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Title : Need to exempt excise duty levied on power driven pumps (Jet pumps) manufactured by ten thousands small units in Tamil Nadu.

SHRI P. MOHAN (MADURAI) : Mr. Speaker, Sir, power driven pump sets, i.e., Jet Pump Sets manufactured by thousands of small and medium enterprises with an investment less than Rs.5 lakhs have been ordered to obtain ISI Certification on or before 31<sup>st</sup> July, 2006 or pay an 8% excise duty or face closure in the event of not complying with both. This would affect seriously several micro

units in Tamil Nadu, particularly in Coimbatore, Erode and Madurai Districts. Lakhs of people from middle class and people from poor sections also have been using this economy pump sets to meet their drinking water needs. They will also be affected. Those who run these jet pump manufacturing units

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\* English translation of the speech originally delivered in Tamil.

are not wealthy and well to do. Most of them who have started as Fitters and Turners and after having risen to the level of Foremen and Supervisors, have started these small units to manufacture jet pump sets. None of them would like to compromise with quality and hence levying 8% excise duty for not obtaining ISI Certification is not justified and it is unfair. But it is only the Government that apparently compromise on quality by way of insisting on 8% Excise Duty in the absence of ISI Certification. Big investors who can get ISI Certification are spared from 8% Excise Duty. But those who can not afford to invest more than Rs.5 lakhs must pay Excise Duty. This is a contradiction. Hence, I urge upon the Government to delink ISI Certification and Excise Duty. The Government must declare the units with an annual turnover less than Rs.50 lakhs to be small enterprises and must exempt them from ISI Certification and levying of Excise Duty.

Small units must be charged less. Levying of duties must correspond with the size of the units. There can not be equality when there are classifications like big units, medium units and small units. The Government must also reduce 75% of the ISI Certification charges. This amount Rs.3 lakhs that is to be paid as charges for ISI Certification must be extended to these small units as unsecured loans.

DR. C. KRISHNAN (POLLACHI): Sir, I want to associate with what Shri Mohan has said.