

**GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:3245
ANSWERED ON:11.08.2000
SALE OF AUTO PARTS
JITENDRA PRASADA

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) whether a recent study conducted by Automotive Component Manufacturers Association has revealed that the Union Government was suffering a revenue loss of Rs.300 crore annually by the Sale of spurious automobile parts;
- (b) if so, the details thereof;
- (c) the details of the action plan formulated for meeting the challenge posed by spurious components; and
- (d) the manner in which the Government propose to implement it?

Answer

THE MINISTER OF STATE FOR HEAVY INDUSTRIES & PUBLIC ENTERPRISES (DR. VALLABHBHAI KATHIRIA)

(a) & (b) Automotive Component Manufacturers Association (ACMA) had commissioned National Council of Applied Economic Research (NCAER) to conduct a study on counterfeit auto parts on a national basis. Based on a survey, NCAER has estimated that the value of production of spurious components in respect of twelve specified automobile components was Rs.1459 crore in 1997-98. On this basis and on certain assumptions, the NCAER has estimated that the revenue loss to the Central Government in the shape of central excise duty and corporate income tax was of the order of Rs.300 crore and the revenue loss to the State Governments in respect of Central/State sales tax and Octroi/entry tax was of the order of Rs.165 crore.

(c) & (d) The Trade and Merchandise Act, 1958 contains provisions against falsifying or falsely applying trade marks and false trade descriptions etc. In addition the Government has enacted the Trade Marks Act, 1999, making penal provisions more stringent against counterfeiting of goods.