

## V. EXEMPTION TO GOODS CAPTIVELY CONSUMED.

## GENERAL EXEMPTION NO. 27

**Exemption to goods manufactured in a factory and captively consumed for the manufacture of final products, subject to conditions of specified notifications.**

[Notifn. No. 83/92-CE dt.16.9.1992 as amended by Notifn. Nos. 79/95 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 all excisable goods manufactured in a factory and used within the factory of production** (hereinafter referred to as “inputs”) **for the manufacture of final products**, cleared in accordance with the provisions contained in any of the notifications mentioned in the Schedule to this notification, 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 -** For the purpose of this notification “inputs” does not include-

- (i) 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;
- (ii) 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;
- (iii) packaging materials or containers the cost of which is not included in the assessable value of the final products under section 4 of the Central Excises and Salt Act, 1944 (1 of 1944);

## SCHEDULE

1. No.164/87-Central Excises, dated the 10th June, 1987.
2. No.62/95-Central Excises, dated the 16th March, 1995 (only S.No.1).
3. No.63/95-Central Excises, dated the 16th March, 1995 (only S.No.2 and 11).
4. No.64/95-Central Excises, dated the 16th March, 1995 (only S.Nos. 3,5 and 8).

## GENERAL EXEMPTION NO. 28

**Exemption to capital goods and all goods (other than LDO, HSD and petrol) captively consumed for manufacture of final products (other than matches).**

[Notifn. 67/95-CE dt.16.3.1995 as amended by Notifn. Nos. 20/96, 11/97, 59/97, 32/00, 35/00, 31/01, 35/01, 11/02, and 16/03].

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 (w.e.f. 1.4.03 for section 5A of the Central Excises and Salt Act, 1944 (1 of 1944) read) (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), (herein after referred to as the said Special Importance Act),

- (i) **capital goods** as defined in CENVAT Credit Rules, 2002 **manufactured in a factory and used within the factory of production;**
- (ii) **goods specified in column (1) of the Table hereto annexed (hereinafter referred to as "inputs") manufactured in a factory and used within the factory of production in or in relation to manufacture of final products specified in column (2) of the said Table;**

from the **whole of the duties** of excise leviable thereon which is specified in the Schedules to the Central excise Tariff Act, 1985 (5 of 1986) or **additional duty of excise** leviable thereon which is specified in the First Schedule to the said Special Importance Act.

Provided that nothing contained in this notification shall apply to inputs used in or in relation to the manufacture of final products which are exempt from the whole of the duty of excise or additional duty of excise leviable thereon or are chargeable to nil rate of duty, other than those goods which are cleared.

- (i) to a unit in a Free Trade Zone, or
- (ii) to a hundred percent Export Oriented Undertaking or
- (iii) to a unit in an Electronic Hardware Technology Park, or
- (iv) to a unit in a Software Technology Park, or
- (v) under notification No. 108/95-Central Excise dated the 28<sup>th</sup> August, 1995, or
- (vi) by a manufacturer of dutiable and exempted final products, after discharging the obligation prescribed in rule 6 of the CENVAT Credit Rules, 2001

**Table**

Description 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 than light diesel oil high speed diesel oil and motor spirit, commonly known as petrol.	All goods falling under the First Schedule to Excise Tariff Act, 1985 (5 of 1986), other following namely:-  (i) matches; (ii) fabrics of cotton or man made fibres falling under Chapter 52, Chapter 54 or Chapter 55 of the First Schedule to the said Act; (iii) fabrics of cotton or man-made fibres falling under heading No.58.01, 58.02, 58.06 (other than goods falling under sub-heading No.5806.20), 60.01 or

(1)	(2)
	following namely:-60.02 (other than goods falling under sub-heading No.6002.10) of the First Schedule to the said Act.- w.e.f. 1.4.03, description of Final Product may be read as [ All goods falling under the First Schedule to the Central Excise Tariff Act, 1985, other than matches ].

### GENERAL EXEMPTION NO. 29

**Exemption to all the excisable goods captively consumed for the manufacture of specified goods.**

[Notifn. 10/96-CE dt.23.7.1996, as amended by Notifn. Nos. 11/00, 41/04, 18/06, 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 all goods falling within the Schedule to the Central Excise Tariff Act, 1985 (5 of 1986), **from the whole of the duty of excise** leviable thereon which is specified in the said Schedule, subject to the condition that the said **goods are consumed within the factory of their production in the manufacture of goods specified in column (3)** of the Table hereto annexed and falling **under Chapter, heading No. or sub-heading No.** of the said Schedule as specified in the corresponding entry in **column (2)** of the said Table.

**TABLE**

S.No.	Chapter or Heading No. or	Description sub-heading No.
(1)	(2)	(3)
1.	15 (except 15171022, 15200000, 1521 and 1522)	All goods
2.	21	All goods
3.	2202	Fruit pulp based beverages
4.	23	Animal feed
5.	2845 1000	Heavy water
6.	2853 00 30	Compressed air
7.	3003, 3004	Medicaments (including veterinary medicaments)
8.	31	Fertilisers
9.	4011, 4012	Pneumatic tyres of a kind used on bicycles, cycle-rickshaws and three wheeled powered cycle-rickshaws
10.	4701 to 4706	Wood pulp and pulp of other fibrous cellulosic materials
11.	4801	News print
12.	64	Footwear of retail sale price not exceeding Rs.250 per pair and hawai chappal (other than of leather) that is to say, chappals known commercially as "hawai chappals".

(1)	(2)	(3)
13.	71	Rough synthetic gem stones
14.	7319	Sewing needles
15.	7321 or 7418 190r 741999	Kerosene burners, kerosene stoves and wood burning stoves, or iron or steel copper or copper alloy.
16.	8539	Vacuum and gas filled bulbs of value not exceeding Rs.10 per bulb.
17.	9021	Artificial limbs and rehabilitation aids for the handicapped
18.	9608	Ball point pens including refills for ball point pens and parts thereof

### GENERAL EXEMPTION NO. 30

#### **Exemption to goods manufactured in a workshop and used within the factory for repairs and maintenance of machinery installed therein.**

[Notfn. No.65/95-CE dt.16.3.1995.].

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 falling within the Schedule to the Central Excise Tariff Act, 1985 (5 of 1986), if they are manufactured in a workshop within a factory (hereinafter referred to as the said factory), from the whole of the duty of excise leviable thereon which is specified in the said Schedule.

Provided that the excisable goods are used within the said factory, for repairs or maintenance of machinery installed therein.

**Reference:** For exemption to goods of sub-heading No. 2106.00 and Chapter 24 and captively consumed for the manufacture of final goods of Chapter 24 please see Notfn. No. 52/02-CE., dt. 17.10.2002 under Chapter 24

### GENERAL EXEMPTION NO. 30A

#### **Exemption from Additional duty of excise leviable under Sec. 85 of Finance Act 2005 in respect of goods captively consumed.**

[Notfn. No. 23/05-CE., dated 13.5.2005]

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 85 of the Finance Act, 2005 (18 of 2005), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts all goods, produced and used within the factory of their production in the manufacture of final product on which additional duty of excise is leviable under sub-section (1) of section 85 of the said Finance Act, from the whole of the additional duty of excise, leviable under said sub-section (1) of section 85 of the said Finance Act.