

Circular No.1012/19/2015-CX

**F.No.332/03/2014 -TRU  
Government of India  
Ministry of Finance  
(Department of Revenue)  
Tax Research Unit**

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New Delhi, the 2<sup>nd</sup> December, 2015

To,

All Chief Commissioners of Central Excise.  
All Chief Commissioners of Customs & Central Excise.

Subject: Suspension of benefits under North East Industrial and Investment Promoton Policy (NEIIPP), 2007 by DIPP and its bearing on Central Excise duty Exemption – Regarding.

Sir / Madam,

The undersigned is directed to refer to the above mentioned subject and to state as follows.

2. Doubts have been raised regarding availability or otherwise of central excise duty exemption under notification No.20/2007-Central Excise dated 25.04.2007 to new units or units undertaking substantial expansion after 01.12.2014 in the North Eastern Region including Sikkim pursuant to the suspension of fresh registrations by the Department of Industrial Policy & Promotion (DIPP) for the schemes under North East Industrial and Investment Promotion Policy (NEIIPP), 2007 with effect from 1.12.2014 vide OM No.10(1)/2014-DBA-II/NER dated 01.12.2014.
3. The matter has been examined in the Ministry in consultation with the DIPP. Fresh registrations for the schemes under NEIIPP, 2007 have been suspended by the DIPP essentially due to shortage of funds allocated to DIPP. Therefore, DIPP OM No.10(1)/2014-DBA-II/NER dated 01.12.2014 has not suspended the entire package of incentives offered for the schemes under NEIIPP, 2007 as such. Further, notification No.20/2007-Central Excise dated 25.04.2007 does not mandate registration under NEIIPP, 2007 to avail of the excise duty exemption thereunder.
4. In view of the above, it is clarified that new units or units undertaking substantial expansion after 01.12.2014 and upto the cut-off date of 31.03.2017 shall continue to be eligible for excise duty exemption under notification No.20/2007-Central Excise dated 25.04.2007 subject to the conditions specified thereunder.

5. Trade Notice/Public Notice may be issued to the field formations and taxpayers.
6. Difficulties, if any, faced in the implementation of the instructions may be brought to the notice of the Ministry at an early date.

Yours faithfully,

*Mohit Tewari*  
21/12/15

(Mohit Tewari)  
Under Secretary (TRU)