

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE**

LOK SABHA

UNSTARRED QUESTION NO.3098

TO BE ANSWERED ON FRIDAY THE 5TH JANUARY, 2018
PAUSHA 15, 1939 (SAKA)

EXEMPTION OF EXCISE DUTY

3098. SHRI MEHBOOB ALI KAISER:

Will the Minister of FINANCE be pleased to state:

- (a) whether the manufacturing units in Himachal Pradesh and Uttarakhand availed 100 per cent Central excise exemption since 2003 and if so, the details thereof and the current status thereon;
- (b) whether a large number of units have relocated to North Eastern States leading to unemployment in Himachal Pradesh and Uttarakhand and if so, the details thereof;
- (c) whether the Government proposes to revisit the excise duty exemption issue for another ten years to sustain and boost the investments and industry in Himachal Pradesh and Uttarakhand and if so, the details thereof; and
- (d) the percentage of refunds by the centre and States under the present GST regime?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SHIV PRATAP SHUKLA)

(a) and (b): Under the Central Excise regime specified units located in Uttarakhand and Himachal Pradesh were eligible for exemption from Central Excise duty, under erstwhile notification. No. 49/2003-Central Excise and notification. No. 50/2003-Central Excise, both dated 10.6.2003. These notifications were rescinded vide notification. No. 21/2017-Central Excise dated 18.07.2017.

No case of relocation of units from Himachal Pradesh and Uttarakhand to the North Eastern States has come to notice.

(c) and (d):The Department of Industrial Policy and Promotion (DIPP) vide Notification dated 05.10.2017 has notified a scheme of budgetary support for the benefit of units which were eligible under the erstwhile Central Excise duty exemption scheme. The amount of budgetary support (by the Centre) under the scheme for specified goods manufactured by the eligible units, as per para 5 of the Scheme, is sum of

(i) 58 % of the Central tax paid through debit in cash ledger account maintained by the units in terms of sub-section (1) of section 49 of the Central Goods and Services Act, 2017 and,

(ii) 29 % of the integrated tax paid through debit in the cash ledger account maintained by the units in terms of section 20 of the Integrated Goods and Services Act, 2017, subject to specified conditions and restrictions.
