

OFFICE OF THE COMMISSIONER OF CENTRAL EXCISE  
THIRUCHIRAPALLI-1

TRADE NOTICE : 46 / 2004

Dated: 9.6.2004

Sub: Export of resultant goods manufactured by using goods obtained  
without payment of duty under notification No.43/2001-CE (NT)  
-Regarding.

Copy of Board's Circular No.792 / 25 / 2004 – Cx. dated: 2.6.2004  
(F.No.209/7/ 2003 – Cx.6) is communicated herewith.

The contents of the Trade Notice may be brought to the knowledge of all  
constituent members of Trade Associations / Chamber of Commerce.

*(Issued from file C.NO.IV/16/ 4 /2004 - C.Ex.Pol)*

//ATTESTED//

SUPERINTENDENT (T)

Sd/xxx  
(V. JAYARAMAN)  
JOINT COMMISSIONER (Tech)

To  
As per mailing list I, II & III /  
All Sections in Hqrs., Trichy.

Copy of Board's Circular No.792 / 25 / 2004 – Cx. dated: 2.6.2004

Sub: Export of resultant goods manufactured by using goods obtained  
without payment of duty under notification No.43/2001-CE (NT)  
-Regarding.  
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I am directed to state that doubts have been raised by field formations that whether goods manufactured using materials obtained without payment of duty for use in manufacture of export goods under notification No.43/2001-C.E.(N.T.) dated 26th June, 2001 as amended, can be exported under claim of rebate of duty under rule 18 of Central Excise Rules, 2002 or the goods so manufactured should be exported only under Bond without payment of duty under rule 19 of Central Excise Rules, 2002.

2. It is to be noted that rule 19(1) provides for export of any excisable goods without payment of duty. As an additional facility, sub-rule (2) of rule 19 provides removal of any material without payment of duty for use in the manufacture or processing of goods, which are subsequently exported. Sub-rule (3) of rule 19 specifies conditions, safeguards and procedures for export under sub-rule (1) or sub-rule (2) of rule 19. Therefore, sub-rule (2) is an integral part of the scheme prescribed under rule 19. Notification No.43/2001-C.E.(N.T.) dated 26th June, 2001, as amended, has been issued under rule 19 (export without payment of duty) of Central Excise Rules, 2002. Therefore, the goods manufactured using the materials received without payment of duty under notification No.43/2001-C.E.(N.T.) dated 26th June, 2001, as amended, issued under Rule 19(3) read with Rule 19(2) are required to be exported under rule 19(1) by observing the conditions, safeguards and procedures specified under rule 19(3) of Central Excise Rules, 2002.

3. In order to make the position explicit, a clarificatory amendment has been issued vide notification No.10/2004-C.E.(N.T.) dated 2nd June, 2004 by adding an explanation to notification No.43/2001-C.E.(N.T.) dated 26th June 2001 clarifying that goods manufactured or processed using materials procured under notification No.43/2001-C.E.(N.T.) can only be exported in terms of sub-rule (1) of rule 19 of Central Excise Rules, 2002, read with notification No.42/2001-C.E.(N.T.) dated 26th June, 2001, as amended. This amendment is clarificatory in nature.

F.No. 209/7/2003-CX-6

(Neerav Kumar Mallick )  
Under Secretary to the Govt. of India