

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:610  
ANSWERED ON:28.07.2006  
REPEAL OF EXCISE DUTIES  
Bellarmin Shri A.V.

**Will the Minister of FINANCE be pleased to state:**

- (a) Whether any proposal for Repeal of excise duties of 16% and 8% imposed in the current budget on the commodities produced in the Small Scale sector and by hand made cottage industries, without the support of power or heavy machineries, is under consideration of the Government;
- (b) If so, whether the Government is aware that such a levy of excise duty on products of Tiny Industries will recder crores of poor people living upon such professions unemployed;
- (c) If so, whether the Government proposes to withdraw the imposed levy on such products; and
- (d) If not, the reasons thereof ?

**Answer**

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

(a), (b), (c) and (d): The Government had received representations seeking restoration of excise duty exemption withdrawn in this year's budget on goods manufactured without the aid of power. Tiny and small-scale units manufacturing such items are eligible for general small-scale industries (SSI) excise duty exemption wherein the first clearances of Rs 1 crore in a financial year are fully exempt from excise duty and thus their interests are adequately protected. At present, there is no proposal under the consideration of the Government for restoring the said exemptions.