

OFFICE OF THE COMMISSIONER OF CENTRAL EXCISE  
NO.1, WILLIAMS ROAD, CANTONMENT, TRICHY.

TRADE NOTICE: 64/2004

DATED: 09.09.2004.

Sub: Communication of Ministry's Notification Nos.18 / 2004 – CE (NT),  
19/2004 – CE (NT), 20/2004 – CE (NT) and 21/2004 CE (NT), all  
dated: 06.09.2004 – Regarding.

Copies of Ministry's Notification Nos. 18 / 2004 – CE (NT), [ F. No. 305/70/2004 –  
FTT (Pt. II)], 19/2004 – CE (NT), [ F. No. 209/24/2003-CX.6], 20/2004 – CE (NT), [ F. No.  
209/24/2003- CX.6] and 21/2004 CE (NT) [F. No. 209/24/2003 – C.X.6], all dated:  
06.09.2004 are communicated herewith.

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

**(Issued from file C.No.IV/16/2/2004 – C.Ex.Pol.)**

//ATTESTED//

Sd./xxx  
**(D.P. NAIDU)**  
**JOINT COMMISSIONER (TECH)**

SUPERINTENDENT (T)

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

Copies of Ministry's Notification Nos. 18/2004 – CE (NT), dated: 06.09.2004.

G.S.R 569 (E).- In exercise of the powers conferred by section 37 of the Central Excise Act, 1944 (1 of 1944), the Central Government hereby makes the following rules further to amend the Central Excise Rules, 2002, namely:-

1. (i) These rules may be called the Central Excise ( Third Amendment ) Rules, 2004.  
(ii) They shall come into force on the date of their publication in the Official Gazette.
2. In the Central Excise Rules 2002, in rule 17,-

(a) for the marginal heading, the following marginal heading shall be substituted,  
namely:-  
"Removal of goods by a hundred per cent. export-oriented undertaking for  
domestic tariff area -"

(b) for sub-rule (1), the following sub-rule shall be substituted, namely:-

" (1) Where any goods are removed from a hundred per cent. export-oriented  
undertaking to domestic tariff area, such removal shall be made under an invoice by

following the procedure specified in rule 11, and on payment of appropriate duty before removal of goods by debiting the account current required to be maintained for this purpose or by utilizing the CENVAT credit.”

[ F. No. 305/70/2004-FTT (Pt. II)]

(V. KEZO)  
( Under Secretary to the Government of India)

Note: The principal rules were published in the Gazette of India vide notification No. 4/2002-CE ( NT), dated 1st March, 2002 [GSR 143(E), dated the 1st March, 2002 ]and was last amended by notification No. 11/2004-Central Excise (N.T), dated the 9th July, 2004 [GSR 428( E), dated the 9th July, 2004].

Copies of Ministry's Notification Nos. 19/2004 – CE (NT), dated: 06.09.2004.
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In exercise of the powers conferred by rule 18 of the Central Excise Rules, 2002 and in supersession of the Ministry of Finance, Department of Revenue, notification No. 40/2001-Central Excise (NT), dated the 26th June 2001,[G.S.R.469(E), dated the 26th June, 2001] in so far as it relates to export to the countries other than Nepal and Bhutan, the Central Government hereby directs that there shall be granted rebate of the whole of the duty paid on all excisable goods falling under the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986), exported to any country other than Nepal and Bhutan, subject to the conditions, limitations and procedures specified hereinafter,-

(2) Conditions and limitations : -

- (a) that the excisable goods shall be exported after payment of duty, directly from a factory or warehouse, except as otherwise permitted by the Central Board of Excise and Customs by a general or special order;
- (b) the excisable goods shall be exported within six months from the date on which they were cleared for export from the factory of manufacture or warehouse or within such extended period as the Commissioner of Central Excise may in any particular case allow;
- (c) that the excisable goods supplied as ship's stores for consumption on board a vessel bound for any foreign port are in such quantities as the Commissioner of Customs at the port of shipment may consider reasonable;
- (d) the rebate claim by filing electronic declaration shall be allowed from such place of export and such date, as may be specified by the Board in this behalf;
- (e) that the market price of the excisable goods at the time of exportation is not less than the amount of rebate of duty claimed;
- (f) that the amount of rebate of duty admissible is not less than five hundred rupees;
- (g) that the rebate of duty paid on those excisable goods, export of which is prohibited under any law for the time being in force, shall not be made.

(3) Procedures:-

- (a) Sealing of Goods and examination at the place of dispatch and export:-

(i) The manufacturer exporters registered under the Central Excise Rules, 2002 and merchant-exporters who procure and export the goods directly from the factory or warehouse can exercise the option of exporting the goods sealed at the place of dispatch by a Central Excise Officer or under self-sealing;

(ii) Where the exporter desires self-sealing and self-certification, the manufacturer of the export goods or owner of the warehouse shall take the responsibility of sealing and certification;

(iii) The merchant-exporters other than those procuring the goods directly from the factory or warehouse shall export the goods sealed at the place of dispatch by a Central Excise Officer;

(iv) For the sealing of goods intended for export, at the place of dispatch, the exporter shall present the goods along with four copies of application in the Form ARE-I specified in the Annexure to this notification to the Superintendent or Inspector of Central Excise having jurisdiction over the factory of production or manufacture or warehouse;

(v) The said Superintendent or Inspector of Central Excise shall verify the identity of goods mentioned in the application and the particulars of the duty paid or payable, and if found in order, shall seal each package or the container in the manner as may be specified by the Commissioner of Central Excise and endorse each copy of the application in token of having such examination done;

(vi) The said Superintendent or Inspector of Central Excise shall return the original and duplicate copies of application to the exporter;

(vii) The triplicate copy of application shall be -

(a) sent to the officer with whom rebate claim is to be filed, either by post or by handing over to the exporter in a tamper proof sealed cover after posting the particulars in official records, or

(b) sent to the Excise Rebate Audit Section at the place of export in case rebate is to be claimed by electronic declaration on Electronic Data Inter-change system of Customs;

(viii) The exporter may prepare quadruplicate copy of application for claiming any other export incentive. This copy shall be dealt in the same manner as the original copy of application;

(ix) Where goods are not exported directly from the factory of manufacture or warehouse, the triplicate copy of application shall be sent by the Superintendent having jurisdiction over the factory of manufacture or warehouse, who shall, after verification, forward the triplicate copy in the manner specified in sub-paragraph (vii);

(x) In case of export by parcel post after the goods intended for export have been sealed, the exporter shall affix to the duplicate application sufficient postage stamps to cover postal charges and shall present the documents, together with the package or packages to which it refers, to the postmaster at the office of booking;

(xi) Where the exporter desires self-sealing and self-certification for removal of goods from the factory or warehouse or any approved premises, the owner, the working partner, the Managing Director or the Company Secretary, of the manufacturing unit of the goods or the owner of warehouse or a person duly authorized by such owner, working partner or the Board of Directors of such Company, as the case may be, shall

certify on all the copies of the application that the goods have been sealed in his presence, and shall send the original and duplicate copies of the application along with the goods at the place of export, and shall send the triplicate and quadruplicate copies of the application to the Superintendent or Inspector of Central Excise having jurisdiction over the factory or warehouse within twenty four hours of removal of the goods;

(xii) In case of self-sealing, the said Superintendent or Inspector of Central Excise shall, after verifying the particulars of the duty paid or duty payable and endorsing the correctness or otherwise, of these particulars-

(a) send to the officer with whom rebate claim is to be filed, either by post or by handing over to the exporter in a tamper proof sealed cover after posting the particulars in official records, or

(b) send to the Excise Rebate Audit Section at the place of export in case rebate is to be claimed by electronic declaration on Electronic Data Inter-change system of Customs;

(xiii) On arrival at the place of export, the goods shall be presented together with original, duplicate and quadruplicate (optional) copies of the application to the Commissioner of Customs or other duly appointed officer;

(xiv) The Commissioner of Customs or other duly appointed officer shall examine the consignments with the particulars as cited in the application and if he finds that the same are correct and exportable in accordance with the laws for the time being in force, shall allow export thereof and certify on the copies of the application that the goods have been duly exported citing the shipping bill number and date and other particulars of export:

Provided that if the Superintendent or Inspector of Central Excise sealed packages or container at the place of dispatch, the officer of customs shall inspect the packages or container with reference to declarations in the application to satisfy himself about the exportability thereof and if the seals are found intact, he shall allow export.

(xv) The officer of customs shall return the original and quadruplicate (optional copy for exporter) copies of application to the exporter and forward the duplicate copy of application either by post or by handing over to the exporter in a tamper proof sealed cover to the officer specified in the application, from whom the exporter wants to claim rebate:

Provided that where the exporter claims rebate by electronic declaration on the Electronic Data Inter-change system of Customs, the duplicate shall be sent to the Excise Rebate Audit Section at the place of export.

(xvi) The exporter shall use the quadruplicate copy for the purposes of claiming any other export incentive.

(b) Presentation of claim for rebate to Central Excise:-

(i) Claim of the rebate of duty paid on all excisable goods shall be lodged along with original copy of the application to the Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise having jurisdiction over the factory of manufacture or warehouse or, as the case may be, the Maritime Commissioner;

(ii) The Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise of Central Excise having jurisdiction over the factory of manufacture or warehouse or, as the case may be, Maritime Commissioner of Central Excise shall compare the

duplicate copy of application received from the officer of customs with the original copy received from the exporter and with the triplicate copy received from the Central Excise Officer and if satisfied that the claim is in order, he shall sanction the rebate either in whole or in part.

(b) Claim of rebate by electronic declaration:-An exporter may enter the requisite information in the shipping bill filed at such place of export, as may be specified by the Board, for claiming rebate by electronic declaration on Electronic Data Inter-change system of Customs. The details of the corresponding application shall be entered in the Electronic Data Inter-change system of Customs upon arrival of the goods in the Customs area. After goods are exported or order under section 51 of the Customs Act, 1962 (52 of 1962) has been issued, the rebate of excise duty shall, if the claim is found in order, be sanctioned and disbursed by the Assistant Commissioner of Customs or the Deputy Commissioner of Customs.

(d) Special procedure for store for consumption on board an aircraft on foreign run:- Notwithstanding anything contained in the above paragraphs, in case of mineral oil products falling under Chapter 27 of the First Schedule to the Central Excise Act, 1985 (5 of 1986) exported as stores for consumption on board an aircraft on foreign run, the rebate shall be granted for such quantity of the products as remain on board the aircraft after completion of an internal flight but prior to its reversion to foreign run. The concerned officer of Customs shall certify in the manner specified by the Commissioner of Central Excise the quantity of products left on board for determining the quantum of rebate.

(e) Cancellation of documents:- If the excisable goods are not exported, the Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise shall cancel the export documents.

Explanation I - "duty" for the purpose of this notification means duties of excise collected under the following enactments, namely:

(a) the Central Excise Act, 1944 (1 of 1944);

(b) the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (58 of 1957);

(c) the Additional Duties of Excise (Textiles and Textile Articles) Act, 1978 (40 of 1978);

(d) the National Calamity Contingent duty leviable under section 136 of the Finance Act, 2001 (14 of 2001), as amended by section 169 of the Finance Act, 2003 (32 of 2003) and further amended by section 3 of the Finance Act, 2004 (13 of 2004);

(e) special excise duty collected under a Finance Act;

(f) additional duty of excise as levied under section 157 of the Finance Act, 2003 (32 of 2003);

(g) Education Cess on excisable goods as levied under clause 81 read with clause 83 of the Finance (No.2) Bill, 2004.

Explanation II - For the purpose of this notification, the expression "electronic declaration" means the declaration of the particulars relating to the export goods, lodged in the Customs Computer System, through the data-entry facility provided at the Service Center or the data communication networking facility provided by the Indian Customs and Central Excise Gateway (called ICEGATE), from the computer of the person authorized for this purpose.

Explanation III - For the purposes of this notification, "Maritime Commissioner" means the Commissioner of Central Excise under whose jurisdiction one or more of the port, airport, land customs station or post office of exportation, is located.

**Annexure**

Range.....

Division.....Address.....

Commissionerate.....

*Original (White)/Duplicate (Buff)**Triplicate (Pink)/Quadruplicate (Green)***FORM A.R.E. 1****Application for removal of excisable goods for export by (Air/Sea/Post/Land)\***

To

Superintendent of Central Excise

.....(Full Postal Address)

1. Particulars of Assistant/Deputy Commissioner of Central Excise]/Maritime Commissioner of Central Excise from whom rebate shall be claimed/with whom bond/undertaking is executed and his complete postal address.

2. I/We ..... of .....propose to export the under-mentioned consignment to ..... (Country of destination) by Air/ Sea/ Land/ Parcel Post under claim for rebate/ bond/ undertaking\*.

Particulars of Manufacturer of goods and his Central Excise Registration No	No. and Description of packages	Gross weight/ Net weight	Marks and Nos. on packages	Quantity of goods	Description of goods	Value	Duty		No. and date of Invoice under which duty was paid/No. and date of bond/undertaking executed under rule 19	Amount of Rebate claimed	Remarks
							Rate	Amount (Rs.)			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)

3. I/We hereby certify that the above- mentioned goods have been manufactured.

- availing facility/without availing facility of CENVAT credit under CENVAT Credit Rules, 2002
- availing facility/without availing facility under Notification No.21/2004-Central Excise (N.T.), dated the 6<sup>th</sup> September, 2004 issued under rule 18 of Central Excise Rules, 2002.
- availing facility/without availing facility under Notification No.43/2001-Central Excise (N.T.), dated the 26<sup>th</sup> June, 2001 issued under rule 19 of Central Excise (No.2) Rules, 2001.

4. I/We hereby declare that the export is in discharge of the export obligation under a Quantity based Advance License/Under Claim of Duty Drawback under Customs and Central Excise Duties Drawback Rules, 1995.

5. I/We hereby declare that the above particulars are true and correctly stated.

Time of Removal.....

Signature of owner or his

Authorised agent with date.

Name in Block Letters and

Designation (SEAL)

**PART A**

**Certification by Central Excise Officer**

1. Certified that duty has been paid by debit entry in the Personal Ledger Account No. ....and/or CENVAT Account Entry No..ŠŠor recorded as payable in Daily Stock Account, on the goods described overleaf.

OR

Certified that the owner has entered into Bond No. .... under Rule 19 of Central Excise Rules, 2002 with the.....[F.No. ....], duly accepted by the Assistant Commissioner/Deputy Commissioner of Central Excise..... on .....(Date).

2. Certified that I have opened and examined the packages No..... and found that the particulars stated and the description of goods given overleaf and the packing list (if any) are correct and that all the packages have been stuffed in the container No. .... with Marks ..... and the same has been sealed with Central Excise Seal/One Time Seal (OTS) No. ....

3. I have verified with the records, the exporter is only availing the export incentives, as specified in box No.6 and found it to be true.

4. Certified that I have drawn three representative samples from the consignment (wherever necessary) and have handed over, two sets thereof duly sealed to the exporter/his authorised representative.

Place.....

Date .....

Signature

(Name in Block Letters)

Superintendent of Central Excise

Signature

(Name in Block Letters)

Inspector of Central Excise

**PART B**

**CERTIFICATION BY THE OFFICER OF CUSTOMS**

Certified that the consignment was shipped under my supervision under Shipping Bill No..... dated .....by S.S./Flight No. .... which left on the..... day of..... (Month).....(year)

**OR**

Certified that the above-mentioned consignment was stuffed in Container No..... belonging to Shipping Line..... based on the "Let Export Order" given on ..... day of.....(Month).....year) on the Shipping Bill No..... dated..... and sealed by seal/one time lock No..... in my supervision and the container was handed over to the Custodian M/s..... for being shipped via .....(Name of the Port).

**OR**

Certified that the above-mentioned consignment has been duly identified and has passed the land frontier today at \_\_\_\_\_ in its original condition under Bill of Exports No. \_\_\_\_\_ Place \_\_\_\_\_ Date \_\_\_\_\_.

Signature  
(Name and designation of the Officer of Customs  
in Block Letters)/(Seal)

### **PART C**

#### **EXPORT BY POST**

Certified that the consignment described overleaf has been dispatched by foreign post to on .. day of 200.

Place ..  
Date .  
Signature of Post Master with seal

### **PART D**

#### **REBATE SANCTION ORDER**

(On Original, Duplicate and Triplicate)

Refund Order No ..... Dated .... Rebate of Rs ..... (Rupees .....) sanctioned vide Cheque No. .... dated .....

Place :  
Date :

Assistant/Deputy Commissioner/ Maritime  
Commissioner of Central Excise  
\*Strike out inapplicable portions.

[F.No. 209/24/2003-CX.6]  
**(Neerav Kumar Mallick)**  
**Under Secretary to the Government of India**

Copies of Ministry's Notification Nos. 20/2004 – CE (NT), dated: 06.09.2004.
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In exercise of the powers conferred by rule 18 of the Central Excise Rules, 2002 and in supersession of the Ministry of Finance, Department of Revenue, notification No.40/2001-Central Excise (N.T.), dated the 26th June, 2001 [G.S.R. 469 (E) dated the 26th June, 2001], in so far as it relates to export to Nepal, the Central Government hereby, directs that rebate of the whole of the duty paid on the excisable goods falling under the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) and exported to Nepal, shall be granted to His Majesty's Government of Nepal, subject to the conditions, limitations and procedures specified hereinafter:-

2. Conditions and limitations :-

(a) that rebate shall not, in each case, exceed the aggregate of the duty of Customs and additional duty of Customs levied by His Majesty's Government of Nepal on such goods when they are imported into Nepal from any country other than India;

(b) that the excisable goods shall be exported after payment of duty, directly from a



factory or warehouse except as otherwise permitted by the Central Board of Excise and Customs by a general or special order;

(c) the excisable goods shall be exported within six months from the date on which they were cleared for export from the factory of manufacture or warehouse or within such extended period as the Commissioner of Central Excise may in any particular case allow;

(d) when the goods are exported by land, the export shall take place through any of the following land customs stations, namely, Sukhiapokhri, Panitanki, Jogbani, Jayanagar, Bairgania, Bhimnagar, Bitamore (Sursand), Raxaul, Sonauli, Barhni, Nepalganj Road, Shohratgar (Khunwa), Jarwa, Katarniaghat, Gauriphanta, Banbasa, Jhulaghat, Dharchula, Naxalbari, Galgalia, Kunauli, Sonabarsa, Tikonia, or such other check-post as may be specified by the Central Board of Excise and Customs.

3. Procedure relating to removal of goods: - When goods liable to duties of excise in India are despatched to Nepal through land, the exporter or his agent shall observe the following procedure at the registered factory or warehouse or premises as approved by the Commissioner of Central Excise, from where the excisable goods are removed for export to Nepal, namely:-

(a) application in the form specified under Annexure to this notification (hereinafter referred to as invoice), in quadruplicate, shall be presented to the jurisdictional Superintendent or Inspector of Central Excise along with the export goods;

(b) the said officer shall verify the packages and the goods with reference to the declaration in the invoice and if found in order, he shall deliver the goods, packages or container after sealing it, to the exporter or his agent together with the original copy of the invoice, duly completed and registered and the exporter or his agent shall then be free to remove the goods for export to Nepal, through the specified land customs stations;

(c) the duplicate and triplicate copies of the invoice shall be put in a cover and sealed and handed over to the exporter or his agent by the Central Excise Officer for being handed over to the officer of customs in charge of the said land customs station; and

(d) the quadruplicate copy of the invoice shall be retained by the Central Excise Officer;

4. Procedure at the land customs station: - At the land customs station, the following procedure shall be followed, namely, -

(a) the exporter or his agent shall present the goods to the officer of customs in-charge of the land customs station along with the original copy of invoice and the sealed cover containing duplicate and triplicate copies;

(b) where the contents of all the copies of invoice tally and the packages, goods or containers are satisfactorily identified with their seals intact, the officer of customs in charge of the land customs station shall make necessary entries in the register maintained at the land customs station and allow the goods to cross into the territory of Nepal and certify accordingly on each of the three copies of the invoice and simultaneously indicate the running serial number in red ink prominently visible and encircled against item 3 on all the three copies of the invoice and he may, to satisfy himself as to the identity of the packages, goods or containers from the particulars shown on the invoice, open container or packages and examine the goods, especially where the seals are broken;

(c) the officer of customs, may, then, deliver the original copy of the invoice duly endorsed to the exporter or his agent along with the goods for presentation to the

Nepalese Customs Officer. He shall also send directly the duplicate and triplicate copies of the invoice to the Nepalese Customs Officer in-charge of the check post through which the goods are to be imported into Nepal;

(d) the goods shall, then, be produced before the Nepalese Customs Officer at the corresponding border check post along with the original copy of the invoice and the Nepalese Customs Officer, shall deal with the original copy as directed by His Majesty's Government of Nepal and return the duplicate copy, after endorsing his certificate of receipt of goods in Nepal directly to the officer of customs in-charge of the land customs station; and

(e) the officer of customs in charge of the land customs station shall forward the duplicate copy to the Deputy Director of Inspection, Customs and Central Excise, Nepal Refund Wing for this purpose, the said officer of customs in charge of the land customs station shall keep a note of the return of duplicate copies from the Nepalese Customs Officer and remind the exporter for such copies as have not been received.

5. Procedure to be followed by the Directorate General of Inspection, Customs and Central Excise (Nepal Refund Wing), New Delhi: –

(a) The Directorate General of Inspection, Customs and Central Excise (Nepal Refund Wing), New Delhi [hereinafter referred to as "the Directorate"] shall maintain separate registers for each Indian Border Customs Check Post;

(b) The duplicate invoice shall be entered in the respective registers showing the running serial number in the recapitulation statement register prescribed for the purpose;

(c) at the end of every month he shall calculate the amount of rebate due in respect of all certificates of exports received during that month and shall prepare a consolidated statement to arrive at the amount of rebate due to His Majesty's Government of Nepal;

(d) one copy of the recapitulation statement shall be forwarded to the Commissioner of Central Excise concerned for verifying the payment of rebate to Nepal Government and for issue of a post audit certificate in respect of the amount allowed as rebate against each invoice passed in that bill. In order to detect errors in the duty amount and quantity indicated, Internal Audit Department of the Commissionerate concerned should check this factor by comparison with the recapitulation statement forwarded by the Directorate and the monthly return of the factories concerned;

(e) where any over payment is noticed the fact should be brought to the notice of the Directorate for making necessary adjustment;

(f) one copy of the recapitulation statement shall be forwarded to His Majesty's Government of Nepal;

(g) one copy of the recapitulation statement shall remain as office copy with the Directorate;

(h) after receiving the recapitulation statement, the Commissioner shall get a verification done that the concerned factories have actually paid the duty of excise against which the rebate is to be given and shall furnish a certificate to the Directorate to the effect that all the concerned factories have paid the amounts of duty as indicated in the recapitulation statement; and

(i) in case the Directorate does not receive the duplicate copy of the invoice from the officer of customs in-charge of the Indian Land Customs Station and the triplicate copy is not



1. I/We hereby declare that the above-mentioned particulars are true and correctly stated and that the consignment of goods is intended for export to Nepal \_\_\_\_\_(place) and shall not be diverted en route to any other country.

Signature of exporter or his authorised agent.

Place:

Date:

(To be printed overleaf)

2. Certified that the above-mentioned packages have been identified by me and sealed with the Central Excise seal under my supervision.

Signature and designation of the Central Excise of officer.

Running Serial No.

Date:

3. Certified that the above-mentioned consignment has been duly identified by me and has passed the Border Customs Post.

Running Serial number of the Border Check Post

(to be written in red ink prominently encircled)

Date:

Signature and designation of the Indian

Officer in charge of the Border Customs Post at \_\_\_\_\_.

4. Certified that the above-mentioned consignment/packages have been duly identified by me and have been received and accounted for in Nepal.

Signature and designation

(with official seal) of Nepalese Customs Officer

Check Post \_\_\_\_\_

[F.No. 209/24/2003-CX.6]

(Neerav Kumar Mallick)

Under Secretary to the Government of India

Copies of Ministry's Notification Nos. 21/2004 – CE (NT), dated: 06.09.2004.
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In exercise of the powers conferred by of rule 18 of the Central Excise Rules, 2002 and in supersession of the Ministry of Finance, Department of Revenue, notification No.41/2001-Central Excise (N.T.), dated the 26th June, 2001[G.S.R.470 (E) dated the 26th June, 2001], the Central Government hereby, directs that rebate of whole of the duty paid on excisable goods (hereinafter referred to as 'materials') used in the manufacture or processing of export goods shall, on their exportation out of India, to any country except Nepal and Bhutan, be paid subject to the conditions and the procedure specified hereinafter: -

(1) Filing of declaration. - The manufacturer or processor shall file a declaration with the Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise having jurisdiction over the factory of manufacture describing the finished goods proposed to be manufactured or processed along with their rate of duty leviable and manufacturing/processing formula with particular reference to quantity or proportion in which the materials are actually used as well as the quality. The declaration shall also contain the tariff classification, rate of duty paid or payable on the materials so used,

both in words and figures, in relation to the finished goods to be exported.

(2) Verification of Input-output ratio. – The Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise shall verify the correctness of the ratio of input and output mentioned in the declaration filed before commencement of export of such goods, if necessary, by calling for samples of finished goods or by inspecting such goods in the factory of manufacture or process. If, after such verification, the Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise is also satisfied that there is no likelihood of evasion of duty, he may grant permission to the applicant for manufacture or processing and export of finished goods.

(3) Procurement of material. – The manufacturer or processor shall obtain the materials to be utilised in the manufacture of the finished goods intended for export directly from the registered factory in which such goods are produced, accompanied by an invoice under rule 11 of the Central Excise Rules, 2002:

Provided that the manufacturer or processor may procure materials from dealers registered for the purposes of the CENVAT Credit Rules, 2002 under invoices issued by such dealers.

(4) Removal of materials or partially processed material for processing. – The Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise may permit a manufacturer to remove the materials as such or after the said materials have been partially processed during the course of manufacture or processing of finished goods to a place outside the factory -

(a) for the purposes of test, repairs, refining, reconditioning or carrying out any other operation necessary for the manufacture of the finished goods and return the same to his factory without payment of duty for further use in the manufacture of finished goods or remove the same without payment of duty in bond for export, provided that the waste, if any, arising in the course of such operation is also returned to the said factory of the manufacture or process; or

(b) for the purpose of manufacture of intermediate products necessary for the manufacture or processing of finished goods and return the said intermediate products to his factory for further use in the manufacture or process of finished goods without payment of duty or remove the same, without payment of duty for export, provided that the waste, if any, arising in the course of such operation is also returned to the factory of manufacturer or processor;

(c) any waste arising from the processing of materials may be removed on payment of duty as if such waste is manufactured or processed in the factory of the manufacturer or processor.

(5) Procedure for export. - The goods shall be exported on the application in Form A.R.E. 2 specified in the Annexure to this notification and the procedures specified in Ministry of Finance (Department of Revenue) notification No.19/2004-Central Excise (N.T.), dated the 6th September, 2004 or in notification No. 42/2001-Central Excise (N.T.), dated the 26th June, 2001 shall be followed.

(6) Presentation of claim of rebate. – The claim for rebate of duty paid on materials used in the manufacture or processing of goods shall be lodged only with the Assistant Commissioner of Central Excise or Deputy Commissioner of Central Excise having jurisdiction of the place approved for manufacture or processing of such export goods.

Explanation: - "duty" means for the purposes of this notification, duties of excise collected under the following enactment, namely: -

(a) the Central Excise Act, 1944 (1 of 1944);

(b) the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (58 of 1957);

(c) the Additional Duties of Excise (Textiles and Textile Articles) Act, 1978 (40 of 1978);

- (d) the National Calamity Contingent duty leviable under section 136 of the Finance Act, 2001 (14 of 2001), as amended by Section 169 of the Finance Act, 2003 (32 of 2003) and further amended by Section 3 of the Finance Act, 2004 (13 of 2004);
- (e) special excise duty collected under a Finance Act;
- (f) additional duty of excise as levied under section 157 of the Finance Act, 2003 (32 of 2003);
- (g) Education Cess on excisable goods as levied under clause 81 read with clause 83 of the Finance (No.2) Bill, 2004.

Annexure

**ARE 2 No.** \_\_\_\_\_

*Original (White)/Duplicate (Buff)/Triplicate (Pink)*

*Quadruplicate (Green)/ Quintuplicate (Blue)*

**Form A.R.E. 2**

Combined application for removal of goods for export under claim for rebate of duty paid on excisable materials used in the manufacture and packing of such goods and removal of dutiable excisable goods for export under claim for rebate of finished stage Central Excise Duty or under bond without payment of finished stage Central Excise Duty leviable on export goods.

To

The Superintendent of Central Excise,

(Address)

\_\_\_\_\_ (full postal address)

1. Particulars of the Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise from whom rebate shall be claimed / with whom bond is executed and his complete postal address \_\_\_\_\_.

2. I / We \_\_\_\_\_ of \_\_\_\_\_ propose to export the under mentioned goods (details of which are given in Table 1 below) to \_\_\_\_\_ (country of destination) by \*air/sea / land /post parcel\* under claim for rebate of duty paid on excisable materials used in the manufacture and packing of such goods.

3. \*The finished goods being exported are not dutiable.

or

We intended to claim the rebate of Central Excise Duty paid on clearances of goods for export under notification No.19/2004-Central Excise (N.T.), dated the 6<sup>th</sup> September, 2004 issued under Rule 18 of Central Excise Rules, 2002.

or



Declaration:

(a) We hereby certify that we have not availed facility of CENVAT credit under CENVAT Credit Rules, 2002.

(b) We hereby declare that the export is not in discharge of export obligation under a Value based Advance License issued prior to 31.03.95.

(c) We hereby declare that the materials on which input stage rebate is claimed are not sought to be imported under a Quantity Based Advance License issued prior to 31.03.95.

(d) We further declare that we shall not claim any Drawback on export of the consignment covered under this application.

(e) I / We hereby declare that the above particulars are true and correctly stated.

(f) We have been granted permission by Assistant Commissioner of Central Excise or Deputy Commissioner of Central Excise Vide C.No. \_\_\_\_\_ date \_\_\_\_\_ for working under Notification No.21/2004-Central Excise (N.T.), dated the 6<sup>th</sup> September, 2004.

Time of Removal \_\_\_\_\_

Signature of owner or his authorised agent with date

Name in Block Letters & Designation

SEAL

Note 1: The A.R.E. 2 should be submitted by the manufacturer at least 24 hours before intended removal of goods for export, to the Superintendent of Central Excise.

Note 2: A running serial no.of the factory starting with one in every financial year should be allotted to every A.R.E. 2.

#### **FOR DEPARTMENT USE**

PART A

#### **CERTIFICATION BY THE CENTRAL EXCISE OFFICER**

1. Certified that

\*duty has been paid on the goods described above or duty is payable as recorded at entry number \_\_\_ in Daily Stock Account. or

\*the owner has entered into B-1 bond No \_\_\_\_\_ /given an Undertaking \_\_\_\_\_ under Rule 19 of Central Excise Rules, 2002 with the \_\_\_\_\_ or \*the finished goods being exported are not dutiable.

2. Certified that I have opened and examined the packages No. \_\_\_\_\_ and found that the particulars stated and the description of goods given overleaf read with the invoice and the packing list (if any) correct \*[and that all the packages have been stuffed in the container No. \_\_\_\_\_ with Marks \_\_\_\_\_]\*and the same has been sealed with Central Excise Seal/\*One Time Seal (OST) No. \_\_\_\_\_

3. I have verified with the records, the declaration of the manufacture given at Sl. No. 3 overleaf regarding non-availment of credit under CENVAT Credit Rules, 2002 and found it to be true.



4. Certified that I have drawn three representative samples from the consignment and have handed over two sets thereof duly sealed to the manufacturer/ his authorised representative (wherever feasible).

5. Certified that the material consumption as indicated in Table 2 overleaf are in accordance with the declaration No. \_\_\_\_\_ filed by \_\_\_\_\_ on \_\_\_\_\_

Place : \_\_\_\_\_

Date : \_\_\_\_\_

Signature

Signature

(Name in Block Letters)

(Name in Block Letters)

Superintendent of Central Excise

Inspector of Central

Excise

\*Strike out inapplicable portions

Note 3 : The details given in Table 2 may be verified by the Superintendent of Central Excise subsequent to clearances. For this purpose, a detailed verification report may be submitted by the Superintendent to the Assistant/ Deputy Commissioner of Central Excise along with Triplicate copy of A.R.E.2 2.

Note 4 : The original -duplicate and Quintuplicate shall be returned to the manufacturer for presenting to the Customs Officer.

#### PART B

##### **Certification by the Officer Of Customs**

Certified that I have examined the consignment described overleaf and the seals on the packages were found intact and I have satisfied myself that particulars of the consignment are as specified overleaf except for the shortages mentioned below:

\_\_\_\_\_

2. Certified that the exports are not under Duty Drawback Scheme. It is further certified that exports are not in discharge of export obligation under Value Based Advance License or a Quantity Based Advance License issued before 31.03.95.

3. Certified that all copies of Shipping Bill / Bill of export contain endorsement of A.R.E. 2 No. in the space provided for indicating ARE 1.

4. Certified that the consignment was shipped under my supervision under \*Shipping Bill No. / Bill of Export No. \_\_\_\_\_ dated \_\_\_\_\_ which left for \_\_\_\_\_ on \_\_\_\_\_ / which passed the frontier on \_\_\_\_\_

Duplicate copy of A.R.E. 2 Forwarded to Assistant/Deputy Commissioner of Central Excise  
SSSS. on SSSS

Place

Date

Signature

(Name and designation of the Customs Officer in Block letters)

(Seal)

Note 5 : The customs shall send the duplicate to the address given at Sl. No. 1 overleaf and handover original and quintuplicate to the exporter.

PART C\*

Rebate Sanction Order Under rule 18(1)

(On Original, Duplicate and Triplicate)

Refund Order No. \_\_\_\_\_ dated \_\_\_\_\_ Rebate of Rs. \_\_\_\_\_

(Rupees \_\_\_\_\_ sanctioned vide cheque No. \_\_\_\_\_ dated \_\_\_\_\_)

Place \_\_\_\_\_

Date \_\_\_\_\_

Assistant/Deputy Commissioner of Central Excise

PART D

Rebate Sanction Order under rule 18(2)

(On Original, Duplicate and Triplicate )

Refund Order No. \_\_\_\_\_ dated \_\_\_\_\_ Rebate of Rs. \_\_\_\_\_

\_\_\_\_\_ (Rupees \_\_\_\_\_ sanctioned  
vide cheque No. \_\_\_\_\_ dated \_\_\_\_\_)

Place \_\_\_\_\_

Date \_\_\_\_\_

Assistant/Deputy Commissioner of Central Excise

[F.No.209/24/2003-C.X.6]

\*Strike out inapplicable portions

(Neerav Kumar Mallick)

Under Secretary to the Government of India