

Provision regarding Refund for AED paid on HSD procured from Depot of oil companies

Para 6.11 (c) (iii) of Chapter 6 of [FTP 2014-19](#) states 100% EOU unit shall be entitled to following:-

- Reimbursement of additional duty of excise levied on fuel under the Finance Acts would also be admissible.

Para 7.04 of Chapter 7 of HBP of [FTP 2014-19](#) prescribed the procedure for claiming TED refund on Fuel.

- Duty refund will be allowed for quantity of HSD procured by EOU **unit for its production activities**, as certified by concerned DC/Bond authorities.

Circular No. 29/ 2003-Customs dtd 3rd April, 2003, Point No. 7 (ii) reproduced here:

(ii) Duty Exemption to HSD/LDO for boilers in EOUs

Hitherto only furnace oil was allowed to EOUs for use in the boilers because of the specific entry at Sr. No. 12 in the erstwhile notification No. 53/97 dated 3-6-97. However, at some places, the EOUs use LDO / HSD in their boilers. These units were being denied the benefit of exemption on the ground that it is available to furnace oil only, and not to HSD/LDO. The trade and Industry were requesting to allow duty free HSD/LDO to EOUs alongwith furnace oil. Considering the bonafide requirements of EOUs, the specific entry in the notifications providing for duty free import/procurement of "furnace oil for use in boilers" has been deleted in the new notifications Nos. 22/2003-CE and 52/2003-Cus, dated 31-3-2003. **This would enable EOUs to procure/import HSD/LDO/Furnace Oil duty free under the generic entry at Sr. No. 9 as "consumables". Therefore, in view of above, EOUs may be allowed the facility of duty free import/ procurement of HSD/LDO/Furnace oil commensurate with their bonafide requirements.**

Summary

FTP 2014-19	Entitlement to received AED (HSD) under Para 6.11 (c) (iii)
FTP-2014-19 (HBP)	Prescribed procedure to claim &
Circular 29/2003-Customs dtd 3rd April 2003	Clarify that EOU can procure HSD duty free under generic Entry at Sr.No 9 as consumable. And EOU can procure HSD for their production activities as confirmed under FTP 2014-19.

Conclusion: In view of the above, 100% EOU can procure HSD duty free for their production activities & can claim for AED refund.