

Notification No.45/2001-Central Excise (N.T.)

In exercise of the powers conferred by sub-rule (3) of rule 19 of the Central Excise (No.2) Rules, 2001, the Board hereby specifies the conditions, safeguards and procedures for export of all excisable goods without payment of excise duty from the factory of production or manufacture, warehouse or any other premises as may be approved by the Commissioner of Central Excise, namely:

1. Conditions and safeguards: -

Export under bond to Nepal or Bhutan where payment is in freely convertible currency. - Export under bond to Nepal or Bhutan where payment is in freely convertible currency, shall be subject to following conditions, namely: - the importer in Nepal or Bhutan, as the case may be, shall open an irrevocable letter of credit in favour of the exporter in India, before the export takes place;

condition (i) shall not apply if the excisable goods other than consumer goods, but excluding motor vehicles, are exported without payment of duty as:-

supplies to projects financed by any United Nations agency, the International Bank for Reconstruction and Development, International Development Association, the Asian Development Bank or any other multilateral agency of like nature;

to all diplomatic missions in Nepal or Bhutan provided the Indian Embassy or the Ministry of External Affairs certifies that the import is for the personnel of the diplomatic community;

the exporter shall furnish a bond in Form specified in Annexure-I before the Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise having jurisdiction over the factory, warehouse, or the approved premises or such other officer as authorised by the Board on this behalf, from where the goods are removed for export to Nepal, as the case may be, or Bhutan;

the exporter shall furnish a certificate in Form as specified in Annexure-II from the Reserve Bank of India or any other bank authorised to deal in foreign exchange by the Reserve Bank of India, showing that full payment for the goods has been duly received in freely convertible currency. On receipt of such a certificate and on the satisfaction that the goods have been exported in terms of the bond referred to in sub-condition (iii), the Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise or the such other officer as authorised by the Board on this behalf shall discharge the exporter of his liabilities under the bond;

Explanation. - "Freely convertible currency" means Australian Dollars, Austrian Schillings, Baharin Dinars, Belgian Francs, Canadian Dollars, Danish Kroners, Deutsche Marks, French Francs, Hongkong Dollars, Italian Lire, Japanese Yen, Kuwaiti Dinars, Malaysian Dollars, Netherlands Guilders, Norwegian Kroners, Pounds Sterling, Singapore Dollars, Swedish Kroners, Swiss Francs and U.S.A. Dollars (and includes Indian Rupees bought by the Asian Development Bank by payment to the Reserve Bank of India in foreign exchange).

Export to Nepal in bond against payment in Indian rupee. - Notwithstanding anything contained in condition (1) above, export of capital goods under a bond directly from the factory of manufacture to Nepal against any global tender invited by His Majesty's Government of Nepal without payment of duty, for which payment is received in Indian currency, shall be subject to the following further conditions, namely: -

the exporter shall furnish a bond in Form as specified in Annexure-I before the Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise or such other officer as authorised by the Board on this behalf; and

the exporter shall furnish a certificate in the Form specified in Annexure-II duly signed by the concerned bank in India showing that full payment for the goods has been duly received in Indian currency by the said bank;

(2) On receipt of the certificate referred to in sub-condition (ii) and on the satisfaction that the goods have been exported in terms of bond referred to in sub-condition (i), the Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise or such other officer as authorised by the Board on this behalf shall discharge the exporter of his liabilities under the bond.

Explanation. - The "capital goods" means the goods, that is to say, all items of machinery including prime movers, instruments, apparatus and appliances, control gear and transmission equipment as well as auxiliary equipment (including those required for research and development purpose, testing and quality control), required by an investor for production of goods or for rendering services, including those for replacement or expansion.

Export in bond of petroleum oil and lubricant products to Nepal. - Notwithstanding anything contained in condition (1) above, the export in bond without payment of duty of excise of petroleum oil and lubricant products to Nepal, through the agency of Nepal Oil Corporation from calibrated stocks of M/s Indian Oil Corporation registered as a warehouse in accordance with the provisions rule 20 the Central Excise (No.2) Rules, 2001, and situated at places notified for the purpose, from time to time, or purchased without payment of duty from tanks of other Oil Companies or Undertakings is permitted provided that the Indian Oil Corporation shall execute a bond in the form specified in Annexure-I, to cover removals of petroleum oil and lubricant products to be exported for such amount and in such manner as may be determined by the Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise having jurisdiction over the installation from which the petroleum oil and lubricant products are to be exported.

Export in bond for supplies to Government of India Aided Projects in Nepal and the Embassy Cooperative Store and Embassy Petrol Pump located in Nepal for the bonafide use of officers and staff of the Embassy in Nepal. -

Export in bond for supplies to Government of India Aided Projects in Nepal and the Embassy Cooperative Store and Embassy

Petrol Pump located in Nepal for the *bonafide* use of officers and staff of the Embassy in Nepal shall be subject to the following conditions, namely: -

the exporter shall furnish a bond in Form as specified in Annexure-I before the Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise or such other officer as authorised by the Board on this behalf; and the First Secretary (Economic), Embassy of India, Nepal, certifies the signature and stamp or seal of the person authorised to place the order for supply of excisable goods to the specified Government of India Aided Projects in Nepal;

Export of all excisable goods without payment of duty to Kurichu Hydro Electric Project and Tala Hydro Electric Project in Bhutan. - Export of all excisable goods without payment of duty to Kurichu Hydro Electric Project and Tala Hydro Electric Project in Bhutan shall be subject to the following conditions, namely: -

the exporter shall furnish a bond in Form as specified in Annexure-I before the Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise or such other officer as authorised by the Board on this behalf;

the goods are supplied against one or more specified contract which have been registered with the Directorate General of Inspection, Customs and Central Excise in the manner specified in Annexure III;

the goods are covered by a release order issued by an officer authorised by the General Manager of the concerned project authority;

the exporter furnishes a bond in the Form specified in Annexure-I to the Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise having jurisdiction over the factory or warehouse or the approved premises or from where the goods are removed for export to the specified project or such other officer as authorised by the Board on this behalf.

2. Procedure: -

(1) Procedure at the place of despatch. - (i) Six copies of invoice in the Form specified under Annexure-IV shall be presented to the Superintendent or Inspector of Central Excise having jurisdiction over the factory, warehouse or any other approved premises along with the export goods;

(ii) in case of export for supplies to Government of India Aided Projects in Nepal and the Embassy Cooperative Store and Embassy Petrol Pump located in Nepal for the *bonafide* use of officers and staff of the Embassy in Nepal, the order from Project Implementation Authority shall also be presented;

(iii) the Superintendent or Inspector of Central Excise having jurisdiction over the factory, warehouse or any other approved premises shall verify the identity of goods with reference to description mentioned in the invoice and the particulars of the duty payable but for export, and if found in order, he shall seal the consignment, tank or container with Central Excise seal or in such other the manner as may be specified by the Commissioner of Central Excise and endorse each copy of the export invoice in token of having such verification and examination done by him;

(iv) the goods shall be delivered to the exporter or his agent, together with the original copy of the invoice, duly completed and registered. The said officer will also give duplicate, triplicate and quadruplicate copies of invoice in a sealed cover, to the exporter or his agent for delivery to the Customs officer in-charge of the Land Customs Station through which the goods are intended to be exported and will obtain acknowledgement to this effect.

(iii) the exporter or his agent shall then be free to remove the goods for export to Nepal through the Land Customs Station indicated on the respective invoices;

(iv) where the goods are exported by land, the export shall take place through any of the following land customs stations, namely, Sukhiapokhari, Panitanki, Jogbani, Jayanagar, Baigania, Bhimnagar, Bitamore (Sursand), Raxaul, Sonauli, Barhni, Nepalganj Road, Shohratgar (Khunwa), Jarwa, Katarniaghat, Gauriphanta, Banbasa, Jhulaghat, Dharchula, Naxalbari, Galgalia, Kunauli, Sonabarsa, Tikonika, or such other check-post as may be specified by the Board;

(v) the quintuplicate copy shall be forwarded to the Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise who has accepted the bond; and

(vi) the said Superintendent or Inspector of Central Excise shall retain the sextuplicate copy of the invoice.

(2) Procedure at the Land Customs Station. - (i) 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 the invoice and the sealed cover containing duplicate, triplicate and quadruplicate copies and obtain acknowledgement;

(ii) Where the contents of all the copies of invoices tally and the packages, goods or container are satisfactorily identified with their seals in tact, 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 or Bhutan and certify accordingly on each of the four copies of the invoice and indicate the running serial number in red ink prominently visible and encircled. In case the seals are not found intact, the officer of customs in charge of the land customs station may re-seal the containers with his own seal after satisfying himself as to the identity of the containers and the goods from the particulars shown on the invoice by opening and examining the goods, if necessary;

(iii) the officer of customs, then deliver the original copy of the invoice duly endorsed to the exporter or his agent alongwith the goods for presentation to the Customs Officer of Nepal or Bhutan. He shall also send, directly the duplicate and triplicate copies of the invoice to the Nepalese or Bhutanese Customs Officer in-charge of the check post through which the goods are to be imported into Nepal or Bhutan, as the case may be;

(iv) the goods are then to be produced before the Nepalese or Bhutanese Customs Officer, as the case may be, at the corresponding border check-post alongwith the original copies of the invoice. The Nepalese or Bhutanese Customs Officer shall deal with the original and triplicate copies of the invoice as directed by His Majesty's Government of Nepal or His Majesty's Government of Bhutan and return the duplicate copy, after endorsing his certificate of receipt of goods in Nepal or Bhutan, as the case may be, directly to the officer of customs-in-charge of the land customs station in India;

(v) The officer of customs in-charge of the land customs station shall forward the duplicate copy to the Central Excise Officer in charge of the factory or warehouse from which the goods were removed for export without payment of duty. For this purpose, the said officer in charge of the land customs station should keep a note of the return of duplicate copies from the Customs Officer of Nepal or Bhutan and remind the exporter for such copies as have not been received, failing which the exporter may be liable to pay full duty on such consignments;

(vii) the officer of customs officers, at the land customs station shall also maintain a separate record of all such in-bond exports of the goods without payment of duty and shall assign running serial number on the invoice at the time of export as indicated earlier;

(3). **Procedure for discharge of bond or the duty liability.** - (i) the exporter shall submit the quadruplicate copy duly endorsed by the officer of customs in-charge of land customs station to the Central Excise officer who has accepted the bond alongwith bank, certificate evidencing receipt of payment in freely convertible currency, within six months from the date of removal of the goods. The Central Excise officer will tally the particulars with quintuplicate copy of the invoice received from the Central Excise officer who has allowed clearance from the factory or warehouse or any other approved premises and make suitable entries in Bond Account of the exporter, giving provisional credit or discharging the bond provisionally. On receipt of the duplicate copy of invoice, duly endorsed by customs officer of Nepal or Bhutan from the customs officer in charge of land customs station, certifying export of the goods and after tallying the particulars with those in quadruplicate copy of the invoice make suitable entries in Bond Account and the obligation under the said bond will then be discharged.

(ii) in case of failure to export within six months from the date of removal from the factory or warehouse or any other approved premises, or shortages noticed, the exporter shall discharge the duty liability on the goods not so exported or shortage noticed along with twenty four per cent. interest thereon from the date of removal for export without payment of duty till the date of payment of duty in terms of the bond.

Annexure-II

Bank Certificate

This is to certify that the following Bills covering exports ofto Nepal/Bhutan drawn by M/s.....have been negotiated and proceeds as given below received by us in the approved manner. We also certify that the payments thereof have been received in freely convertible currency.

Signature of Manager/Authorised officer
of the Bank with Official Stamp.

Notes:

1. This certificate should be on the Bank's letterhead and should bear the Official Stamp of the Bank.
2. This certificate will be issued only after the full proceeds of the Bill have been realised.

Annexure-IV

INVOICE

ORIGINAL
DUPLICATE
TRIPLICATE
QUADRUPLICATE

Invoice of goods liable to Central Excise Duty in India
Transmitted under Central Excise Seal to Nepal or Bhutan

Invoice No. _____ Date _____

Range _____ Division _____ Commissionerate _____ from _____
(factory/warehouse) by _____ through the Border Post of _____

(Merchant's Name) _____

Marks and numbers of packages	Marks and numbers of packages	Numbers and description of packages	Description of good with tariff classification	Net weight, value or quantity	Value (words and figures)	Rate of duty	Amount of duty paid or payable (In Words and figures)	Number and date of document under which Central Excise Duty was paid or is payable	Gross weight of packages	Number and date of railway receipt, if any
1	2	3	4	5	6	7	8	9	10	11

(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 Officer of Central Excise.

Running Serial No.

Date:

(to be given in red ink and encircled by the Border Examiner)

(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)

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/Bhutanese Customs Officer.

Check Post _____

2. This notification shall come into force on 1st July, 2001.

F.No.209/18/2001-CX.6

(P.K. Sinha)
Under Secretary to the Government of India

Annexure-III

REGISTRATION OF CONTRACTS

1. Every Project Authority specified in the notification desirous of obtaining supplies under benefits of this notification shall apply in writing to the Director General, Directorate General of Inspection (Customs and Central Excise) [hereinafter referred to as DGICCE], 5th Floor, Drum Shape Building, I.P. Estate, New Delhi for registration of the contract through Ministry of External Affairs as soon as the contract has been concluded with the suppliers;

2. The application shall be accompanied by the original deed of contract and list of items duly approved by the Ministry of External Affairs;

3. The Project Authority shall also furnish such other documents or other particulars as may be required by the DGICCE in

connection with the project.

4. DGICCE, on being satisfied, shall register the contract by entering the particulars in a Register maintained separately for each project and shall assign a number in token of registration and communicate the same to the Project Authority and shall also return to the project authority all original documents which are no longer required. This number shall be indicated on all the invoices and other related documents.

5. A copy of the contract so registered along with the approved list of items shall be forwarded to the Commissioner of Central Excise having jurisdiction over the factory/warehouse to which the contract pertains for extending benefits under this notification and consequent benefits under the Central Excise CENVAT Credit Rules, 2001 to the supplier.

AMENDMENT OF CONTRACT

1. If any contract referred to hereinabove is amended, whether before or after registration, the Project Authority shall make an application for registration of amendments to the said contract to the DGICCE.

2. The application shall be accompanied by the original deed of contract relating to the amendment and a list of items pertaining to amendment, if any, duly approved by the Ministry of External Affairs.

3. On being satisfied that the application is in order the DGICCE shall make note of the amendments in the relevant entries.

4. The DGICCE shall forward copy of the amended contract and the amended list of items, if any, to the concerned Commissioner of Central Excise.

FINALISATION OF CONTRACT

1. Each Project Authority shall submit a statement of supplies received on quarterly basis along with relevant invoices and other documents to the DGICCE within one month from the last date of the quarter.

2. The Commissioner of Central Excise to whom a registered contract has been forwarded shall forward a statement, after all the items covered under the contract have been exported, to the DGICCE.

3. The DGICCE shall, on receipt of the statement, reconcile both and, if satisfied, finalise the contract and close the entry in the register.

Annexure-I

FORM B-1 GENERAL BOND (SURETY/SECURITY)

General Bond with surety/security for removal for export of excisable goods without payment of duty for export

	<p>[I/Weof..... hereinafter called "the obligor(s)" and of.....hereinafter called "the surety(ies)"/ am/are held and firmly bound to the President of India (hereinafter called the "President") in the sum of.....rupees to be paid to the President for which payment will and truly to be made/ I/We jointly and severally bind myself/ourselves and my/our respective heirs, executors/ administrators, legal representatives/successors and assigns by these presents] :</p> <p>I/We.....of.....hereinafter called "obligor(s)"I/am/are held and firmly bound to the President of India (hereinafter called "the President") in the sum of.....rupees to be paid to the President of India for which payment will and truly to be made, I/We jointly and severally bind myself/ourselves and my/our respective heirs/ executors/ administrators/ legal representatives/successors and assigns by these presents];</p> <p>Dated this.....day of.....</p> <p>WHEREAS the above bounden obligor has been permitted to remove from time to time the excisable goods from his registered warehouse/registered factory atfor export to foreign countries without payment of duty;</p> <p>AND WHEREAS the Commissioner has required the obligor to deposit as security for the amount of this bond/ the sum of rupees in cash (the securities as hereinafter mentioned of a total value of rupees endorsed in favour of the President and accepted on his behalf by the Assistant Commissioner of Central Excise or Deputy Commissioner of Central Excise, namely, and whereas the obligor has furnished such guarantee by depositing with the Commissioner the cash/securities as aforementioned;</p> <p>The condition of this bond is that if the obligor and his representative shall observe all the provisions of the Central Excise (No.2) Rules, 2001 and all such amendments thereto as may be issued from time to time to be observed in respect of export of excisable goods to a foreign country or manufacture of goods and export thereof under rule 19;</p> <p>And whereas the obligor(s) has /have furnished such guarantee by depositing with the Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise the cash/securities/bank guarantee as aforementioned.</p> <p>And shall observe all the provisions of the Central Excise (No.2) Rules, 2001 or the provisions of other rules made under the Central Excise Act, 1944 (1 of 1944) and all such amendments thereto, as may be issued from time to time so far as they relate to the export of excisable goods without payment of the whole or part of the duty;</p> <p>And if the relevant and specific goods are duly exported to destination within such time as specified in the Central Excise (No.2) Rules, 2001 or notifications issued thereunder and/or if all dues whether excise duty or other lawful charges, which shall be demandable on the goods removed by the obligor(s) without payment of the whole or part of the duty and transported from the place of procurement for export as shown by the Central Excise records, be duly paid into the treasury to the account of the Commissioner of Central Excise along with such interest as may be specified in the said rules./notification within ten days of the date of demand thereof being made in writing by the said Officer of Central Excise, this obligation shall be void.</p> <p>OTHERWISE and on breach or failure in the performance of any part of this condition, the same shall be in full force and virtue:</p> <p>Provided always that the liability of the surety hereunder shall not be impaired or discharged by reason of any time being granted or any forbearance, act or omission of the Government (whether with or without the knowledge or the consent of the surety) in respect of or in relation to the obligation and condition to be performed or discharged by the obligor(s) nor shall it be necessary to sue the obligor(s) before suing the surety for amounts hereunder;</p> <p>AND the President shall, at his option, be competent to make good all the loss and damages from the amount of the security deposit or by endorsing his rights under the above-written bond or the both;</p> <p>I/We further declare that this bond is given under the orders of the Central Government for the performance of enact in which the public are interested.</p> <p>In these presents the words imposing singular only shall also include the plural and vice versa where the context so requires;</p> <p>IN THE WITNESS THEREOF these presents have been signed the day hereinbefore written by the obligor(s) and the surety(ies).</p>
--	---

Signature(s) of obligor(s).

Date:

Place:

Witnesses

1. Name and Address	Occupation
2. Name and Address	Occupation

Date

Place

Signature(s) of surety (ies).

Date:

Place:

Witnesses

1. Name and Address	Occupation
2. Name and Address	Occupation

Accepted by me this.....day of
.....(month).....(year)

.....of Central Excise, (Designation)
for and on behalf of the President of India.

Annexure-II

INVOICE

ORIGINAL
DUPLICATE
TRIPLICATE
QUADRUPLICATE

Invoice of goods liable to Central Excise Duty in India transmitted under Central Excise Seal to Nepal

Invoice No. _____ Date _____

Range _____ Division _____ Commissionerate _____ from _____
(factory/warehouse) by _____
through the Border Post of. _____

(Merchant's Name) _____

Marks and numbers of packages	Marks and numbers of packages	Numbers and description of packages	Description of good with tariff classification	Net weight, value or quantity	Value (words and figures)	Rate of duty	Amount of duty paid or payable (In Words and figures)	Number and date of document under which Central Excise Duty was paid or is payable	Gross weight of packages	Number and date of railway receipt, if any

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 Officer of Central Excise.

Running Serial No.

Date:

(to be given in red ink and encircled by the Border Examiner)

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)

Signature and designation of the Indian
Officer-in-charge of the Border Customs Postat_____.

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/Bhutanese Customs Officer.
Check Post _____