

Government of India
Ministry of Finance, Department of Revenue
Central Board of Excise & Customs, New Delhi

Subject : Difficulty being faced by EOU/EPZ/STP units in regard to replacement of goods exported or imported and found damaged or defective or other-wise unfit for use - reg.

It has been brought to the notice of the Board by the Ministry of Commerce that EOU/EPZ/EHTP/STP units are facing difficulties in sending replacement of goods exported and found defective, damaged or otherwise unfit for use and in getting replacement of goods imported & found defective / damaged or unfit for use.

2. The matter has been examined. I am directed to say that following instructions may be followed in this regard: (A) **Goods exported and found defective, damaged or otherwise unfit for use by foreign buyer.** (i) The units may be allowed to make free replacement of the goods exported and found defective, damaged or otherwise unfit for use prior to physical re-import of the such goods subject to grant of GR Waiver by Reserve Bank of India. However, such defective, damaged or otherwise unfit for use goods shall be subsequently brought back to the country. (ii) The units may be allowed to re-import part consignment / full consignment not necessarily for the purpose of re-export in case of failure of the foreign buyer so take the delivery. (B) **Goods imported and found defective / damaged or otherwise unfit for use.** (i) The units may be allowed to receive free replacement of the goods imported and found defective, damaged or otherwise unfit for use, prior to re-export of the same. However, re-export of such defective / damaged or otherwise unfit for use goods may be subsequently made later. (ii) In case, the supplier of such defective, damaged or otherwise unfit for use goods does not insist on re-export of such goods, the same may not be re-exported subject to condition that such goods shall be either destroyed with the permission of Assistant Commissioner of Customs / Central Excise in charge of unit or cleared into DTA on payment of full customs duty. 3. The instructions may be given wide publicity in the form of Public Notice.

4. Kindly acknowledge receipt of this Circular. Difficulties, if any, faced in the implementation of the above changes, may be brought to the notice of the Board immediately.

Sd/
(C.P.Goyal)
Sr. Technical Officer (TU)