

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3369
ANSWERED ON:20.08.2004
EXEMPTION OF EXCISE DUTY ON INDUSTRIES IN NORTH EAST
Gohain Shri Rajen

Will the Minister of FINANCE be pleased to state:

- (a) whether exemptions of excise duty etc. are granted for setting up industries in the notified areas of Assam;
- (b) if so, whether the Government proposes to declare the entire North East as a special industrial zone for availing excise exemptions etc;
- (c) if so, the details thereof; and
- (d) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI S.S. PALANIMANICKAM)

- (a) Yes, Sir.
- (b) No, Sir.
- (c) Does not arise in view of (b) above.
- (d) There are two schemes for exemption to new units or units which undertake substantial expansion in the north East. Notification No.33/99-CE, dated the 8th July, 1999, exempts units manufacturing certain specified goods (considered as thrust industries for the region), irrespective of their location in the North Eastern Region. Thus, exemption under this notification is available to all units (manufacturing such specified goods) without any restriction on their location in the region. The other scheme was intended to promote industrial development in the targeted underdeveloped areas. Notification No. 32/99-CE, dated the 8th July, 1999 thus, exempts all goods (except for tobacco products and goods cleared by oil refineries), manufactured by units located in such identified targeted underdeveloped areas. Thus, one scheme provides for exemption to specified goods for all units in the North East irrespective of their location. The other scheme meant for highly underdeveloped areas grants exemption to all goods (except for tobacco products and goods cleared by oil refineries).