

Duty Free Import for Export Jobbing

Import is allowed for jobbing purposes by the customs without a licence or duty. The facility is subject to condition of re-export with 10% value addition. Bond is required only when manufacture is outside the jurisdiction or control of Central Excise Administration such as a cottage industry.

Ntfn 32 In exercise of the powers 0 0 0 0
01.04.97 conferred by sub section (1) of section 25 of the Customs Act, 1962 (52 of 1962) and in supersession of the notification of the Government of India in the Ministry of Finance (Department of Revenue) No.81/95-Customs dated the 31st March 1995, the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts the goods imported into India from the whole of the duty of Customs leviable thereon which is specified in the first Schedule to the Customs Tariff Act, 1975 (51 of 1975) and from whole of the additional duty leviable thereon under section 3 of the said Customs Tariff Act, subject to the following conditions, namely:-

(i) that the goods are imported for execution of an export order placed on the importer by the supplier of goods for jobbing:

(ii) that the goods so imported, including resultant products, are re-exported to the supplier of the goods or to any other person which the said supplier may specify within six months from the date of clearance or within such extended period as the Assistant Commissioner of customs or Deputy Commissioner of Customs may allow:

Provided that where the goods are in the nature of patterns, drawings, jigs, tools, fixtures, moulds, tackles and instruments, such goods may be allowed by the Assistant Commissioner of Customs or Deputy Commissioner of Customs to be retained subject to payment of customs duties leviable as on the date of import without allowing any depreciation except for items specified in the negative list of import in the Export and Import Policy for which the importer shall obtain and produce necessary permission in terms of paragraph 7.12 (v) of the Export and Import Policy;

Provided further that the wastage arising during the process of jobbing, as determined in terms of Standard Input-Output norms published by the Government of India in the Ministry of Commerce in the Handbook of Procedure (Vol.2) vide Public Notice No.2/(PN)/1997-2002 dated the 31st March, 1997 and where such Standard Input-Output norms for the resultant product have not been published, the satisfaction of the Assistant Commissioner of Customs or Deputy Commissioner of Customs and Central Excise shall be disposed off in the manner as may be specified by the said Assistant Commissioner of Customs or Deputy Commissioner of Customs and Central Excise.

(iii) that the goods are utilised only for the discharge of export obligation and no part thereof shall be sold, loaned, transferred or otherwise used or disposed of;

(iv) that the FOB value of the resultant products exported is at least 10% more than the C.I.F. value of all goods imported in relation to the said resultant products;

Provided that where the resultant products are textile and clothing goods falling under chapters 50 to 63 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), the value addition under this condition shall be of any positive value; [*Proviso inserted by amending ntn 01/01.01.99*]

(v) that the jobbing is undertaken in accordance with the procedure set out in the Customs (Import of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 1996.

Provided that where the jobbing is to be undertaken by or through cottage industry without being confined to any specific premises, the importer shall execute a bond with such surety or security and in such form and for such sum as may be specified by the Assistant Commissioner of Customs or Deputy Commissioner of Customs binding himself to pay on demand an amount equal to the duty leviable on the goods imported but for the exemption contained herein, in respect of which the conditions specified in this notification have not been complied with [*together with interest at the rate of 15% per annum from the date of clearance of goods*]. [*Amended by 105/10.07.2003*]

(vi) that the imports and exports are undertaken through sea ports at Bombay, Calcutta, Cochin, Kandla, Mangalore, Marmagoa, Madras, Nhava Sheva, Paradeep, Tuticorin, and Visakhapatnam or through any of the air ports Ahmedabad, Bangalore, Bombay, Calcutta, Coimbatore, Delhi, Hyderabad, Jaipur, Madras, Srinagar, Trivandrum and Varanasi or through any of the Inland Container Depots at Bangalore, Coimbatore, Delhi, Gauhati, Hyderabad, Kanpur, Ludhiana, Moradabad, Pimpri (Pune) and Pitampur (Indore) :

Provided that the Commissioner of Customs may by special order and subject to such conditions as may be specified by him, permit import and export through any other seaport, airport, or Inland Container Depot or through a land customs station.

(vii) that the goods being imported are not prohibited items specified in the ITC(HS) Classifications of Export and Import Items as declared by the Government of India, in the Ministry of Commerce. [*condition inserted by 50/29.4.99*]

Explanations - In this Notification,

(i) "Export and Import Policy" means the Export and Import Policy 1 April 1997 - 31 March 2002, published vide notification of the Government of India in the Ministry of Commerce No.1/1997-2002 dated the 31st March 1997

(ii) "Goods" means raw materials, components, intermediates, [semi-finished goods], consumables, parts, packing materials including hangers for garments, patterns, drawings, jigs, tools, fixtures, moulds, tackles, instruments, and computer hardware and software, as are directly related to the export order and supplied free of cost by the foreign buyer.

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The current notification 32-Customs dated 01 April 1997 supersedes the previous notification 81-Customs dated 31 March, 1995.; 01/01.01.99- the words semi-finished goods inserted.; 50/29.04.99; 89/06.07.99]; 105/10.07.2003