

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2746
ANSWERED ON:08.08.2003
EXCISE RELIEF TO NEW UNITS IN SIKKIM
IQBAL AHMED SARADGI

Will the Minister of FINANCE be pleased to state:

- (a) whether the Union Government have decided to have a 10-year excise relief for new units in Sikkim;
- (b) if so, whether the Union Government has declared the State a virtual excise haven similar to Uttranchal and Himachal Pradesh;
- (c) if so, whether all the new units engaged in 13 specified industrial activities and commencing production on or after December 23, 2002 in Sikkim will be entitled to a 10-year excise exemption; and
- (d) if so, the detail thereof and the other facilities to be provided?

Answer

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

- (a) Yes, Sir. The exemption from excise duty will be subject to certain conditions.
- (b) The Government has provided exemption from central excise duty to goods manufactured by 13 specified industries or activities in the State of Sikkim.
- (c) Yes, Sir. The exemption will be available to new industrial units set up on or after 23rd December, 2002 and to units undertaking substantial expansion on or after this date.
- (d) The exemption operates on refund mechanism as in the case of North East exemption, where a manufacturer first pays normal duty at the time of clearance of goods and subsequently claims refund of that portion of duty which is paid by him in cash. The details of other facilities would be as per the New Industrial Policy and Other concessions for the State of Sikkim as announced by Department of Industrial Policy & Promotion.