

FAX : 0431 - 2411583



TELEPHONE : 0431 - 2411195.

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
**OFFICE OF THE COMMISSIONER OF CENTRAL EXCISE & SERVICE TAX**  
No.1, WILLIAMS ROAD, TRICHIRAPALLI – 620 001.

TRADE NOTICE : 4/ 2009.

DATED : 20.03.2009.

Sub:- C.Ex. – Circular No. 883/3/2009 CX in F. No. 267/31/2008-  
CX-8 dated 26.02.2009 - Communication of – Reg.

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Copy of Circular No. 883/3/2009 CX issued in F. No. 267/31/2008-CX-8 dated 26.02.2009 is communicated herewith.

2. The contents of the Trade Notice may be brought to the knowledge of all constituent members of Trade Associations / Chambers of Commerce

(Issued from file C.No.IV/16/04/2008 – C.Ex.Pol.)

Sd./-  
(A. RAJENDRAN)  
ASSISTANT COMMISSIONER(T)

Encl.: As above.

To

As per mailing list II / III

**Copy of the Circular No. 883/3/2009 CX dated 26.02.2009 in F. No. 267/31/2008-CX-8**

**Subject: Levy of cess on sugar manufactured out of cess paid raw material/ input- regarding**

The Sugar Cess Act, 1982 provides that “There shall be levied and collected as a cess, for the purposes of the Sugar Development Fund Act, 1982, a duty of excise on all sugar produced by any sugar factory in India” for the development of sugar industry. References have been received from some field formations that some manufacturers purchase sugar, on which central excise duty and sugar cess is paid by sugar manufacturers. Such manufacturers use the duty paid sugar to manufacture products like Pharmaceutical grade sugar and Bura sugar. All the products, namely sugar, pharmaceutical sugar and Bura sugar fall under the same tariff classification. The manufacturers have represented that both the raw material and final product fall under the same tariff heading, and as cess has been paid on raw material viz., sugar, they are not required to pay sugar cess on products as it amounts to double taxation.

2. The matter has been examined in consultation with the Ministry of Public Distribution and Consumer Affairs. The Ministry of Public Distribution and Consumer Affairs has now **exempted the levy of cess on sugar, collected as a duty of excise, under subsection (1) of the Section 3 of Sugar Cess Act, 1982, on any sugar “manufactured from such other sugar” on which cess, leviable under sub section (1) of Section 3 of the said Act has been paid already.** The copy of the Notification S.O.102 (E) published in Gazette of India on 7<sup>th</sup> January, 2009 is enclosed herewith. However, the said exemption is available for clearances made after the date of issue of notification and past cases, if any, are required to be decided based upon the law as in force during relevant time.

3. Trade and field formations may be suitably informed.

4. Hindi version will follow.  
5. Receipt of this Circular may kindly be acknowledged.

Yours faithfully,

(Rahul Nangare)

Under Secretary to the Government of India.

सं. 53] स्टी सं० डी० एल०-33004/99

REGD. NO. D. L. 33004/99

  
सर्वमेव कर्तुं

# भारत का राजपत्र

## The Gazette of India

असाधारण

EXTRAORDINARY

भाग II—खण्ड 3—उप-खण्ड (ii)  
PART II—Section 3—Sub-section (ii)

प्राधिकार से प्रकाशित

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सं. 53]

नई दिल्ली, शुक्रवार, जनवरी 9, 2009/पौष 19, 1930

No. 53]

NEW DELHI, FRIDAY, JANUARY 9, 2009/PAUSA 19, 1930

उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्रालय  
( खाद्य और सार्वजनिक वितरण विभाग )

अधिसूचना

नई दिल्ली, 7 जनवरी, 2009

का.आ. 102(अ).—केन्द्रीय सरकार, चीनी उपकर अधिनियम, 1982 (1982 का 3) की धारा 3 की उप-धारा (4) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए, अपना यह समाधान हो जाने पर कि लोकहित में ऐसा करना आवश्यक है, ऐसी चीनी को, जो "ऐसी अन्य चीनी से विनिर्मित की गई है", जिस पर उक्त अधिनियम की धारा 3 की उप-धारा (1) के अधीन उद्ग्रहणीय उपकर संदत्त किया जा चुका है, उक्त अधिनियम की धारा 3 की उप-धारा (1) के अधीन उत्पाद-शुल्क के रूप में संग्रहीत उपकर के उद्ग्रहण से छूट प्रदान करती है।

[फ. सं. 3-2(II)2007-एसडीएफ अकाउंट्स]

अभिनाश वर्मा, निदेशक

MINISTRY OF CONSUMER AFFAIRS, FOOD AND  
PUBLIC DISTRIBUTION

(Department of Food and Public Distribution)

NOTIFICATION

New Delhi, the 7th January, 2009

S.O. 102(E).— In exercise of the powers conferred by sub-section (4) of Section 3 of the Sugar Cess Act, 1982 (3 of 1982), the Central Government, being satisfied that it is necessary in public interest so to do, hereby exempts the levy of cess on sugar, collected as a duty of excise, under sub-section (1) of Section 3 of the said Act, on any sugar "manufactured from such other sugar" on which cess, leviable under sub-section (1) of Section 3 of the said Act, has been paid.

[F. No. 3-2(II)2007-SDF A/cs.]

ABINASH VERMA, Director