

Notification No. 16/2002-Central Excise (N.T.)

In exercise of the powers conferred by rule 11 of the CENVAT Credit Rules, 2002, the Central Government, being satisfied that it is necessary in the public interest so to do, hereby makes the following amendment in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 6/2002-Central Excise (N.T.), dated the 1st March, 2002, namely:-

In the said notification,-

(i) in paragraph 2, in sub-paragraph (ii), after sub-clause (b), the following shall be inserted namely:-

"(iii) in the case of a manufacturer other than a composite mill, shall be equivalent to the amount calculated at the rate of 50 per cent. of the aggregate of the duty of excise leviable under the Central Excise Act, 1944 and the additional duty of excise leviable under the Additional Duties of Excise (Goods of Special Importance) Act, 1957 read with any notification for the time being in force, on the final products of cotton (not containing any other textile material) declared herein and subjected to stentering with the aid of an open-air stenter, singeing, cropping or butta-cutting, curing or heat-setting or expanding or any one or more of these processes, subject to the condition that the said final products are processed in a factory which does not have the facilities (including plant and equipment) for carrying out bleaching, dyeing or printing with the aid of power or steam,";

(ii) in paragraph 4, the words "or unprocessed fabrics" shall be omitted;

(iii) after paragraph 4, the following shall be inserted, namely:-

"4A. The provisions of this notification shall not apply in respect of the said final products manufactured by a manufacturer other than a composite mill from such consignments of unprocessed fabrics in respect of which credit under rule 3 of the CENVAT Credit Rules, 2002, has been availed.";

(iv) in *Explanation 3*, the following proviso shall be inserted, namely:-

"Provided that this *Explanation* shall not apply to a manufacturer other than a composite mill, who does not have the facilities (including plant and equipment) for carrying out bleaching, dyeing or printing or any one or more of these processes with the aid of power or steam in his factory but who carries out stentering, singeing, cropping or butta-cutting, curing or heat-setting, expanding or blowing, or any one or more of these processes, on fabrics already subjected to bleaching, dyeing or printing or any one or more of these processes without the aid of power or steam, subject to the condition that no credit under rule 3 of the CENVAT Credit Rules, 2002, in respect of such processed fabrics is availed of by the said manufacturer.";

(v) after *Explanation 4*, the following shall be inserted, namely:-

' *Explanation 5*.- For the removal of doubt, it is hereby clarified that a manufacturer other than a composite mill availing of the provisions of this notification in respect of any consignment of the said final products shall not be eligible to avail of any credit, under rule 3 of the CENVAT Credit Rules, 2002, in respect of dyes, chemicals, consumables or packaging materials falling within the said First Schedule and used in the manufacture of any consignment of the said final products.;

Explanation 6.- For the purpose of this notification, "open-air stenter" means stenters commonly known as open-air stenters and includes a stenter with a simple outer cover to prevent loss of heat but does not include any stenter which runs on steam or a hot-air stenter.'.

T.R.Rustagi
Joint Secretary to the Government of India

F.No.B-10/2/2002-TRU

Footnote :- The principal notification No. 6/2002-Central Excise (N.T.), dated the 1st March, 2002 was published in the Gazette of India, Extraordinary, vide number G.S.R. 145 (E), dated the 1st March, 2002.