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Title: Need to exempt the safety Match Industry from levy of Central Excise Duty.

SHRI N.S.V. CHITTHAN (DINDIGUL): Match Industry which is predominantly located in the Southern backward districts of Tamil Nadu, provides large scale employment to rural illiterate workers.

The Match industry was largely based on manual labour until recent years. The factors like increasing labour shortage, low productivity and inconsistency in quality have forced the match industry to modernize into semi-mechanized industry. This has enabled the industry to become internationally competitive. The export is also steadily increasing.

Even now only the hazardous processes of wax coating and chemical dipping have been mechanized but other processes are mostly done manually.

Hence, the Government of Tamil Nadu is treating both semi-mechanized and other handmade matches equally on par for the purpose of levying VAT i.e., both are exempted from levy of Sales Tax in Tamil Nadu.

There are several hundreds of units involved in the manufacture of safety matches. The net revenue to Government of India is less than Rs. 25 crores as Central Excise Duty after taking CENVAT input credit.

For this, these manufacturing units have to employ separate sets of accountants increasing their overheads. They are put into inexplicable hardships while they go to the Central Excise Department for finalizing the accounts. The Department has also to use huge man power to get this low revenue.

Hence, I urge upon the Hon'ble Finance Minister to exempt the Safety Matches Industry from the levy of Central Excise Duty.