

Notification No. 52/2001-C.E. (N.T.)

In exercise of the powers conferred by rule 11 of the CENVAT Credit Rules, 2001, the Central Government, hereby declares the following inputs (hereinafter referred to as the 'declared inputs') and final products falling within the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986), as specified in the Table below, namely :-

Table

Inputs	Final products
Texturised yarn (including draw twisted, draw wound yarn) of polyesters, falling under heading No. 54.02 of the said First Schedule.	<p>The following goods manufactured by a composite mill, namely :-</p> <p>(i) Processed fabrics falling under Chapter 52, 54 or 55; or</p> <p>(ii) Fabrics of cotton or man-made fibres, whether or not processed, falling under heading Nos. 58.01, 58.02, 58.06 (except 5806.20), 60.01 or 60.02 (except 6002.10) of the said First Schedule; or</p>
	<p>(2) Woven pile fabrics falling under heading No. 58.01 of the said First Schedule.</p>

2. The Central Government further declares that a duty of excise of Rs. 18 per kg., shall be deemed to have been paid under the Central Excise Act, 1944 (hereinafter referred to as declared duty), on the declared inputs, when purchased by a manufacturer of the final products, and credit of the declared duty so deemed to have been paid shall be allowed to the manufacturer of the final products, without production of documents evidencing payment of duty on the said inputs, at the time of clearance of the said final products.

3. The credit of declared duty allowed in respect of the declared inputs shall be utilized only towards payment of duty of excise leviable under the said Central Excise Act, on the said final products :

Provided that the credit of declared duty in respect of the declared inputs used in the final products cleared for export under bond shall be allowed to be utilized towards payment of duty of excise on any final products cleared for home consumption or for export on payment of duty and, where for any reason, such adjustment is not possible, by refund to the manufacturer subject to such safeguards, conditions and limitations as may be specified by the Central Government in the Official Gazette :

Provided further that no such refund of declared duty shall be allowed if the manufacturer avails of drawback allowed under the Customs and Central Excise Duties (Drawback) Rules, 1971 or claims rebate of duty under rule 18 of the Central Excise (No. 2) Rules, 2001, in respect of such duty.

4. Where the final products have been removed clandestinely without payment of duty of excise leviable under the Central Excise Act, 1944 (1 of 1944), or as the case may be, the additional duty leviable under the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (58 of 1957), at the time of clearance of such final products, nothing contained in this notification shall apply in respect of such final products even if the duty of excise leviable on such final products is paid after such removal.

5. The provisions of this notification shall not apply to final products on which duty of excise leviable under the Central Excise Act, 1944 (1 of 1944), or as the case may be, the additional duty leviable under the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (58 of 1957), has not been levied or paid or has been short-levied or short paid or erroneously refunded by reason of fraud, collusion or any wilful mis-statement or suppression of facts, or contravention of any provisions of the Central Excise Act or of the rules made thereunder with intent to evade payment of duty.

6. This notification shall come into effect on and from the 1st day of July, 2001.

Explanation I. - It is clarified that even if the declared inputs are used directly by a manufacturer of final products the credit of the declared duty shall, notwithstanding the actual amount of duty paid on such declared inputs, be deemed to be equivalent to the amount specified in this notification and the credit of the declared duty shall be allowed to such manufacturer.

Explanation II. - For the purposes of this notification, "composite mill" means a manufacturer who is engaged in the processing of fabrics with the aid of power along with weaving or knitting or crocheting of fabrics within the same factory and includes a multi-locational composite mill, i.e., a public limited company which is engaged in the processing of fabrics with the aid of power along with weaving or knitting or crocheting of fabrics in one or more factories owned by the same public limited company.