

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART-II, SECTION-3, SUB-SECTION (i)]

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
(DEPARTMENT OF REVENUE)

**Notification**  
**No. 32/2016 - Customs (N. T.)**

New Delhi, the 1<sup>st</sup> March, 2016

G.S.R. (E).- In exercise of the powers conferred by section 156 of the Customs Act, 1962 (52 of 1962) and in supersession of the Customs (Import of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 1996, except as respects things done or omitted to be done before such supersession, the Central Government hereby makes the following rules, namely:-

**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, 2016.

(2) They shall come into force on the first day of April, 2016.

**2. Application.** - (1) These rules shall apply to an importer, being a manufacturer, who intends to avail 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 that notification for the manufacture of any excisable commodity.,

(2) These rules shall apply only in respect of such exemption notification which provides for the observance of these rules.

(3) 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.

**3. Definition.** - In these rules, unless the context otherwise requires,-

(a) "Act" means the Customs Act, 1962 (52 of 1962);

(b) "exemption notification" means a notification issued under sub-section (1) of section 25 of the Act;

- (c) “information” means the information provided by the manufacturer who intends to avail the benefit of an exemption notification.

**4. Information about intent to avail benefit of exemption notification.-** A manufacturer who intends to avail the benefit of an exemption notification shall provide the information to the Deputy Commissioner of Central Excise or, as the case may be, Assistant Commissioner of Central Excise having jurisdiction over his factory, the particulars, namely-,

- (1) the name and address of the manufacturer,
- (2) the excisable goods produced in his factory,
- (3) the nature and description of imported goods used in the manufacture of such goods.

Provided that if the manufacturer who intends to avail the benefit of exemption notification is not registered, such manufacturer shall obtain registration under rule 9 of the Central Excise Rules, 2002 and provide the said particulars to Deputy Commissioner of Central Excise or, as the case may be, Assistant Commissioner of Central Excise.

**5. Procedure to be followed. -** (1) The manufacturer who intends to avail the benefit of an exemption notification shall provide information –

- (a) in duplicate, to the Deputy Commissioner of Central Excise or, as the case may be, Assistant Commissioner of Central Excise having jurisdiction over his factory in respect of the estimated quantity and value of the goods to be imported, particulars of the exemption notification applicable on such import and the port of import in respect of a particular consignment or for a period not exceeding one year; and

- (b) one set, to the Deputy Commissioner of Customs or, as the case may be, Assistant Commissioner of Customs at the port of importation.

- (2) The manufacturer who intends to avail the benefit of an exemption notification shall submit a continuity bond with such surety or security as deemed appropriate by the Deputy Commissioner of Central Excise or Assistant Commissioner of Central Excise undertaking to pay the amount equal to the difference between the duty leviable on such inputs but for the exemption and that already paid, if any, at the time of importation, along with interest, at the rate fixed by notification issued under section 28AA of the Act, 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.

- (3) The Deputy Commissioner of Central Excise or, as the case may be, Assistant Commissioner of Central Excise shall forward one copy of information received from the manufacturer to the Deputy Commissioner of Customs or as the case may be, Assistant Commissioner of Customs at the port of importation.

- (4) On receipt of the copy of the information under clause (b) of sub-rule (1), the Deputy Commissioner of Customs or, as the case may be, Assistant Commissioner of Customs at the port of importation shall allow the benefit of the exemption notification to the manufacturer who intends to avail the benefit of exemption notification and the said manufacturer, while filing bill of entry under section 46 of the Act, shall, inter-alia, provide the details of his registration number of the factory where the inputs are meant to be used.

**6. Manufacturer who intends to avail the benefit of an exemption notification to give information regarding receipt of imported goods and maintain records.** – (1) The manufacturer who intends to avail the benefit of an exemption notification shall provide the 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.

- (2) The manufacturer who has availed the benefit of an exemption notification shall maintain an account in such manner so as to clearly indicate the quantity and value of goods imported, the quantity of imported goods consumed in accordance with provisions of the exemption notification, the quantity of goods re-exported, if any, under rule 7 and the quantity remaining in stock, bill of entry wise and shall produce the said account as and when required by the Deputy Commissioner of Central Excise or, as the case may be, Assistant Commissioner of Central Excise.

- (3) The manufacturer who has availed the benefit of an exemption notification shall submit a quarterly return, in the Form appended to these rules, to the Deputy Commissioner of Central Excise or, as the case may be, Assistant Commissioner of Central Excise by the tenth day of the following quarter.

**7. Re-export or clearance of unutilised or defective goods.**– (1) The manufacturer who has availed benefit of an exemption notification, obtaining the benefit under these rules may re-export the unutilised or defective imported goods, with the permission of the jurisdictional Deputy Commissioner of Central Excise or, as the case may be, Assistant Commissioner of Central Excise within three months from the date of import:

Provided that the value of such goods for re-export shall not be less than the value of the said goods at the time of import.

- (2) The manufacturer who has availed benefit of an exemption notification, obtaining the benefit under these rules may also clear the unutilised or defective imported goods, with the permission of the jurisdictional Deputy Commissioner of Central Excise or, as the case may be, Assistant Commissioner of Central Excise within a period of three months from the date of import on payment of import 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 notification issued under section 28AA of the Act, 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.

- 8. Recovery of duty in certain case.** - The manufacturer who has availed the benefit of an exemption notification shall use the goods imported in accordance with the conditions mentioned in the concerned exemption notification or take action under rule 7 and in the event of any failure, the Deputy Commissioner of Central Excise or, as the case may be, Assistant Commissioner of Central Excise shall take action by invoking the Bond to initiate the recovery proceedings of 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, along with interest, at the rate fixed by notification issued under section 28AA of the Act, 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.

[F. No.334/8/2016 -TRU]

(Mohit Tewari)  
Under Secretary to the Government of India

Form  
[See rule 6(3)]

QUARTERLY RETURN  
Return for the quarter ending\_\_\_\_\_

Sl. No.	Bill of Entry No. and date	Description of goods imported at concessional rate	Opening balance on the 1st day of the quarter	Details of goods imported during the quarter							Specified purpose for procuring the goods at concessional rate of duty.	Goods manufactured during the quarter		Whether the goods used for specified purpose or not in case of export, specify the quantity exported with details of ARE-1/ ARE-2.
				Value of goods received during the quarter	Quantity of goods received during the quarter	Total of column (4) and (6)	Quantity consumed for the intended purposes, during the quarter	Quantity re-exported during the quarter	Quantity cleared in to the domestic market during the quarter	Closing balance on the last day of the quarter		Description	Quantity	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)

(Note: Separate entries should be made for each variety or class of imported goods used and goods manufactured.)