

EXCISE DUTY

Mandatory excise duty not leviable on uniforms and made-up articles bearing the name or logo of a school, security agency, company, hotel or airline etc.

The Board has clarified that uniforms or made-up articles like quilt, blankets, towels, linen etc bearing the name or logo of a school, security agency, company, hotel or airline etc. cannot be treated as “branded” products merely because the name of the school, institution or company or their logo is either printed, embroidered or etched on them as in all these cases, there is no nexus between such a name or logo & the product at the time of its sale which is essential ingredient in the definition of the term “brand name”. It has been clarified that unless such garments/made- ups also bear a brand name in addition to the name or logo of the school, security agency, hotels, airlines and company, such goods would not attract the excise duty. It may be noted that affixing of name of the tailor or manufacturer on such garments would also not constitute a brand name.

Further, excise duty would also not be leviable on blankets which are supplied to the defence establishment, armed forces, police forces etc. against tenders that stipulate that the name of the manufacturer should be clearly indicated or marked on the product as affixing the name of the manufacturer on such goods would not, by itself, bring them within the ambit of branded goods.

Presently, a certificate from a Chartered Accountant about the aggregate value of clearances for home consumption in the preceding financial year is accepted for the purpose of claiming the benefit of small scale exemption contained in *Notification No. 8/2003-CE dated 1.3.2003*. It has now been decided that self certification by a manufacturer may also be accepted for this purpose. Since, the Central Excise law does not prescribe any specific record which is to be maintained by such assesseees, records of production, clearance & purchases that are maintained for the purpose of VAT purposes can be accepted for purposes of central excise.

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Feedback

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Please email idthc@icai.org for feedback.

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