



**Government of India  
Ministry of Commerce & Industry  
Department of Commerce  
Directorate General of Foreign Trade  
New Delhi**

**Public Notice No. 74 (RE-2007)/2004-2009**

Dated 24th October, 2007

In exercise of power conferred under paragraph 2.4 of the Foreign Trade Policy 2004-09, the Director General of Foreign Trade hereby makes the following amendments in the Handbook of Procedures (Vol. I) :

“(1) Guidelines for conversion of DTA unit into EOU/EHTP/STP/BTP unit (Appendix 14-I-O) is annexed as *Annexure A* to this Public Notice :

Sd/-

(R. S. GUJRAL)

Director General of Foreign Trade

(File No. 01/92/180/232/AM07/PC II)

***Annexure A***

**Appendix 14 I-O**

Guidelines for Conversion of Domestic Tariff Area (DTA) Unit into Export Oriented Unit (EOU)/Electronic Hardware Technology Park (EHTP)/Software Technology Park (STP)/Bio-Technology Park (BTP) Unit

Note : Please see paragraph 6.37.1 of the Handbook of Procedures

DTA units intending to get converted into EOU/EHTP/STP/BTP unit will follow the procedure as below for such conversion :-

- (1) Apply to concerned Development Commissioner (DC) in a manner as applicable to new units.
- (2) After getting approval of the project and obtaining Letter of Permission (LOP) from DC, execute Legal Undertaking (LUT) in prescribed format with DC.
- (3) Thereafter, apply for private bonded licence to concerned Customs/Central Excise authority with execution of B-17 Bond.

**Where Advance Authorisation is Pending Redemption**

(3.1) If the unit is having outstanding export commitment under advance authorization scheme, following procedure before execution of Bond with customs and Central Excise Authority need to be adopted :

- (i) Approach concerned Customs & Central Excise Authority and obtain certificate showing physical verification of unutilized material held in stock against all advance authorizations (not yet redeemed) and such raw material as intended to be carried forward to EOU;
- (ii) Approach Regional Authority along with a copy of the following documents :
  - (a) LOP/LUT executed with DC,

- (b) Certificate of stock verification obtained from Customs/Central Excise
- (c) LUT with RA as annexed.
- (d) Details of imports/exports against all advance authorizations and utilized/ balance materials as per prescribed consumption register

The firm must submit original authorizations and connected documents of exports to concerned R.A.

- (iii) RA, will calculate unfulfilled export obligation, as per prevailing norms. In case norms are not fixed, R.A. will take up with Norms Committee for its fixation. Such export performance would only be taken into account, as within valid export obligation period of Advance Authorization ;
- (iv) R.A. will thereafter communicate "No objection" to DC and Central Excise Authority with endorsement to applicant unit.
- (v) The unit will approach the Customs/Central Excise Authority for execution of B-17 bond ;
- (vi) Raw material obtained under Advance Authorization, which is having valid export obligation period can only be carried over;

Where export obligation period has expired, only course available is payment of duties, interest and penalty as applicable, proportionate to unfulfilled export obligation ;

- (vii) RA would accordingly process case for discharge of obligation and redemption of bond LUT executed against all the advance authorizations issued already.

**EPCG Authorization :**

- (4) In case there is an outstanding export commitment under EPCG Scheme, it will be added to future export obligation by adding value of capital goods to the imported capital goods value of the EOU and all previous obligations under EPCG would cease to exist on such inclusion.

**Annexure**

**Form of Legal Undertaking for Conversion of DTA Unit into EOU**

M/s. \_\_\_\_\_ were granted Advance/EPCG Authorization Nos. \_\_\_\_\_ dated \_\_\_\_\_ for manufacture and export of \_\_\_\_\_ subject, inter-alia, to condition that they would achieve required export obligation as per provisions of Duty exemption/EPCG Scheme.

The unit filed a Bond with Bank Guarantee/legal undertaking with President of India through Commissioner of Customs \_\_\_\_\_ for achieving the above mentioned commitments.

As against above commitments, the unit's actual performance has been as under : -

Year	Import		Export
	CG	RM	

The unit applied for conversion from Duty Exemption/EPCG scheme to EOU Scheme which was approved vide letter No. \_\_\_\_\_ dated \_\_\_\_\_ subject inter-alia to the condition that penalty imposed by appropriate Authority under the F.T.(D&R) Act, 1992 for non fulfilment of the conditions of approvals would be paid.

In view of the approval for conversion from DTA to EOU Scheme, I/We \_\_\_\_\_ hereby undertake as under :

- (i) That I/We \_\_\_\_\_ shall continue to be under obligation to fulfill the conditions of above authorization even after getting converted into EOU.



- (ii) That I/We \_\_\_\_\_ shall pay whatever penalties are imposed by the Development Commissioner under FT(DR) Act for non-fulfilment of the terms and conditions of Authorization
- (iii) That I/We \_\_\_\_\_ shall adhere to the mode of payment of penalties, if any, and time frame in which penalties are required to be paid to the Director General of Foreign Trade without any demur or protest.

**Full and expanded description**  
of The unit with full address.

In witness whereof the unit hereto has duly executed this agreement on \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 200\_\_\_\_\_ signed, sealed and delivered by the unit in the presence of :

- 1. Name : \_\_\_\_\_  
Address : \_\_\_\_\_
- 2. Name : \_\_\_\_\_  
Address : \_\_\_\_\_

(To be authenticated/affirmed by 1st class Magistrate/Notary Public)  
Accepted by me on behalf of the President of India.

Dy./Jt.DGFT”  
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