

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

TRADE NOTICE: 19/2006

DATED : 13.07.2006.

Subject :- Clarification with regard to section 2(f) of the Central Excise Act, 1944 –
Reg.

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Copy of Ministry's letter F.No. 4/3/2006 – CX. I dated 19.06.2006 regarding clarification with regard to section 2(f) of the Central Excise Act, 1944 is communicated herewith.

2. 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/16/2/2006 – C.Ex.Pol.)

Sd./xxxxxx
(M.G. THAMIZHVALAVAN)
JOINT COMMISSIONER (TECH)

To
As per mailing list II / III

Copy of Ministry's letter F.No. 4/3/2006 –CX-I dated 19.06.2006

I am directed to say that section 2(f) of the Central Excise Act, 1944, which provides the definition of 'manufacture' was substituted vide section 4(b) of Central Excise Tariff Act, 1985 (5 of 1986).

2. A number of departmental and private publications of Central Excise Act, 1944 published from time to time after 1986, contain(ed) an extra word 'and' at the end of section 2(f) (i) and before section 2(f) (ii). Similarly, a number of publications of Central Excise Tariff Act, 1985 also contain the word 'and' in section 4(b) which provides the definition of manufacture.

3. While making some inquiries in connection with a court case, it is noticed that in the Official Gazette, the word 'and' was not there between section 2(f) (i) and section 2(f) (ii), as substituted vide section 4(b) of Central Excise Tariff Act, 1985 (5 of 1986). Moreover, the word 'and' has not been inserted later by any corrigenda or subsequent amendment to Central Excise Act, 1944.

4. The correct section 2(f) of the Central Excise Act, 1944 reads as under:-

2(f) “manufacture” includes any process,-

- (i) incidental or ancillary to the completion of a manufactured product;
- (ii) which is specified in relation to any goods in the Section or Chapter Notes of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) as amounting to manufacture; or
- (iii) Which, in relation to the goods specified in the Third Schedule, involves packing or repacking of such goods in a unit container or labeling or re-labelling of containers including the declaration or alteration of retail sale price on it or adoption of any other treatment on the goods to render the product marketable to the consumer,

and the word “ manufacturer” shall be construed accordingly and shall include not only a person who employs hired labour in the production or manufacture of excisable goods, but also any person who engages in their production or manufacture on his own account;

5. You may apprise the field staff suitably to safeguard revenue. Trade may also be informed.

Yours faithfully,

Sd./xxxx

(Rahul N. Nangare)

Under Secretary to the Govt. of India