

3) Scope of the word - “Site” used in the Notification No.12/2012-CE is clarified

Vide S.No. 186 to the Notification No.12/2012-CE dated 17.03.2012, goods manufactured at the ‘site’ of construction for use in construction work at such ‘site’ is exempted from the whole of excise duty leviable thereon. The issue addressed in the present circular is how the word “Site” should be interpreted for the projects that run long distances such as railways, roads, pipelines etc.

It has been clarified that the word “Site” therein cannot be given restricted meaning as long as the premises for which exemption benefit is claimed fulfils the following conditions –

- The said premises are made available to the manufacturer of goods by way of specific mention in the contract or agreement for such construction work;
- Chapter 68 (except 6804, 6805, 6811, 6812 and 6813) goods manufactured at the said premises; and
- The goods manufactured at such premises should be exclusively used in the said construction work only.

Hence, parameters such as distance within which the said manufacturing unit is located is not a criterion to determine the exemption benefit.

[Circular No. 1036/24/2016-CX dated 06.07.2016]