

NOTIFICATION

No.14/2002-Central Excise

New Delhi, dated the 1st March, 2002

10 Phalgun, 1923 (Saka)

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 in supersession of the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 11/2001-Central Excise, dated the 1st March, 2001, published in the Gazette of India vide number G.S.R. 136 (E), dated the 1st March, 2001, except as respects things done or omitted to be done before such supersession, the Central Government being satisfied that it is necessary in the public interest so to do, hereby exempts excisable goods of the description specified in column (3) of the Table below and falling within the Chapter, heading No. or sub-heading No. of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986), specified in the corresponding entry in column (2) of the said Table, from so much of the aggregate of, –

- (a) the duty of excise specified in the First Schedule to the said Central Excise Tariff Act; and
- (b) the duty of excise specified in the First Schedule to the said Additional Duties of Excise (Goods of Special Importance) Act,

(hereinafter referred to as the ‘aggregate duty’) as is in excess of an amount calculated at the rate specified in the corresponding entry in column (4) of the said Table, subject to the relevant conditions specified below the said Table, and referred to in the corresponding entry in column (5) of the said Table:

Provided that the aggregate duty of sixteen per cent. *ad valorem* leviable on the excisable goods specified in S. No. 9 of the Table below shall be apportioned equally between the duty leviable under the said Central Excise Act and the said Additional Duties of Excise (Goods of Special Importance) Act:

Provided further that-

(a) during the period commencing from the 1st day of March, 2002 and ending on the 28th day of February, 2005, the aggregate duty in respect of the goods specified against S.Nos. 2, 3, 4, 5, 6, 7, 8, 11, 13, 15 and 16, shall be further exempted in excess of three-fourths of the rate specified in the corresponding entry in column (4) of the said Table; and

(b) during the period specified in clause (a) above, the duty leviable on the excisable goods specified therein, shall be apportioned in the ratio 2:1 between the duty leviable under the said Central Excise Act and the said Additional Duties of Excise (Goods of Special Importance) Act.

*Explanation I.*- For the purposes of this notification, the rates specified in column (4) of the said Table are *ad valorem* rates, unless otherwise specified.

*Explanation II.*- For the purposes of the conditions specified below, textile yarns or fabrics shall be deemed to have been duty paid even without production of documents evidencing payment of duty thereon.

*Explanation III.*- For the purposes of the exemption under S.No. 5 of the Table,-

- (i) the expression “independent processor” means a manufacturer who is engaged exclusively in the processing of fabrics with the aid of power and who has no proprietary interest in any factory engaged in the spinning of yarn of cotton or weaving of cotton fabrics; and
- (ii) the value of the fabrics shall be equal to 40% of the value determined under section 4 of the Central Excise Act, 1944.

Table

S.No.	Chapter or heading No., or sub-heading No.	Description	Rate of duty	Condition
(1)	(2)	(3)	(4)	(5)
1	5110.10, 5111.10, 5207.20, 5208.20, 5209.10, 5406.10, 5407.10, 5511.10, 5512.10, 5513.10, 5514.10, 5801.11 or 5802.51	Woven fabrics, not subjected to any process	Nil	1
2	5110.10, 5111.10, 5207.20, 5208.20, 5209.10, 5406.10, 5407.10, 5511.10, 5512.10, 5513.10, 5514.10, 5801.11 or 5802.51	Woven fabrics, not subjected to any process	16%	2
3	5207.10 or 5208.10	Denim fabrics, whether or not processed	16%	2 and 5
4	51.10, 51.11, 52.07, 52.08, 52.09, 54.06, 54.07, 55.11, 55.12, 55.13, 55.14, 5801.12, 5801.22, 5801.32, 5802.22, 5802.32, 5802.52	Woven fabrics, subjected to any process	16%	5
5	52.07, 52.08 or 52.09	Cotton fabrics woven on handlooms and processed with aid of power or steam by an independent processor approved in this behalf by the Government of India on the recommendation of the Development Commissioner for Handlooms.	16%	-
6	5801.21, 5801.31, 5802.21 or 5802.31	Woven fabrics, whether or not subjected to any process	16%	2 and 5
7	58.03	All goods	16%	2 and 5
8	5804.11 or 5804.12	All goods	16%	2 and 5
9	59.01	All goods	16%	-
10	6001.11, 6001.21, 6001.91, 6002.42 or 6002.92	Knitted or crocheted fabrics of cotton, not subjected to any process	Nil	1
11	6001.11, 6001.21, 6001.91, 6002.42 or 6002.92	Knitted or crocheted fabrics of cotton, not subjected to any process	16%	2

12	6001.11, 6001.21, 6001.91, 6002.42 or 6002.92	Knitted or crocheted fabrics of cotton, subjected to any process	Nil	3
13	6001.11, 6001.21, 6001.91, 6002.42 or 6002.92	Knitted or crocheted fabrics of cotton, subjected to any process	16%	4
14	6001.12, 6001.22, 6001.92, 6002.10, 6002.20, 6002.30, 6002.43 or 6002.93	Knitted or crocheted fabrics, other than of cotton, not subjected to any process	Nil	1
15	6001.12, 6001.22, 6001.92, 6002.10, 6002.20, 6002.30, 6002.43 or 6002.93	Knitted or crocheted fabrics, other than of cotton, not subjected to any process	16%	2
16	6001.12, 6001.22, 6001.92, 6002.10, 6002.20, 6002.30, 6002.43 or 6002.93	Knitted or crocheted fabrics, other than of cotton, subjected to any process	16%	5

Condit on No.	Conditions
(1)	(2)
1	If made from textile yarns on which the appropriate duty of excise leviable under the First Schedule or the Second Schedule to the said Central Excise Tariff Act read with any notification for the time being in force or the additional duty of customs leviable under section 3 of the Customs Tariff Act, 1975, as the case may be, has been paid and no credit of the duty paid on inputs or capital goods has been taken under rule 3 or rule 11 of the CENVAT Credit Rules, 2002.
2	If made from textile yarns on which the appropriate duty of excise leviable under the First Schedule or the Second Schedule to the said Central Excise Tariff Act read with any notification for the time being in force or the additional duty of customs leviable under section 3 of the Customs Tariff Act, 1975, as the case may be, has been paid.
3	If made from knitted or crocheted textile fabrics of cotton, whether or not processed, on which the appropriate duty of excise leviable under the First Schedule to the said Central Excise Tariff Act and the Additional Duties of Excise (Goods of Special Importance) Act, read with any notification for the time being in force, or the additional duty of customs leviable under section 3 of the Customs Tariff Act, 1975, as the case may be, has been paid and no credit of the duty paid on inputs or capital goods has been taken under rule 3 or rule 11 of the CENVAT Credit Rules, 2002.
4	If made from knitted or crocheted textile fabrics of cotton, whether or not processed, on which the appropriate duty of excise leviable under the First Schedule to the said Central Excise Tariff Act and the Additional Duties of Excise (Goods of Special Importance) Act, read with any notification for the time being in force, or the additional duty of customs leviable under section 3 of the Customs Tariff Act, 1975, as the case may be, has been paid.

- 5 If made from textile fabrics, whether or not processed, on which the appropriate duty of excise leviable under the First Schedule to the said Central Excise Tariff Act and the Additional Duties of Excise (Goods of Special Importance) Act, read with any notification for the time being in force or the additional duty of customs leviable under section 3 of the Customs Tariff Act, 1975, as the case may be, has been paid.

F. No. 334/1/2002 -TRU

(T.R. Rustagi)  
Joint Secretary to the Government of India