

## **CLARIFICATION – AREA BASED EXCISE DUTY EXEMPTION SCHEME – NORTH EASTERN STATES**

A doubt has been raised with reference to the area based excise duty exemption for the North Eastern Region including Sikkim vide notification No.20/2007-CE dated 25.04.2007, as to whether an industrial unit which is presently availing of the said excise duty exemption, again undertakes substantial expansion by not less than 25% before 31.03.2017 and satisfies the conditions as stipulated under Para 5 and Para 6 of the said notification, will again be eligible for excise duty exemption from such expanded capacity with effect from the date commencement of commercial production for a further period of 10 years.

It is clarified that in absence of a provision to the contrary, the area based excise duty exemption presently available to the North Eastern States including Sikkim vide notification No.20/2007-CE dated 25.04.2007 [for which the sunset clause is 31.03.2017] will be available to an existing unit on second substantial expansion as well, provided that the concerned unit commences commercial production from such expanded capacity not later than 31.03.2017.