

Project Imports Scheme



Contact us:

Director (ICD)

Central Board of Indirect Taxes and Customs

North Block, New Delhi, 110001

Email: diricd-cbec@nic.in

www.cbic.gov.in

Published by:

Directorate General of Taxpayer Services,

C.R. Building, New Delhi-110109

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Project Imports Scheme



Directorate General of Taxpayer Services
CENTRAL BOARD OF INDIRECT TAXES & CUSTOMS
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PROJECT IMPORTS

Project Imports Scheme by CBIC facilitates imports of machinery, instruments and apparatus etc. required for initial set up of a unit or for substantial expansion of existing unit under concessional rate of duty. It is a concept, unique to Indian Customs, wherein all the goods imported are being classified under heading 98.01 of Customs Tariff Act, 1975 and subjected to a single rate of duty instead of merit assessment of imported goods to facilitate smooth and quick assessment by a simplified process of clearance.

Legal Provisions:

The Scheme of Project Imports is governed by the Chapter Notes to the Tariff Heading 98.01, Project Import Regulations, 1986 and various notifications/ circulars issued by CBIC from time to time.

Eligibility:

- I. The Project should be one listed in the Tariff Heading 9801 of the First Schedule to the Customs Tariff Act. Under the Scheme of Project Import, the following projects are covered:-
 - (1) Industrial Plant,
 - (2) Irrigation Project,
 - (3) Power Project,
 - (4) Mining Project,
 - (5) Project for the exploration for oil or other minerals, and

- (6) Such other projects as the central government may, having regard to the economic development of the country notify in the Official Gazette.

It also includes spare parts, other raw materials. (including semi-finished material) or consumable stores not exceeding 10% of the value of the goods specified above provided that such spare parts, raw materials or consumable stores are essential for the maintenance of the plant or project.

- II. The project is sponsored by the sponsoring authority (depending upon the nature of the project, different Ministry/ Department have been specified as sponsoring authority. The list of projects and sponsoring authorities specified under PIR, 86).
- III. The Contract with a detailed itemized list of goods to be imported is attested by sponsoring authority and registered prior to import.

Projects/goods not eligible for benefit under Project Imports:

Benefit under the Scheme is not available to hotels, hospitals, photographic studios, photographic film processing laboratories, photocopying studios, laundries, garages and workshops. This benefit is also not available to a single or composite machine.

The detailed regulations can be accessed at <https://www.cbic.gov.in/htdocs-cbec/customs/cs-act/formatted-htmls/cs-regu-prjt-imports1986>