

Excise Rules, 1962

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In exercise of the conferred by Section 16 of the 1958 Excise Act, His Majesty's Government has framed the following rules:

Short Title and Commencement

- (1) These rules may be called the Excise Rules, 1962.
- (2) These rules shall come into force at once.

Definitions

Unless repugnant to the subject or context, in these rules,

- (a) Act means the 1958 Excise Act.
- (b) Schedule means the schedule to these rules.
- (c) Excise Officer means the Director of the Department of Excise, the Excise Officer appointed by His Majesty's Government, and, where no such Excise Officer exists, the Chief of the Customs office, and, in case the Chief of the Customs Office too does not exist, the Chief of the Land Tax Office.
- (d) Department means the Department of Excise of Majesty's Government.
- (e) Go down means Governmental or private go downs where excisable commodities are stored without payment of such duty on conditions and restrictions and for periods prescribed by the Department through and order.
- (f) Match-Stick means a stick one end of which chemicals producing fire are attached, and which produces fire on friction.
- (g) Match-Box means a box in which match-sticks are packed, inclusive of the inner and outer cases.
- (h) Soap means soap of all categories manufactured for commercial purposes as soap and used for toilet and laundry purposes.
- (i) Cigarettes mean cigarettes of all categories manufacture for sale as cigarettes or cigars.

(j) Sugar means sugar of all categories.

Licenses to be Issued and Obtained

(1) Any person desirous of doing any work as mentioned in Section 4 of the act shall submit an application to the appropriate Excise officer in the form indicated in Schedule A, B or C of these rules, along with full particulars.

(2) In case any person submits an application under Sub-Rule (1), the appropriate Excise Officer may conduct inquiries into all particulars contained therein, collect the prescribed license fee, and issue a license in the form indicated in Schedule D, E, or F.

License Fees

License fees at the rates mentioned below shall be charged in respect to the following commodities:

(a) For production or manufacture of textiles, matches, cigarettes or sugar- Rs 200

(b) For wholesale trade in textiles, matches, cigarettes or sugar- Rs 50

(c) For production or manufacture of soap Rs 100

(d) For whole-sale trade in soap - Rs 20

Provide that in case excise duty is levied under Section 3 of the act on any commodity not listed above, not more than Rs 100 shall be charged as license fee for production, manufacture, or wholesale trade in such commodity, until alternative arrangements are made in respect thereto.

Permission to Commence Work

Before commencing production, a factory which obtains a license under these rules shall submit an application for (necessary) permission to the appropriate Excise Officer, who may such permission after conducting inquiries personally or through any subordinate employee.

Term of License

(a) A license obtained under these rules shall remain valid only until the end of the fiscal year when it is issued. Before the commencement of the next fiscal year, license fee as provided for in Rule 4 shall be paid and the license renewed. In case the license is not renewed after its validity has expired, the owner of a factory that produces or manufactures excisable commodity may be punished under Section 12 (b) of the act. But in case he is able to advance proper reasons (for his failure to renew the license), the Excise

Department may fine him with an amount not exceeding Rs 500 and then renew the)

(b) After the term of any license expires, manufactured goods held in stock may be sold only after permission from the Department is received, and after excise duty, due thereon is paid. In the event of inability to pay such excise duty, the Department may auction the goods, or sell them under its control, deduct the amount due as excise duty from the proceeds thereof, and refund the surplus amount to the owner of the factory.

Officer's Quarters for Excise Officer

Furnished accommodation for the Excise officer appointed for any factory shall be provided within the premises of the factory by its owner.

Obligation to Furnish Deposit

While issuing a license under these rules to open a distillery for the production of liquor, His Majesty's Government may have a bond executed stipulating the minimum amount of excise duty that will be paid by the factory in a year, and have an amount considered necessary by it deposited as security. In case the amount paid as excise duty during any fiscal year is less than the amount so stipulated, the balance shall be refunded immediately. In the event of a shortfall, the deficit shall be recovered (from the licensee).

Place Where Manufactured Goods are Stored

(1) The owner of the factory shall store goods produced or manufactured at the factory in a godown situated within the premises of the factory. Such godown shall be locked in duplicate by the owner of the factory and the Excise Officer to put locks at other necessary places with the approval of the Department. The Excise Officer shall seal one of the keys to the Officer locks in a glass case and maintain it at the office of the factory manager for use during emergencies such as fire.

(2) The responsibility to safely maintain goods stored in godowns which are subject to excise duties shall vest in the owner of the factory. In the event of any loss or damage resulting from fire, theft, or any other cause, no claims in respect thereto filed against His Majesty's Government shall be entertained.

(3) The Excise Officer shall maintain full supervision over all stores and equipment kept within the premises of the factory. No raw materials or semi-processed or manufacture goods which are subject to excise duty shall be taken out of the factory without the permission of the Excise Officer.

Functions and Duties of Excise Officer

The main functions and duties of the Excise Officer shall be as follows:

- (1) To have goods stored in godowns released in his own presence for the manufacture of excisable commodities at the factory to which he is assigned, as well as for their sale, supply or transportation when necessary, and to make entries in respect thereto in the register maintained in the factory.
- (2) To send reports or information regarding the manufacture, sale or distribution of excisable commodities or stocks maintained in godowns, the amount of excise duty collected, or any other information as may be demanded by the Department through an ordinary or special order, in the form specified therein.
- (3) To maintain and direct the maintenance of a daily register in respect to excisable commodities manufactured and sold by the factory, according to the specimen form indicated in Schedule (G).
- (4) To have the factory send weekly, monthly, quarterly, half-yearly, and annual reports to the Department.
- (5) To make, subject to the approval of the Department, such arrangements with regard to the production or manufacture, sale, distribution and storage of excisable commodities as are not provided for in these rules, but which he considers necessary.

Functions and Duties of Factory-Owner

The main functions and duties of the factory owner shall be as follows:

- (1) To send in time to the Department weekly, monthly, quarterly, half-yearly and annual reports with respect to excisable commodities as kept at the factory according to the specimen form indicated in Schedule (M) after having them certified by the Excise Officer.
- (2) To maintain a register according to the specimen form indicated in Schedule (G) containing accounts of the daily production, stocks, and sales of his factory in a legible manner, and make such register available to the Excise Officer and other officer empowered by the Department for inspection at any time.
- (3) To send samples of goods manufactured in the factory to the Department after having them certified by the Excise Officer, and, in the event of any change in such goods, to send samples of such goods as well.
- (4) To sell goods manufactured in the factory only at whole-sale prices.
- (5) To deposit the amount of excise duties due on manufactured goods stored in godowns or taken out, with the Nepal Rastra Bank, where there exists one, or else with the local Land Tax Office, or within seven days after they are exported, and hand over the original copy of the voucher or a copy of the receipt there against to the Excise Officer.

Action to be Taken in Case the Amount of Excise Duties Collected is Less than Due

In case the amount of excise duty collected on any goods is less than what is due thereon for any reason, the Department may recover the balance from the concerned factory within six months. Provided that in case the reason for such shortfall in collection appears to be the malafide intentions of the owner of the

factory, it may be recovered at any time.

Circumstances When Security may be Demanded

In case any person wishes to take out excisable commodities from the factory, or to move manufactured goods from one place to another, the Excise Officer may permit him to do so after furnishing the necessary security.

Power to Inspect Storcks

The Department may depute any employee at least once a year to inspect the stocks of raw materials, as well as semi-processed and manufactured goods related to the excisable commodity, in any factory, and it shall be the duty of the owner of the concerned factory to allow the employee so deputed to inspect such stocks. In case a report of shortfall or surplus detected in course of such inspection is received by the Department of the inspecting authority, His Majesty's Government may grant remissions after due consideration.

Revision in Rates of Excise Duties

In case the rates of excise duty on any goods are revised, excise duty on all goods in stock in the factory shall be levied and collected at the rates prescribed in the notification in respect thereto to be published in the Nepal Rajapatra with effect from the date of the publication of such notification.

Power to Grant Exemptions from Excise Duty on Goods Which are Exported

By notification in the Nepal Rajapatra from time to time, His Majesty's Government may grant exemption from excise duty in the prescribed manner to any person exporting the prescribed goods from the Kingdom of Nepal to the prescribed foreign country, subject to the conditions and restrictions prescribed in such notification.

Obligation of Factory Owner to Report Accidents

In case any kind of accident occurs in the factory, the owner shall notify the Department accordingly as early as possible. In case he fails to do so, the losses in excise duty suffered by His Majesty's Government as a result of such accidents shall be compensated by him.

Notice of Closure of Factory to be Given

(1) In case it becomes necessary to close down any factory for any reason, the owner of such factory shall submit a written notice in advance of at least 24 hours to the appropriate Excise Officer as well as to the Department, clearly explaining the reasons for doing so.

(2) In case a notice as mentioned in Sub-Rule (1) is received by the Department, His Majesty's Government may, if it so deems necessary, direct the owner of the factory so continue operating it, and it shall be his duty to act accordingly.

Power to Dispose of Cases

(1) The power to take preliminary action on and dispose of every case filed under the act and these rules shall vest solely in the appropriate Excise Officer.

(2) In case any person is aggrieved by the decision made by the Excise Officer under Sub-Rule (1), he may file and appeal with the Revenue Tribunal within two months after receiving notice of such decision.

Peralties

Any person who acts in contravention of the provisions of these rules may be punished with imprisonment for a term not exceeding two months, or with a fine not exceeding Rs 500, or with both.