

Statement

The Statement showing Bank Loans to Students of Engineering and Medical Education in Uttar Pradesh in Rural and Backward Areas during 1994-95, 1995-96 and 1996-97

(Amount : Rs. in lacs)

Name of the Bank	1994-95		1995-96		1996-97	
	No. of A/cs	Amount Sanctioned	No. of A/cs	Amount Sanctioned	No. of A/cs	Amount Sanctioned
State Bank of India	4	2.87	2	3.5	8	4.08
Bank of India	—	—	—	—	12	3.75
Oriental Bank of Commerce	1	0.40	1	0.3	2	0.62
Bank of Baroda	5	3.25	7	7.5	6	5.50
Canara Bank	1	2.00	6	6.3	7	6.27
Syndicate Bank	15	3.34	1	1.0	11	1.92

*[English]***Small Scale Industries**

2797. SHRI RAM NAIK: Will the Minister of INDUSTRY be pleased to state:

(a) whether the Government has received any requests from the Indian Council of Small Industries for holding discussions with the large number of representatives of small scale sector regarding Central Excise;

(b) if so, the details thereof; and

(c) the action taken by the Government thereon?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) and (b) Yes, Sir. The Government had held a meeting with the representatives of various associations representing the small scale industries on 3.6.97 including the Indian Council of Small Scale Industries. In the said meeting, the Indian Council of Small Scale Industries had, inter-alia, suggested for increasing the duty exemption limit for small scale industries from Rs. 30 lakhs to Rs.100 lakhs in a year, providing higher value slabs for availment of concessional rate of duty both for units availing the MODVAT and units not availing MODVAT, option for availing MODVAT at any point of time during a year and setting up of a Committee to resolve the classification disputes.

(c) The government have carefully examined the various suggestions made by the Small Scale Industries associations. As the existing full duty exemption limit of Rs. 30 lakhs for the purpose of central excise duty is found to be adequate to take care of the genuine needs of the small scale industry as bulk of the small scale units have a turnover of less than Rs. 30 lakhs in a financial year, it was not found feasible to accede to the said suggestion.

Regarding the request for allowing availment of MODVAT credit while paying concessional rate of excise duty, the Government have notified a revised scheme vide Notification No. 38/97-CE dated 27.6.97. In terms of the scheme, small scale units are eligible for a concessional rate of duty of 60% of the normal duty for clearances between Rs. 0-50 lakhs and a concessional rate of duty of 80% of the normal duty for clearances between Rs. 50-100 lakhs in a financial year while availing MODVAT credit of duty paid on their inputs or capital goods. Clearances in excess of Rs.100 lakhs attract normal duty and a small scale unit can avail the aforesaid concession until he crosses a turnover limit of Rs.300 lakhs in a financial year. The scheme also provides for opting for the MODVAT scheme at any point of time during a financial year and once an option is exercised the same cannot be changed during the financial year. However, clearances made prior to the exercise of the option as aforesaid will be taken into account for determining the value limits for the concessional rates of excise duty.

As regards the suggestion for formation of a Committee to decide classification matters, it may be pointed out that classification of commodities under the Excise law is a quasi-judicial function with appellate remedies and therefore it may not be feasible to accept the suggestion made in this regard. In this context, it may also be mentioned that if the SSI unit do not wish to avail of MODVAT, then they have to pay concessional rate of duty upto Rs. 1 crore at same rate, irrespective of the nature of goods produced. To that extent, the classification problem does not arise.

Vidhi Melas

2798. SHRI A. SAMPATH: Will the Minister of LAW AND JUSTICE be pleased to state: