

Inter Unit Transfer

(a) Transfer of manufactured goods from one EOU/ EHTP/STP/BTP unit to another EOU / EHTP/ STP/ BTP unit is allowed on payment of applicable GST and compensation cess with prior intimation to concerned Development Commissioners of the transferor and transferee units as well as concerned Customs authorities, as per following procedure for movement of goods:

i . The supplier EOU shall endorse on usual commercial documents, such as, tax invoice and delivery challan, the amount of duties of Custom leviable under First Schedule to the Customs Tariff Act, 1975 availed as exemption on inputs used in the manufacture of such finished goods (including byproducts, rejects, waste and scraps arising in the course of production, manufacture, processing or packaging of such goods) supplied to another EOU. The recipient EOU shall pay such endorsed Customs duty besides his own liability of reversal of Customs duty as provided in Para 6.08 above, before clearance of such finished goods in DTA and as provided under DoR notifications/circulars/ guidelines in this regard.

i i . Upon receipt of goods, the recipient EOU shall submit endorsed copies of tax invoice to their jurisdictional Customs authority as well as to the jurisdictional Customs authorities of the supplier EOU.

(b) Capital goods may be transferred or given on loan to other EOU / EHTP / STP / BTP / SEZ units, with prior intimation to concerned DC and Customs authorities on payment of applicable GST and compensation cess. Such transferred goods may also be returned by the second unit to the original unit in case of rejection or for any reason on payment of applicable GST and compensation cess.

(c) Goods supplied by one unit of EOU/EHTP/STP/ BTP to another unit shall be on payment of applicable GST and compensation cess as per following procedure for movement of goods:

(i) The supplier EOU shall endorse on usual commercial documents, such as, tax invoice and delivery challan, the amount of duties of Customs leviable under First Schedule to the Customs Tariff Act, 1975 availed as exemption on such goods supplied to another EOU. The recipient EOU shall pay such endorsed

Customs duty and applicable GST and compensation cess before clearance of such goods or finished goods manufactured or produced from such goods in DTA.

(ii) Upon receipt of goods, the recipient EOU shall submit endorsed copies of tax invoice to their jurisdictional Customs authority as well as to the jurisdictional Customs authorities of the supplier EOU.

(d) In respect of a group of EOUs / EHTPs / STPs / BTP Units which source inputs centrally in order to obtain bulk discount and / or reduce cost of transportation and other logistics cost and / or to maintain effective supply chain, inter unit transfer of goods and services may be permitted on a case-to-case basis by the Unit Approval Committee. In case inputs so sourced are imported and then transferred to another unit, then value of the goods so transferred shall be taken as inflow for the unit transferring these goods and as outflow for the unit receiving these goods, for the purpose of calculation of NFE.