

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1386
ANSWERED ON:27.11.2009
EXCISE DUTY EXEMPTION
Hegde Shri Anant Kumar;Thamaraiselvan Shri R.

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has received any request for the exemption from Excise Duties on sale of goods in the domestic tariff area in respect of the electronics and hardware products; and

(b) if so, the details thereof and reaction of the Government thereto?

Answer

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

(a) Yes, Sir.

(b) Government has received request for exempting Optical Disk Drives (ODD) from excise duty on being cleared from an Export Oriented Unit (EOUs) into the Domestic tariff area (DTA). EOUs have been provided several benefits in the form of customs and excise duty exemption on raw materials, inputs, consumables & capital goods so that they may export goods in a competitive manner. These benefits are not available to other units operating in the domestic tariff area. Granting excise duty exemption to goods sold by EOUs in the DTA would provide them undue advantage over other units.