

Submitted to : Shri P. Chidambarum, Finance Minister, GOI (29/6727)

At the outset, we express our sincere thanks for accepting our request to increase the excise exemption limit from Rs. 1 Crores to 1.5 Crores.

The Small Scale Exemption is available to the units whose aggregate clears of goods (including the exempted goods) does not exceed Rs. 4 Crores. The said eligibility limit of Rs. 4 crores was fixed in the budget 2005. Since then the prices of inputs have increased on an average from 1.5 to 2 times. It has caused the corresponding increase in the prices of manufactured goods. As such, we had requested you to increase this limit also in our budget proposals for the year 2007-08. It seems that this important aspect has been left out inadvertently.

There are other reasons in support of our request to increase the limit such as in MSMED Act 2006 the investment limit for SSI has been increased from Rs. 1 Crore to 5 Crores.

In view of the facts stated above, we request you to consider the following :-

“The Small Scale exemption may be made available to the units whose aggregate clears of goods (including the exempted goods) does not exceed Rs. 10 crores.”

OR

“ The value of exempted goods may not be included for calculating the eligibility limit.”

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