

that the bank is not in a good position.

WRITTEN ANSWERS TO QUESTIONS

Memorandum from Kerala State Federation of Cottage Match Manufacturers Association

*352. SHRI K. A. RAJAN: Will the Minister of FINANCE be pleased to state:

(a) whether he has received a memorandum submitted by the Kerala State Federation of Cottage Match Manufacturers Association dated January 11, 1981; and

(b) if so, what are their main demands and Government's decision thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SAWAI SINGH SISODIA): (a) and (b). A Memorandum dated 11th January, 1981 was received from the Kerala State Federation of Cottage Match Manufacturers Associations. The memorandum is in the nature of a prebudget representation stated to be representing the interest of about 425 cottage match units of Kerala holding "bonafide" certificates issued by the K.V.I.C. The main demands made in the Memorandum are:

(i) The excise duty concession applicable to cottage sector match units should be continued in the next year also.

(ii) KVIC's control may be imposed for availing excise duty concession limiting their control only for implementing fair wages and good quality, since KVIC common label campaign and monopoly procurment is not practical and proved to be a failure.

(iii) The requirement regarding KVIC label and procurement of matches by KVIC for the purposes of excise duty concession may be abrogated.

(iv) Ceiling may be imposed on the production of cottage sector match units in the context of excise duty concession. Similar restriction may also be imposed in the case of cooperative sector units.

(v) KVIC may be empowered to exercise control over cooperative Societies also as in the case of individual units.

(vi) Different (coloured) hand-rolls may be introduced for different sectors of the match industry.

2. The scheme of differential rates of excise duty for matches has been in vogue for the past many years. This scheme was recently reviewed by the Government and necessary modifications were announced as part of the 1981-82 budget proposals. The changes announced include:—

(i) restricting, w.e.f. 1-7-1981, the concessional rate of excise duty (in the case of KVIC units) to such cottage units which are run departmentally by the KVIC or units run by or under institutions aided or recognised by the KVIC.

(ii) Dispensing with the present requirements regarding labelling and marketing in respect of such KVIC units, w.e.f. 1-7-1981.

(iii) Imposition of a ceiling of 120 million matches per annum on the quantum of clearance at the concessional rates of duty in respect of matches cleared by the cottage units, including those in the cooperative sector w.e.f. 1-7-1981. A production ceiling of 15 million matches per month has also been imposed as an eligibility condition to concessional rate of duty.

Besides, it may be mentioned that the concessional rate of excise duty of Rs. 1.60 per gross applicable to matches produced in the cottage sector continues for the present.

3. The question of introducing different coloured banderolls was examined last year. It was then felt that on practical considerations, it was not feasible to implement such a scheme.