

F.No.267144/2009-CX 8

**Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise and Customs**

New Delhi dated 25.11.2009.

Subject:- Credit of duty under Rule 16 of Central Excise Rules, 2002 on goods brought into the factory-reg.

Please refer to your reference dated 02.04.09 issued from C.No.IV/16/267/2008 C.C.Ex(Bz) on the above referred subject matter.

2. The matter has been examined. The Rule 8(2) of the Central Excise Rules, 2002, provides that "the duty of excise shall be deemed to have been paid for the purposes of these rules on the excisable goods removed in the manner provided under sub rule(1) and the credit of such duty is allowed, as provided by or under any rule". This provision explains that the invoice of the returned goods, would be a valid document for availing credit and duty is deemed to have been discharged. Regarding availing credit on its own invoice, Rule 16(1) of the Central Excise Rules, 2002, allows the assessee to do so. In any case, the whole procedure is revenue neutral, in the sense as the duty has to be discharged by the 5th of next month.

3. In view of above, it is clarified that credit on rejected/ returned goods, received in the factory before prescribed date for duty payment, can be allowed to be taken under Rule 16(1) of the Central Excise Rules, 2002.

Yours faithfully,
(Amish Kumar Gupta)
OSD (CX-8)

Copy to:- The Chief Commissioners of Central Excise(All) (including LTU) for information please.