Customs (Import of goods at concessional rate of duty for manufacture of excisable goods) Rules, 1996

Notification No. 36/96-Cus. (N.T.), dated 23-7-1996

as amended by Notification No. 43/96-Cus (N.T.) dated 30/08/96;
No. 33/98-Cus (N.T.) dated 02/06/98;
No. 29/99-Cus (N.T.) dated 11/05/99.

In exercise of the powers conferred by section 156 of the Customs Act, 1962 (52 of 1962), the Central Government hereby makes the following rules, namely :-

RULE 1. Short title and commencement. - (1) These rules may be called the Customs (Import of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 1996.

(2) They shall come into force on the first day of September, 1996.

RULE 2. Application. - (1) These rules shall apply to an importer who intends to avail of the benefit of an exemption notification issued under sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962) and where the benefit of such exemption is dependent upon the use of imported goods covered by the notification for the manufacture of any excisable commodity.

[(1A) These rules shall apply only in respect of such exemption notification which prescribes for the observance of these rules.]

(2) These rules shall also apply even if the excisable goods in or in relation to the manufacture of which the imported goods are used are not chargeable to excise duty or are exempted from whole of excise duty.

RULE 3. Registration. - (1) A manufacturer intending to avail of the benefit of an exemption notification referred to in sub-rule (1) of rule 2, shall obtain a registration from the [Assistant Commissioner of Central Excise or Deputy Commissioner of Central Excise] having jurisdiction over his factory.

(2) The registration shall contain particulars about the name and address of the manufacturer, the excisable goods produced in his factory, the nature and description of imported goods used in the manufacture of such goods.

(3) The [Assistant Commissioner of Central Excise or Deputy Commissioner of Central Excise] shall issue a certificate to the manufacturer indicating the particulars referred to in sub-rule (2).

RULE 4. Application by the manufacturer to obtain the benefit. - (1) A manufacturer who has obtained a certificate referred to in sub-rule (3) of rule 3 and intends to import any goods for use in his factory at concessional rate of duty, shall make an application to this effect to the [Assistant Commissioner of Central Excise or Deputy Commissioner of Central Excise] indicating the estimated quantity and value of such goods to be imported, particulars of the notification applicable on such import and the port of import.

[(1A) The manufacturer may, at his option, file the application specified under sub-rule (1), either in respect of a particular consignment, or indicating his estimated requirement of such goods for a quarter.]

(2) The manufacturer shall also give undertaking on the application that the imported goods shall be used for the intended purpose.

(3) The application shall be countersigned by the [Assistant Commissioner of Central Excise or Deputy Commissioner of Central Excise] who shall certify therein that the manufacturer is registered in his office and has executed [a bond to his satisfaction] in respect of end use of the imported goods in the manufacturer's factory and indicate the particulars of such bond.

RULE 5. Procedure to be followed by [Assistant Commissioner of Customs or Deputy Commissioner of Customs]. - (1) On the basis of the application countersigned by the [Assistant Commissioner of Central Excise or Deputy Commissioner of Central Excise], the [Assistant Commissioner of Customs or Deputy Commissioner of Customs] at the port of importation shall allow the benefit of the exemption notification to the importer.

[Provided that where the importer has filed the application in respect of his estimated requirement for a quarter, the said [Assistant Commissioner of Customs or Deputy Commissioner of Customs] shall debit in the said application, the quantity and value of imports made under a particular consignment, also indicating particulars of the bill of entry, before allowing the benefit of the exemption notification to the importer.]

(2) The [Assistant Commissioner of Customs or Deputy Commissioner of Customs] shall forward a copy of the bill of entry containing the particulars of import, the amount of duty paid and other relevant particulars to the [Assistant Commissioner of Central Excise or Deputy Commissioner of Central Excise.

RULE 6. Procedure to be followed by the [Assistant Commissioner of Central Excise or Deputy Commissioner of Central Excise]. – The [Assistant Commissioner of Central Excise or Deputy Commissioner of Central Excise] shall acknowledge the receipt of the intimation received from the [Assistant Commissioner of Customs or Deputy Commissioner of Customs].

RULE 7. Manufacturer to give information regarding receipt of the imported goods and maintain records. - The manufacturer, obtaining benefit in these rules, shall, -

(a) give information of the receipt of the imported goods in his factory, within two days (excluding holidays, if any) of such receipt, to the Superintendent of Central Excise having jurisdiction over his factory; and

(b) maintain a simple account indicating the quantity and value of goods imported, the quantity of imported goods consumed for the intended purpose, and the quantity remaining in stock, bill of entry wise and shall produce the said account as and when required by the [Assistant Commissioner of Central Excise or Deputy Commissioner of Central Excise.]

(c) submit a monthly return, in the format prescribed as "Annexure" appended to thses rules, to the said Assistant Commissioner of Central Excise or Deputy Commissioner by the tenth day of the following month.

RULE 8. Recovery of duty in certain case. – The [Assistant Commissioner of Central Excise or Deputy Commissioner of Central Excise] shall ensure that the goods imported are used by the manufacturer for the intended purpose and in case they are not so used take action to recover [the amount equal to the difference between the duty leviable on such goods but for the exemption and that already paid, if any, at the time of importation, alongwith interest, at the rate fixed by notification issued under Section 28AB of the Customs Act, 1962, for the period starting from the date of importation of the goods on which the exemption was availed and ending with the date of actual payment of the entire amount of the difference of duty that he is liable to pay.]