

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:398
ANSWERED ON:25.02.2000
COUNTERFEIT AUTO PARTS BUSINESS
SUBODH MOHITE

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) Whether as per the report of the National Council of Applied Economic Research's report on the counterfeit auto parts business incurs the revenue loss of three hundred crores to the Union Government and one hundred sixty crores to State Governments;
- (b) if so, the details thereof; and
- (c) steps taken by the Government to prevent counterfeit auto parts trade?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (DR. RAMAN SINGH)

(a)to(c): The National Council of Applied Economic Research (NCAER) was commissioned by Automotive Components Manufacturers Association of India (ACMA) in 1999 to conduct a study on counterfeit auto parts on a national basis. Based on a survey of production of spurious auto components, NCAER has estimated that the value of production of twelve specified automobile components in 1997-98 was Rs. 1459 crore. 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 Government in respect of Central/State sales tax and octroi/entry tax was of the order of Rs.165 crore.

The Trade and Merchandise Act, 1958 provides elaborate provisions against falsifying or falsely applying trade marks and false trade descriptions etc. In addition the Government has enacted the Trade Marks Act, 1999, providing for heavy penalties for counterfeiting of goods.