

Rödl & Partner

# CUSTOM BONDED WAREHOUSING

New way of manufacturing  
in India



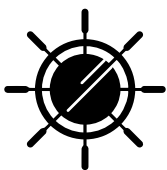
# Customs Bonded Warehousing in India

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Customs Bonded Warehouse is a facility where imported goods can be stored and further manufacturing as well as associated activities like packing, re-packing, labelling, etc. can be carried out. The customs duty is deferred at the time of import of goods and is payable at a later stage only upon clearance of manufactured goods for home consumption. If goods are exported directly from the warehouse, no Customs duty is payable. The warehouse can be used to store locally procured domestic goods for processing.



# Customs Bonded Warehouse



## GOODS IMPORTED IN INDIA AND STORED IN BONDED WAREHOUSE

- Customs duties deferred
  - IGST deferred
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## GOODS BONDED FOR THE PURPOSE OF:

- Storage
- Manufacture
- Packing
- Labelling etc.

## EXPORT OF GOODS FROM THE BONDED WAREHOUSE

- No customs duty on goods exported without clearance in India.
  - Refund of IGST payable on export can be availed.
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## LOCAL PURCHASES OF INPUTS AND CAPITAL GOODS

- Applicable GST is payable on purchase of local goods.

## DOMESTIC CLEARANCE OF GOODS MANUFACTURED / WASTE GENERATED

- Applicable Customs duties payable
- Applicable GST is payable.

## BENEFITS OVER OTHER EXISTING DUTY EXEMPTION SCHEMES

- Customs Duty deferral resulting in improved cash-flows.
- Relevant due to phasing out of other schemes under the FTP.
- Facility to convert the existing facility to a bonded warehouse.
- No time-limit on storage of goods.
- No additional conditions such as fixation of SION, actual user condition, value addition or meeting of export obligations etc.
- Locally procured goods can also be stored.

## WHO SHOULD GO FOR IT

- Companies engaged in high-volume imports and availing benefits under complicated existing schemes which are proposed to be phased out.
- Companies engaged in low value added processes.
- Companies engaged in import of inputs used for the manufacture of goods which are exported from India.
- Companies having high gestation period in terms of imports and actual supply of manufactured goods.

## HOW RÖDL & PARTNER HELPS

- Providing a comparative cost-benefit analysis of bonded warehouse Vs other available schemes.
- Analysing taxability of transactions undertaken from bonded warehouse.
- Providing end to end support from setting-up of customs bonded warehouse to assisting in monthly compliances for bonded warehouse.
- Providing timely updates on other procedural requirements for bonded warehouses.

# Our Offices

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