Circular No 513/ 9//2000-CX

F.NO.216/01/2000
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs

New Delhi, the 11 th , February2000

Subject: Budget precautions- instructions

It is directed to say that the Annual Budget of the Central Government for the Financial Year 2000-2001 is likely to be presented to Parliament on the 29 th February, 2000. The exact time of presentation of Budget is yet to be decided by the Government. The present time specified in rule 100G and rule 224 of the Central Excise Rules, 1944 is 11.00 A.M. If there is change in time, the rule will be amended and time will be notified. In the meanwhile, to facilitate the field formations and the trade to line up their plans for clearances after 6.00 P.M. on the pre-Budget Day and Budget Day, these instructions are being issued. For the purpose of these instructions, the expression "appointed time" shall mean the time appointed for presentation of Annual Budget in the House of People. The "appointed time" for the Budget 2000-2001 will be communicated subsequently.

2. The procedural restrictions envisaged in sub-rule (2) and 2 (A) of rule 224, read with sub-rule (2) of rule 173G of the Central Excise Rules, 1944, regarding removal of excisable goods after 6 P.M. on the day preceding the Budget Day, should be strictly enforced on all the assessees, including those working under Self Removal Procedure. It is reiterated that the schemes of Record Based Control and Production Based Control are essential components of Self Removal Procedure (SRP). Therefore, instructions contained in Chapter 7 of the Self Removal Procedure Handbook (Corrected) should be scrupulously followed, mutatis mutandis. Assessees should be made aware of the fact that after 6 P.M. on the day preceding the Budget Day and also on the Budget Day, the Self Removal Procedure remains suspended and that they are required to discharge certain obligations and observe some of the formalities.

3. You should make arrangements well in time to designate and officer as 'proper officer' in respect of a factory or a group of factories so that he is in a position to receive-

1. advance applications for clearance on Budget Day which are required to be filed before 5.00 P.M. on the working day immediately preceding the Budget Day i.e; 28.02.2000;
2. intimations regarding particulars of last AR 1/Invoice in prescribed form on the day preceding the Budget Day i.e; 28.02.2000 and to send these to the Assessment Range/Divisional Office that very day along with AR 1 applications, received in advance, for clearance on the Budget Day.
3. To supervise removals, countersign the invoice and make entries in PLA on the Budget Day itself.

4. As an Anti-Evasion measure, you may select about 10% of the units depending upon the commodity manufactured and reputation of the assesseeand depute suitable 'proper officers' for causing verification of stocks of such factories at the "appointed time" on the Budget Day. The officers may be advised to send the results of such verification immediately by name to the Range and the Divisional Officers.

5. In addition to the above restrictions, attention is also invited to the provisons contained in sub-rule (1) Rules, 224, and in rule 173(G)(2) of the Central Excise Rules, 1944. Provisions of sub-rule (1) of rule 224 should be enforced in respect of removal of any goods after 6.00 P.M. on 28.02.2000 no goods can be delivered from a factory or a warehouse except with the permission on the Commissioner and under such conditions and on payment of such overtime fees/supervision charges as may be required. All clearances after 6.00 P.M. on the day preceding the Budget Day, i.e; 28.02.2000 should be supervised by the proper officer deputed to a factory or a group of factories as indicated in para 3 above.

6. As required under rule 223B, all the assessees should intimate to the Superintendent in charge of their Range, with a copy to the proper officer (a) the number of last invoice issued by them upto 6.00 P.M. on the day preceding the Budget Day and (b) the closing balance of stock held by them at 6.00 P.M. on that day. The format of declaration form for furnishing the above particulars is annexed. Penal action under sub-rule (2) of rule 223B should be taken against those assessees who fail to give such declaration or furnish wrong information therein.

6.1 The information regarding the last invoice issued and the closing balance of the stocks held by the assessees at 6.00 P.M. on the day preceding the Budget Day, should be furnished by hand by the assessees in the Range Office in cases where their factories are located at the Range Headquarters. Other assessees whose factories or warehouses are situated away from the Range Headquarter may be given an option to send the declaration either by hand on 28.02.2000. Arrangement should also be made in the Range Office to issue acknowledgments for all such receipts in case of hand deliveries. In cases where the information is sent through telegrams, the assessee should be advised to keep with them the receipts of the telegram sent by them so that these are avilable for inspection, wherever felt necessary by the proper officer.

6.2 Provisions of rule 223B may not be invoked in respect of the manufacturers working under compounded levy scheme. They are already exempt from the provisions of rule 224.

7. Your attention is invited to the Explanation and the first proviso to sub-rule (2) of rule 224. A person can file an application even with regard to those goods which may come into existence at any time after the filing of the application. However, for acknowledgment (acceptance of the said application for purpose of sub-rule (2)), power have been given to the

Commissioner to prescribe the terms, conditions and limitations, the fulfilment of which will be necessary for the said acknowledgment acceptance.

7.1 Application in relation to goods which are not yet in existence may be accepted (acknowledged) in the following situations, namely:-

1. for removal of goods which are utilised within the same factory for further manufacture, or which are cleared to an adjacent factory as an act of continuous process;
2. in respect of factories having round-the-clock dispatches, for example, cement factories and major steel plants, their dispatches being dependent on allotment of railway wagons, carrying capacity of the wagons and the movement of the loaded wagons by the railways;
3. for petroleum products cleared through pipelines and petroleum products required for refuelling coastal and foreign going vessels and air crafts;
4. in cases where excisable goods cannot be strored for long or are not capable of being stored;
5. in cases of clearances necessary to maintain essential services; and
6. in respect of removal for exports.

7.2 In the above situations, with regard to goods which are yet to come into existences as well as goods which are already in existence, it may be difficult for an assessee to accurately foresee the quantity of goods likely to be removed by him on the Budget Day for purposes of submitting advance applications of removal on the working day preceding the Budget Day. In such cases, the Commissioner may permit the assessee to furnish in advance, a provisional application for removal for the approximate quantity of goods likely to be removed on the Budget Day. However, such assessee furnish on the day following the Budget Day the final application for removal of the exact quantity of goods removed.

8. In respect of relaxations granted in terms of para 7 above, a report should be sent to the Ministry for information indicating the names of the assessees, the names and quantities of commodities involved and the reasons for granting the relaxations.

9. Rule 224(2A) governs removal after the time when the presentations of Budget commences, i.e.11 A.M. (as it exists now in the rules) or the "appointed time" (for the purpose of these instructions) on the Budget Day. Such removals can take place only with the necessary undertaking etc; as required under this rule, to pay duty at the enhanced rate if any, that may be applicable to such goods. In the interest of expeditious grant of such permission in the situations referred to in para 7 above and even in the case of goods that will come into existence after presentation of the application.

10. Before granting the relaxation as under para 7 and 9 above, Commissioner should satisfy himself not only as to the bonafides of the case but also see to it whether it is a deserving case. The power to grant such relaxation should be exercised by the Commissioner himself. In the Commissionerates where no regular Commissioner has been posted and which are under the charge of a Commissioner holding additional charge, the Additional Commissioner/Joint Commissioner may grant relaxations in such bona fide and deserving cases. But relaxations thus granted should be brought to the notice of the Commissioner concerned and his approval should be immediately taken.

11. In respect of relaxations/permissions granted in terms of para 9 above, Commissioner should send a report to the Ministry within a week of the presentation of Budget regarding the relaxation granted by him and obtain the Central Government's ex-post-facto approval. The report should, inter-alia, state names of the assessees, description and quantity of commodities involved, reasons for granting the relaxations, whether there was any enhancement of the rate of duty and if so, the details of recovery of the differential duty, and reasons for non-recovery of differential duty, if any.

12. Trade and field formations may be suitably informed. **Declaration of Stock Etc. on Pre-Budget Day by Manufacturer working under Self Removal Procedure**

1. Name of the assessee
2. Registration No
3. Commodity

I/we hereby declare that the serial number of last invoice/invoices issued by me/us and the balance in hand of the excisable goods manufactured by me/us on the date*---------------- at 6.00 P.M. was/were as under:-

Name of goods with sub-heading Number	Serial No. of last invoice	Closing balance of excisable Goods in stock as per R.G.I

Certified that the particular given above are correct.
Place----------

Signature of the assessee or his authorised agent

Date-----------

* One day prior to the presentation of annual/supplementary budget of the Union Government i.e.28.02.2000

Handed over the Superintendent/Assistant Commissioner of Central Excise on ----------------------- at---------------.