

Central Excise Notification No. 31/2011-CE dated 24.03.2011

Regarding goods, on which appropriate duties of excise have been paid, are returned or brought back to the same premises or factory and cleared there from after being re-made, re-conditioned, re-packed or subjected to any other process

‘Government of India has issued Central Excise Notification No. 31/2011-CE dated 24.03.2011 for the benefit of manufacturers of Branded Goods falling under Chapter no. 61,62,or 63 of Central Excise Tariff i.e. Branded Apparels etc.

According to this notification, such goods (Branded Apparels) on which appropriate duties have been paid, can be returned or brought back to the same premises or factory for the purpose of remaking, re-conditioning, re- packing or for subjecting any other process. And at the time of clearance of these goods on which the said process or processes have been carried out, the manufacturer is not required to pay central excise duty.

Following conditions have been stipulated to avail the said exemption notification:-

1. The manufacturers are not allowed to take Cenvat credit of the duty paid on such returned goods under Central Excise Rules.
2. The manufacturer is required to intimate the jurisdictional Central Excise Authority within 48 hrs. of the receipt of the returned goods in the factory or premises giving details of the documents under which goods are returned and the value of such returned goods.
3. They are further required to maintain proper account of receipt and disposal of such goods and are required to account for in their monthly return as well.
4. The exemption is available subject to the limit of 10% of the aggregate value of clearance for home consumption from the same factory or premises in the preceding financial year. Therefore, if the total value of clearance for home consumption (domestic sale i.e. sale excluding export value) is one Crore in preceding financial year then value of such goods on which exemption under the notification is availed, should not exceed Rs. 10 Lakhs.’