

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

TRADE NOTICE: 17/2005

DATED: 05.04.2005.

Sub: Communication of Ministry's Notification No. 17/2005 – CE (N.T)  
dated 31.03.2005. – Regarding.

Copy of Ministry's Notification No. 17/2005 – CE (N.T) dated 31.03.2005 is  
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/16/2/2005 – C.Ex.Pol.)**

//ATTESTED//

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

SUPERINTENDENT (TECH.)

To

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

Copy of Ministry's Notification No. 17/2005 CE (N.T) Dated: 31.03.2005
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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. (1) These rules may be called the Central Excise (Second Amendment) Rules, 2005.  
(2) They shall come into force on and from 1<sup>st</sup> April 2005.
2. In the Central Excise Rules, 2002 (hereinafter referred to as the said rules), in rule 8, -
  - (A) for sub-rule (3), and the proviso and the illustrations thereto, the following shall be substituted namely:-

“(3) If the assessee fails to pay the amount of duty by due date, he shall be liable to pay the  
outstanding amount along with interest at the rate specified by the Central Government vide  
notification under section 11AB of the Act on the outstanding amount, for the period starting with the  
first day after due date till the date of actual payment of the outstanding amount.”.

(B) after sub-rule (3) so substituted, the following sub-rule shall be inserted, namely:-

“(3A) If the assessee defaults in payment of duty by the date prescribed in sub-

rule (2) and the same is discharged beyond a period of thirty days from the said date, then the assessee shall forfeit the facility to pay the duty in monthly instalments under sub-rule (1) for a period of two months, starting from the date of communication of the order passed by the Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise, as the case may be, in this regard or till such date on which all dues including interest thereof are paid, whichever is later, and during this period notwithstanding anything contained in sub-rule (4) of rule 3 of CENVAT Credit Rules, 2004, the assessee shall be required to pay excise duty for each consignment by debit to the account current and in the event of any failure, it shall be deemed that such goods have been cleared without payment of duty and the consequences and penalties as provided in these rules shall follow.”.

3. In rule 12 of the said rules, after sub-rule (2), the following shall be inserted, namely: -

“(3) The proper officer may on the basis of information contained in the return filed by the assessee under sub-rule (1), and after such further enquiry as he may consider necessary, scrutinize the correctness of the duty assessed by the assessee on the goods removed, in the manner to be prescribed by the Board.

(4) Every assessee shall make available to the proper officer all the documents and records for verification as and when required by such officer.” .

4. In rule 22 of the said rules,-

(A) for sub-rule (2), the following shall be substituted, namely:-

“(2) Every assessee, and first stage and second stage dealer shall furnish to the officer empowered under sub-rule (1), a list in duplicate, of-

- (i) all the records prepared and maintained for accounting of transaction in regard to receipt, purchase, manufacture, storage, sales or delivery of the goods including inputs and capital goods, as the case may be;
- (ii) all the records prepared and maintained for accounting of transaction in regard to payment for input services and their receipt or procurement; and
- (iii) all the financial records and statements including trial balance or its equivalent).”.

(B) in sub-rule (3), for the words “Every assessee”, the words “Every assessee, and first stage and second stage dealer” shall be substituted.

(C) after sub-rule (3), the following Explanation shall be inserted, namely:-

“Explanation. - For the purposes of this rule, “first stage dealer” and “second stage dealer” shall have the meanings assigned to them in CENVAT Credit Rules, 2004.”.

F.No. 224/1/2005CX 6

Neerav Kumar Mallick  
Under Secretary to the Government of India

*Note:* The principal rules were published in the Gazette of India Extraordinary, Part II, Section 3, Sub-Section (i), vide notification No.4/2002-CE (N.T.), dated the 1<sup>st</sup> March, 2002 [G.S.R.143 (E), dated the 1<sup>st</sup> March, 2002] and was last amended vide notification No.12/2005-CE (N.T.), dated the 1<sup>st</sup> March, 2005 [G.S.R 135(E) dated the 1<sup>st</sup> March, 2005].