

G.S.R. (E).- In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944), read with sub-section (3) of section 3 of the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (58 of 1957) and sub-section (3) of section 136 of the Finance Act, 2001 (14 of 2001), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby makes the following amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 8/2004-Central Excise, dated the 21st January, 2004 and published in the Gazette of India vide number G.S.R.60 (E), dated the 21st January, 2004, namely:-

In the said notification, in the conditions, for conditions (C), (D) and (E), the following shall be substituted, namely:-

“(C) the investment in terms of condition (B) shall be made in the following manner, namely:-

- (i). an amount equal to the sum of basic excise duty, special excise duty, additional excise duty and National Calamity Contingent Duty, payable in a quarter, but for the exemption under this notification, shall be deposited by the manufacturer, within sixty days from the end of the quarter, in an escrow account opened by the manufacturer, for this purpose, in a bank authorized for excise duty collection;
- (ii). operations including withdrawals from and closure of the said escrow account shall be made with the prior approval of the jurisdictional Commissioner of Central Excise, taking into account the conditions specified in this notification and to safeguard the revenue;
- (iii). the manufacturer shall, pending investment in the manner specified in condition (B), execute a bond, as may be specified by the Deputy Commissioner of Central Excise or the Assistant Commissioner of Central Excise, as the case may be, binding himself to pay on demand an amount equal to the amount referred to in clause (i) along with interest thereon at the rate specified under section 11AB of the Central Excise Act 1944, and not so invested, in terms of condition (B), with the amount lying in balance in said escrow account as security or collateral;
- (iv). the amount deposited in the said escrow account, in terms of clause (i), shall be invested, in the manner specified in condition (B), within two years from the date of its deposit in such account;
- (v). the amounts withdrawn from the escrow account shall be invested for the purposes specified in condition (B) within sixty days of its withdrawal from such account;

(D) the manufacturer shall,-

- (i). submit a quarterly statement, within sixty days from the end of the relevant quarter to a Committee, consisting of the Chief Commissioner of Central Excise, Shillong, the Principal Secretary in the Department of Industry of the State concerned in which the unit is located and the Principal Secretary in the Department of Industry of the State in which the investment is being made, giving details of deposits made in and withdrawal made from, the escrow account, along with details of investment, made during the quarter;
- (ii). provide all details relating to the investment made in terms of condition (B), not later than one month after the expiry of the period of two years referred to in condition (C), to the said Committee;

(iii). prove to the satisfaction of the said Committee that the investment has been made for the purposes specified in condition (B);

(E) if the Committee referred to in condition (D) is satisfied that the investment as specified in condition (B), has been made, it shall issue a certificate to this effect to the manufacturer within a period of one month from the receipt of the details as referred to in condition (D), and on the issuance of which, the liability of the manufacturer shall stand discharged to the extent of investments so certified;

(EA) if the manufacturer fails to make the deposit or does not invest the amount specified in condition (B), within the stipulated period and in the manner, then, the duty which is equivalent to the amount not so deposited or invested shall be recoverable from the manufacture along with interest thereon at the rate specified under section 11AB of the Central Excise Act, 1944, and without prejudice to any action that may be taken under the provisions of the said Act or any other law for the time being in force, by forfeiture of amount in the said escrow account.”.

[F.No.334/3/2004-TRU]

(G.S.Karki)

Under Secretary to the Government of India

Note: The principal notification No.8/2004-Central Excise, dated the 21st January, 2004 was published in the Gazette of India, *vide* number G.S.R.60 (E), dated the 21st January, 2004.