

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3947  
ANSWERED ON:22.08.2003  
REFUND OF EXCISE BENEFIT  
JAGMEET SINGH BRAR

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government have asked the tobacco companies to refund excise benefits obtained by them due to retrospective revision of policy;
- (b) if so, the details thereof;
- (c) whether the tobacco companies have represented against the retrospective effect of the policy; and
- (d) if so, the details thereof and the views taken by the Government thereto ?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

- (a) & (b): Incentives provided by way of excise duty refund on specified products including tobacco products manufactured within North-Eastern Region have been withdrawn retrospectively vide Section 154 of the Finance Act, 2003 (No.32 of 2003). As a consequence of this amendment, an amount of Rs.20412.62 lakhs has been demanded from the manufacturers of tobacco products.
- (c) & (d): The validity of Section 154 of the Finance Act, 2003 and the action initiated for the recovery of the dues arising out of the amendment is challenged in the Hon`ble Guwahati High Court. The Hon`ble High Court had granted ad-interim stay for the recovery of the dues and the matter is pending for final decision before the Hon`ble Guwahati High Court.