

[TO BE PUBLISHED IN GAZETTE OF INDIA, EXTRAORDINARY, PART-II, SECTION 3, SUB-SECTION (i)]

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
(DEPARTMENT OF REVENUE)

New Delhi, the 5<sup>th</sup> May, 2008.

**NOTIFICATION No. 26 /2008-CENTRAL EXCISE**

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 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, namely:-

**TABLE**

Serial number	Notification number and date	Amendments
(1)	(2)	(3)
1.	<a href="#">22/2003-Central Excise</a> , dated the 31st March, 2003, G.S.R. 265 (E), dated the 31 <sup>st</sup> March, 2003.	<p>In the said notification,-</p> <p>(i) in the condition (4) of opening paragraph, in clause (a), after sub-clause (ii), for the proviso, the following proviso shall be substituted, namely:-</p> <p>"Provided that-</p> <p>(a) where no SION have been notified, the generation of waste, scrap and remnants upto 2% of input quantity shall be allowed;</p> <p>(b) where additional items other than those given in SION are required as input or where generation of waste, scrap and remnants is beyond 2% of the input quantity, use of such goods shall be allowed on the basis of self-declared norms till such norms are fixed on <i>ad hoc</i> basis by the jurisdictional Development Commissioner within a period of three months from the date of self declared norms and the unit shall undertake to adjust the self-declared/ <i>ad hoc</i> norms in accordance with norms as finally fixed by the Norms Committee for the unit. The <i>ad-hoc</i> norms will continue till such time the final norms are fixed by the Norms Committee;</p> <p>(c) in case of utilization of a large number of inputs, wide variation in quantum of consumption of inputs or such other factors which render such fixation of SION difficult in the case of a particular unit, the Norms Committee may refer the case to the Board of Approval for a decision.";</p>

(ii) in the paragraph 8, after the proviso, in the clause (i), for the words "such clearance or debonding of capital goods may be allowed on payment of an amount equal to the excise duty on the depreciated value thereof and at the rate in force on the date of debonding or clearance, as the case may be.", the following shall be substituted, namely:-

"such clearance or debonding of capital goods may be allowed on payment of an amount equal to the excise duty on the depreciated value thereof and at the rate in force on the date of debonding or clearance, as the case may be, if the unit has fulfilled the positive NFE criteria taking into consideration the depreciation allowable on the capital goods at the time of clearance or debonding. In case of failure to achieve the said positive NFE, the depreciation shall be allowed on the value of capital goods in the same proportion as the achieved portion of NFE.";

(iii) after paragraph 13, in the *Explanation*, after serial number (xii) and entry relating thereto, the following serial number and entry shall be inserted, namely:-

"(xiii) "Norms Committee" means the Norms Committee in the Directorate General of Foreign Trade, for recommending Input Output norms and value addition norms to be notified by the Director General of Foreign Trade."

2.

[23/2003-Central Excise](#), dated the 31st March, 2003, G.S.R. 266 (E), dated the 31st March, 2003.

**In the said notification,**

**(i) in the Table, after serial number 3 and the entries relating thereto , the following serial number and entries thereto shall be inserted, namely:-**

(1)	(2)	(3)	(4)	(5)
"3A.	(i) 50 to 63;	i) Textile and textile articles;	In excess of an amount equal to the aggregate of duties of excise leviable under section 3 of the Central Excise Act, 1944 or under any other law for the time being in force on like goods produced or manufactured in India other than in an export oriented undertaking, if sold in India.	3A";
	(ii) 25 or 68	ii) Granite and granite articles		

**(ii) after the Table, in the Annexure, after serial number 3 and entries relating thereto, the following serial number and entries thereto shall be inserted, namely:-**

"3A. If-

- (i) the said goods are cleared into Domestic Tariff Area in accordance with sub-paragraphs (a), (d), (e), (g) and (k) of Paragraph 6.8 of the Foreign Trade Policy;
- (ii) the said unit has achieved positive Net Foreign Exchange Earning;
- (iii) the said goods are produced or manufactured by the unit wholly from the raw materials produced or manufactured in India except the use of duty paid imported inputs upto 3% of the FOB value of exports of the said unit in the preceding financial year;
- (iv) the said unit exercises an option in terms of Para 6.8 (I) of the Foreign Trade Policy for availing this exemption by informing in writing to the jurisdictional Deputy/Assistant Commissioner of Customs or Central Excise:

Provided that-

- (a) such option is exercised before effecting first clearances into Domestic Tariff Area on or after 1<sup>st</sup> day of April in any financial year:

Provided that for the remaining period of the year 2008-09, such option shall be exercised before effecting first clearances in Domestic Tariff Area on or after 1<sup>st</sup> June, 2008;

- (b) such option shall not be withdrawn during the remaining part of the financial year; and
- (c) once such option is exercised, the unit shall not be allowed to import or utilize duty free inputs for any purpose; and
- (v) the said goods, if manufactured and cleared by a unit other than an export oriented undertaking are not wholly exempt from duties of Excise or are not chargeable to "NIL" rate of duty."

Aseem Kumar,  
Under secretary to the Government of India.

Note: (1) The principal notification No. 22/2003-Central Excise, dated the 31<sup>st</sup> March, 2003 was published in the Gazette of India Extraordinary, Part II, section 3 (i) vide G.S.R 265 (E), dated the 31<sup>st</sup> March, 2003 and last amended by notification No. 24/2008-Central Excise, dated the 11<sup>th</sup> April, 2008 published vide G.S.R. 282 (E), dated the 11<sup>th</sup> April, 2008.

(2) The principal notification No. 23/2003-Central Excise, dated the 31<sup>st</sup> March, 2003 was published in the Gazette of India Extraordinary, Part II, section 3 (i) vide G.S.R 266 (E), dated the 31<sup>st</sup> March, 2003 and last amended by notification No. 10/2008-Central Excise, dated the 1<sup>st</sup> March, 2008 published vide G.S.R. 138 (E), dated the 1<sup>st</sup> March, 2008.