

Notification

No. 7/2003-Central Excise

New Delhi, dated the 1st March, 2003

10 Phalgun, 1924 (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), 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) (hereinafter referred to as the Central Excise Tariff Act), specified in the corresponding entry in column (2) of the said Table, -

- (a) from so much of the duty of excise specified thereon under the First Schedule (hereinafter referred to as the First Schedule) to the Central Excise Tariff Act, as is in excess of the amount calculated at the rate specified in the corresponding entry in column (4) of the said Table;
- (b) in respect of goods specified against S.Nos. 16 and 19, from the whole of the Special duty of excise leviable thereon under the Second Schedule to the Central Excise Tariff Act; and
- (c) from so much of the duty of excise specified in the First Schedule to the said Additional Duties of Excise (Goods of Special Importance) Act (herein after referred to as the First Schedule (GSI)), as is in excess of the amount calculated at the rate specified in the corresponding entry in column (5) of the said Table.

Explanation.- For the purposes of this notification, the rates specified in columns (4) and (5) of the said Table are *ad valorem* rates, unless otherwise specified.

Table

S. No.	Chapter or heading No. or sub-heading No.	Description of goods	Rate under the First Schedule	Rate under the First Schedule (GSI)
(1)	(2)	(3)	(4)	(5)
1	53.04, 53.05, 53.08 or 55.10	Sisal and manila fibres and yarns thereof or yarn of artificial staple fibre of heading 55.10, if, in or in relation to manufacture of which, no process is ordinarily carried on with the aid of power	Nil	-
2	52.07, 52.08 or 52.09	Cotton fabrics processed without the aid of power or steam <i>Explanation.</i> - For the purposes of this exemption, cotton fabric subjected to any one or more of the following processes with the aid of power, shall be deemed to have been processed without aid of power or steam, namely:- (a) lifting of water to overhead tanks or emptying in underground tanks or handling of chemicals such as acids, chlorine, caustic soda; (b) mixing or stirring of dyes, kerosene, caustic soda, gum paste and emulsion, etc., by stirrer; or (c) colour fixation by passing steam or applying sodium silicate.	Nil	Nil
3	5406.21, 5406.22, 5406.23, 5406.29, 5407.21,	Woven fabrics of synthetic or artificial staple fibre or filament yarn, processed without the aid of power or steam, with or without the use of machines, excluding,- (a) fabrics of polyester filament yarn containing cotton and polyester staple fibre in which the proportion of polyester	Nil	Nil

	5407.22, 5407.23 5407.29, 55.11, 55.12, 55.13 or 55.14	<p>staple fibre or filament yarn or both is less than 70% by weight of the total fibre content;</p> <p>(b) fabrics containing only polyester and cotton in which the proportion of polyester staple fibre is less than 70% by weight of total fibre content; and</p> <p>(c) fabrics containing only polyester staple fibre and any one or more of the following fibres, namely, cotton, ramie and artificial fibre in which the proportion of polyester staple fibre is more than 40% but less than 70% by weight of total fibre content.</p>		
4.	51.10, 51.11, 5406.21, 5406.22, 5406.23, 5406.29, 5407.21, 5407.22, 5407.23 or 5407.29	Fabrics, woven on handlooms and processed without the aid of power or steam	Nil	Nil
5	56.07 or 56.09	All goods made without the aid of power	Nil	-
6	58.01, 58.02 or 58.06	All goods in or in relation to the manufacture of which no process is ordinarily carried on with the aid of power or steam	Nil	Nil
7	60.01 or 60.02	Knitted or crocheted fabrics, processed without the aid of power or steam	Nil	Nil
8	Any Chapter	<p>Fabrics or garments manufactured by a charitable institution</p> <p><i>Explanation.-</i> For the purposes of this exemption “charitable institution” means a non-profit institution or establishment or organization constituted solely for charitable purposes such as provision of assistance, rehabilitation, education and medical and other relief to women, children, poor, orphans, aged, distress, sick, physically or mentally disabled.</p>	Nil	Nil
9	5506.20	<p>Polyster staple fibres, carded, combed or otherwise processed for spinning, containing cotton (not containing any other textile material) and in which the proportion of polyster staple fibre is less than 70 per cent. by weight of total fibre content manufactured by a factory owned by the Khadi and Village Industries Commission or any organization approved by the said Commission:</p> <p>Provided that the manufacturer produces at the time of clearance a certificate from an authorized officer of the said Commission, that these fibres shall be hand spun into yarns by a factory owned by the said Commission or any organization approved by the said Commission, for used only in the manufacture of Poly Vastra, that is to say, any cloth, containing cotton and polyester, woven on handloom from yarns hand spun in India</p>	Nil	-

10	5105.10	Carded wool, popularly known as 'lefa' intended for making hand spun yarn of upto 10 counts	Nil	-
11	51.06	Yarn of wool of counts upto 10 in plain (straight) reel hanks, whether single or multiple (folded) and intended for manufacturing carpets	Nil	-
12	52.05 or 52.06	Cotton waste yarn of upto 2 counts manufactured from cotton waste on condenser card machines, in plain (straight) reel hanks	Nil	-
13	52	Cotton yarn of sub heading Nos. 5205.11 and 5205.19 and sewing thread of sub-heading No. 5204.10, not containing any other textile material	8%	-
14	5004.19, 5106.11, 5106.12, 5106.13, 5107.11, 5107.12, 51.08, 51.09, 52.04, 5205.11, 5205.19, 5206.11, 5206.12, 5306.11, 5306.19, 5308.12, 5308.13, 5308.14, 5308.19, 54.01, 5402.10, 5402.31, 5402.39, 5402.41, 5402.49, 5402.51, 5402.59, 5402.61, 5402.69, 54.03, 54.04, 54.05, 55.08, 55.09 and 55.10	Yarn and sewing thread	12%	-
15	51.06, 51.07, 5205.11, 5205.19, 5206.11, 5206.12, 55.09 and 55.10	The following goods purchased by a registered Apex Handloom Co-operative Society, the National Handloom Development Corporation or a State Government Handloom Development Corporation, and the payment for which is made by cheque drawn by such Co-operative Society or Corporation, as the case may be, on its own bank account, namely:- (a) yarn of wool falling under heading Nos. 51.06 and 51.07; (b) cotton yarn (not containing synthetic staple fibres), supplied in cross reel hanks and falling under sub heading Nos. 5205.11,	Nil	-

5205.19, 5206.11 or 5206.12;

(c) cotton yarn, containing polyester staple fibre and not containing any other textile material, in which the proportion of polyester staple fibre is more than 40% by weight of the total fibre content, and falling under sub-heading Nos. 5206.11 or 5206.12;

(d) yarn of counts not exceeding 25 of artificial staple fibre, not containing synthetic staple fibres and supplied in cross reel hanks and falling under heading Nos. 55.09 or 55.10;

(e) yarn of polyester staple fibre containing cotton (not containing any other textile material) and in which the proportion of polyester staple fibre is less than 70 per cent. by weight of the total fibre content and falling under heading Nos 55.09 or 55.10;

(f) yarn of polyester staple fibre containing cotton, ramie or artificial staple fibre or any one or more of these fibres (not containing any other textile material) and in which the proportion of polyester staple fibre is less than 70 per cent. by weight of the total fibre content falling under heading Nos. 55.09 or 55.10; or

(g) yarn of artificial staple fibre containing polyester staple fibres (not containing any other textile material) and in which the proportion of polyester staple fibre is more than 40% by weight of the total fibre content and in or in relation to the manufacture of which any process is ordinarily carried on with the aid of power falling under heading Nos. 55.09 or 55.10:

Provided that the manufacturer produces at the time of clearance the certificate from an authorized officer of the said society or corporations, as the case may be, that the yarn is going to be used only on handloom.

16	52, 54 or 55	Yarn consumed within the factory of production in the manufacture of multiple (folded) or cabled yarn, whether or not dyed, printed, bleached or mercerised, and such multiple (folded) or cabled yarn is purchased by a registered Apex Handloom Co-operative Society, the National Handloom Development Corporation or a State Government Handloom Development Corporation, and the payment for which is made by cheque drawn by such Co-operative Society or Corporation, as the case may be, on its own bank account	Nil	-
17	5205.11, 5205.19, 5206.11 or 5206.12	Cotton yarn, containing polyester staple fibre and not containing any other textile material, in which the proportion of polyester staple fibre is more than 40% by weight of the total fibre content, purchased by a factory owned by the Khadi and Village Industries Commission or any organization approved by the Khadi and Village Industries Commission and the payment for which is made by KVIC or such organisation approved by KVIC, as the case may be, on its own bank account: Provided that,- (i) these goods are purchased by a factory owned by the Khadi and Village Industries Commission or any organization approved by the said Commission and the payment for such goods is made by the cheque drawn by the said commission or such organization approved by the said Commission, as the case may be, on its own bank account; and (ii) the manufacturer produces at the time of clearance a certificate from an authorized officer of the said	Nil	-

Commission, that the yarn shall be used only in the manufacture of Poly Vastra, that is to say, any cloth, containing cotton and polyester, woven on handloom from yarns hand spun in India.

18	55.09	<p>Yarn of polyester staple fibre containing cotton (not containing any other textile material) and in which the proportion of polyester staple fibre is less than 70 per cent. by weight of the total fibre content, manufactured or purchased by a factory owned by the Khadi and Village Industries Commission or any organization approved by the Khadi and Village Industries Commission:</p> <p>Provided that,-</p> <p>(i) these goods are purchased by a factory owned by the Khadi and Village Industries Commission or any organization approved by the said Commission and the payment for such goods is made by the cheque drawn by the said commission or such organization approved by the said Commission, as the case may be, on its own bank account; and</p> <p>(ii) the manufacturer produces at the time of clearance a certificate from an authorized officer of the said Commission, that the yarn shall be used only in the manufacture of Poly Vastra, that is to say, any cloth, containing cotton and polyester, woven on handloom from yarns hand spun in India.</p>		
19	54.02	Polyester filament yarn (other than textured) of denierage above 750 and of tenacity exceeding 6.5 grams per denier	16%	-
20	5402.10, 5402.41, 5402.49, 5402.51, 5402.59, 5402.61 or 5402.69	Nylon filament yarn or polypropylene multifilament yarn of 210 deniers with tolerance of 6 per cent. provided no credit under rule 3 or rule 11 of the CENVAT Credit Rules, 2002, has been taken in respect of the capital goods used exclusively or inputs used in the manufacture of these goods	Nil	-
21	59.01, 59.02, 59.03, 5907.11, 5907.12	All goods	16%	Nil
22	6001.11, 6001.21, 6001.91, 6002.42 and 6002.92	Knitted or crocheted fabrics of cotton, not containing any other textile material	8%	Nil
23	51.10, 51.11, 52.07, 52.08, 52.09, 54.06, 54.07, 55.11, 55.12, 55.13, 55.14, 5801.11, 5801.12,	All fabrics	8%	2%

	5801.21, 5801.22, 5801.31, 5801.32, 5802.21, 5802.22, 5802.31, 5802.32, 5802.51, 5802.52, 58.03, 5804.11, 5804.12, 6001.11, 6001.12, 6001.21, 6001.22 6001.91, 6001.92, 6002.10, 6002.20, 6002.30, 6002.42, 6002.43, 6002.92, 6002.93				
24	51.12, 53.09, 53.10, 53.11, 5801.91, 5801.92 5802.41, 5802.42, 5804.19, 58.06, 58.09, 6001.19, 6001.29, 6001.99, 6002.41, 6002.49, 6002.91 and 6002.99	All fabrics		10%	-
25	51, 52, 53, 54 or 55	Fabrics woven on handlooms and processed, by a factory owned by a State Government Handloom Development Corporation or an Apex Handloom Co-operative Society approved, in either case, by the Government of India on the recommendation of the Development Commissioner of Handlooms, or by a factory owned by the Khadi and Village Industries Commission or any organisation approved by the Khadi and Village Industries Commission for the purpose of processing such fabrics		Nil	Nil
26	51.10, 51.11, 52.07, 52.08 or 52.09	Fabrics woven on handlooms, certified as "khadi" by the Khadi and Village Industries Commission or by an officer duly authorized in this behalf by the said Commission		Nil	Nil

27	52 or 55	Poly Vastra, that is to say, any cloth, containing cotton and polyester, woven on handloom from yarns hand spun in India and certified as Poly Vastra by an officer duly authorised in this behalf by the Khadi and Village Industries Commission and processed by a factory owned by the Khadi and Village Industries Commission or any organisation approved by the Khadi and Village Industries Commission for the purpose of processing of Poly Vastra	Nil	Nil
28	55.11, 55.12, 55.13 or 55.14	Fabrics woven on handlooms and processed with the aid of power or steam by a factory owned by a State Government Handloom Development Corporation or an Apex Handloom Cooperative Society approved by Government of India for the development of Handlooms other than the following, namely :- (i) fabrics containing only polyester and cotton in which the proportion of polyester staple fibre is less than 70% by weight of total fibre content; or (ii) fabrics containing only polyester staple fibre and any one or more of the following fibres, namely, cotton, ramie and artificial fibre in which the proportion of polyester staple fibre is more than 40% but less than 70% by weight of total fibre content	Nil	Nil
29	51.10, 51.11, 52.07, 52.08, 52.09, 5406.21, 5406.22, 5406.23, 5406.29, 5407.21, 5407.22, 5407.23 or 5407.29	Fabrics woven on handlooms and processed with the aid of power or steam by a factory owned by a registered handloom co-operative society or any organisation set up or approved by Government for the purpose of development of handlooms	Nil	Nil
30	51.10 or 51.11	Fabrics woven on handlooms and processed by an independent processor approved in this behalf by the Government of India on the recommendation of the Development Commissioner for Handlooms <i>Explanation.-</i> In this entry, for the purposes of the fabrics woven on handlooms, "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 wool or weaving of woollen fabrics	Nil	Nil
31	5406.21, 5406.22, 5406.23 or 5406.29	Fabrics of polyester filament yarn containing cotton and polyester staple fibre in which the proportion of polyester staple fibre or filament yarn or both is less than 70% by weight of the total fibre content and processed by a factory owned by a registered handloom co-operative society or any organisation set up or approved by the Government for the purpose of development of handlooms	Nil	Nil
32	52, 54 or 55	Fabrics of cotton or man made fibres woven in a prison and subjected to further process outside the prison by an independent processor or a composite mill If,- (i) a certificate to the effect that such fabrics have been	Nil	Nil

		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.		
33	5404.10	The following goods, namely:- (a) Monofilament of high density polyethylene or polypropylene; and (b) Nylon monofilament yarn, of denierage 210, 330, 420, 630, 840, 1050, 1260 or 1680, with tolerance of 4 per cent. : Provided that no credit under the CENVAT Credit Rules, 2002, has been taken in respect of the capital goods used exclusively or inputs used in the manufacture of these goods.	Nil	-
34	53, 59 or 63	Rot proofed jute products, laminated jute products and fire resistant jute products	Nil	-
35	53.10, 5702.12, 5703.20, 58.01, 58.02, 58.06, 6301.90 or 6305.10	Goods of jute	Nil	-
36	56.02	Jute felt	Nil	-
37	5806.39	The following goods, namely :- (a) Hair belting of wool; (b) Strips of jute made from fabrics on which the appropriate duty of excise under the First Schedule has already been paid and intended for supply to the Indian Army.	Nil	-
38	53 or 56	Sisal and manila twist yarn, thread, ropes and twine, all sorts, if consumed within the factory in which it is produced for the manufacture of sisal and manila products falling under Chapter 53, 56, 57 or 63 of the First Schedule	Nil	-
39	59.03	Fabrics of jute, impregnated, coated, covered or laminated with plastics	Nil	Nil
40	56.07	All goods (other than dipped cords falling under sub-heading	Nil	-

5607.90 of the First Schedule).

41	61	Articles of apparel and clothing accessories of cotton, knitted or crocheted, not containing any other textile material	8%	-
42	61, 62 or 63 (other than 6307.10)	All articles of apparel and clothing accessories and other made up textile articles (other than articles of apparel and clothing accessories of cotton, knitted or crocheted, not containing any other textile material)	10%	-
43	61 and 62	Article of apparel or clothing accessories manufactured or got manufactured for personal use and not intended for sale <i>Explanation.</i> - This exemption shall also apply to such article of apparel or clothing accessories knitted or stitched by a tailor from material supplied by the customer for the personal use of the customer.	Nil	-

[F. No. 334/1/2003-TRU]

(Alok Shukla)
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