

## ANNEXURE

Condition No.	<u>Conditions</u>
1.	<p>If the manufacturer of the food preparations produces a certificate from an officer not below the rank of the Deputy Secretary to the Government of India or not below the rank of the Deputy Secretary to the State Government concerned to the effect that such food preparations have been distributed free to the economically weaker sections of the society under a programme duly approved by the Central Government or the State Government concerned, within five months from the date of clearance of such goods or within such further period as the Deputy Commissioner of Central Excise or the Assistant Commissioner of Central Excise, as the case may be, having jurisdiction may allow in this regard.</p>
2.	<p>If no credit of the duty paid on the inputs used in the manufacture of such goods has been availed of by the manufacturer under rule 57A or 57B of the Central Excise Rules, 1944.</p>
3.	<p>(i) If the cement manufacturer makes a declaration to the Deputy Commissioner of Central Excise or the Assistant Commissioner of Central Excise, as the case may be, having jurisdiction regarding the installed capacity of the factory before availing of exemption under this notification or wherever there is a change in the said capacity, and furnishes such information or documents, if any, as may be required by the Deputy Commissioner or the Assistant Commissioner, as the case may be, for his satisfaction in this regard.</p> <p>(ii) The exemption shall be applicable upto a maximum quantity of ninety-nine thousand tonnes in a financial year. For computing the quantity of ninety-nine thousand tonnes in a financial year, the clearances of cement effected under any other notification shall be included. However, the clearances of cement effected on payment of duty at the rate of Rs. 350 per tonne shall not be taken into account for computing the above mentioned quantity of ninety-nine thousand tonnes.</p> <p>(iii) The exemption under this notification shall not be applicable to, -</p> <ul style="list-style-type: none"><li>(a) cement manufactured from such clinker which is not manufactured within the same factory; and</li><li>(b) cement bearing a brand name or trade name (whether registered or not) of another person;</li></ul>
4.	<p><i>Explanation.</i>- For the purposes of condition (ii), “brand name” or “trade name” means a brand name or trade name, whether registered or not, that is to say, a name or a mark, such as a symbol, monogram, signature, or invented words or any writing which is used in relation to a product for the purpose of indicating, or so as to indicate, a connection in the course of trade between the product and some person using such name or mark with or without any indication of the identity of that person.</p> <p>The exemption shall be allowed if it has been proved to the satisfaction of an officer not below the rank of the Assistant Commissioner of Central Excise, having jurisdiction that such goods are cleared for the intended use specified in column (3) of the said Table.</p>
5.	<p>Where such use is elsewhere than the factory of production, the exemption shall be allowed if the procedure set out in Chapter X of the Central Excise Rules, 1944, is followed.</p>
6.	<p>The Commissioner of Central Excise having jurisdiction over the refinery permits the kerosene to be cleared to the said warehouse, for the purpose of this exemption on such conditions he deems</p>

fit for the proper account for kerosene cleared from the refinery and the payment of duty thereon.

7. If,-
- (i) soaps are manufactured under a scheme for the sale of Janata soap through public distribution system approved in this behalf by the Government of India in the Ministry of Food and Civil Supplies (Department of Civil Supplies);
  - (ii) sale of such soaps are effected either through the National Co-operative Consumers Federation of India Limited or through such other organisation, as may be approved in this behalf by the said Department of Civil Supplies under the scheme referred to in (i) above, and such sale is at such prices to such Federation or organisation as may be fixed from time to time by the Government of India in the Ministry of Industry (Department of Industrial Development).
8. If,-
- (i) bamboo is used for the splints or for both splints and veneers, the amount of exemption shall be increased, by thirty five paise per hundred boxes;
  - (ii) the splints of such matches are made of bamboo and the matches are packed in boxes of 40s, the rate of duty shall be four-fifths of the rate applicable to matches of identical description produced in the same factory but packed in boxes of 50s and if such packing in boxes of 50s is not done, it shall be four-fifths of the notionally determined rate for matches packed in boxes of 50s:

Provided that an officer not below the rank of the Deputy Commissioner of Central Excise or the Assistant Commissioner of Central Excise, as the case may be, having jurisdiction, is satisfied that the sum total of the capital investment made from time to time on plant and machinery installed in the industrial unit in which the said goods, under clearance, are manufactured, is not more than twenty lakh rupees.

*Explanation* - While determining the sum total of the value of the capital investment, only the face value of the investment at the time when such investment was made shall be taken into account, but the value of the investment made on plant and machinery which have been removed permanently from the industrial unit or rendered unfit for any use shall be excluded from such determination.

- 9 The exemption shall be available in respect of first clearances for home consumption from a factory not exceeding 120 million matches during a financial year and that clearances from the said factory during such financial year do not exceed 150 million matches and also subject to the following other conditions, namely:-
- (i) the total production of matches in a calendar month during the aforesaid period by the said factory does not exceed 15 million matches;
  - (ii) the total clearances, if any, of matches for home consumption from the said factory during the preceding financial year, did not exceed 150 million matches:

Provided that -

- (a) where bamboo is used for the splints or for both splints and veneers, the amount of exemption shall be increased by thirty-five paise per hundred boxes of 50 matches;
- (b) where the splints of such matches are made of bamboo and the matches are packed in boxes of 40 matches, the rate of duty shall be four-fifths of the rate applicable to matches of identical description produced in the same factory but packed in boxes of 50 matches and if such packing in boxes of 50 matches is not done, it shall be four-fifths of the notionally determined rate for matches packed in boxes of 50 matches:

Provided further that the exemption available shall not apply to the said matches where a manufacturer uses any other manufacturer's label which is approved by the proper officer for

matches packed in boxes attracting a higher rate of duty than the rate of duty specified in the corresponding entry in column (4) of the Table.

*Explanation* - For the purpose of the matches mentioned in column (3), against S. No. 58 of the said Table,-

- (1) no process other than the mechanical process employed for -
  - (a) filling of boxes with matches;
  - (b) dipping of splints in the composition for match heads;
  - (c) frame filling;
  - (d) affixing of central excise stamps;
  - (e) packing;
  - (f) the process of giving -
    - (i) the cardboard flats or strips the configuration of a match box including the outer slide or the inner slide, or
    - (ii) the veneer flats or strips, the configuration of a match box including the outer slide or the inner slide with the use of match paper,
  - (g) pasting of labels on match boxes or veneers or cardboards,shall be deemed to be a process ordinarily carried on with the aid of power;

(2) any other manufacturer referred to in the second proviso shall mean a manufacturer in respect of whom any one or more of the following conditions relating to clearances of matches for home consumption from, or production of matches by a factory, or the process of manufacture apply, namely:-

- (i) such clearances exceed 150 million matches during the financial year;
- (ii) such clearances during the preceding financial year had exceeded 150 million matches;
- (iii) such production of matches in a calendar month during the financial year exceeds 15 million matches;
- (iv) any process mentioned in clause (1) above is ordinarily carried on with the aid of power.

10. If manufactured by M/s. Hindustan Antibiotics Limited, Pimpri and used in the factory of production in the manufacture of kits for testing narcotic drugs and psychotropic substances.

*Explanation:-* For the purposes of this condition,-

(a) “narcotic drugs” and “psychotropic substances” shall have the meanings respectively assigned to them as defined in clause (xiv) and clause(xxiii) of section 2 of the Narcotic Drugs and Psychotropic Substances Act, 1985;

(b) “kits for testing narcotic drugs and psychotropic substances” means kits consisting of chemical reagents in small bottles for testing narcotic drugs and psychotropic substances manufactured by M/s. Hindustan Antibiotics Limited, Pimpri , including test tubes droppers, test plates and similar other accessories supplied with such kits.

11. If the manufacturer does not avail of credit of duty paid under rule 57A or 57B of the Central Excise Rules,1944 on the products mentioned in column (3) of the said Table or on any other product manufactured in the same factory.

12. If the unexpanded polystyrene beads are purchased by the Malaria Research Centre, New Delhi on behalf of the Government of India in the Ministry of Health and Family Welfare, for use in malaria control activities and the said Malaria Research Centre gives an undertaking –

- (a) to produce a certificate from the Ministry of Health and Family Welfare to the effect that the said unexpanded polystyrene beads shall be used in malaria research activities within one month from the date of such purchase or within such extended period as the proper officer may allow; and

(b) to the effect that in case the unexpanded polystyrene beads are not so used, it shall pay duty which would have been levied thereon but for the exemption contained herein:

Provided that the said Malaria Research Centre may sell or otherwise dispose of the unexpanded polystyrene beads so purchased, subject to the condition that it shall, within a month of such sale or disposal,-

(i) intimate to the proper officer the circumstances leading to such sale or disposal; and pay the duty which would have been levied thereon but for the exemption contained in this notification:

Provided further that the proper officer may accept the said intimation after the expiry of the specified time of one month, if he is satisfied that the said Malaria Research Centre was prevented by sufficient cause from furnishing such information or from payment of the said duty of excise within the specified time.

13. If such tyres are for use on animal drawn vehicles or hand carts and such tubes are for use with such tyres and every such tyre and tube bears a durable and prominent marking of the letters "ADV" on it.
14. If intended for the manufacture of goods falling under sub-heading No. 4819.12 and not produced in a factory manufacturing any paper or paperboard from pulp.
15. (1) This exemption shall apply only to the paper and paperboard cleared for home consumption from a factory -
  - (a) during the period from 1<sup>st</sup> March 2000 to 31<sup>st</sup> March 2000, upto first clearances of an aggregate quantity not exceeding 210 Metric Tonnes; and
  - (b) on or after the 1st day of April, 2000, in any subsequent financial year, upto first clearances of an aggregate quantity not exceeding 2500 Metric Tonnes.

(2) The exemption shall not be applicable to a manufacturer of the said goods who avails of the exemption under the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 8/99-Central Excise, dated the 28th February, 1999 published in the Gazette vide number G.S.R.170(E), dated the 28th February, 1999, 9/99-Central Excise, dated the 28th February, 1999, published in the Gazette vide number G.S.R.171(E), dated the 28th February, 1999, published in the Gazette vide 8/2000- Central Excise, dated the 1st March, 2000 and 9/2000- Central Excise, dated the 1st March 2000.
16. If the manufacturer produces at the time of clearance a certificate from an authorised officer of the Handloom Co-operative Society, National Handloom Development Corporation or State Government Handloom Development Corporation, as the case may be, that the yarn is going to be used only on handlooms .
17. The exemption shall not apply to woven fabrics of wool, cotton or woven fabrics of man-made fibres, if such fabrics are processed in a factory having facilities (including plant and equipment) for carrying out bleaching, dyeing, or printing or any one or more of these processes with the aid of power or steam.
18. If manufactured out of yarn -
  - (i) falling under Chapter 51, 52, 54 or 55 of the First Schedule; and
  - (ii) on which the appropriate duty of excise under the First Schedule, the special duty of excise leviable under the Second Schedule to the Central Excise Tariff Act or as the case may be, the additional duty leviable under the Customs Tariff Act, 1975 has already been paid.
19. If manufactured out of yarn -
  - (i) falling under Chapter 51 or 52 of the First Schedule; and
  - (ii) on which the appropriate duty of excise under the First Schedule, or as the case may be,

the additional duty leviable under the Customs Tariff Act, 1975 has already been paid.

20. If,-
- (i) manufactured out of yarn falling under Chapter 51, 52, 54 or 55 of the First Schedule; and
  - (ii) manufactured out of yarn on which the appropriate duty of excise under the First Schedule, the special duty of excise leviable under the Second Schedule to the Central Excise Tariff Act or as the case may be, the additional duty leviable under the Customs Tariff Act, 1975 has already been paid; and
  - (iii) the dyeing, printing, bleaching or mercerising is done without the aid of power or steam.
21. If manufactured out of yarn -
- (i) falling under Chapter 51, 52, 54 or 55 of the First Schedule; and
  - (ii) on which the appropriate duty of excise under the First Schedule, the special duty of excise leviable under the Second Schedule to the Central Excise Tariff Act or as the case may be, the additional duty leviable under the Customs Tariff Act, 1975 has already been paid; and
  - (iii) no credit under rule 57A or 57B or 57Q of the Central Excise Rules, 1944 has been availed in the process of dyeing, printing, bleaching or mercerising in the manufacture of dyed, printed, bleached or mercerised yarn.
22. If,-
- (i) manufactured out of textured or draw-twisted yarn, falling under Chapter 54 of the First Schedule on which the appropriate duty of excise under the First Schedule, the special duty of excise leviable under the Second Schedule to the Central Excise Tariff Act or as the case may be, the additional duty leviable under the Customs Tariff Act, 1975 has already been paid; and
  - (ii) no credit under rule 57A or 57B or 57Q of the Central Excise Rules, 1944 has been availed in the process of dyeing, printing, bleaching or mercerising in the manufacture of dyed, printed, bleached or mercerised yarn.
23. If,-
- (i) the dyeing, printing, bleaching or mercerising is done without the aid of power or steam; and
  - (ii) manufactured out of yarn falling under Chapter 54 of the First Schedule on which the appropriate duty of excise under the First Schedule, the special duty of excise leviable under the Second Schedule to the Central Excise Tariff Act or as the case may be, the additional duty leviable under the Customs Tariff Act, 1975 has already been paid.
24. If,-
- (i) a certificate to the effect that such fabrics have been woven in a prison and have been sent for further processing to an independent processor or a composite mill, outside the prison is given by the Inspector General of the Prisons or an officer duly authorised by him in this behalf in the Government of the State or the Union territory, as the case may be;
  - (ii) a separate account is maintained in respect of such fabrics by the said independent processor or a composite mill; and
  - (iii) the said independent processor or a composite mill produces a certificate or evidence to the Deputy Commissioner of Central Excise or the Assistant Commissioner of Central Excise, as the case may be, within a period of ninety days or such extended period as may be permitted by the Commissioner of Central Excise, to the effect that the said fabrics have been returned after processing to the prison from which the fabrics were received.
25. If the Nirman Kendra or the Nirmithi Kendra produces a certificate from an officer not below the rank of the Deputy Secretary to the Government of India in the Ministry of Urban Development,

to the effect that-

- (a) the said Nirman Kendra or the said Nirmithi Kendra is recognised as such by the Government of India; and
- (b) the goods manufactured by such Nirman Kendra or Nirmithi Kendra are intended for construction of low cost houses.

26. If the manufacturer maintains proper account in such form and in such manner as the Commissioner of Central Excise having jurisdiction may specify in this behalf, for receipt and use of fly-ash or phospho-gypsum or both, in the manufacture of all goods falling under Chapter 68 of the First Schedule and files, a monthly return in the form and manner as may be specified by such Commissioner of Central Excise, with the Deputy Commissioner of Central Excise or the Assistant Commissioner of Central Excise, as the case may be, having jurisdiction.
27. If no credit of duty paid, has been taken under rule 57A or rule 57B or rule 57Q of the Central Excise Rules, 1944.
28. If,-
- (i) no credit of duty paid, has been taken under rule 57A or rule 57B or rule 57Q of the Central Excise Rules, 1944; and
  - (ii) such glazed tiles are not subjected to the process of printing, decorating or ornamenting by the job worker, for or on behalf of any manufacturer of glazed tiles.
29. If,-
- (i) no credit of duty paid, has been taken under rule 57A or 57B or rule 57Q of the Central Excise Rules, 1944 ; and
  - (ii) such goods are not produced or manufactured by a manufacturer who produces or manufactures steel from iron ore or concentrate.
30. If,-
- (a) the castings and forgings produced in a factory are used in that factory for the production of sewing machines or chaff cutters; or
  - (b) the castings or forgings are supplied directly from the factory of manufacture, to the factory of a manufacturer of sewing machines or chaff cutters and the Deputy Commissioner of Central Excise or the Assistant Commissioner of Central Excise, as the case may be, having jurisdiction is satisfied that the castings or forgings are intended for use in the manufacture of sewing machines or chaff cutters.
31. If,-
- (a) in or in relation to the manufacture of such containers no process is ordinarily carried on with the aid of power; or
  - (b) such containers are produced by the manufacturer thereof without the aid of power from sheets which had been tinned, printed, coated or lacquered by others with the aid of power.
32. If such appliances are specially designed to operate using bio-gas.
33. If such goods are not produced or manufactured by a manufacturer who produces or manufactures copper from copper ore or copper concentrate.
34. If, -
- (a) no credit of duty paid, has been taken under rule 57A or 57B of the Central Excise Rules, 1944 ;
  - (b) the entire amount of duty is paid in cash or through account -current; and
  - (c) such goods are not produced or manufactured by a manufacturer who produces or manufactures copper from copper ore or copper concentrate:

Provided that the duty shall not be payable by a manufacturer who produces or manufactures trimmed sheets or circles from duty paid untrimmed sheets or circles.

35. If such goods are not produced or manufactured by a manufacturer who produces or manufactures

aluminium from aluminium ore or aluminium concentrate.

36. If,-  
(a) no credit of duty paid, has been taken under rule 57A or 57B or rule 57Q of the Central Excise Rules, 1944; and  
(b) such goods are not produced or manufactured by a manufacturer who produces or manufactures aluminium from aluminium ore or aluminium concentrate.
37. If manufactured from goods falling within heading Nos. 82.02 to 82.05 of the First Schedule, on which duty of excise specified in the First Schedule or the additional duty leviable under the Customs Tariff Act, 1975, as the case may be, has already been paid.
38. If supplied under Integrated Coir Development Project being implemented by the Government of Kerala.
39. The duty would be leviable as if the value of the spinnerettes were equal to-  
(i) the cost of exchange, that is to say, the aggregate of-  
(a) labour charges;  
(b) price charged for that quantity of gold, platinum and rhodium, if any, which is in excess of the respective quantity of gold, platinum or rhodium contained in the worn out or damaged spinnerettes; and  
(c) any other charges paid for the exchange of such spinnerettes; and  
(ii) the insurance and freight charges, both ways.
40. If, before the clearance of the goods, the manufacturer produces to the Deputy Commissioner of Central Excise or the Assistant Commissioner of Central Excise, as the case may be, having jurisdiction over his factory –  
(a) a certificate from the Protocol Division of the Ministry of External Affairs that the concerned foreign diplomatic or consular mission is entitled to exemption from excise duty based on the principle of reciprocity; and  
(b) an undertaking from the head of the concerned diplomatic mission or consulate or by an officer duly authorized by him, that-  
  
(i) he will produce a certificate, within three months from the date of clearance of the goods or such extended period as may be permitted by the Deputy Commissioner of Central Excise or the Assistant Commissioner of Central Excise, as the case may be, that the goods have been put to use, or are in the use, as the case may be, of the mission or consulate;  
  
(ii) the goods will not be sold or otherwise disposed of before the expiry of three years from the date of clearance of the goods, and  
  
(iii) in the event of non compliance of clause (i), the diplomatic or consular mission will pay the duty which would have been leviable at the time of clearance of goods, but for this exemption.
41. If,-  
(i) made from unrecorded articles falling under heading No. 85.23; and  
(ii) (a) not intended for sale; or  
(b) intended for sale or supply to All India Radio or any other Department of Government of India in the Ministry of Information and Broadcasting; or  
(c) intended for sale or supply, in the form of U-matic video tapes formats of width not less than 19 millimeters, to Doordarshan.
42. If,-

- (a) intended for use by the Indian Railways or the Konkan Railway Corporation; and
  - (b) the ownership of the said goods vests in the Indian Railways or the Konkan Railway Corporation.
- 43.
- (a) The manufacturer pays duties of excise at the rate of 16% *ad valorem* under the First Schedule and 16% *ad valorem* under the Second Schedule in the case of motor vehicle falling under sub-heading No. 8702.10 and 16% *ad valorem* under the First Schedule and 24% *ad valorem* under the Second Schedule in the case of motor vehicle falling under sub-heading No. 8703.90, as the case may be, at the time of clearance of the vehicle;
  - (b) the manufacturer files the claim for refund of duty paid in excess of that specified under this exemption, in the proforma prescribed under rule 173S of the Central Excise Rules, 1944, with the Deputy Commissioner of Central Excise or the Assistant Commissioner of Central Excise, as the case may be, having jurisdiction, before the expiry of six months from the date of payment of duty on the said motor vehicle;
  - (c) the manufacturer furnishes to the said Deputy Commissioner of Central Excise or the Assistant Commissioner of Central Excise, as the case may be, a certificate from an officer authorised by the concerned State Transport Authority, to the effect that the said motor vehicle has been registered for use solely as ambulance or taxi, as the case may be, within three months, or such extended period not exceeding a further period of three months as the said Deputy Commissioner of Central Excise or the Assistant Commissioner of Central Excise, as the case may be, may allow, from the date of clearance of the said motor vehicle from the factory of the manufacturer;
  - (d) where the manufacturer has collected an amount, as representing the duties of excise, in excess of the duties payable under this exemption from the buyer, on receipt of a communication from the said Deputy Commissioner or Assistant Commissioner, as the case may be, that the claim is otherwise eligible for sanction, the manufacturer shall return the excess amount so collected and submit evidence to the said Deputy Commissioner or Assistant Commissioner to the effect that the said amount has been duly returned to the buyer; and
  - (d) in the case of ambulance, the concessional rate of duty shall apply only when the ambulance is supplied to –
    - (i) hospitals, nursing homes or sanatoriums, run by the Central Government or a State Government or a Union Territory Administration or a local authority, or are registered as such with any Department of the Central Government, or a State Government or a Union Territory Administration or a local authority; or
    - (ii) the Indian Red Cross Society.
44. If an officer not below the rank of the Deputy Secretary to the Government of India in the Ministry of Industry certifies that the said goods are capable of being used by the physically handicapped persons.
45. If manufactured out of chassis and equipment, on which the duty of excise leviable under the First Schedule or the additional duty leviable under section 3 of the Customs Tariff Act, 1975, as the case may be, has already been paid.
46. If manufactured out of chassis on which duty of excise has been paid and no credit of duty paid on such chassis and other inputs used in the manufacture of such vehicle has been taken under rule 57A or rule 57B of the Central Excise Rules, 1944:

Provided that this exemption is not applicable to a manufacturer of said vehicles -

- (a) who is manufacturing such vehicle on a chassis supplied by a chassis manufacturer, the ownership of which remains vested in the chassis manufacturer or the sale of the



vehicle so manufactured is made by such chassis manufacturer on his account; and

- (b) who is manufacturing chassis and using such chassis for further manufacture of such vehicle.

- 47. If it is proved to the satisfaction of the Deputy Commissioner of Central Excise or the Assistant Commissioner of Central Excise, as the case may be, having jurisdiction that the parts are intended to be used as original equipment parts in the manufacture of main battle tanks falling under heading No. 87.10 of the First Schedule.
- 48. If no credit of the duty paid on the chassis has been taken under rule 57A or rule 57B of the Central Excise Rules, 1944.
- 49. If no credit of the duty paid on the chassis and compressor has been taken under rule 57A or rule 57B of the Central Excise Rules, 1944.
- 50. If,-
  - (i) the project for the purpose of substitution of ozone depleting substances or for setting up of new projects with non-ozone depleting substances (non-ODS) technologies has been approved by the steering committee set up in the Ministry of Environment and Forests of the Government of India for the clearance of such projects;
  - (ii) the manufacturer furnishes, in each case, a certificate duly signed by an officer not below the rank of the Deputy Secretary to the Government of India in the Ministry of Environment and Forests to the effect that the said goods are required for the said purpose.
- 51. If the goods are used,-
  - (i) in the manufacture of the following power driven pumps primarily designed for handling water, namely :-
    - (a) Centrifugal pumps (horizontal or vertical pumps);
    - (b) Deep tube-well turbine pumps;
    - (c) Submersible pumps;
    - (d) Axial flow and mixed flow vertical pumps; and
  - (ii) (a) within the factory of production; or  
(b) where such use is elsewhere than in the factory of production, the procedure set out in Chapter X of the Central Excise Rules, 1944, is followed.
- 52. If, duty of excise on the chassis leviable under the First Schedule or special duty of excise leviable under the Second Schedule to the Central Excise Tariff Act or the additional duty leviable under section 3 of the Customs Tariff Act, 1975, as the case may be, has been paid.