

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 clause 119, clause 121 and clause 134 of the Finance Bill, 1999, which clauses have, by virtue of the declaration made in the said Finance Bill under the Provisional Collection of Taxes Act, 1931(16 of 1931), the force of law, the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts clearances, specified in column (2) of the Table below, (hereinafter referred to as the said Table) for home consumption, of excisable goods of the description specified in the Annexure appended to this notification (hereinafter referred to as the specified goods), from so much of the aggregate of -

- (a) the duty of excise specified thereon in the First Schedule to the Central Excise Tariff Act, 1985(5 of 1986) ; and
- (b) the special duty of excise specified thereon in the Second Schedule to the said Central Excise Tariff Act,

as is in excess of the amount calculated at the rate specified in the corresponding entry in column (3) of the said Table.

T A B L E

S.No.	Clearances	Rate of duty
(1)	(2)	(3)
1.	First clearances upto an aggregate value not exceeding thirty lakh rupees made on or after the 1 st day of April in any financial year.	Nil
2.	Clearances upto an aggregate value not exceeding twenty lakh rupees immediately following the clearances specified against S.No. 1 above during the financial year.	Fifty percent of normal rate of duty
3	All clearances of the specified goods which are used as inputs for further manufacture of any specified goods within the factory of production of the specified goods.	Nil

2. The exemption contained in this notification shall apply only subject to the following conditions, namely –

- (i) a manufacturer who intends to avail the exemption under this notification in a financial year shall exercise his option in writing for availing the exemption under this notification

before effecting the first clearances of specified goods and such option shall be effective from the date of exercise of the option which shall not be withdrawn during the remaining part of the financial year.

(ii) while exercising the option under condition (i) , the manufacturer shall inform in writing to the jurisdictional Assistant Commissioner of Central Excise with a copy to the Superintendent of Central Excise giving the following particulars, namely:-

- (a) name and address of the manufacturer;
- (b) location/ locations of factory/ factories;
- (c) description of specified goods produced;
- (d) date from which option under this notification has been exercised;
- (e) aggregate value of clearances of specified goods (excluding the value of clearances referred to in paragraph 3 of this notification) till the date of exercising the option.

(iii) where a manufacturer clears the specified goods from one or more factories, the exemption in his case shall apply to the aggregate value of clearances mentioned against each of the serial numbers in the said Table, and not separately for each factory;

(iv) where the specified goods are cleared by one or more manufacturers from a factory, the exemption shall apply to the aggregate value of clearances mentioned against each of the serial numbers in the said Table and not separately for each manufacturer;

(v) The aggregate value of clearances of all excisable goods for home consumption by a manufacturer from one or more factories, or from a factory by one or more manufacturers, has not exceeded rupees one hundred lakhs in the preceding financial year.

3. For the purpose of determining the aggregate value of clearances of the specified goods for home consumption, the following clearances shall not be taken into account, namely :-

- (a) clearances, which are exempt from the whole of the excise duty leviable thereon (other than an exemption based on quantity or value of such clearances) under any other notification or on which no excise duty is payable for any other reason ;

(b) clearances bearing the brand name or trade name of another person, which are ineligible for the grant of exemption under this notification in terms of paragraph 4 below;

(c) clearances of specified goods which are used as inputs for further manufacture of any specified goods within the factory of production of the specified goods.

4. The exemption contained in this notification shall not apply to the specified goods bearing a brand name or trade name, whether registered or not, of another person, except in the following cases, namely :-

(a) where such specified goods, being in the nature of components or parts of any machinery or equipment or appliances, are cleared for use as original equipment in the manufacture of the said machinery or equipment or appliances by following the procedure laid down in Chapter X of the Central Excise Rules, 1944:

Provided that manufacturers, whose aggregate value of clearances for home consumption of such specified goods for use as original equipment does not exceed rupees thirty lakhs as calculated in the manner specified in the said Table, may submit a declaration regarding such use instead of following the procedure laid down in Chapter X of the said rules ;

(b) where the specified goods bear a brand name or trade name of-

- (i) the Khadi and Village Industries Commission; or
- (ii) a State Khadi and Village Industry Board; or
- (iii) the National Small Industries Corporation; or
- (iv) a State Small Industries Development Corporation; or
- (v) a State Small Industries Corporation.

5. This notification shall come into force on the 1st day of April, 1999.

Explanation .- For the purposes of this notification, -

(A) “brand name” or “trade name” shall mean a brand name or trade name, whether registered or not, that is to say a name or a mark, such as symbol, monogram, label, signature or invented word or writing which is used in relation to such specified goods for the purpose of indicating, or so as to indicate a connection in the course of trade between such specified goods and some person using such name or mark with or without any indication of the identity of that person ;

(B) where specified goods manufactured by a manufacturer bear a brand name or trade name, whether registered or not, of another manufacturer or trader, such specified

goods shall not, merely by reason of that fact, be deemed to have been manufactured by such other manufacturer or trader ;

(C) “value” means,-

(i) in respect of specified goods which have been notified under section 4A of the Central Excise Act, 1944(1 of 1944), as determined in accordance with the provisions of that section; and

(ii) in respect of specified goods other than those referred to in sub-clause (i), the value as determined in accordance with the provisions of section 4 of the Central Excise Act, 1944 (1 of 1944), or the tariff value fixed under section 3 of the said Act ;

(E) where the specified goods are manufactured in a factory belonging to or maintained by the Central Government or by a State Government, or by a State Industries Corporation, or by a State Small Industries Corporation or by the Khadi and Village Industries Commission, then the value of excisable goods cleared from such factory alone shall be taken into account ;

(F) “normal rate of duty” means the aggregate of duty of excise specified in the First Schedule to the said Central Excise Tariff Act, 1985 and the special duty of excise specified in the Second Schedule to the said Central Excise Tariff Act, read with any relevant notification (other than this notification or a notification in which exemption is based on the value or quantity of clearances) issued under sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944).

(F) “clearances for home consumption” shall also include clearances of specified goods for export to Bhutan or Nepal.

ANNEXURE

1. All goods falling under falling under heading Nos , 33.04, 33.05, and sub heading Nos 3307.10, 3307.20, 3307.31, 3307.39, 3307.50 and 3307.90 of the First Schedule to the said Central Excise Tariff Act .

Refrigerating and airconditioning appliances and machinery and parts thereof falling under. Chapters 84, 85 or 90 of the First Schedule to the said Central Excise Tariff Act