

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