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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

Notification
No. 09/2021 - Customs (N. T.)

New Delhi, the 1st February, 2021

G.S.R..... (E). - In exercise of the powers conferred by section 156 of the Customs Act, 1962 (52 of 1962), (hereinafter referred to as the said Act), the Central Government hereby makes the following rules to amend the Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017, namely: -

1. Short title and commencement. — (1) These rules may be called the Customs (Import of Goods at Concessional Rate of Duty) Amendment Rules, 2021.

(2) They shall come into force on the 2nd February, 2021.

2. In the Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017 (hereinafter referred to as the said rules, in rule 3, —

(i) after clause (a), the following clause shall be inserted, namely: —

‘(aa) “capital goods” means goods, the value of which is capitalised in the books of account of the importer;’;

(ii) after clause (c), the following clause shall be inserted, namely: —

‘(ca) “job work” means any treatment, process or manufacture, consistent with the exemption notification undertaken by a person on goods belonging to the importer except gold, jewellery and articles thereof, and other precious metals or stones; and the term “job worker” shall be construed accordingly;’;

(iii) for clause (e), the following clause shall be substituted, namely: —

‘(e) “manufacture” means the processing of raw materials or inputs by the importer in any manner that results in emergence of a new product having a distinct nature or character or use or name; and the term “manufacturer” shall be construed accordingly;’;

- (iv) for clause (f), the following clause shall be substituted, namely: —
‘(f) “output service” means supply of service excluding after-sales service, utilizing imported goods.’.

3. In the said rules, for rule 4, the following rule shall be substituted, namely: —

“4. Importer to give prior information. – The importer shall provide information to the Deputy Commissioner of Customs, or, as the case may be, the Assistant Commissioner of Customs having jurisdiction over the premises where the imported goods shall be put to use for manufacture of goods or for rendering output service except after-sales service, about the following particulars, namely: —

- (i) the name and address of the importer and his job worker, if any;
- (ii) the goods produced or process undertaken at the manufacturing facility of the importer and/or his job worker, if any, or both;
- (iii) the nature and description of imported goods used in the manufacture of goods at the premises of the importer or the job worker, if any;
- (iv) nature of output service rendered utilising imported goods.”.

4. In the said rules, for rule 6, the following rule shall be substituted, namely: —

“6. Importer to give information regarding receipt of imported goods and maintain records. - (1) The importer shall provide information of the receipt of the imported goods in the premises, where the imported goods shall be put to use for manufacture of goods or job work or for rendering output service within two days (excluding holidays, if any) of such receipt to the Jurisdictional Customs Officer.

(2) The importer shall maintain an account in such manner to clearly indicate the quantity,-

- i. and value of goods imported;
- ii. of imported goods consumed;
- iii. of goods sent for job work, nature of job work carried out;
- iv. of goods received after job work;
- v. of goods re-exported, if any, under rule 7; and
- vi. remaining in stock, according to bills of entry,

and shall produce the said account as and when required by the Deputy Commissioner of Customs, or, as the case may be, the Assistant Commissioner of Customs having jurisdiction over the premises or where the imported goods shall be put to use for manufacture of goods or for rendering output service.

(3) The importer shall submit a quarterly return, in the form appended to these rules to the Deputy Commissioner of Customs, or, as the case may be, the Assistant Commissioner of Customs having jurisdiction over the premises where the imported goods shall be put to use for manufacture of goods or for rendering output service, by the tenth day of the following quarter.”;

5. In the said rules, after rule (6), the following rule shall be inserted, namely: —

“6A. Procedure for allowing imported goods for job work. - (1) The importer shall send the imported goods except gold, jewellery and articles thereof; and other precious metals or stones for job work, for manufacture of goods, after giving an intimation in duplicate to the Jurisdictional Customs Officer of his intention to do so.

(2) The importer shall also specify the following particulars, namely: —

- i. name and address of the job worker;
- ii. nature and description of the job work to be carried on the imported goods in the manufacturing process;
- iii. quantity and description of the goods intended to be sent to the job worker.

(3) The Jurisdictional Customs Officer shall forward a copy of the intimation along with the particulars specified in sub-rules (1) and (2) to the concerned Customs Officer under whose jurisdiction the premises of the job worker is situated.

(4) The importer shall send the goods to the premises of the job worker enclosing a challan, specifying the description and quantity of the goods.

(5) The maximum period for which the goods can be sent to the job worker shall be six months from the date of issue of challan specified in sub-rule (4).

(6) In case the importer is unable to establish that the goods sent for job work have been used as per the particulars of job work referred in sub-rule (2), the Jurisdictional Customs Officer shall take necessary action against the importer under rules 8 and 8A.

(7) The job worker shall

- i. maintain an account of receipt of goods, manufacturing process undertaken thereon and the waste generated, if any, during such process;
- ii. produce the account details before the Jurisdictional Customs Officer as and when required by the said officer;
- iii. after completion of the job work send the processed goods to the importer or to another job worker as directed by the Importer for carrying out the remaining processes, if any, under the cover of a challan or the challan of the principal manufacturer duly endorsed by him.”.

6. In the said rules, in rule 7, after sub-rule (2), the following sub-rule shall be inserted, namely: —

“(3) The importer, with the permission of the jurisdictional Deputy Commissioner of Customs or, as the case may be, Assistant Commissioner of Customs having jurisdiction over

the premises where the imported goods shall be put to use for manufacture of goods or for rendering output service, may clear the imported capital goods, after having been used for the specified purpose, on payment of duty equal to the difference between the duty leviable on such goods but for the exemption availed and that already paid, if any, at the time of importation, along with interest, at the rate fixed by the notification issued under section 28AA of the Act, on the depreciated value allowed in straight line method, as specified below, namely : —

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| (i) | for every quarter in the first year | @ 4%; |
| (ii) | for every quarter in the second year | @ 3%; |
| (iii) | for every quarter in the third year | @ 3%; |
| (iv) | for every quarter in the fourth and fifth year | @ 2.5%; |
| (v) | and thereafter for every quarter | @ 2%. |

Explanation. - (1) For the purpose of computing rate of depreciation for any part of a quarter, a full quarter shall be taken into account.

(2) There shall be no upper limit for such depreciation.

(3) The depreciation shall be allowed from the date when the imported capital goods have come into use for the purpose as specified in the exemption notification upto the date of its clearance.”.

7. In the said rules, rule 8 shall be renumbered as sub-rule (1) thereof and after rule 8 as so renumbered, the following sub-rule shall be inserted, namely: —

“(2) Notwithstanding anything specified in these rules in relation to removal and processing of imported goods for job work, the importer shall be responsible for ensuring that the said goods are used in accordance with the purposes provided in the exemption notification and in the event of failure to do so, the Jurisdictional Deputy Commissioner of Customs, or, as the case may be, the Assistant Commissioner of Customs having jurisdiction over the premises where the imported goods shall be put to use for manufacture of goods or for rendering output service, shall take action under these rules, without prejudice to any other action which may be taken under the Act, rules or regulations made thereunder or under any other law for the time being in force.”.

8. In the said rules, after rule 8, the following rule shall be inserted, namely: —

“**8A. Penalty.** - The importer or a job worker who contravenes any of the provisions of these rules or abets such contravention, shall be liable to a penalty to an extent of the amount specified under clause (ii) of sub-section (2) of section 158 of the Act without prejudice to any other action which may be taken under the Act, rules or regulations made thereunder or under any other law for the time being in force.”.

9. In the said rules, for the form, the following form shall be substituted, namely: —

[F.No. 450/28/2016-Cus-IV]

(Ananth Rathakrishnan)
Deputy Secretary to Government of India

Note: - The principal rules were published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) *vide* number G.S.R. 803(E), dated the 30th June, 2017.