

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5925
ANSWERED ON:11.05.2012
EXCISE DUTY ON CANDLES
Kurup Shri N.Peethambara

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government received any representation from Kerala Candle Manufacturers Association to drop the levy of Central Excise Duty on Candles;
- (b) if so, the details thereof;
- (c) the action taken/proposed to be taken on the issues raised by the association;and
- (d) the remedial measures being taken by the Government to keep alive the industry, which provide income to the workers mostly women from weaker sections of the society?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

- (a): Yes, Madam.
- (b): Government has received a representation to withdraw the levy of 1% Central Excise Duty on Candles.
- (c): The request was examined as part of the proposals for Budget 2012-13. After considering all the relevant factors, including the fact that candles are chargeable to VAT in most of the states, it was not found feasible to accede to the request.
- (d): Small units manufacturing candles are not likely to be affected as small scale industry excise duty exemption (SSI) is available for clearances upto Rs.1.5 crore in a financial year. This exemption is available to an eligible unit, that is, a unit whose aggregate value of clearances are not more than Rs. 4 crore in the preceding financial year. In addition a host of procedural facilitation measures have been provided to SSI units.