

LOK SABHA

Friday, May 3, 1985/Vaisakha 13,
1907 (Saka)

The Lok Sabha met at Eleven of
the Clock.

[MR. SPEAKER *in the Chair*]

ORAL ANSWERS TO QUESTIONS

[English]

Representation from All India Air-
Conditioning and Refrigeration
Association

*689. SHRI K. KUNJAMBU+ :
SHRI V. S. VIJAYARAGHAVAN :

Will the Minister of FINANCE be
pleased to state :

(a) whether Government have received
any representations from the All India Air-
conditioning and Refrigeration Association
regarding the exemption limits of excise
duty;

(b) if so, the details of their demands;

(c) whether Government are considering
their demands; and

(d) if not the reasons thereof ?

THE MINISTER OF STATE IN THE
MINISTRY OF FINANCE (SHRI
JANARDHANA POOJARY) : (a) to (d).
The Association has suggested :

(1) to enhance excise duty exemption
limit in respect of units in the
small scale sector in the Air-
conditioning industry to Rs. 7.5
lakhs; and

(2) thereafter to make graded conces-
sional rates of duty available upto
Rs. 40 lakhs with an eligibility
limit of Rs. 75 lakhs in a year.
The suggestions are under exami-
nation.

SHRI K. KUNJAMBU : I thank the
hon. Minister for his statement that the
suggestions of the Association are under
examination. In this context I would like to
know by what time the Government will be
able to take a final decision on this matter.
Many small units are closing down due to
the fact that heavy excise duty is being levied
on them. Therefore, can the hon. Minister
indicate the time by which it will be
decided ?

SHRI JANARDHANA POOJARY : I do
not agree with the statement that the hon.
Member has made that most of the small
scale units are closing down. So far as
taking a decision on the matter is concerned,
finance will be involved; it is under consider-
ation; whether the Government is going to
agree or not going to agree, the decision will
be taken at that time.

SHRI V. S. VIJAYARAGHAVAN : The
refrigeration industry has the heaviest excise
burden, and this has affected the growth of
this industry. The Jha Committee on Indirect
Taxes had suggested a flat 40 per cent excise
duty on air-conditioners and refrigerators
and a marginal duty on industrial air control
equipment. I want to know whether the
Government has examined this suggestion
and if so, what is the decision of the
Government.

SHRI JANARDHANA POOJARY : If
you permit me, Sir, I will explain the
position. So far as air-conditioner is concer-
ned, the limit is upto Rs. 2½ lakhs; if the
turnover or production is upto Rs. 2½
lakhs, no duty is to be paid. The complaint
of the other small scale units producing other
products, for example, the confectionaries,
have been saying that we are giving more
exemption to air-conditioner indus-
try whereas the small industries
have been suffering. That was the
complaint. Now let us examine. In the case
of air conditioners, if the production or turn-
over of production exceeds Rs. 2.5 lakhs
there is no duty upto that. If they exceed

that only they have to pay the duty. But if the largest industries, the organised sector produce air-conditioners, they have to pay 115.5% duty. If the cost of the air conditioner is Rs. 100 in the organised sector, they will sell it at a price of not less than Rs. 215.50 whereas the small scale sector which produces the air conditioner can sell it at Rs. 215.50 and as their cost of production is Rs. 100, they can get relief or benefit of Rs. 115.50, whereas in the case of other small scale units, for example, units producing confectionery, if the value of production is taken at Rs. 100, their duty is only 10%. If it is produced in organised sector, they sell it at Rs. 110. Here the small scale industry can have profit or relief of Rs. 10 whereas these people producing air conditioners get Rs. 115.50. If the limit is upto Rs. 2.50 lakhs in the case of air conditioners, they are getting exemption or we can say, relief to the tune of Rs. 8.66 lakhs whereas the units which are producing confectionery are getting only Rs. 75,000. Nobody can say that these people are aggrieved. Anyway these proposals are being examined and it is under consideration.

**Complaints Against Agents Appointed
by National Textile Corporation**

*690. DR. V. VENKATESH : Will the Minister of SUPPLY AND TEXTILES be pleased to state :

(a) the total number of agents appointed by the National Textile Corporation (U.P.) Ltd., Kanpur during the last year and the current year for procurement of various materials;

(b) whether complaints have been made against a few of them; and

(c) if so, the facts thereof and nature of such complaints and action proposed to be taken in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI. P. A SANGMA) : (a) No agents were appointed by NTC (UP) Ltd. during the year 1984 and 1985 so far, for procurement of various materials viz. raw materials, dyes, chemicals, stores and spares, machinery and capital equipment. However, one handling agent for coal has been appointed.

(b) No, Sir.

(c) Does not arise.

DR. V. VENKATESH : The common man's money is mismanaged by the National Textile Corporation (UP) Ltd. It is one of the subsidiaries of the NTC which is wholly mismanaged. Various complaints have been made and sent to the Government on earlier occasions even under covering letters from Members of Parliament to the then Union Minister of Commerce; but these must have gone, as a favour to a few corrupt officials, down to the waste paper basket. Newspapers and local dailies in Kanpur have brought out several reports and yet the Government comes out surprisingly that there is no complaint whatsoever.

I know that the CMD might be a judicious officer and he is surrounded by a long list of corrupt and bad officials including the Secretary of the Company who is reported to have earned a few lakhs of rupees.

I want to know whether one M/s. Chem Spin and M/s. Combi Tech (India) both of Delhi have been working for various supplies to NTC (UP) Ltd. and if so how much commission has been paid to these firms and what are the goods that these firms have supplied and at what rates and also whether these firms are being complained of by various people ?

MR. SPEAKER : I think you should have spent a lot of time last night in preparing the questions.

DR. V. VENKATESH : Because common man's money is mismanaged by the NTC. The answer is not given properly, Sir.

SHRI P. A. SANGMA : I have said that except for one coal handling agent which NTC appointed on 1st January this year, there is no agent working in the National Textile Corporation. The question of receiving any complaints does not arise. So far as that particular agent which we appointed on 1st of January is concerned, we have not received any complaint so far.

Dr. V. VENKATESH : Sir, earlier I informed this august House about money going into the river Hooghly and I am now constrained to say here that the same public money is being thrown into the Ganga. I do not know whether Government has been able to remove the CMD of NTC Ltd. Calcutta.