



**OFFICE OF THE COMMISSIONER  
CENTRAL EXCISE & SERVICE TAX COMMISSIONERATE  
CHANDIGARH –I**

PLOT No. 19, SECTOR 17-C, CHANDIGARH

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**व्यापार सूचना सं. 13/2012 TRADE NOTICE NO. 13/2012**

**विषय/ SUB: - Clarification regarding admissibility of benefit of exemption on goods on which excise duty has been imposed after the expiry of sunset clause under area based exemption Notification No. 49/2003-CE & 50/2003-CE dated 10.06.2003 – Reg.**

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Reference is invited to Letter F. No. 332/23/2011-TRU dated 26.04.2012 issued by Tax Research Unit, Department of Revenue, Ministry of Finance on the above cited subject, wherein TRU has clarified that in case an eligible unit wants to avail the benefit of Exemption Notifications No. 49/03-CE & 50/03-CE both dated 10.06.2003 (i.e. a unit newly set up on or after 07.01.2003 but not later than 31.03.2010 or unit already existing but having undertaken substantial expansion by way of increase in installed capacity by not less than 25% on or after 07.01.2003 but have commenced commercial production from such expanded capacity on or before sunset clause i.e. 31.03.2010), but did not claim the exemption at the time of commencement of commercial production as the goods earlier attracted nil rate of duty or were optionally exempt at that time, those goods/units could be given the benefit of exemption notification from the date of exercise of option in writing. .

2. Such units who had commenced commercial production on or before 31.03.2010 and were manufacturing goods which earlier attracted nil rate of duty or were optionally exempt can exercise option in writing even after the sunset clause. However to avail such benefit, documentary evidences need to be produced to the satisfaction of the jurisdictional Assistant/Deputy Commissioner and other conditions of relevant notifications need to be fulfilled.

3. The ten year period for such units would also be computed from the date of commencement of commercial production from new or expanded capacity as prescribed in the relevant notifications and not from the date on which option has been exercised.

4. However in r/o units not falling in the above category, and who were required to discharge duty liability but for the area based exemption notifications but had not exercised the option in writing, the exemption would be admissible to them from the date the option is exercised in writing till the residual period. Needless to add that the ten year period for such units would also be computed from the date of commencement of commercial production from new or expanded capacity as prescribed in the relevant notifications and not from the date on which option has been exercised. Therefore, the duty shall be payable from such units for the period starting from the date of commencement of commercial production till the date of exercising an option in writing. Such units shall also be liable for any other actions in accordance with law.

5. This Trade Notice is also available at our office website [www.cexchd1.gov.in](http://www.cexchd1.gov.in).

**[S.J. SINGH]**

**COMMISSIONER**

संलग्नक Encl. यथोपरि As above.

फा.सं. F.No.IV(16) Tech/T.N/50/2012

दिनांक Dated: ...08/06/ 2012

( S. L. Goel)  
Superintendent (Tech.)