

IV. JOB WORK NOTIFICATIONS

GENERAL EXEMPTION NO. 23

Exemption to all the goods (except LDO, HSD and Petrol) used in the manufactured of final products (other than matches) on job work basis.

[Notifn. 214/86-CE dt.25.3.1986 as amended by Notifn. Nos. 218/86, 350/86, 12/87, 81/87, 204/87, 145/90, 79/91, 60/94, 117/94, 133/94, 68/95, 91/95, 96/95, 20/96, 59/97, 60/97, 33/00, 35/00, 49/02, 16/03, 20/03, 26/04, 54/04, 20/06, 48/06].

In exercise of the powers conferred by sub-section (1) of section 5A of 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), (herein after referred to as Special Importance Act), and sub-section (3) of section 136 of the Finance Act, 2001 (14 of 2001), the Central Government being satisfied that it is necessary in the public interest so to do, hereby **exempts goods specified in column (1) of the Table** hereto annexed (hereinafter referred to as the said goods) "**manufactured in a factory as a job work and:-**

- (a) **used in relation to the manufacture of final products** specified in column (1) of the said Table,
- (i) on which duty of excise is leviable in whole or in part; or
 - (ii) for removal to a unit in a free trade zone or to a hundred per cent export-oriented undertaking or to a unit in an Electronic Hardware Technology Park or Software Technology Parks or for supply to the United Nations or an international organisation for their official use or for supply to projects funded by them, on which exemption of duty is available under notification of the Government of India in the Ministry of Finance (Department of Revenue) No.108/95-Central Excises, dated the 28th August, 1995, or
 - (iii) for removal under bond for export, or
 - (iv) by a manufacturer of dutiable and exempted final products, after discharging his obligation in respect of said goods under rule 6 of the CENVAT Credit Rules, 2002; or
- (b) cleared as such from the factory of the supplier of raw materials or semi-finished goods-
- (i) on payment of duty for home consumption (on which duty of excise is leviable whether in whole or in part); or
 - (ii) without payment of duty under bond for export; or
 - (iia) by a manufacturer of dutiable and exempted final products, after discharging his obligation in respect of said goods under rule 6 of the CENVAT Credit Rules, 2002; or
 - (iii) without payment of duty to a unit in a free trade zone or to a hundred per cent export-oriented undertaking or to a unit in an Electronic Hardware Technology Park or Software Technology Parks or supply to the United Nations or an international organisation for their official use or supply to projects funded by them, on which exemption of duty is available under notification of the Government of India in the Ministry of Finance (Department of Revenue) No.108/95-Central Excises, dated the 28th August, 1995,

from the **whole of the duty of excise** leviable thereon, which is specified in the First Schedule and the Second Schedule to the Central Excise Tariff Act, 1985 (5 of 1986), the **additional duty of excise leviable** thereon, which is specified in the Schedule to the said Special Importance Act and National Calamity Contingent duty leviable under sub-section (1) of section 136 of the Finance Act, 2001 (14 of 2001).

(2) The exemption contained in this notification shall be applicable only to the said goods in respect of which,-

- (i) The supplier of the raw materials or semi-finished goods gives an undertaking to the Assistant Commissioner of Central Excise having jurisdiction over the factory of the job worker that the said goods shall be -
 - (a) **used** in or in relation to the **manufacture of the final products in his factor;** or
 - (b) removed without payment of duty from his factory;
 - (i) under bond for export, or
 - (ii) to a unit in a free trade zone or to a hundred per cent Export-oriented undertaking or to unit, an on electronic Hardware Technology Park or Software Technology Parks or supplied to the United Nations or an international organisation for their official use or supplied to projects funded by them, on which exemption of duty is available under notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 108/95, Central Excise, dated the 28th August 1995, or
 - (iii) by a manufacturer of dutiable and exempted final products, after discharging his obligation in respect of said goods under rule 6 of the CENVAT Credit Rules, 2002; or
 - (c) removed on payment of duty for home consumption from his factory; or
 - (d) used in the manufacture of goods of the description specified in column (1) of the Table hereto annexed by another job worker for further use in any of the manner provided in clause (a), (b) and (c) as above.
- (ii) the said supplier produces evidence that the said goods have been used or removed in the manner prescribed above; and
- (iii) the said supplier undertakes the responsibilities of discharging the liabilities in respect of the Central Excise duty leviable on the final products."

Explanation : I - For the purposes of this notification, the expression "job work" means processing or working upon of raw materials or semi-finished goods supplied to the job worker, so as to complete a part or whole of the process resulting in the manufacture or finishing of an article or any operation which is essential for the aforesaid process.

TABLE

Description of inputs	Description of final products
(1)	(2)
All goods falling under the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986), other polyester filament yarn falling under heading	All goods falling under the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986), other than matches.

5402 and tariff item 5406 00 10, light diesel oil,
high speed diesel oil and motor spirit,
commonly known as petrol.

GENERAL EXEMPTION NO. 24

Exemption to goods specified under Notification Nos. 8/03-CE and 9/03-CE both dated 1.3.2003 and specified exempted goods of Chapter 84 when manufactured on job work basis. [Notifn. No. 83/94-CE dt.11.4.1994 as amended by Notifn. Nos.18/97, 39/97, 7/98, 18/99, 36/99,31/00,17/01, 24/02,16/03, 20/06, 48/06].

In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excises and Salt Act, 1944 (1 of 1944), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts excisable goods -

- (i) of the description specified in the Annexure to the notification of the Government of India in the Ministry of Finance (Department of Revenue) Nos. 8/2003-Central Excise, dated the 1st March 2003 and 9/2003-Central Excise, dated the 1st March 2003 ; or
- (ii) falling under heading 3904 relating to plastic material commonly known as polyvinyl chloride compounds (PVC compounds) and goods falling under heading 8413 of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986).

(hereinafter referred to as the specified goods) **manufactured in the factory as job work, from the whole of the duty of excise** leviable thereon which is specified in the said Schedule, subject to the condition that the supplier of the raw materials or semi-finished goods given an undertaking to the proper officer having jurisdiction over the factory of the job worker -

- (a) that the specified goods received from the job worker shall be used in the factory of such supplier in or in relation to the manufacture of specified goods which are exempted from the whole of the duty of excise leviable thereon under the aforesaid notifications, or goods falling under headings 6401 to 6405, cooking or heating apparatus of a kind used for domestic purposes, non electric, and parts thereof, of copper falling under sub-heading 7418 19 or 7419 99, headings 8436, 8437, 8714 or 9608 or tariff item 7321 90 00, heading 8424 (except mechanical appliances which are not of a kind used in agriculture or horticulture), tariff items 8481 80 41, 8481 90 10, drawing and mathematical instruments falling under sub-heading 9017 20 or tariff item 8486 40 00 or kerosene pressure lanterns and parts thereof including gas mantles for use in kerosene pressure lanterns falling under heading 9405 of the said Schedule, as the case may be; and
- (b) that in the event of his failure to do so, he undertakes to pay excise duty, if any, payable on such goods, but for the exemption contained in this notification, as if such goods were manufactured by the said supplier and sold on his own account:

Provided that the waste or bye product, if any, generated during the process of such job work shall also be exempt from the whole of the duty of excise leviable thereon under the said Schedule if -

- (i) such waste or bye product is used by the job worker of the manufacture of the said specified goods within his factory; or
- (ii) returned to the said supplier and are used in the factory of the said supplier in or in relation to the manufacture of the specified goods.

Explanation :- For the purposes of this notification, the expression "job work" means processing of or working upon raw materials or semi-finished goods supplied to the job worker, so as to complete a part or whole of the process resulting in the manufacture or finishing of an article or any operation which is essential for the aforesaid process, and the expression "job worker" shall be construed accordingly.

GENERAL EXEMPTION NO. 25

Exemption to goods specified under Notification Nos.8/03-CE and 9/03-CE both dated 1.3.2003 and specified exempted goods of Chapter 84 when cleared by a manufacturer outside the factory for getting the job work done.

[Notifn. No.84/94-CE dt. 11.4.1994 as amended by Notifn. Nos. 39/97, 7/98, 18/99, 36/99, 31/00, 17/01, 24/02, 16/03, 20/06, 48/06]

In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excises and Salt Act, 1944 (1 of 1944), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts excisable goods -

(i) of the description specified in the Annexure to the notification of the Government of India in the Ministry of finance (Department of Revenue) Nos. 8/2003-Central Excise, dated the 1st March 2003 and 9/2003-Central Excise, dated the 1st March 2003; or

(ii) falling under sub-heading 3904 relating to plastic material commonly known as polyvinyl chloride compounds (PVC compounds) and goods falling under heading 8413 of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986),

(hereinafter referred to as the specified goods) cleared by a manufacturer to a place outside his factory for getting any job work done on such specified goods, from the whole of the duty of excise leviable thereon which is specified in the said Schedule subject to the condition that the supplier of the raw materials or semi-finished goods gives an undertaking to the proper officer having jurisdiction over the factory of the supplier-

- (a) that the specified goods on return shall be used in the factory of such supplier in or in relation to the manufacture of specified goods which are exempted from the whole of the duty of excise leviable thereon under the aforesaid notifications, or goods falling under headings 6401 to 6405, cooking or heating apparatus of a kind used for domestic purposes, non electric, and parts thereof, of copper falling under sub-heading 7418 19 or 7419 99, headings 8436, 8437, 8714 or 9608 or tariff item 7321 90 00, heading 8424 (except mechanical appliances which are not of a kind used in agriculture or horticulture), tariff items 8481 80 41, 8481 90 10, drawing and mathematical instruments falling under sub-heading 9017 20 or tariff item 8486 40 00 or kerosene pressure lanterns and parts thereof including gas mantles for use in kerosene pressure lanterns falling under heading 9405 of

the said Schedule, as the case may be; and

- (b) that in the event of his failure to do so, he undertakes to pay excise duty, if any, payable on such goods, but for the exemption contained in this notification.

Explanation :- For the purposes of this notification, the expression "job work" means processing of or working upon raw materials or semi-finished goods supplied to the job worker, so as to complete a part or whole of the process resulting in the manufacture or finishing of an article or any operation which is essential for the aforesaid process, and the expression "job worker" shall be construed accordingly.

GENERAL EXEMPTION NO. 26

Exemption to goods manufactured in a factory on job work for use by specified undertakings who supply final goods to the Ministry of Defence.

[Notifn. No.70/92-CE dt.17.6.1992 as amended by Notifn. Nos. 140/94, 66/95, 96/95 and 7/98].

In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excises and Salt Act, 1944 (1 of 1944), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts goods manufactured in a factory as a job work (hereinafter referred to as "said goods"), and used by the undertakings specified in the Table hereto annexed (hereinafter described as "said manufacturer") in or in relation to the manufacture of final products for supply to the Ministry of Defence for official purposes from the whole of the duty of excise leviable thereon, which is specified in the Schedule to the Central Excise Tariff Act, 1985 (5 of 1986).

Explanation I - For the purposes of this notification, the expression "job work" means processing or working upon of raw materials or semi-finished goods supplied to the job worker, so as to complete a part or whole of the process resulting in the manufacture or finishing of an article or any operation which is essential for the aforesaid process.

Explanation II - For the purposes of this notification, the expression "said goods" does not include-

- (a) machines, machinery, plant, equipment, apparatus, tools or appliances used for producing or processing of any goods or for bringing about any change in any substance in or in relation to the manufacture of the final products;
- (b) packaging materials in respect of which any exemption to the extent of the duty of excise payable on the value of the packaging materials is being availed of for packaging any final products;
- (c) packaging materials the cost of which is not included or had not been included during the preceding financial year in the assessable value of the final products under section 4 of the Central Excises and Salt Act, 1944 (1 of 1944);
- (d) cylinders for packaging gases;

- (e) bags or sacks made out of fabric (whether or not coated, covered or laminated with any other material) woven from strips or tapes of plastics; or
 - (f) plywood for tea chests.
2. The exemption contained in this notification shall be subject to the following conditions, namely:-
- (i) the said manufacturer gives an undertaking to the the Assistant Commissioner of Central Excise having jurisdiction over the factory of the job worker that the said goods shall be used -
 - (a) in or in relation to the manufacture of final products in his factory;
 - (b) in the manufacture of goods by any other job worker for further use in or in relation to the manufacture of the final products in his factory.
 - (ii) the said manufacturer shall produce an evidence that the said goods have been used.
 - (iii) the final product shall be supplied to the Minsitry of Defence for official purposes and the said manufacturer shall produce evidence to the effect that the final products have been so supplied; and
 - (iv) the said manufacturer undertakes the responsibility of discharging the liabilities in respect of central excise duty leviabale on the final products.

Table

- 1. Hindustan Aeronautics Ltd.
- 2. Bharat Electronics Ltd.
- 3. Bharat Dynamics Ltd.
- 4. National Instruments Ltd., Calcutta.
- 5. National Aeronautical Laboratory.
- 6. Indian Ordnance Factories belonging to the Central Government.
- 7. Mishra Dhatu Nigam
- 8. Bharat Earth Movers Limited.