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ಭಾರತಸರ್ಕಾರ, ವित्तमंत्रालय, राजस्वविभाग

Government of India, Ministry of Finance, Department of Revenue,

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Office of the Commissioner of Customs, City Customs Commissionerate,

P.B. No. 5400, C.R. Building, Queen's Road, Bengaluru - 560 001

05.04.2021

Public Notice No. 16/2021

Sub: Procedure to be followed by Warehouses permitted for manufacture and other operations under Section 65 of Customs Act, 1962 read with MOOWR, 2019-reg

Attention is invited to Notification No. 69/2019- Cus (NT), Circular No. 34/2019- Cus both dated 01.10.2019 and Circular No. 48/2020- Cus dated 27.10.2020. To implement the facilities Job Work and Procurement from SEZs extended by CBIC vide Circular No. 48/2020-Cus, the following procedure is laid down to be followed by the Section 65 Units.

I. **Job work for a Section 65 unit :** Raw material/Inputs/Intermediate goods/ semi-finished Goods in the Warehouses permitted under Section 65 are allowed to be sent out from a Section 65 unit for job work. The capital goods can be sent outside the Section 65 unit only for *repair*, with the permission of the Ware House Monitoring Cell (Herein after referred to as WMC. Its operations are detailed in PN 44/2020 dated 01.09.2020)

The job work shall be subject to the following conditions:

- (i) The goods upon import should be first deposited in the Section 65 premises and duly accounted for before the same is sent for job work.
- (ii) It should be possible to establish the identity/correlate the goods after job work with those sent for job work. The Unit shall maintain proper accountal of goods sent for jobwork and the same shall be reflected in the Monthly Returns to be filed, with WMC, by MOOWR units (herein after referred to as Monthly returns). In case of intermediate goods/semifinished goods are sent for jobwork, details of imported goods contained in such Intermediate Goods shall be accounted for in the reports.

(iii) On completion of the job work, the goods can be brought back to the Section 65 unit or exported/cleared to DTA from the job worker's premises. In case the goods are exported/cleared to DTA from the job worker's premises, the procedure as per Regulations 14 and 15 of MOOWR, 2019, as applicable shall be followed and the date of removal from job workers premise shall be deemed to be the date of removal from the warehouse. The same shall also be reflected in the Monthly Returns.

(iv) Scrap, waste or remnants generated during the job work shall be either returned to the Section 65 unit or cleared from job-worker's premises on payment of applicable duties.

(v) The procedure and timeline for the return of goods sent for job work under Section 65 unit will be in line with GST provisions, viz, Section 143 of CGST Act, 2017 and Rule 45 of CGST Rules, as the Section 65 Unit is also a GST registrant.

(vi) The account to be maintained under Circular No. 34/2019-Customs, dated 1st October, 2019 will be kept updated as regards job work at all times.

(vii) Moulds, jigs, tools, fixtures, tackles, instruments, hangers, patterns and drawings are also allowed to be sent to the job workers premises for use in the job work subject to due accounting of the goods by the Section 65 unit in the account specified. Such goods will be used by the job worker exclusively for the concerned Section 65 unit.

(viii). Any removal of goods for job work by Section 65 Unit shall be with prior intimation to the WMC in writing along with the details of duty involved in respect of the goods being removed for job work.

(ix) In case of violation of any of the above provisions, the goods shall be deemed to have been cleared for home consumption on the date of clearance of the goods for job work. The applicable duties, interest and penalties shall be reckoned accordingly.

(x) The details of goods sent for job work have to be reflected in the records as per Column 27 to 38 in the proforma specified under Circular No. 34/2019-Cus dated 01.10.2019

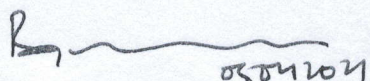
II. Job work for others by a Section 65 unit : Any (DTA goods or duty paid imported Goods) goods can be brought to the Section 65 Units for performing job work on them in the Section 65 unit and the Section 65 unit shall maintain due accounting of such job work as per the provisions of GST law and subject to following procedure:

- (i) Prior permission from AC/DC in charge of WMC for bringing any goods into Section 65 Unit is necessary. Separate Accounts shall be maintained for such goods brought for job work.
- (ii) In case if the job work involves consumption of any imported goods (other than capital goods), such consumption norms have to be furnished at the time of obtaining permission to carry out such job work.
- (iii) In case any imported inputs which are warehoused are consumed during the job work process, duty shall be paid on such goods (i.e. the warehoused goods) by filing Ex-Bond Bill of Entry, on the date of return of such job worked goods to the principal/owner. For any delay on payment of duty, interest shall be paid as per Notification issued under Section 47 of Customs Act, 1962.
- (iv) In case the goods after job work are exported from the premises of the Section 65 unit, the import duty on the warehoused goods used for the job work need not be paid as per section 69 of the Customs Act, 1962.

III. Procurement of goods from SEZ/FTWZ: Section 65 unit may source capital goods or inputs from a SEZ/FTWZ, following the applicable procedures. As per Rule 46(13), SEZ Units can clear the goods to Warehouses without payment of duty. However as per the existing procedure in Special Economic Zone/ Free Trade Warehousing Zones, no warehousing Bond is executed against the clearance of goods from SEZ to Warehouses Licensed under Section 57 and 58(including those permitted under Section 65), thus releasing the goods to a Warehouse without the cover of a Warehousing Bond under Section 59. Also, when such goods are cleared from the warehouse to DTA, there is no system of collection of duty at the SEZ similar to the procedure in normal imports where the Ex-Bond BE is filed at the port of import for payment of duty on the warehoused goods at the time of clearance for home consumption. In view of the above, the following procedure is prescribed

- i. Any Warehouse permitted to carry out manufacture and other operations under Section 65 intending to receive goods from SEZ/FTWZ without payment of duty shall execute a Bond with Asst/Deputy Commissioner(As per Section 59, Customs act ,1962) in charge of Warehouse Management Cell(WMC). A bond may be a running bond or a bond for a specific consignment.

- ii. Deputy/Asst Commissioner shall give permission for procurement of goods from SEZ Unit for the specified quantity and description of goods.
 - iii. The SEZ Unit shall allow filing of Bill of Entry by the Unit for supply of the goods to the warehouse against the Letter issued by the Deputy/Assistant Commissioner of Customs, WMC.
 - iv. The unit shall report the goods procured under this procedure separately in the Monthly Returns filed with the WMC. In this regard, receipt goods procured from SEZ/FTWZ shall recorded in the books as per entries at Column No.01 to 14 under receipts in the format specified under Circular No. 34/2019-Cus dated 01.10.2019. For the sake of ready recognition, the entries shall be separately as SEZ/FTWZ Procurement in the said Columns. Further, if the goods procured from SEZ/FTWZ are sold as such, the columns 68 to 81 may be separately shown as SEZ/FTWZ Procurement.
 - v. Upon satisfactory accountal of the goods which are used for manufacture of resultant goods as per the approved Input Output Norms, upon payment of duty on clearance of resultant goods or on export of the resultant goods, the Bond shall be discharged. It may be noted that duty on scrap as applicable shall also be paid.
 - vi. It would be responsibility of the Licensee to follow the procedure. No goods from SEZ/FTWZ Units will be allowed to be warehoused unless the same are covered by Section 59 Bond, mentioned in Para ii Supra.
2. The Public Notice shall be treated as Standing Order for compliance by the officers of the Commissionerate. Difficulties faced, if any, may be brought to the notice of the undersigned.


o/c . (Baswaraj Nalegave)
Commissioner

To,
The Warehouse operators, Customs Brokers Association and the concerned stakeholders.

Copy to:

The Chief Commissioner of Customs, Bangalore Zone, Queens Road, Bangalore.

The Notice Board.

The Webmaster to upload the Public Notice on the website.

