Debonding of capital goods

What is debonding of capital goods and what is the procedure for debonding?

Abhijeet Deshpande
(Querist)

30 November 2010
PLEASE FIND HERewith THE INFORMATION SOUGHT BY YOU:-

PROCEDURE FOR DEBONDING OF EQUIPMENT:-

EOU units are permitted to de-bond the equipment as per the following norms:

a) In case an EOU unit is unable, for valid reasons to utilise the Imported goods/Indigenous items, it can re-export or dispose them in DTA on payment of applicable duties & submission of import licence by the DTA unit, wherever applicable.

b) EOU will permit the De-bonding of the equipment after 3rd year of operations provided the unit has met its Export Obligation. On the basis of the DC approval, customs will charge Customs Duty on depreciated cost of the equipment. The depreciated norms notified from the customs from time to time.

c) STPI can permit de-bonding of equipment even before 3 years, which have become technologically obsolete. However,
units will have to pay Customs Duty as per norms of customs. Application for the same is to be made to STPI giving details/reasons for obsolescence and other details similar to that of De-bonding of equipment.

Documents Required:

i) A request letter from the Company as per format along with details of Goods to be debonded
ii) Copy of original import certificate and enclosures issued at the time of procurement.
iii) Annexure giving details of Bill of Entry No. and date, bond no. and date, description of goods, Qty and assessable value as per the bill of entry duly signed by authorized signatory and company stamp.
iv) Copy of original invoice along with Bill of entry in case of imports.

for more info:- go to following path:-
http://www.eouindia.gov.in/debonding.htm

REGARDS,
RAMESH KUMAR VERMA

also noted the:-Circular No. 35/98-Cus., dated 19/05/1998 F. No. 314/19/94- FTT (PT. VI)
Government of India
Ministry of Finance
Department of Finance
STP units.

I am directed to refer to Board's circular No. 27/98-Cus. dated 21-4-98, issued from F.No. 314/19/98- FTT and to say that in para 3, the rate of depreciation for "computers" has been specified. It is clarified that above said norms will also be applicable to "Computer Peripherals". The above said circular may be treated modified to this extent.

Sd/-
(O.P. Khanduja)
Sr. Technical Officer (FTT)

path:  http://www.eouindia.gov.in/debonding_cir_6.htm

regards,

14 December 2010

Thank You sir

Abhijeet Deshpande
(Querist)
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