

Notification

No. 19 /2000-Central Excise

New Delhi, dated the 1st March, 2000

11 Phalgun, 1921 (Saka)

G.S.R. (E).- In exercise of the powers conferred by sub-section (3) of section 3A of the Central Excise Act, 1944 (1 of 1944) and in supersession of the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 36/98-Central Excise, dated the 10th December, 1998, the Central Government hereby specifies that the rate of excise duty on processed textile fabrics falling under heading Nos. 52.07, 52.08, 52.09, 54.06, 54.07, 55.11, 55.12, 55.13 or 55.14, or processed textile fabrics of cotton or man-made fibres, falling under heading Nos. or sub-heading Nos. 58.01, 58.02, 5806.10, 5806.40, 6001.12, 6001.22, 6001.92, 6002.20, 6002.30, 6002.43 or 6002.93, of the First Schedule to Central Excise Tariff Act, 1985 (5 of 1986), manufactured or produced by an independent processor with the aid of a hot-air stenter shall be –

- (I) for the period upto the 31st day of March, 2000 -
 - (i) in the case of a processing factory whose average value of processed fabric is upto and including Rs. 30 per sq.mtr., Rs. 2.00 per square meter of the processed fabric, equivalent to Rs. 2.0 lakhs per chamber per month;
 - (ii) in the case of a processing factory whose average value of processed fabric exceeds Rs. 30 per sq.mtr., Rs. 2.50 per square meter of the processed fabric, equivalent to Rs. 2.5 lakhs per chamber per month; and
 - (II) for the period on or after the 1st day of April, 2000 -
 - (a) where the processor wants to retain the option for redetermination of duty payable on the basis of actual production in terms of sub-section (4) of section 3A:
 - (i) in the case of a processing factory whose average value of processed fabric is upto and including Rs. 30 per sq.mtr., Rs. 3.00 per square meter of the processed fabric, equivalent to Rs. 3.0 lakhs per chamber per stenter; and
 - (ii) in the case of a processing factory whose average value of processed fabric exceeds Rs. 30 per sq.mtr., Rs. 3.50 per square meter of the processed fabric, equivalent to Rs. 3.5 lakhs per chamber per stenter per month.
 - (b) where the processor has filed an annual declaration that he shall not exercise the option for redetermination of duty payable on the basis of actual production under sub-section (4) of section 3A:
 - (i) in the case of a processing factory whose average value of processed fabric is upto and including Rs. 30 per sq.mtr., Rs. 2.00 per square meter of the processed fabric, equivalent to Rs. 2.0 lakhs per chamber per month;
 - (ii) in the case of a processing factory whose average value of processed fabric exceeds Rs. 30 per sq.mtr., Rs. 2.50 per square meter of the processed fabric, equivalent to Rs. 2.5 lakhs per chamber per month.
2. The number of chambers (of a hot-air stenter) and the average value of the processed textile fabrics, for the purpose of computation of the rate of excise duty prescribed in the opening paragraph, shall be determined in terms of the Hot-air Stenter Independent Textile Processors Annual Capacity Determination Rules, 2000.
3. The duty levied and collected on such processed textile fabrics shall be the aggregate of the duty leviable under the Central Excise Act, 1944 (1 of 1944) and the Additional Duties of Excise (Goods of Special Importance) Act, 1957(58 of 1957).
4. The duty levied and collected on such processed textile fabrics shall be apportioned in the ratio of 2:5 between the duty leviable under the Central Excise Act, 1944 (1 of 1944) and the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (58 of 1957).

5. Notwithstanding anything contained above or in any other provisions of the Central Excise Rules, 1944, the independent processor of processed textile fabrics shall not be eligible to avail any credit of duty paid on inputs or capital goods under the Central Excise Rules, 1944 or any notification issued thereunder.

6. Nothing contained in this notification shall apply to a composite mill, i.e. a manufacturer or processor, who is engaged in the processing of fabrics with the aid of power along with the spinning of yarn from fibres and 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 the spinning of yarn from fibres and weaving or knitting or crocheting of fabrics in one or more factories owned by the same public limited company.

Explanation I.- Unless otherwise specified in any rule made under section 3A of the Central Excise Act, 1944 (1 of 1944), for the purposes of this notification, the goods shall be deemed to have been manufactured or produced with the aid of a hot-air stenter, if they are cleared from a factory where a hot-air stenter is installed, irrespective of whether it is in use or not, or is in working condition or not.

Explanation II.- For the purposes of this notification, an “independent processor” means a manufacturer who is engaged primarily in the processing of fabrics with the aid of power and who also has the facility in his factory (including plant and equipment) for carrying out heat-setting or drying, with the aid of power or steam in a hot-air stenter and who has no proprietary interest in any factory primarily and substantially engaged in the spinning of yarn or weaving or knitting of fabrics, on or after the 10th December, 1998.

(T.R. Rustagi)

Joint Secretary to the Government of India

F.No. 334/1/2000-TRU