

Assets Limit for MRTP Companies

2449. **SHRI MORESHWAR SAVE:** Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state :

(a) whether the Government propose to do away with assets limit of Rs. 100 crores for the companies controlled by the Monopolies and Restrictive Trade Practices Commission; and

(b) if so, the details in this regard and the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE & COMPANY AFFAIRS (SHRI RANGARAJAN KUMARAMANGALAM): (a) and (b) With the growing complexity of the industrial structure and the need for achieving economies of scale for ensuring higher productivity and competitive advantage in the international market, it is decided to eliminate pre-entry scrutiny of corporate investment decisions under the MRTP Act. It is accordingly proposed to amend the MRTP Act to remove the threshold limit of assets in respect of large houses and dominant undertakings, which will eliminate the requirement of prior approval of the Central Government for establishment of new undertakings, expansion of undertakings, merger, amalgamation and takeover and appointment of Directors under certain circumstances.

Industry
Export Potential of Small Scale Sector

2450. **SHRI C. P. MUDALAGIRIYAPPA :** Will the Minister of COMMERCE be pleased to state :

(a) whether there is a great potential for exports from the small scale sector;

(b) if so, the details thereof; and

(c) the efforts made by the Government to gainfully utilise this high potential of small scale sector ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM) : (a) Yes, Sir.

(b) The share of direct export from Small Scale Sector in the overall export is around 28% at present as against about 22% in 1983-84 and 1984-85. Besides, small Industries also make significant contribution by manufacturing a variety of parts and components that go into the assembly of export products of large units. The exports of SSI Sector grew from Rs. 390 crores in 1973-74 to Rs. 7626 crores in 1989-90.

(c) In order to boost the exports, the Govt. has given following facilities to SSI :

- (i) Under the scheme of 100% EOUs and units located in the Free Trade Zones/EPZs, Small Scale Units are eligible to import capital goods required by them for export production under Open General Licence without payment of custom duty.
- (ii) The Export Houses/Trading Houses/Star Trading Houses exporting products manufactured in the Small Scale Sector are eligible to get double weightage for the value of exports of products other than handicrafts, manufactured in Small Scale Sector. Net foreign exchange earnings from the export of handicrafts manufactured by Small Scale Sector is reckoned at thrice the actual net foreign exchange earnings.
- (iii) The facility of import replenishment is also available to Small Scale Sector. Under the actual user policy the facilities of import of Capital Goods raw material consumable and spares, subject to indigenous availability and other relevant consideration, is available to Small Scale Sector.
- (iv) Small Industries Development Organization organizes various training programmes on export marketing, packaging

techniques for the benefit of SSI Units. It also organises annually participation of Small Scale Units in selected international Exhibitions held abroad.

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Under-Valuation of Closing Stock by Companies

2451. SHRI MUKUL BALKRISHNA WASNIK : Will the Minister of FINANCE be pleased to state :

(a) whether the Government have detected a massive reduction in the taxable income by 43 companies through deliberate under-valuation of closing stock under the Modified Value Added Tax (MODVAT) scheme;

(b) if so, names of the companies involved; and

(c) the action taken or proposed to be taken by the Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR) :

(a) The report of a study conducted by examining the cases of a few companies indicates a possible reduction in the taxable income of such companies due to under-valuation of closing stock under the Modified Value Added Tax (MODVAT) scheme.

(b) The names of the companies whose cases were examined for the purpose of the said study are as per enclosed statement.

(c) The field officers have been instructed to examine the cases of the bigger manufactures for ensuring that the effect of MODVAT credit on the valuation of closing stock is duly taken into consideration at the time of completion of assessments.

Statement

Name of the Company

1. Ashok Layland Ltd.
2. Kirloskar Cummins Ltd.
3. Cable Corpn. of India Ltd.
4. T.V.S. Suzuki,
5. Caprihans India Ltd.
6. Fedder Llyod Ltd.

7. Mukand Industries.
8. Colour Chem Ltd.
9. Timplat Co. of India.
10. Incab Industries Ltd.
11. Sandoz India.
12. Premier Automobile.
13. Asian Paints Ltd.
14. G.E.C. Ltd.
15. Hindalco Ltd.
16. Hoechst India Ltd.
17. TELCO
18. Licpin Laboratories.
19. BASF India Ltd.
20. Sundram Clayton Ltd.
21. Wheels India.
22. Godrej Soaps Ltd.
23. Gujarat Alkalies & Chem. Ltd.
24. Shriram Piston.
25. Gramophone Co. of India Ltd.
26. Vallabh Glass Works.
27. National Leather.
28. Talbros Automotive.
29. Johnson & Johnson.
30. Kores India Ltd.
31. Prizer Ltd.
32. Samtel (I) Ltd.
33. Boots India Ltd.
34. Hindustan Ciba Geigy Ltd.
35. Kirloskar Oil Engine Ltd.
36. German Remedies Ltd.
37. Lakme Ltd.
38. Goodless Nerolec Ltd.
39. Balsara Product Ltd.
40. Recklett & Colman.
41. Swara Mazda.
42. Grehm Firth Steel Ltd.
43. Otis Elevator

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**Recruitment of Scheduled Castes/
 Scheduled Tribes in Public Sector
 Banks/Financial Institutions**

2452. SHRI MUKUL BALKRISHNA WASNIK : Will the Minister of FINANCE be pleased to state :

(a) the number of posts meant for Scheduled Castes and Scheduled Tribes in Class I, II, III and IV vacant, filled, dereserved, carried forward and lapsed in various public sector banks/financial institutions in the last three years and the position of their representation as on December 31, 1990; and