CHAPTER 12
Special Procedure for Specified Goods

PART I
Stainless steel pattis/pattas, and Aluminium Circles

1. Introduction

1.1 Under rule 15 of the Central Excise (No.2) Rules, 2001 (hereinafter referred to as the ‘said Rules’), special central excise procedures have been framed with the view to facilitate the trade in specified goods, viz. Stainless Steel Patta Patties and Aluminium Circles. These procedures deal with all aspects of central excise such as payment of duty, maintenance of records, filing of returns etc.

2. Duty payable under special procedure

2.1 By Notification No. 34/2001-Central Excise dated 28.6.2001 (effective from 1st July, 2001) an assessee shall have an option to pay the duty of excise on the basis of the cold rolling machine installed for the manufacture of Stainless steel pattis/pattas, falling under Chapter 72, or Aluminium circles falling under Chapter 76 of the First Schedule to the Central Excise Tariff Act, 1985(5 of 1986) by the process of cold rolling. The rates of duty per cold rolling machine, per month are, as follows:

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Item</th>
<th>Rate of Duty per cold rolling machine per month</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i)</td>
<td>stainless steel pattis or pattas</td>
<td>Rs.1,500</td>
</tr>
<tr>
<td>(ii)</td>
<td>aluminium circles produced from sheets manufactured on cold rolling machines</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a) where the length of the roller is 30” or less</td>
<td>Rs. 7,500</td>
</tr>
<tr>
<td></td>
<td>(b) where the length of the roller is more than 30”</td>
<td>Rs. 10,000</td>
</tr>
</tbody>
</table>

2.2 The rate of duty is fixed subject to the condition that no credit of duty paid on any raw materials, component part or machinery or finished products used for cold rolling of Stainless steel pattis/pattas, or Aluminium circles under CENVAT Credit Rules, 2001 shall be taken and further that the specified procedure is followed.

3. Application to avail special procedure

3.1 The manufacturer shall make an application in the form specified in Appendix-I to the said Notification No. 34/2001-Central Excise dated 28.6.2001 to the
Superintendent of Central Excise for this purpose and the Superintendent, may grant permission for the period in respect of which the application has been made.

3.2 The application shall be made so as to cover a period of not less than twelve consecutive calendar months, but permission may be granted for a shorter period for reasons to be recorded in writing, by the Deputy/Assistant Commissioner of Central Excise.

3.3 If at any time during such period the manufacturer fails to avail himself of the procedure contained in this notification, he shall, unless otherwise ordered by the Assistant Commissioner or the Deputy Commissioner, be precluded from availing himself of such procedure for a period of six months from the date of such failure.

3.4 If the manufacturer desires to avail himself of the procedure even after the expiry of the period for which his application was granted, he shall, before such expiry, make a fresh application to the Deputy/Assistant Commissioner of Central Excise and on his failure to do so, he shall, except as provided herein, be precluded from availing himself of such procedure for a period of six months from the date of such expiry.

3.5 An application made by a manufacturer, under erstwhile sub-rule (1) of rule 96ZA of the Central Excise Rules, 1944, shall be deemed to be an application made under the said Notification.

4. Discharge of duty liability on payment of certain sum.

4.1 A manufacturer whose application has been granted shall pay a sum calculated at the rate specified in the said notification, subject to the conditions therein laid down. Such payment shall be in full discharge of his liability for duty leviable on his production of such cold re-rolled Stainless steel pattas/pattis, or Aluminium circles during the period for which the said sum has been paid. However, if there is revision in the rate of duty, the sum payable shall be recalculated on the basis of the revised rate, from the date of revision and liability for duty leviable on the production of the said goods from that date shall not be discharged unless the differential duty is paid. In the case the amount of duty so recalculated is less than the sum paid, the balance shall be refunded to the manufacturer.

4.2 When a manufacturer makes an application for the first time for availing the procedure contained in this notification, the duty liability for the month in which the application is granted shall be calculated pro-rata on the basis of the total number of days in that month and the number of days remaining in the month from the date of such grant.

4.3 The sum payable under the said notification shall be calculated by application of the appropriate rate to the maximum number of cold rolling machines installed by or on behalf of such manufacturer in one or more premises at any time during three calendar months immediately preceding the calendar month in which the application under the said notification is made.
4.4 The sum shall be tendered by the manufacturer along with the application.

5. **Manufacturer's declaration and accounts**

5.1 The manufacturer who has been granted the required permission shall make an application in the form specified in Annexure 29 to the said notification to the Superintendent in charge of the factory for permission to remove the Stainless steel pattis/pattas, or Aluminium circles from his premises during the ensuing month, declaring the maximum number of cold rolling machines installed by him or on his behalf, in one or more premises at any time during three calendar months immediately preceding the said calendar month in which such application is made.

5.2 If such application is not made to the Superintendent of Central Excise within the specified time limit, the manufacturer shall, unless, otherwise directed by the Deputy/Assistant Commissioner of Central Excise, and in exceptional circumstances, be liable to pay duty on his entire production of Stainless steel pattis/pattas, or Aluminium circles during the month or part thereof in respect of which the application was to be made, at the rate prescribed in the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) read with any relevant notification or notifications issued under sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944).

5.3 The manufacturer shall also intimate the Superintendent of Central Excise in writing of any proposed change in the number of cold rolling machines installed by him or on his behalf, and obtain the written approval of such officer before making any such change.

6. **Exemption from certain provisions etc.**

6.1 During the period in respect of which any manufacturer has been permitted to avail himself of the procedure of the said notification, he shall be exempt from the operation of rule 8 of the said Rules.

6.2 Except in accordance with such terms and conditions as the Central Government may by notification specify in this behalf, no rebate of excise duty shall be paid under rule 18 of the said Rules, in respect of any Stainless steel pattis/pattas, or Aluminium circles exported out of India, out of the stock produced by such manufacturer during such period.

7. **Provisions regarding new factories and closed factories**

7.1 In the case of a manufacturer who commences production for the first time or who recommences production after having ceased production for a continuous period of not less than three months, and who has been permitted by the Deputy/Assistant Commissioner of Central Excise to avail of the special procedure, the amount payable by him for the first month or part thereof, as the case may be, shall be provisionally calculated on the basis of his declaration of the maximum number of cold rolling machines that are or are likely to be installed by him or on his behalf during such period.

7.2 At the expiry of the period, the amount payable shall be recalculated on the basis of the maximum number of cold rolling machines actually installed and if the initial payment falls short of the total liability so determined, the deficiency shall be recovered
from the manufacturer and where the total liability is less than the initial deposit, the balance shall be refunded to the manufacturer.

8. **Power to condone failure to apply for special procedure**

8.1 Notwithstanding anything contained in the said notification, the Additional/Joint Commissioner of Central Excise may, at his discretion, for reasons to be recorded in writing, and subject to such conditions as he may deem fit, apply the provisions contained in the said notification to a manufacturer who has failed to avail himself of the special procedure, or to comply with any condition laid down in this notification.

9. **Provision regarding factories ceasing to work or opting for the normal procedure**

9.1 Where a manufacturer who had availed himself of the special procedure contained in the said notification ceases to work (i.e. for more than one or two shifts only) or reverts to the normal procedure, the duty payable by him in the month during which he has availed the procedure shall be calculated on the basis of the maximum number of cold rolling machines installed during the last month in the prescribed manner and the amount already paid for the month shall be adjusted towards the duty so calculated. If on such adjustment if there is any excess payment it shall be refunded to the manufacturer and any deficiency in duty shall be recovered from him.

10. **Confiscation and penalty**

10.1 If any manufacturer contravenes any provision of the said notification in respect of any excisable goods, then all such goods shall be liable to confiscation, and the manufacturer shall be liable to penalty under rule 25 of the said Rules.
PART II

Embroidered Fabrics

1. Introduction

1.1 The Central Government has specified under rule 15 of the Central Excise (No. 2) Rules, 2001 (hereinafter referred to as the ‘said Rules’) rate of duty and special procedure for embroidery in the piece, in strips or in motifs on cotton fabrics, man made fabrics, silk fabrics or woollen fabrics by notification No. 33/2001-(Central Excise) dated 28th June, 2001. This notification is effective from 1st July, 2001.

2. Duty payable under special procedure

2.1 An assessee shall have the option to pay the duty of excise on the basis of meter length of the machine per shift and fixes a rate of duty of Rs. 45 per meter length of the machine (i.e. the distance between the points provided for the first needle and the last needle of only one roller of the machine) per shift (i.e. a period not exceeding eight hours working in a day, exclusive of rest interval, provided the work of the same kind is carried out by the same set of workers), for embroidery machines utilised for manufacture of the said goods subject to certain conditions.

3. Conditions

3.1 The conditions to be complied with for availing the special procedure are, as follows:

(a) No credit of duty paid on inputs used in the manufacture of the embroidery and capital goods used within the factory of manufacture of such embroidery shall be taken under the CENVAT Credit Rules, 2001, and

(b) The procedure mentioned in the notification is followed.

4. Application to avail of special procedure

4.1 A manufacturer of embroidery in the piece, in strips or in motifs (hereinafter referred to as “the embroidery”) shall make an application in the form specified in Annexure 30 to the said notification to the Superintendent of Central Excise in this behalf.

4.2 The application shall be made so as to cover a period of not less than six consecutive calendar months, but may be granted for a shorter period, for reasons to be recorded in writing by the Assistant Commissioner or the Deputy Commissioner, as the case may be.

4.3 If the manufacturer desires to avail himself of the special procedures contained herein on the expiry of the period for which his application was granted, he shall, not later than a week before such expiry, make an application to the Deputy/Assistant Commissioner of Central Excise; and on his failure to do so, he shall, except as provided herein, be precluded from availing himself of such procedures for a period of six months from the date of such expiry.
5. **Opting out of the special procedure**

5.1 If, at any time during the period of availment of the special procedure, the manufacturer desires to opt out, he shall give a notice in writing to the Deputy/Assistant Commissioner of Central Excise in charge of the factory of his intention at least one week in advance. Once the manufacturer has ceased to avail himself of such special provisions, from any date, he shall be precluded from availing himself of such procedure for a period of six months from that date.

6. **Transitional provision**

6.1 Notwithstanding anything contained in sub-paragraph (1), an application made by a manufacturer before the commencement of this notification under erstwhile sub-rule (1) of rule 96ZH of the Central Excise Rules, 1944, shall be deemed to be an application made under sub-paragraph (1) and the same shall be deemed to have been granted under sub-paragraph (1) and where such application has not been granted, the Assistant Commissioner or the Deputy Commissioner shall dispose of the same as if it is an application under sub-paragraph (1).

7. **Discharge of liability for duty on payment of certain sum**

7.1 If a manufacturer whose application has been granted pays before the commencement of any shift a sum calculated according to such rate, in the manner and subject to the conditions herein laid down, such payment shall be in full discharge of his liability for the duty leviable on his production of the embroidery during the said shift.

7.2 If there is revision in the rate of duty, the sum payable shall be recalculated on the basis of the revised rates from the date of revision and liability for duty leviable on the production of the embroidery from that date shall not be discharged unless the differential duty is paid, and in case the amount of duty so recalculated is less than the sum paid, the balance shall be refunded to the manufacturer:

7.3 The sum payable shall be calculated by application of the appropriate rate to the meter length of each of the machines intended to be employed by the manufacturer during the shift.

7.4 The sum shall be paid by such manufacturer by debit in the account-current maintained under these provisions before commencement of the shift.

8. **Default in payment of duty**

8.1 If the payment of duty is not made in the prescribed manner and within the specified time-limit, the manufacturer shall, unless otherwise directed by the Deputy/Assistant Commissioner of Central Excise, and in exceptional circumstances, be liable to pay duty on his entire production of the embroidery during the shift or shifts, in respect of which the payment was to be made, at the rate specified in the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986). However, where the period of delay is upto five days, the decision will be taken by the Superintendent of Central Excise.

9. **Manufacturer's accounts**
9.1 The manufacturer shall keep account-current with the Commissioner, of the sums payable by him under the special procedure. Such account-current shall be maintained in triplicate by using indelible pencil and double sided carbon and the assessee shall periodically make credit in such account-current by cash payment into the treasury so as to keep sufficient balance in such account-current to cover the sums payable.

9.2 The manufacturer shall maintain a Daily Stock Account in the form specified in Appendix II to the said notification.

10. **Returns and intimations**

10.1 The manufacturer shall file a monthly return in proper form prescribed under rule 12 of the said Rules appending therewith two carbon copies of the Daily Stock Account duly signed.

10.2 The manufacturer shall intimate the Superintendent of Central Excise in writing of any change in the number, meter length and speed of the machines installed by him; and

11. **Exemption from certain provisions**

11.1 During the period in respect of which a manufacturer has been permitted to avail himself of the special procedure under the said notification, he shall be exempt from the operation of the provisions of rule 8 of the said Rules.

11.2 Except in accordance with such terms, conditions and limitations as the Central Government may by notification specify in this behalf, no rebate of excise duty shall be paid under rule 18 of the said Rules, in respect of any embroidery exported out of India out of the stock produced by such manufacturer during such period.

12. **Power to condone failure to apply for special procedure**

12.1 Notwithstanding anything contained in the aforesaid notification, the Additional/Joint Commissioner of Central Excise may, at his discretion and subject to such conditions as he may deem fit, apply the provisions contained in the said notification to a manufacturer who has failed to avail himself of the special procedure, or to comply with any condition, laid down in the said notification.

11. **Confiscation and penalty**

11.1 If any manufacturer contravenes any provision of the said notification in respect of any excisable goods, then all such goods shall be liable to confiscation, and the manufacturer shall be liable to penalty under rule 25 of the said Rules.
COMPOUNDED LEVY ON INDEPENDENT TEXTILE PROCESSORS

1. Introduction

1.1 The scheme of compounded levy of duty on basis of hot air stenters with an independent textile manufacturer has been introduced effect from 1st May, 2001 by Notifications No. 16/2001-Central Excise (N.T.) and No.21/2001- Central Excise, both dated 30.4.2001.

1.2 The scheme of compounded levy is optional. Thus, an independent textile processor has the option of availing this scheme and paying the duty prescribed thereunder. In the alternative the processor may pay the duty at the specified rate of duty on the basis of the value of the goods produced.

2. Rate of compounded levy

2.1 The rate of duty under the compounded levy scheme is, as follows:

<table>
<thead>
<tr>
<th>Value of Processed Textile Fabrics</th>
<th>Rate of compounded duty per stenter per chamber</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upto and including Rs. 30 per sq. meter</td>
<td>Rs. 2.5 lakhs per month</td>
</tr>
<tr>
<td>Over Rs. 30 per sq. meter</td>
<td>Rs. 3 lakhs per month</td>
</tr>
</tbody>
</table>

2.2 The 50% of the compounded duty has to be paid by the 20th of the month and the balance 50% by the 5th of the succeeding month.

3. Salient features of compounded levy scheme

3.1 The eligibility conditions for availing the scheme are:

(i) The scheme does not apply to open air stenter. It applies only to hot air stenters.

(ii) The scheme can be availed only if the original value of investment on plant and machinery, duly certified by a Chartered Accountant of Cost Accountant, in the factory of the processor is not more than Rs.3 crore. For this purpose, the higher of the original value of the investment on plant and machinery that was installed as on 1.3.2001 and as installed on 1.5.2001 in the factory of processor is to be taken into account.

3.2 An independent processor, who is eligible for availing of the scheme, has to apply for exercising the option through an application to be submitted to the jurisdictional Commissioner of Central Excise by the 20th May, 2001. However, should he commence business subsequently, he should apply before the commencement of the production.
3.3 Once the option has been exercised for the scheme, and accepted by the Commissioner of Central Excise, it can not be withdrawn during the remaining part of the financial year.

3.4 No abatement if available on account of any reduction in stenter or chambers or on account of closure or absence of use of the same. The duty liability would remain unchanged during the period of option of the scheme i.e. the financial year. However, should all the manufacturing operations in the factory be closed for more than 30 days abatement is permissible.

3.5 In the event that after application and acceptance thereof any enhancement is made in the number of chambers the duty liability would get enhanced for the balance part of the financial year.

3.6 The applicant availing the scheme has to do the stentering in his factory itself.

3.7 Detailed instructions regarding the valuation of processed fabric and other procedure have been issued from F.No.B.4/6/2001-TRU dated 30.4.2001, which will apply, mutatis mutandis, under the Central Excise (No.2) Rules, 2001.
PART IV

DUTY ON READYMADE GARMENTS

1. Introduction

1.1 Central Excise levy has been introduced on Readymade Garments falling under Chapter 62 of the First Schedule of the Central Excise Tariff Act, 1985 in the Budget, 2001. However, certain items such as clothing accessories have been exempt from the duty. Further, the benefit of the small scale sector duty exemption is available on such goods.

1.2 Notifications No.16/2001-Central Excise (NT), 18/2001-Central Excise (NT) to No.21/2001-Central Excise (NT),and No. 21/2001-Central Excise to No.23/2001-Central Excise, all dated 30.4.2001 are relevant.

1.3 In consideration of the fact that by and large the Readymade Garments, particularly those bearing a brand name, are manufactured on job-work a special procedure has been evolved for collection of duty on the said goods.

2. Rate of duty

2.1 The rate of duty on Readymade garments is at the rate of 16% ad valorem. However, for purpose of computation a tariff value has been fixed for the Garments vide Notification No. 20/2001- Central Excise (NT), dated 30.4.2001. The tariff value shall be 60% of the Maximum Retail Sale Price of the Garments.

2. Salient features of special scheme

2.1 In terms of sub-rule (3) of rule 4 of the Central Excise (No.2) Rules, 2001 (hereinafter referred to as the said Rules), in case of Readymade Garments manufactured on job-work, the excise duty shall be paid by the person who gets the goods manufactured on his account from the job-worker.

2.2 The merchant manufacturer is required to get his private store room or warehouse where the inputs required for the Readymade garments are stored before distribution to the job-worker and the finished goods are received registered with the Central Excise department. The duty will be paid when the goods are removed from the store room or warehouse.

2.3 The merchant manufacturer has the option of authorizing the job-worker to pay the duty, in which case the latter would comply with all the provisions of the Central Excise law.

2.4 Benefit of CENVAT credit facility is available on the manufacture of Readymade Garments.

2.5 Where the manufacturer is exporting a substantial part of the production and his domestic clearances do not exceed Rs. 1 Crores he is eligible for a simplified export procedure as contained in this Manual in Section 7.
2.6 Detailed instructions regarding the valuation of processed fabric and other procedure have been issued from F.No.B.4/5/2001-TRU dated 30.4.2001, which will apply, mutatis mutandis, under the said Rules.
PART V
MATCHES

1. Introduction

1.1 The Board has issued Notification No. 50/2001-Central Excise (N.T.) dated 26.6.2001 whereby under Rule 14 of the Central Excise (No.2) Rules, 2001 (hereinafter referred to as the ‘said Rules’), procedure for procurement, accounting and disposal of Central Excise Stamps and matters pertaining to production, storage, control, removal and payment of duty on matches have been notified.

1.2 The payment of duty on the matches shall be by way of affixing the said stamps on the goods.

2. Procurement of Central Excise Stamps

2.1 Procedure for procurement of central excise stamps is, as follows:

(a) All Central Excise Stamps shall be procured from a district Revenue Treasury or Sub-Treasury.

(b) (i) A registered person wishing to obtain Central Excise Stamps for cash shall submit to the treasury a challan in quintuplicate for the amount to be paid, specifying on the reverse the number and class of Central Excise Stamps required, together with their price. The treasury shall accept the amount specified in the challan and shall return the duplicate, triplicate and quintuplicate copies of the receipted challan to the registered person.

(ii) The registered person shall present duplicate and quintuplicate copies of the challan to the Inspector or Superintendent in-charge of the factory who, after satisfying himself about the correctness of the amount remitted, shall return the quintuplicate copy to the assessee with an endorsement to the District Revenue Treasury Officer or Sub-Treasury Officer to issue the appropriate number of Central Excise Stamps. The registered person shall present quintuplicate copy with such endorsement to the District Revenue Treasury Officer or Sub-Treasury Officer, who shall thereafter supply the Central Excise Stamps to the registered person.

(c) A registered person wishing to obtain Central Excise Stamps on credit shall execute a bond in the Form specified in Annexure 31 with such surety or sufficient security as the Deputy/Assistant Commissioner of Central Excise may require.

(d) When the provisions of sub-paragraph (c) have been complied with, the Deputy/Assistant Commissioner of Central Excise shall, after due inquiry, authorise the issue of Central Excise Stamps on credit to the registered person and shall communicate the same to the District Revenue Treasury Officer or Sub-Treasury Officer concerned and to the Superintendent in charge of the factory with full particulars of bond executed and the extent of credit granted. The number of Central Excise Stamps to be supplied at a time shall not exceed the average out-turn of the factory for
a number of days, not exceeding thirty to be fixed by the Deputy/Assistant Commissioner of Central Excise. However, the total price of the unused stamps in balance with the registered person and of those indented shall not be more than the security furnished.

(e) A registered person authorised to obtain Central Excise Stamps on credit shall for each supply submit to the Superintendent in charge of the factory a requisition in quadruplicate in the Form annexed as Annexure 32. If satisfied that the details stated in the requisition are correct the said officer shall retain the triplicate for his own record and send the original, duplicate and quadruplicate to the District Revenue Treasury Officer or Sub-Treasury Officer concerned, who shall retain the original in his office, issue the number of Central Excise Stamps required, return the duplicate, duly endorsed to the said officer and send the quadruplicate copy to the Chief Accounts Officer of the Commissionerate.

3. Safety of stamps

3.1 The manufacturer shall keep all his Central Excise Stamps, whether procured for cash or on credit, in a secure place within the factory premises, and shall keep them open for inspection at any time by any officer.

3.2 The inspector or Superintendent in charge of the factory may at any time examine the stock of the Central Excise Stamps on any working day and check the balance with that shown in the register and shall record the result in the register. If any Central Excise Stamps procured on credit are missing or unaccounted for, he shall call on the registered person to pay immediately into the Treasury the full price thereof and to produce the treasury challan within a week.

4. Account of Central Excise Stamps purchased and used

4.1 The manufacturer shall maintain an account of quantity and value of-

(i) Central Excise Stamps purchased for cash and on credit;
(ii) Central Excise Stamps affixed on boxes or booklets;
(iii) Central Excise Stamps damaged and handed over to the Inspector or Superintendent in charge of the factory; and
(iv) Central Excise Stamps lost in the process or not otherwise accounted for.

4.2 The manufacturer shall submit to the Superintendent in charge of the factory monthly return in the Form annexed as Annexure 33 before the tenth day of the month following that to which the return relates.

5. Time and manner of affixing Central Excise Stamps

5.1 As soon as possible, after matches are finished, they shall, unless intended for export, be put into boxes or booklets which shall then, save as otherwise provided by these procedures, be affixed with Central Excise Stamps and enclosed in packets or other outer coverings as the case may be.

5.2 Every Central Excise Stamp shall be so affixed that -
the box or booklet on which the Central Excise Stamp is affixed can not be opened without tearing the Central Excise Stamp;

(ii) when it is affixed to a box, the Central Excise Stamp shall cover one side of the inner tray and a part of the rear or bottom or front or top of the outer box, and the Central Excise Stamp itself shall not be covered by either the factory's label or any advertisement label;

5.3 Where the matches are intended for export out of India, the Central Excise Stamps need not be affixed thereto and, unless they are to be exported without payment of duty in accordance with rule 19 of the said Rules, the duty shall be paid by the assessee before removal of each consignment by debit to the account current maintained by him.

5.4 Where the Board is satisfied that by reason of the fact that the necessary Central Excise Stamps are not available or for any other relevant reason it is necessary or expedient so to do, it may, by general or special order, allow the duty on matches to be paid, without affixing Central Excise Stamps to such box or booklet, by debit to the account current before the removal of each consignment subject to any condition which may be imposed in the order.

6. **Method of packing**

6.1 No packet or case containing boxes or booklets of matches, other than those intended for export out of India and those to which the provisions of the paragraph 4(c) above apply, shall be closed and reckoned as a unit unless a Central Excise Stamp of the appropriate class has been affixed to each box or booklet in the specified manner.

6.2 Each case or packet shall contain only an integral number whether one hundred boxes or booklets of matches or multiples thereof. The boxes or booklets in each case or packet shall contain the same number of matches on the average and shall, except where the matches are exempted from bearing Central Excise Stamps, bear Central Excise Stamps of the same class.

6.3 Every packet, box or booklet, or the manufacturer's label affixed thereto shall bear in clearly discernable characters, the name of the factory or a distinguishing mark, which may take the form of a special design whereby the origin of the matches can be traced. Specimens of all such labels shall be submitted to the Superintendent in-charge of the factory duly declaring the ownership of the label before that are brought into use. In case, the label is owned by some other manufacturer, a consent letter from the owner of the label duly declaring the rate of duty applicable to him, should also be filed.

6.4 Each case or packet of matches shall be legibly marked in ink or oil colour with progressive number, commencing with number 1, for each year and in different series for each class of matches, the number of boxes or booklets in hundreds contained in each case or packet and the grade of Central Excise Stamps affixed thereto.

6.5 Every box or booklet of matches issued for home consumption, shall have on the box or booklet, or on the manufacturer's label affixed thereto, a statement in clearly discernable character of the sticks contained in the box or booklet, and of the retail price at which the manufacturer intends that the box or booklet should be sold. However, the Deputy/Assistant Commissioner of Central Excise may, by an order in
writing and subject to such limitations and conditions, as may be prescribed by him in the order, relax this requirement.

7. **Disposal of matches and of damaged Central Excise Stamps**

7.1 If any Central Excise Stamps are torn during examination or inspection taken up by the Inspector or Superintendent of Central Excise, the said officer may order that the containers to which they are affixed shall be returned to the registered person for re-stamping and shall be replaced immediately by an equal number of boxes or booklets of the same class from the finished stock.

7.2 If examination or inspection by the Inspector or Superintendent of Central Excise shows that Central Excise Stamps of insufficient value have been affixed, the said officer may order the boxes or booklets in question to be returned to the factory, where the Central Excise Stamps shall be removed and replaced by others of the proper value.

8. **Marking of Matches intended for export**

8.1 All boxes or booklets containing matches intended for export and on which no Central Excise Stamps have been affixed, shall be packed into cases or packets on which shall be pasted labels inscribed “Matches not affixed with Central Excise Stamps for Export” and shall be entered in daily stock account maintained under rule 10 of the said Rules.

9. **Removal of matches bearing Central Excise Stamps purchased on credit**

9.1 When it is desired to remove matches bearing Central Excise Stamps purchased on credit, the registered person shall, unless he maintains an account current with the Commissioner, pay the price of the Central Excise Stamps and no such matches may be removed until after the price of the Central Excise Stamps has been so paid or has been debited to such account current, if any.