability in respect of goods short received or not received has been demanded. | |

Exports:

| SL NO | ITEMS OF WORK | REMARKS |
|-------|--|---------|
| 1. | Check whether the proof of export has been received within six months of export. In case of non-receipt, check whether show cause notice has been issued demanding duty. | |
| 2. | Check whether the unit is following the procedures as per IGST Act, 2017 while making the exports. | |
| 3 | Check if any drawback and IGSG refund is availed on the Exported goods/services | |
| 4 | If it is a third-party export, check if the procedures as per 6.19 HBP is adhered to. | |

DTA SALES

| SL NO | ITEMS OF WORK | REMARKS |
|-------|--|---------|
| 1. | Check whether DTA entitlement is in force and is adequate to cover the DTA sales. Also check whether these clearances are in accordance with the provisions of sub-paragraph (a), (b), (d) and (h) of paragraph 6.8 of 2015-20. | |
| 2. | Check whether the duty foregone on inputs (including ADD) that have gone into the production of such goods, has been reversed / paid by the unit. Also check whether duty has been paid within the time limit. If there is delay, check whether appropriate interest has been paid or not. | |

Destruction of rejected goods/scrap/waste/packing material:

| SL NO | ITEMS OF WORK | Result of verification. |
|-------|--|-------------------------|
| 1. | Verify whether rejected goods/scrap/waste/packing material have been cleared on payment of appropriate duty if the scrap was beyond SION norms. SION norms/ad-hoc norms are to be verified and checked if there is any violation in respect of the provisions. | |
| 2. | If the unit declares that these items do not have commercial value and opts for destruction, verify whether the same have been destroyed under the supervision of appropriate Departmental officer. | |

De-bonding of goods procured duty free:

| SL NO | ITEMS OF WORK | Result of verification |
|-------|---|------------------------|
| 1. | Check whether depreciation allowed in respect of capital goods is as per the norms stipulated by the Board from time to time. | |
| 2. | Check whether the duty at appropriate rates, prevailing on the day of clearance, at the depreciated value in respect of capital goods has been paid and interest at stipulated rates is considered from the date of expiry of the bonding period. | |
| 3. | Check whether the designated | |

| | | |
|----|--|--|
| | officer/Development Commissioner has given approval for the de-bonding of capital goods / raw material etc. | |
| 4. | Check whether the duty is paid within the prescribed time limit and if not, interest is calculated at the specified rates as required under sub section 2 of section 47. | |

In addition to the said check list Para wise comparison with PN 25/2021 and adherence to the procedures mentioned in the PN is to be checked. The check list is to be put up as the inspection report.

Name & Signature of the Inspector

Name & Signature of the Superintendent