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**GOVERNMENT OF INDIA**

MINISTRY OF FINANCE

**OFFICE OF THE COMMISSIONER OF CENTRAL EXCISE**

**CHENNAI – II COMMISSIONERATE**

M.H.U. COMPLEX, 692, ANNA SALAI, NANDANAM, CHENNAI 600 035

**TRADE NOTICE NO . 5 / 2003**

**Dated : 28 -03-2003**

**Subject : New Excise Procedure on textiles and textile articles - Instructions - Reg.**

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As you are aware, the measures like withdrawal of deemed credit, removal of specific duties, and removal of exemptions (including SSI exemptions) on textiles and textile articles would come into effect from 1.4.2003. It may also be recalled that in this regard, discussions were held with the Chief Commissioners, Commissioners and trade associations to evolve a set of simplified procedures, specially for the units coming within the excise net for the first time. Keeping in view the ground realities, the trade practices and the suggestions received, new excise procedures (by way of amendment to rules, notifications and issuance of executive instructions) have been framed and have been notified. **The relevant Notification Nos. 24/2003 CE(NT) to 26/2003 CE(NT) all dated 25-3-2003 and 20/2003 CE dated 25-3-2003 are enclosed herewith.**

The salient features of **New Excise Procedures** are as follows:

**(A) CHANGES IN THE CENTRAL EXCISE AND CENVAT CREDIT RULES**

- (a) Central Excise Rules, 2002 are being amended so as to prescribe special procedure for Textile and Textile articles. Under the special procedure, the duty liability, accountability and the responsibility for complying with the excise procedures (such as registration, return filing, maintenance of records) would rest with the person who gets yarns, fabrics or ready made garments manufactured or processed on job work. Such person would normally be the owner of the raw material who gets finished products manufactured on payment of job charges. He can take credit of the goods which are used in job work. In such a case, the job worker (such as powerlooms, hand processor and power processors) would be totally free from the duty burden as well as from the procedural requirements. The job worker, however, at his option, can take upon himself to comply with the excise law and pay duty. He can also do so on behalf of the owner of the goods working as his agent. Conversely, such a registered job-worker can authorise a broker/arhatia to pay duty

on his behalf. Such persons who manufacture goods or get goods manufactured on job work basis, get registered and pay duty, would be treated at par with actual manufacturer.

- (b) The rules also provide for situations when the goods move from one job worker to another during the course of completion of its manufacture. Such movement would be under simple challans which would contain certain minimum information and would be printed (including computer printed) and serially numbered. Considering the literacy level, such challans could also be in local/vernacular language and the procedure is as follows:

- 1) The said person may supply or cause to supply to a job worker, the following goods, namely,
    - i) inputs in respect of which he may or may not have availed CENVAT credit in terms of the CENVAT Credit Rules, 2002 without reversal of the credit thereon; or
    - ii) goods manufactured in the factory of the said person without payment of duty;  
under a challan, consignment note or any other document.
- The document shall be in duplicate, in printed (including computer printed) format, having printed running serial numbers on a financial year basis. The document, before it is issued shall be signed by the sender, of the goods or his authorised representative, as the case may be.
- 2) The document for the movement of goods from the said person to the job worker shall contain the following information,
    - i) the name, address and registration number of the said person;
    - ii) the Range, Division and the Commissionerate with whom the said person is registered;
    - iii) the description, quantity (in terms of kg./m/sq. m) and the value of the goods being sent for the job work;
    - iv) the date of despatch of such goods; and
    - v) the name and address of the job worker..
  - 3) The document pertaining to movement of goods from a job worker to another job worker or from a job worker to the said person shall contain,
    - i) the name and address of the job worker (the sender)
    - ii) the description and quantity (in terms of kg./m/sq. m) of the goods being sent.
    - iii) The date of despatch of such goods.
    - iv) The name and address of the job worker / the said person to whom the goods are being sent (the receiver)

4) The responsibility in respect of accountability of the goods shall lie on the said person (i.e.) supplier of yarn or fabrics.

5) The job worker, on receipt of the goods from the supplier or, as the case may be from another job worker shall duly acknowledge the receipt of the goods on the said document.

- (c) It is also provided that the owner of the goods can, if he so desires, clear the finished products directly from the premises of the job worker on payment of duty.
- (d) The owner of the goods can take credit of duty paid on inputs, which are used by the job worker. In certain cases, an actual manufacturer (e.g. a yarn manufacturer) may also send some goods to a job worker for further manufacture and receive back the goods after job work, and if such manufacturer has a credit balance in respect of inputs used in other goods (including goods manufactured on job work basis), the same can be utilized for payment of duty on clearances of the goods received after job work.
- (e) In case a person wants to pass on the credit on goods sold by him without any manufacture, he is required to undertake registration as registered dealer.
- (f) In certain cases, some of the intermediate processes may be either exempt (for example, being carried out without aid of power or steam) or are not excisable (such as sizing of yarn). In order to ensure that the credit chain remains unbroken, it is proposed to permit endorsement of the duty paying document issued in favour of a person undertaking such exempted/non-excisable activity in favour of either the buyer of the goods or to another person who is undertaking a subsequent excisable activity. Such person simply has to endorse the duty paying document to the next person to whom they sell the goods. It would not be necessary for the person endorsing to be registered with the department. However, the person undertaking such exempted/non-excisable activity, can, at his option, get himself registered as a registered dealer. This would enable him to issue dealers' invoice in favour of the person undertaking a subsequent excisable activity.
- (g) Normally, the assessee not covered under SSI exemption are required to file monthly return as well as they are required to pay duty on a monthly basis. As a measure of facilitation, it is proposed that in the case of yarn preparatories (i.e. twisting, warping, doubling of yarns), unprocessed fabrics and readymade garments (made by units availing of SSI exemption scheme), the manufacturers would be required to file only quarterly returns in a simplified format. The duty, however, would be paid on monthly basis.

- (h) Processors who undertake job work and also do processing on their own and obtain dye and chemicals under invoice issued in his name, can take credit of duty paid on such dyes and chemicals to pay duty on his dutiable clearances, even though some of these inputs were used for making goods cleared without payment of duty under the job work scheme.
- (i) Credit of duty paid on capital goods can be taken only by the manufacturer in whose premises the capital goods are installed.
- (j) As the manufacturer and traders are expected to have stock of inputs as on 31.03.2003, for which they may not be in a position to produce documents evidencing payment of duty, provisions are being made to give a one time credit for the inputs and/or inputs contained in the finished products lying in stock as on 31.03.2003. This facility would be available to all such persons, who would be required to pay duty or pass on the credit i.e. manufacturers, persons getting the goods manufactured on job work and registered dealers. All such persons would declare the stock of inputs (including those contained in process or are in stock of finished product) giving description, quantity (in unit length or weight, as the case may be) and value. If duty paying documents are available, credit will be allowed on the basis of these documents. Where no such documents are available, credit will be allowed on a deemed basis. In respect of yarn lying in stock, the credit amount will be notified separately. In respect of fabrics lying in stock, credit will be allowed at the rates prescribed under notification No.54/2001-CE, or as the case may be under notification No.6/2002-CE (NT). As the duty payment for April, 2003 will have to be made only by 5<sup>th</sup> May 2003, credit would be admissible in respect of the stock lying on 31.3.2003, even if the rates are not notified on or before 1.4.2003. The assessee would work out the credit amounts and take credit accordingly. In the case of processed fabrics, only the stock lying with a manufacturer would be entitled for such credit. For unprocessed fabrics and yarns, the credit would be available both for manufacturers/job workers, and also for traders who get registered.

Where the inputs and finished products are covered under notification Nos. 54/2001-CE (NT) dated 29-6-2001 or 6/2002-CE (NT) dt. 1-3-2002, subject to such conditions as prescribed under the said notifications, the credit shall be equal to the product of:

- (A) the applicable percentage credits in terms of the said notifications;
  - (B) the value of such finished product declared by the assessee;
- and

(C) the duty rate applicable to such final product in terms of Notification No.7/2003-CE dated 28-2-2003.

The entire amount of credit as eligible shall be calculated by the assessee himself who can take credit accordingly"

(k) In case a person gets goods manufactured on job work and clears the same for sale, the excise duty would be payable on the transaction value at which such goods are sold. However, in case the job worker, i.e. a weaver or processor prefers to clear goods on payment of duty (even if he is actually undertaking job work and is not actually selling the goods back to the trader) the duty would be worked out on the value calculated on the basis of the price of inputs i.e. yarn or grey fabric price plus the actual job charges.

(l) It has been brought to notice that sometimes sale of yarns, fabrics or readymade garments take place on approval basis. In such cases, the goods are sent to the buyer under a challan or proforma invoice and the sale is finalised after the approval of the buyer, The buyer may reject part or whole of the goods or negotiate the price depending upon the quality. In order to accommodate such practice within the framework of the excise law, it is proposed to permit removal of such goods under a proforma invoice. Such challan/ proforma invoice would also be printed and serially numbered and have all particulars except the details of the duty payable. Within five working days from the issuance of the proforma invoice, the manufacturer would prepare the final invoice after making adjustments in respect of the goods rejected and returned by the buyer. The proforma invoice and the invoice would have cross reference to each other by way of mention of their serial numbers.

(m) The special procedure for textiles and textile articles is not applicable to Export Oriented Units (EOUs) and Units located in Special Economic Zones (SEZs).

With respect to registration the assessee need not visit the Central Excise Office for this purpose. Instead they may submit their applications through their respective Trade Associations who in turn, can submit the same to the Commissioner for instant Registration. A special cell for this purpose has been formed in the Commissionerate's HQrs. which is headed by the Superintendent (Tech). Normally no verification of premises by the officers would be conducted. Assessee's not having Income Tax PAN would also be issued registration.

The application for registration for the new registrants would be in the same format prescribed under the existing rules. However, the information regarding PAN (if they do not have such number), details of

boundaries, properly holding rights, estimated investments, bank account number, business transaction numbers obtained from other Government Agencies, details about owner, partners etc. at the initial stages, if it is difficult for the assessee to provide these at the initial stages, will not be insisted upon.

Similarly, for filing of returns, the assessee may take the assistance of the Trade Associations till they become familiar with the format.

The purpose of the new rules is to allow the Textile Sector to carry on the work as they have been doing all along, and not to disturb the trade practices. It would be sufficient if the manufacturers or the deemed manufacturers keep account of production and clearance, pay duty accordingly and take credit only on the strength of duty paying documents.

In case of any doubts or difficulties experienced in following the above instructions the Trade, in Chennai II Jurisdiction, may contact any of the officers whose name and addresses are given below:

Sl. No.	Name & Designation (S/Shri/Smt.)	Address	Contact Nos.
1.	Mrs. Heera Radhakrishnan, Commissioner	692, Anna Salai, MHU Complex, 3 <sup>rd</sup> Floor, Nandanam, Chennai- 600035	24331177
2.	K.R. Uday Bhaskar, Additional Commissioner (Prev. & Tech)	692, Anna Salai, MHU Complex, 1 <sup>st</sup> Floor, Nandanam, Chennai-600035	24331175
3.	S. Sankaravadivelu, Deputy Commissioner (Prev.)	692, Anna Salai, MHU Complex, 1 <sup>st</sup> Floor, Nandanam, Chennai-600035	24351142 24331178
4.	S. Eswara Sarma Deputy Commissioner, Chennai-I Division.	692, Anna Salai, MHU Complex, 6 <sup>th</sup> Floor, Nandanam, Chennai-600035	24348351
5	N.V. Perumalaiah, Deputy Commissioner, Chennai II Division	692, Anna Salai, MHU Complex, 8 <sup>th</sup> Floor, Nandanam, Chennai-600035	24330675

6	V. Murugesan, Deputy Commissioner, Chennai-III Division.	692, Anna Salai, MHU Complex, 7 <sup>th</sup> Floor, Nandanam, Chennai-600035	24345182
7	T.H. Rao, Deputy Commissioner, Chennai-IV Division	TNSCB Complex, Jawaharlal Nehru Road, Thriumangalam, Chennai-600040	26260411
8	K. Rajendran. Deputy Commissioner, Chennai-V Division	30, Jawaharlal Nehru Road, (100 ft. road), II Floor, Koyambedu, Chennai-600107	24795642

The contents of this Trade Notice may please be brought to the notice of all the constituent members of your Association and the manufacturers in particular.

**Encl: Notification Nos. 24/2003 CE(NT) dt. 25-3-2003,  
25/2003 CE (NT) dt. 25-3-2003  
26/2003 CE (NT) dt. 25-3-2003 and  
20/2003 CE dated 25-3-2003**

**(Issued from file C. No.IV/16/ 217/2003-CX. POL)  
(Authority : Board's letter F. No.B3/1/2003-TRU dated 25-03-2003)**

**(K.R. UDAY BHASKAR)  
ADDITIONAL COMMISSIONER (TECH)**

**To**

**The Trade and Field formations as per the Mailing List**

## **NOTIFICATION NO 26 /2003 -CENTRAL EXCISE (N.T),**

**Dated: March 25, 2003**

In exercise of the powers conferred by sub-rule (2) of rule 9 of the Central Excise Rules, 2002, the Central Government hereby makes the following further amendments in the notification of the Government of India in the erstwhile Ministry of Finance (Department of Revenue) No. 36/2001-Central Excise (N.T.), dated the 26th June, 2001, namely:-

In the said notification, in the opening paragraph, in clause (1), in sub-clause (ii),-

(a) for the words "every manufacturer", the words "every person, other than the said person referred to in sub-rule (1) of rule 12B of the Central Excise Rules, 2002," shall be substituted;

(b) the proviso and the Explanation shall be omitted.

[F. No. B3/1/2003-TRU]

(Alok Shukla)

Deputy Secretary to Government of India

**Footnote.**- The principal notification No. 36/2001-Central Excise (N.T.), dated the 26th June, 2001 was published in the Gazette of India vide number G.S.R.465 (E), dated the 26th June, 2001 and was last amended vide notification No. 31/2002- Central Excise (N.T.), dated the 17th September, 2002, number G.S.R. 654 (E), dated the 17th September, 2002.

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## **NOTIFICATION NO**

**25/2003-CENTRAL EXCISE (N.T.), Dated: March 25, 2003**

In exercise of the powers conferred by section 37 of the Central Excise Act, 1944 (1 of 1944), the Central Government hereby makes the following rules further to amend the CENVAT Credit Rules, 2002, namely:-

1. (1) These rules may be called the CENVAT Credit (Third Amendment) Rules, 2003.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the CENVAT Credit Rules, 2002,-

(i) in rule 2, for clause (h), the following clause shall be substituted, namely,-

'(h) "manufacturer" or "producer" in respect of yarns or fabrics falling under Chapter 50, 51, 52, 53, 54, 55, 58 or 60 or readymade garments falling under Chapter 61 or 62 of First Schedule to the Tariff Act, includes a person who is liable to pay duty of excise leviable on such goods under sub-rule (1) of rule 12B of the Central Excise Rules, 2002;'

(ii) in rule 4, in sub-rule (1), for the proviso, the following shall be substituted, namely,-

"Provided that in respect of the final products, namely, yarns or fabrics falling under Chapter 50, 51, 52, 53, 54, 55, 58 or 60 or readymade garments falling under Chapter 61 or 62 of First Schedule to the Tariff Act, the CENVAT credit of duty paid on inputs may be taken immediately on receipt of such inputs in the registered premises of the person who gets such final products manufactured on his account on job work subject to condition that the inputs are used in the manufacture of such final product by the job worker.";

(iii) in rule 6, in sub-rule (1), the following proviso shall be inserted, namely,-

" Provided the CENVAT credit on inputs shall not be denied to job worker referred to in rule 12 B of the Central Excise Rules, 2002 on the ground that the said inputs are used in the manufacture of goods cleared without payment of duty under the provisions of that rule."

(iv) in rule 7, in sub-rule (1), after clause (d), the following shall be substituted, namely,-

' (e) any of the document referred to in clauses (a) to (d) issued in the name of a person undertaking activities pertaining to manufacture of yarns or fabrics falling under Chapter 50, 51, 52, 53, 54, 55, 58 or 60 or readymade garments falling under Chapter 61 or 62 of First Schedule to the Tariff Act, which is either fully exempt from duties of excise or are chargeable to "Nil" rate of duty or the said activity not being amounting to manufacture, being endorsed by the said person to any other manufacturer, producer, first stage dealer or second stage dealer.

Explanation:- For the removal of doubt, it is clarified that the manufacturer, producer, first stage dealer or second stage dealer, as the case may be, in whose name such endorsement has been made, shall not be denied the credit merely on the grounds that the description of the goods mentioned in such an endorsed document has undergone a change on account of such an activity been undertaken by such person on the said goods.';

(v) after rule 9, the following rule shall be inserted, namely,-

"Rule 9A. Transitional provisions for Textile and Textile Articles.- (1) A manufacturer, producer, first stage dealer or second stage dealer of yarn and unprocessed fabrics falling under Chapter 50, 51, 52, 53, 54, 55, 58, 59 or 60 of the First Schedule to the Tariff Act or a manufacturer of processed fabrics falling under Chapter 50, 51, 52, 53, 54, 55, 58, 59 or 60 of the First Schedule to the Tariff Act shall be entitled to avail credit equal to the duty paid on inputs of such finished product, lying in stock or in process or contained in finished products lying in stock as on 31st day of March, 2003 upon making a written declaration of the description, quantity and value of the stock of inputs (whether lying in stock or in process or contained in finished products lying in stock) and subject to availability of the document evidencing actual payment of duty thereon.

(2) Notwithstanding anything contained in sub-rule (1), the manufacturer, producer, first stage dealer or second stage dealer, as the case may be, referred to in the said sub-rule, who is unable to produce the document evidencing actual payment of duty, shall be entitled to avail credit, calculated in a manner referred to in sub-rule (3), on inputs falling under Chapters 50 to 63 of the First Schedule to the Tariff Act, lying in stock or in process or contained in finished products lying in stock as on 31st day of March, 2003 upon making a written declaration of the description, quantity and value of the stock of each of such goods. The declaration made under this sub-rule shall exclude quantity of stock declared under sub-rule (1).

(3) (a) The credit of duty on each such input lying in stock and in process shall be calculated on the basis of such rate as may be notified by the Central Government in this behalf, having regard to the average price of such inputs, and the applicable rate of duty and the quantity of input as declared by the assessee under sub-rule (2).

(b) The credit of duty on inputs contained in the fabrics lying in stock as on the 31st day of March, 2003 shall be calculated in the following manner, namely:-

(i) where the inputs and the finished products are covered under notification No. 52/2001-Central Excise (NT) dated the 29th June, 2001, subject to such conditions as prescribed under the said notification, the credit shall be equal to the such rate of credit as may be notified by the Central Government in this behalf, multiplied by the quantity of such finished product as declared by the assessee; or

(ii) where the inputs and the finished products are covered under notification Nos. 54/2001-Central Excise (NT) dated the 29th June, 2001, or 6/2002- Central Excise (NT) dated the 1st March 2002, subject to such conditions as prescribed under the said notifications, the credit shall be equal to the product of,-

(A) the applicable percentage credits in terms of the said notifications;

(B) the value of such finished product declared by the assessee; and

(C) the duty rate applicable to such final product in terms of Notification No. 7/2003- Central Excise dated 28.2.2003 .

Explanation:-For removal of doubt, it is hereby clarified that the entire amount of credit as eligible under sub-rule (1) and/or (2) shall be calculated by the assessee himself who can take credit accordingly. "

[F.No. B-3/ 1 /2003-TRU]

(Alok Shukla)

Deputy Secretary to the Government of India

**Footnote.-** The principal rules were published in the Gazette of India vide notification No. 5/2002-Central Excise (N.T.), dated the 1st March, 2002, GSR 144 (E), dated the 1st March, 2002, and were last amended vide notification No. 13/2003-Central Excise (N.T.), dated the 1st March, 2003, GSR 153(E), dated the 1st March, 2002.

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## **NOTIFICATION NO**

### **24 /2003-CENTRAL EXCISE (N.T.), Dated: March 25, 2003**

In exercise of the powers conferred by section 37 of the Central Excise Act, 1944 (1 of 1944), the Central Government hereby makes the following rules further to amend the Central Excise Rules, 2002, namely:-

1. (1) These rules may be called the Central Excise (Third Amendment) Rules, 2003.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Central Excise Rules, 2002,-

(i) in rule 4,-

(a) the proviso and Explanation to sub-rule (1) shall be omitted;

(b) sub-rule (3) shall be omitted;

(ii) in rule 5, sub-rule (3) shall be omitted;

(iii) in rule 11, in sub rule (1), the following proviso shall be inserted, namely,-

"Provided that a manufacturer of yarns or fabrics falling under Chapter 50, 51, 52, 53, 54, 55, 58 or 60 or readymade garments falling under Chapter 61 or 62 of First Schedule to the Tariff Act may remove the said goods under a proforma invoice signed by him or his authorised agent. The provisions of sub-rules (2) to (5) shall apply to the proforma invoice except that the said invoice shall not contain the details of the duty payable. The manufacturer shall, within five working days from the issuance of the proforma invoice prepare the invoice in terms of this rule after making adjustments in respect of the goods rejected and returned by the buyer. The proforma invoice and the invoice issued in terms of this sub-rule shall have cross reference to each other by way of their serial numbers.";

(iv) in rule 12, for the proviso, the following shall be substituted, namely,-

"Provided further that where an assessee is,-

(a) availing the exemption under a notification based on value of clearances in a financial year; or

(b) manufacturing processed yarn, unprocessed fabrics falling under Chapter 50, 51, 52, 53, 54, 55, 58 or 60 of First Schedule to the Tariff Act; or

(c) manufacturing ready made garments falling under Chapter 61 or 62 of First Schedule to the Tariff Act, which prior to 1st day of April, 2003 were eligible for an exemption under a notification based on value of clearances in a financial year,

he shall file a quarterly return in the form specified by notification be the Board, of production and removal of goods and other relevant particulars, within twenty days after the close of the quarter to which the return relates.";

(v) after rule 12A, the following rule shall be inserted, namely,-

"12B. Job work in textiles and textile articles;-

(1) Notwithstanding any thing contained in these rules, every person (not being an export-oriented unit or a unit located in special economic zone) who gets yarns or fabrics falling under Chapter 50, 51, 52, 53, 54, 55, 58 or 60 or readymade garments falling under Chapter 61 or 62 of First Schedule to the Tariff Act, produced or manufactured on his account, on job work (herein after referred to as "the said person") shall obtain registration, maintain accounts, pay duty leviable on such goods and comply with all the relevant provisions of these rules, as if he is an assessee:

Provided that the job worker may, at his option, agree to obtain registration, maintain accounts, pay the duty leviable on such goods, prepare the invoice and comply with the other provisions of these rules. In such a case the provisions of these rules shall not apply to the said person. The job worker, may, at his option, authorize the said person to, on his behalf as his agent, maintain accounts, pay duty, prepare invoice and comply with any of the provisions of these rule except that of rule 9:

Provided further that the job worker may make an option to undertake the activities mentioned in this sub-rule as an agent or person authorized by the said person and in such a case, the said job worker shall be deemed to be the said person.

(2) If the said person desires clearance of excisable goods for home consumption or for exports from the premises of the job worker, he shall pay duty on such excisable goods and prepare an invoice, in the manner referred to in rules 8 and 11 respectively except for mentioning the date and time of removal of goods on such invoice. The original and the duplicate copy of the invoice so prepared shall be sent by him to the job worker from whose premises the excisable goods after completion of job work are intended to be cleared, before the goods are cleared from the premises of the job worker. The job worker shall fill up the particulars of date and time of removal of goods before the clearance of goods. After such clearance the job worker shall intimate to the said person,

the date and time of the clearance of goods for completion of the particulars by the said person in the triplicate copy of the invoice.

(3) The said person may supply or cause to supply to a job worker, the following goods, namely,-  
(a) inputs in respect of which he may or may not have availed CENVAT credit in terms of the CENVAT Credit Rules, 2002, without reversal of the credit thereon; or

(b) goods manufactured in the factory of the said person without payment of duty; under a challan, consignment note or any other document (herein after referred to as 'document') as described in sub- rule (4), duly signed by the him or his authorized agent.

(4) (a) The document shall be in duplicate, in printed (including computer printed) format, having printed running serial numbers on a financial year basis. The document, before it is issued shall be signed by the sender, of the goods referred to in sub-rule (3) or his authorized representative, as the case may be.

(b) The document for the movement of goods from the said person to the job worker shall contain the following information, -

(i) the name, address and registration number of the said person;

(ii) the Range, Division and the Commissionerate with whom the said person is registered;

(iii) the description, quantity (in terms of kg. /m/ Sq. m) and the value of the goods being sent for the job work;

(iv) the date of dispatch of such goods; and

(v) the name and address of the job worker.

(c) The document pertaining to movement of goods from a job worker to another job worker or from a job worker to the said person shall contain, -

(i) the name and address of the job worker (the sender).

(ii) the description and quantity (in terms of kg. /m/ Sq. m) of the goods being sent.

(iii) the date of dispatch of such goods.

(iv) the name and address of the job worker/the said person to whom the goods are being sent ( the receiver).

(d) The responsibility in respect of accountably of the goods, referred to in sub-rule (3) shall lie on the said person.

(5) The job worker, on receipt of the goods mentioned in sub-rule (3) or, as the case may be, from another job worker sent by him in terms of clause (ii) to sub-rule (7), shall duly acknowledge the receipt of the goods on the said document.

(6) Notwithstanding any thing contained in these rules, the job worker shall not be required to get himself registered or shall not be required to maintain any record evidencing the processes under taken for the sole purposes of undertaking job work under these rules unless he has exercised his option in terms of the first or the second proviso to sub-rule (1).

(7) The job worker, with or without completing the job work, may,-

(i) return the goods without payment of duty to the said person; or

(ii) send the goods without payment of duty to another job worker; or

(iii) clear the goods for home consumption or for exports

subject to receipt of an invoice from the said person, as mentioned in sub-rule (2). The job worker shall clear the goods after filling in the time and date of removal and authenticating such details. The rate of duty on such goods shall be rate in force on date of removal of such goods from the premises of the job worker. No excisable goods shall be removed except under an invoice:

Provided that the goods may be sent under a proforma invoice in terms of proviso to sub rule (1) of rule 11.

(8) The provisions of this rule, mutatis mutandis, be applicable to the goods in the nature of the waste, by-products or like goods arising during the course of manufacture of the goods mentioned in sub-rule (1).

(9) Nothing contained in these rules shall apply to the goods sent from or to an export oriented unit or a unit located in a special economic zone.

Explanation 1. - For the purposes of this rule, "job worker" means a person engaged in manufacture or processing on behalf and under the instructions of the said person from any inputs or goods supplied by the said person or by another job worker or by any other person authorized by the said person, so as to complete a part or whole of the process resulting ultimately in manufacture of yarns or fabrics falling under Chapter 50, 51, 52, 53, 54, 55, 58 or 60 or readymade garments falling under Chapter 61 or 62 of First Schedule to the Tariff Act and the term "job work" shall be construed accordingly.

Explanation 2.- For the removal of doubt, it is clarified that if any goods or part thereof is lost, destroyed, found short at any time before the clearance of yarn or fabrics falling under Chapter 50, 51, 52, 53, 54, 55, 58 or 60 or readymade garments falling under Chapter 61 or 62 of First Schedule to the Tariff Act or waste, by-products or like goods arising during the course of manufacture of such goods, the said person shall be liable to pay duty thereon as if the such goods were cleared for home consumption.'.

[F.No. B3/1/2003-TRU]

(Alok Shukla)

Deputy Secretary to the Government of India

**Footnote.-** The principal rules were published in the Gazette of India vide notification No. 4/2002-Central Excise (N.T.), dated the 1st March, 2002, vide number GSR 143 (E), dated the 1st March, 2002, and were last amended vide notification No. 12/2003-Central Excise (N.T.), dated the 1st March, 2003, vide number GSR 102 (E), dated the 1st March, 2002.