

VIII. EXEMPTION TO GOODS PRODUCED WITHOUT USES OF POWER AND FOR UNITS IN RURAL AREAS.**GENERAL EXEMPTION NO. 38**

Exemption of specified goods produced in a Village Industry and marketed by KVIC.
[Notfn. 198/87-CE., dt. 28.8.1987 as amended by Notfn. Nos. 248/88, 93/89, 11/96 and 20/06].

In exercise of the powers conferred by sub-rule (1) of rule 8 of the Central Excise Rules, 1944, the Central Government hereby exempts **goods of the description specified in column (2)** of the Table hereto annexed and falling under 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:

Provided that -

- (a) such **goods** are genuine products of a **Village Industry**; and
- (b) such goods are **marketed by** or with the assistance of the **Khadi and Village Industries Commission** established under the Khadi and Village Industries Commission Act, 1956 (61 of 1956); and
- (c) the manufacturer of such goods produces a certificate from the said Commission to the effect that-
 - (i) Such goods are the genuine products of a village industry; and
 - (ii) such goods are marketed by or with the assistance of the said Commission.

TABLE

S.No.	Description of goods
(1)	(2)
1.	All goods falling under Chapter 69 of the said Schedule.
2.	All goods falling under Chapter 14 headings 1521, 1522, Chapter 25 (except heading 2515, 2523 and 2524), headings 3805, 3807, 4409, 6807 to 6815, 9401, 9402 and 9403 of the said Schedule.
3.	All goods falling under Chapter 13, in or in relation to the manufacture of which no process is ordinarily carried on with the aid of power, tariff items 3604 10 00, 3806 90 90, heading 4016, Chapter 42 (except suit cases, vanity cases, executive cases, brief cases and vanity bags of all sorts) and headings 4414 to 4421 of the said Schedule.
4.	Amber Charkha.

Explanation :- For the purposes of this notification, the expression "village Industry" shall have the same meaning as assigned to it in clause (h) of section 2 of the Khadi and Village Industries Commission Act, 1956 (61 of 1956).

- 2. This notification shall come into force on the **1st day of September, 1987.**

GENERAL EXEMPTION NO.39

Exemption of specified goods manufactured in a rural area by specified manufacturers.
 [Notfn. No. 88/88-CE.,dt. 1.3.1988, as amended by Notfn. Nos.281/88,287/88,13/90, 80/91, 23/92, 35/93, 4/95, 96/95, 35/97, 7/98, 7/99,5/2000, 16/03 and 20/06].

In exercise of the powers conferred by sub-rule (1) of rule 8 of the Central Excise Rules, 1944, the Central Government hereby **exempts goods of the description specified in column (3) of the Table hereto annexed and falling under Chapter No. or Heading No. of the Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) specified in the corresponding entry in column (2) of the said Table, from the whole of the duty of excise** leviable thereon which is specified in the said Schedule.

Provided that **such goods are manufactured in rural areas by registered co-operative societies, women's societies, or by institutions recognised by the Khadi and Village Industries Commission or the State Khadi and Village Industries Boards or by Units run with the cash assistance from District Rural Development Agencies (under the Integrated Rural Development Programme (IRDP).**

Provided further that

(i) the exemption in respect of goods specified in serial numbers 5 to 16, 21, 22, 24 and 25 shall be applicable only if individual components of such Electronic goods are assembled in rural areas by such Societies, or by institutions recognised by the Khadi and Village Industries Commission or the State Khadi and Village Industries Boards or by units run with the cash assistance from District Rural Development Agencies (under the Integrated Rural Development Programme (IRDP) and a certificate to this effect from the Department of Electronics of the Government of India or the State Electronic Development Corporation of a State or the Directorate of Industries of a State is submitted to the Assistant Commissioner of Central Excise within three months from the date of commencement of production of such electronic goods or within such extended period as he may allow.

(ii) the exemption in respect of goods specified in Serial numbers 17, 18, 19, 20 and 23 shall be applicable only if individual components of such goods are assembled in rural areas by such Societies, or by institutions recognised by the Khadi and Village Industries Commission or the State Khadi and Village Industries Boards or by units run with the cash assistance from District Rural Development Agencies (under the Integrated Rural Development Programme (IRDP) and a certificate to this effect from the Directorate of Industries of a State is submitted to the Assistant Commissioner of Central Excise within three months from the date of commencement of production of such goods or within such extended period as he may allow.

TABLE

S.No.	Chapter No. or Heading No.	Description of goods
(1)	(2)	(3)
01.	20	Preparations of vegetables and fruit pickles.
02.	21	Sauces and ketchup
03.	34	Laundry and carbolic soaps
04.	64	Footwears
05.	84	Calculators
06.	85	Radios

(1)	(2)	(3)
07.	85	Cassette players or recorders, whether or not fitted with radios.
08.	85	Black and white T.V. sets.
09.	85	Audio cassettes
10.	85	Loudspeakers
11.	85	Electronic fan regulators
12.	85	Battery eliminators/adapters
13.	85	Invertors/convertors
14.	85	Mechanical T.V. tuners
15.	85	Gang condensers
16.	86	Trimmer capacitors
17.	85	Electric irons
18.	85	Electric toasters
19.	85	Electric heaters
20.	96	Electric gas lighters
21.	85 or 90	Electronic lanterns/torches
22.	91	Electronic clocks and electronic alarm timepieces
23.	85 or 90	Voltage stabilisers
24.	91	Digital/analogue electronic watches
25.	85	RF/IF coils
26.	3401,3402	Synthetic detergents
27.	53,56,57 or 63	Jute yarn, jute fabrics and jute manufactures
28.	1 to 96	All goods consumed in the manufacture of goods specified at S.No. 1 to 27 above. (i) whether within the factory of production of such goods; or (ii) in any other factory of the same manufacturer where exemption under this notification is availed.

Explanation- For the purposes of this notification, the expression "rural area" shall have the meaning assigned to it in clause (ff) of section 2 of the Khadi and Village Industries Commission Act, 1956 (61 of 1956)