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Title: Regarding relaxation of service charges for chit fund companies in Tamil Nadu.

SHRI K. ASHOK KUMAR (KRISHNAGIRI): Hon. Speaker, chit fund companies in South India particularly in Tamil Nadu have been serving the community for a long time with a good track record. Registered chit fund companies have been very useful in funding the unfunded ones.

Madam, these chit fund companies are regulated by the Chit Fund Act, 1982 and are monitored by the State Government. Chit fund companies are also a non-banking financial entity like loan companies, hire purchase finance companies and leasing companies. The interests received by the finance companies have been exempted 100 per cent from service tax. Hire purchase and leasing companies have been exempted to the extent of 90 per cent from the levy of service tax.

The chit fund companies are treated on par with other NBFCs in the matter of service tax is fair and reasonable. I, therefore, request through you, to the hon. Finance Minister to consider reduction of 14 per cent service tax at par with other financial institutions.