

OFFICE OF THE COMMISSIONER OF CENTRAL EXCISE  
NO.1, WILLIAMS ROAD, CANTONMENT, TRICHY.

TRADE NOTICE: 65 / 2004

DATED: 14.09.2004

Sub: Communication of Ministry's Notification Nos. 46/2004-CE dated 06.09.2004, 47/2004 - CE dated 09.09.2004 and 48/2004 - CE dated 10.09.2004 - Regarding.

Copy of Ministry's Notification Nos . 46/2004-CE dated 06.09.2004, (F.NO. 305/70/2004-FTT(Pt.II)), 47 / 2004 - CE dated 09.09.2004, [F.No. 332/15/2004 - TRU] and 48/2004-CE dated 10.09.2004 [F.No . 332/2/2004-TRU] are communicated herewith.

The contents of the Trade Notice may be brought to the knowledge of all constituent members of Trade Associations / Chambers of Commerce.

(Issued from file C.No.IV/16/3/2004 - C.Ex.Pol.)

///ATTESTED//

SUPERINTENDENT (T)

Sd./xxx  
(V. JAYARAMAN)  
JOINT COMMISSIONER (TECH)

To

As per mailing list I / II / III /  
All Section in Hqrs., Trichy.

**Copy of Ministry's Notification No.46 / 2004 - CE dated: 06.09.2004**

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 sub-section (3) of section 3 of Additional Duties of Excise (Textile and Textile Articles) Act, 1978 (40 of 1978), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby directs that each of the notifications of the Government of India in the Ministry of Finance (Department of Revenue), specified in column (2) of the Table hereto annexed shall be amended or further amended, as the case may be, in the manner specified in the corresponding entry in column (3) of the said Table.

**Table**

<b>S. No.</b>	<b>Notification No. and Date</b>	<b>Amendment</b>																		
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>																		
1.	22/2003-Central Excise, dated the 31 <sup>st</sup> March, 2003	<p>In the said notification,-</p> <p>(a) for the words “ Export and Import Policy” or “Export and Import policy”, as the case may be, wherever they occur, the words “Foreign Trade Policy” shall be substituted;</p> <p>(b) in paragraph 6, for the second proviso, the following proviso shall be substituted, namely:-</p> <p>“Provided further that where such articles (including rejects, waste, scrap and remnants) are either non excisable or such articles (including rejects, waste, scrap and remnants), if imported, are leviable to nil rate of duty of customs specified under First Schedule to the Customs Tariff Act, 1975 (51 of 1975) and nil additional duty leviable under section 3 of the said Customs Tariff Act, read with exemption notification in this regard , if any, no exemption in respect of inputs utilized for the purpose of processing, manufacture, production or packaging of such articles (including rejects, waste, scrap and remnants) shall be available under this notification.”;</p> <p>(c) in paragraph 8,-</p> <p>(i) for clause (i), the following clause shall be substituted, namely:-</p> <p>“(i) such clearance or debonding of capital goods may be allowed on payment of an amount equal to the excise duty leviable on such goods on the depreciated value thereof and at the rate in force on the date of debonding or clearance, as the case may be. The depreciation shall be allowed in straight line method as specified below, namely:-</p> <p>(a) for computer and computer peripherals:</p> <table border="0"> <tr> <td>for every quarter in the first year</td> <td>@ 10%</td> </tr> <tr> <td>for every quarter in the second year</td> <td>@ 8%</td> </tr> <tr> <td>for every quarter in the third year</td> <td>@ 5%</td> </tr> <tr> <td>for every quarter in the fourth and fifth year</td> <td>@ 1%</td> </tr> </table> <p>(b) for capital goods other than computer and computer peripherals:</p> <table border="0"> <tr> <td>for every quarter in the first year</td> <td>@ 4%</td> </tr> <tr> <td>for every quarter in the second year</td> <td>@ 3%</td> </tr> <tr> <td>for every quarter in the third year</td> <td>@ 3%</td> </tr> <tr> <td>for every quarter in the fourth and fifth year</td> <td>@ 2.5 %</td> </tr> <tr> <td>and thereafter for every quarter</td> <td>@ 2%</td> </tr> </table> <p><i>Explanation.</i>- (1) For the purpose of computing rate of depreciation for any</p>	for every quarter in the first year	@ 10%	for every quarter in the second year	@ 8%	for every quarter in the third year	@ 5%	for every quarter in the fourth and fifth year	@ 1%	for every quarter in the first year	@ 4%	for every quarter in the second year	@ 3%	for every quarter in the third year	@ 3%	for every quarter in the fourth and fifth year	@ 2.5 %	and thereafter for every quarter	@ 2%
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S. No.	Notification No. and Date	Amendment
(1)	(2)	(3)
		<p>part of a quarter, a full such quarter shall be taken into account;</p> <p>(2) there shall be no upper limit for such depreciation and depreciation upto 100% could be allowed;</p> <p>(3) the depreciation shall be allowed for the period from the date of commencement of commercial production of the user industry or where such goods have been received after such commencement, from the date on which such goods have come into use for commercial production to the date of clearance or debonding, as the case may be.” ;</p> <p>(ii) the <i>Explanation</i> occurring after clause (iii) shall be omitted;</p> <p>(d). for paragraph 10, the following paragraph shall be substituted, namely:-</p> <p>“ 10. Notwithstanding anything contained in this notification, the exemption contained herein shall also apply to computer and computer peripheral including printer, plotter, scanner, monitor, key-board and storage units (hereafter in this paragraph referred to as the said goods) procured indigenously when donated, by an user industry two years after the procurement and use by the user industry, to –</p> <p>(i) a school run by the Central Government or Government of a State or a Union territory or a local body; or</p> <p>(ii) an educational institution run on non commercial basis by any organization; or</p> <p>(iii) a registered charitable hospital; or</p> <p>(iv) a public library; or</p> <p>(v) a public funded research and development establishment; or</p> <p>(vi) a community information centre run by, the Central Government or, Government of a State or a Union territory or local body; or</p> <p>(vii) an adult education centre run by the Central Government or Government of a State or a Union territory or a local body ; or</p> <p>(viii) an organization of the Central Government or a Government of a State or a Union territory,</p> <p>subject to the conditions that the donee undertakes to observe the procedure prescribed by the said officer having jurisdiction over the donor unit for transport of the said goods from the donor unit to the premises of the donee and such goods shall not be used by the donee for any commercial purposes, and shall not be sold, disposed of, gifted, loaned, exchanged or parted with without the permission of the said officer having jurisdiction over the donor unit, within a period of five years from the date of receipt of the said goods and during the said period of five year and the jurisdictional Deputy Commissioner or Assistant Commissioner of</p>

S. No.	Notification No. and Date	Amendment
(1)	(2)	(3)
		<p>Customs, as the case may be, may inspect the school, educational institution, charitable hospital, public library, establishment or community information centre, as the case may be, specified in clauses (i) to (viii) on random basis to ensure that the goods are actually there and have not been diverted or put to unauthorized use:</p> <p>Provided that where the donee is a school, educational institution, charitable hospital, public library, establishment or community information centre, as the case may be, specified in clauses (i) to (viii) (hereafter in this proviso referred to as the said organization), but not run by the Central Government, Government of a State, or a Union territory, or a local body, the donor unit shall furnish a certificate issued by the relevant Department of the Central Government or the concerned State Government or the Government of the Union territory, as the case may be, certifying that the said organization is recognized by the Central Government or the State Government or the Government of the Union territory and is run on a non commercial basis.”;</p> <p>(e) after paragraph 10, the following paragraphs shall be inserted, namely:-</p> <p>“10A. Notwithstanding anything contained in this notification, the exemption contained herein shall apply to spares and consumables up to 1.5 (one point five) per cent. of Free on Board (FOB) value of manufactured articles exported out of India by the unit which manufactured such articles during the preceding year for the purpose of supply of such spares and consumables with such exported articles for after- sale- service .</p> <p>10B. Notwithstanding anything contained in this notification, if the said officer is satisfied that the unit, engaged in manufacture of textiles and textile articles, has left over textile fabric or textile material, he shall allow such unit to clear such left over textile fabric or textile material into Domestic Tariff Area on payment of duty on assessable value, as if the goods have been manufactured in the unit:</p> <p>Provided that such clearance shall be allowed only where the said officer certifies that the textile fabric or textile material proposed to be cleared are left over, and such clearance do not exceed two per cent. of assessable value of the consignment or two percent. of the quantity of the consignment to which this left over textile fabric or textile material relates, whichever is lower.”;</p> <p>(f) in <i>Explanation</i> occurring after paragraph 13,-</p> <p>(a) for clause (iii), the following clause shall be substituted, namely:-</p>

S. No.	Notification No. and Date	Amendment
(1)	(2)	(3)
		<p>‘(iii) “Foreign Trade Policy” means the Foreign Trade Policy, 1<sup>st</sup> September, 2004-31<sup>st</sup> March, 2009 published by the Government of India in the Ministry of Commerce and Industry <i>vide</i> notification No. 1/2004-09, dated the 31<sup>st</sup> August, 2004, as amended from time to time;’;</p> <p>(b) for clause (vi), the following clause shall be substituted, namely:-</p> <p>‘ (vi) “Handbook of Procedures, Volume I” means Handbook of Procedures, Volume I, 1<sup>st</sup> September,2004 -31<sup>st</sup> March, 2009 published by the Government of India in the Ministry of Commerce and Industry <i>vide</i> Public Notice No. 1 /2004-09, dated the 31<sup>st</sup> August, 2004 as amended from time to time;’;</p> <p>(g) in ANNEXURE-I, against Sr. No. 3, under the heading ‘Description of Goods’, for the words “ storage systems, special racks for storage, modular furniture, computer furniture” , the words “storage systems and parts thereof, special racks for storage and parts thereof, modular furniture and parts thereof, computer furniture and parts thereof, ” shall be substituted.</p>
	23/2003-Central Excise, dated the 31 <sup>st</sup> March, 2003	<p>In the said notification,-</p> <p>(a) for the words “ Export and Import Policy”, wherever they occur, the words “ Foreign Trade Policy” shall be substituted;</p> <p>(b) in the Table occurring below opening paragraph, against Sr. No. 2, under column (4), the second proviso shall be omitted;</p> <p>(c) in the ANNEXURE thereto, under heading “Condition”, -</p> <p>(i) against Sr. No. 2, in condition, -</p> <p>(A) in clause (i), for the brackets and letters “(a), (b), (d) and (h)”, the brackets and letters “ (a), (d), (e) and (g)” shall be substituted;</p> <p>(B) in clause (ii), in sub-clause (b), for the brackets and letters “ (a), (b), (d) and (h)”, the brackets and letters “(a), (d), (e) and (g)” shall be substituted;</p> <p>(C ) in clause (iii), for the brackets and letters “ (a), (b), (d) and (h)”, the brackets and letters “ (a), (d), (e) and (g)” shall be substituted;</p> <p>(D) in clause (iv), for the words, brackets and letter “ sub- paragraph (a)”, the words, brackets and letter “ sub- paragraph (d)” shall be substituted;</p>

S. No.	Notification No. and Date	Amendment
(1)	(2)	(3)
		<p>(ii) against Sr. No. 3, in condition, -</p> <p>(A) in clause (ii), for the brackets and letters “ (a), (b), (d) and (h)”, the brackets and letters “ (a), (d), (e) and (g)” shall be substituted;</p> <p>(B) in clause (iii), for the words “ such finished goods”, the words “such goods” shall be substituted;</p> <p>(iii) against Sr. No. 4, in condition, for clause (ii), the following clause shall be substituted, namely:-</p> <p style="padding-left: 40px;">“(ii) such goods are cleared in the Domestic Tariff Area in accordance with sub-paragraphs (a), (d), (e) and (g) of paragraph 6.8 of the Foreign Trade Policy; and”;</p> <p>(iv) against Sr. No. 5, for the condition, the following condition shall be substituted; namely:-</p> <p style="padding-left: 40px;">“ If,-</p> <p style="padding-left: 80px;">(i) the goods are produced or manufactured wholly from the raw materials produced or manufactured in India; and</p> <p style="padding-left: 80px;">(ii) the goods are cleared in the Domestic Tariff Area in accordance with sub-paragraphs (a), (d), (e) and (g) of paragraph 6.8 of the Foreign Trade Policy.”;</p> <p>(d) the <i>Explanation</i> occurring after paragraph 3 shall be numbered as <i>Explanation I</i> and in <i>Explanation I</i> as so numbered,-</p> <p>(i) for clause (ii), the following clause shall be substituted, namely:-</p> <p style="padding-left: 40px;">“(ii). “Foreign Trade Policy” means the Foreign Trade Policy, 1<sup>st</sup> September, 2004-31<sup>st</sup> March, 2009 published by the Government of India in the Ministry of Commerce and Industry <i>vide</i> notification No.1/2004-09, dated the 31<sup>st</sup> August, 2004, as amended from time to time;”;</p> <p>(ii) for clause (v), the following clause shall be substituted, namely:-</p> <p style="padding-left: 40px;">‘ (v) “Handbook of Procedures, Volume I” means Handbook of Procedures, Volume I, 1<sup>st</sup> September, 2004 -31<sup>st</sup> March, 2009 published by the Government of India in the Ministry of Commerce and Industry <i>vide</i> Public Notice No. 1 /2004-09, dated the 31<sup>st</sup> August, 2004 as amended from time to time;’;</p>

S. No.	Notification No. and Date	Amendment
(1)	(2)	(3)
		(e) after <i>Explanation I</i> as so numbered and occurring after paragraph 3, the following <i>Explanation</i> shall be inserted, namely:-  “ <i>Explanation II</i> .- For the purposes of this notification, goods received from any export oriented undertaking or software technology park unit or electronic hardware technology park unit, as the case may be, shall be treated as imported goods.”.

F.NO. 305/70/2004 –FTT(Pt. II

Sd./xxx

V.KEZO

Under Secretary to the Government of India

**Note:**

1. Notification No. 22/2003-Central Excise, dated the 31<sup>st</sup> March, 2003 was published in the Gazette of India vide G.S.R 265 (E), dated the 31<sup>st</sup> March, 2003 and was last amended by notification No.14/2004-Central Excise, dated the 26<sup>th</sup> February, 2004 [ G.S.R. 144(E), dated the 26<sup>th</sup> February, 2004].

2. Notification No. 23/2003-Central Excise dated the 31<sup>st</sup> March, 2003 was published vide G.S.R 266 (E),dated the 31<sup>st</sup> March, 2003.

Copy of Ministry's Notification No.47 / 2004 – CE dated: 09.09.2004

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), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No.6/2002-Central Excise, dated the 1<sup>st</sup> March, 2002 and published in the Gazette of India vide number G.S.R.127 (E), dated the 1st March, 2002, namely:-

In the said notification, in the Table, after S.No.299 and the entries relating thereto, the following shall be inserted, namely:-

(1)	(2)	(3)	(4)	(5)	(6)
"300.	0401.14	Concentrated milk, not containing any sweetening matter	Nil	-	-".

[F.No. 332/15/2004-TRU]

Sd./xxxx

V.Sivasubramanian)

Deputy Secretary to the Government of India

Note:- The principal notification was published in the Gazette of India, Extraordinary, vide number G.S.R.127 (E), dated the 1st March, 2002, and was last amended by notification No. 45/2004-Central Excise, dated the 27<sup>th</sup> August, 2004 and published vide number G.S.R. 548 (E), dated the 27<sup>th</sup> August, 2004.

Copy of Ministry's Notification No.48 / 2004 – CE dated: 10.09.2004

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), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 6/2002-Central Excise, dated the 1st March, 2002, namely:-

In the said notification,-

(i) in the Table,-

(a) after S.No. 86 and the entries relating thereto, the following S.No. and entries shall be inserted, namely:-

(1)	(2)	(3)	(4)	(5)	(6)
"86A.	48	Paper and paperboard or articles made therefrom manufactured, starting from the stage of pulp, in a factory, and such pulp contains not less than 75% by weight of pulp made from materials other than bamboo, hard woods, soft woods, reeds (other than sarkanda) or rags.	12%	-	14A ";

(b) after S.No. 300 and the entries relating thereto, the following S.No. and entries shall be inserted, namely:-

(1)	(2)	(3)	(4)	(5)	(6)
"301.	Any Chapter	All goods supplied against International Competitive Bidding.	Nil	Nil	64 ";

(ii) in the Annexure, in Conditions,-  
after Condition No. 14, the following shall be inserted, namely:-

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**Condition No. Conditions**

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"14A (1) The exemption shall not be applicable if the factory in which the said goods are manufactured has a plant attached thereto for making bamboo or wood pulp.

(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 erstwhile Ministry of Finance and Company Affairs (Department of Revenue) Nos. 8/2003- Central Excise, dated the 1<sup>st</sup> March 2003 or 9/2003- Central Excise, dated the 1<sup>st</sup> March, 2003.";

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(b) after Condition No. 63, the following shall be inserted, namely:-

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Condition No. Conditions

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"64 If the goods are exempted from the duties of customs leviable under the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) and the additional duty leviable under Section 3 of the said Customs Tariff Act when imported into India."

[F.No. 332/2/2004-TRU]

Sd./ xxxx

(V. Sivasubramanian)

Deputy Secretary to the Government of India

Note.- The principal notification was published in the Gazette of India, Extraordinary, vide notification No. 6/2002-Central Excise, dated the 1st March, 2002 [G.S.R. 127 (E), dated the 1st March, 2002] and was last amended by notification No.47/2004-Central Excise, dated the 9<sup>th</sup> September, 2004 [G.S.R. No. 581 (E), dated the 9<sup>th</sup> September, 2004].