



केन्द्रीय उत्पाद शुल्क आयुक्त का कार्यालय : तिरुच्चि
नं.1, विल्लियम्स रोड, कन्टोनमेंट, तिरुच्चिरापल्लि - 620 001
OFFICE OF THE COMMISSIONER OF CENTRAL EXCISE & SERVICE TAX
NO. 1, WILLIAMS ROAD, TIRUCHCHIRAPALLI - 620 001.
Phone 0431 2411195 email cextrich@excise.nic.in Fax 0431 2411583

TRADE NOTICE NO 12./2016

Dated: 21.09.2016

Sub :Central Excise - Communication of Circulars issued by
Board - Reg.

A copy of letter F.No.DGEP/EOU/18/2008/pt/I to 39 (Circular No.41/2016-Cus) dated 30.08.2016 received from Central Board of Excise and Customs, Directorate general of Export Promotion, New Delhi is enclosed herewith.

The contents of the above mentioned Circulars are communicated herewith to all the constituent members of Industry/Trade Association/ Chambers of Commerce.

(Issued from file C.No.IV/16/03/2016(Pf) -C.Ex.Pol)


(N.RAMKUMAR)
DEPUTY COMMISSIONER

Encl: as above.

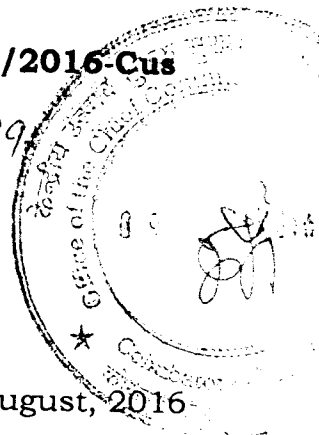
To
As per mailing list
All Divisions/Ranges under Trichy Commissionerate,
All Sections in Hqrs.Office, Trichy.

Copy to : Computer Cell, Hqrs.office Trichy for uploading the Trade Notice on the
Commissionerate's website.

23/9/16
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Circular No. 41 /2016-Cus

F. No. DGEP/EOU/18/2008/pt. / I to 39
Government of India
Department of Revenue
Central Board of Excise & Customs
Directorate General of Export Promotion



New Delhi, 30 August, 2016

To

All Principal Chief Commissioners/ Chief Commissioners of Central Excise, Customs & Service Tax,

All Principal Chief Commissioners/Chief Commissioners of Customs,

All Principal Chief Commissioners/Chief Commissioners of LTU.

Supra (Tech)
SM

Madam/Sir,

Sub: Admissibility of un-utilized cenvat credit of DTA unit converted into EOU - reg.


Attention is drawn to Circular No. 77/99-Cus dt. 18.11.99 which provided for lapse of unutilized balance modvat credit on conversion of DTA unit into EOU/EHTP/STP unit.

2. Representation has been received that consequent to extension of cenvat credit to EOUs, the said circular is redundant and needs to be withdrawn. Accordingly the matter has been examined.
3. The Circular No. 77/99-Cus dt. 18.11.99 was issued in view of the erstwhile Rule 100 H of Central Excise Rules, 1944 which specifically prohibited EOU's from availing Modvat Credit of Inputs / Capital Goods under Rule 57A and 57Q. But consequent to supersession of Central Excise Rules, 1944 by Central Excise Rules, 2002 there is no provision similar to Rule 100 H of CER, 1944 which prohibits the EOU from availing Cenvat Credit of Inputs/ Capital Goods.
4. Moreover Rule 17 of Central Excise Rules' 2002 which deals with the removal of goods by an EOU, was amended w.e.f 06-9-2004 to allow use of Cenvat credit for payment of duty by an EOU. Rule 10 of Cenvat credit Rule'2004 provides in unambiguous terms that if manufacturer transfers his factory on account of change in

ownership or lease, then the manufacturer shall be allowed to transfer the Cenvat credit lying unutilized in his accounts to transferred entity. EOU is a manufacturer, and hence this rule apply to them. Hence on conversion from a DTA unit to EOU, the transfer of unutilized cenvat credit lying in the books of DTA unit on the date of conversion into EOU unit is admissible.

5. Accordingly, the Circular No. 77/99-Cus dt. 18.11.99 is hereby withdrawn.
6. This issues with the approval of CBEC.
7. This may be brought to the notice of all the field formations and also the trade.

Yours faithfully,


(Dr. Tejpal Singh)
Addl. Director General