

invited pre-qualification tenders and final tenders are under preparation.

3. Work order for construction of security boundary wall has already been placed on the contractor by M/S.APIIC and the construction work has begun.
4. Some preliminary work like the following have been undertaken and are being implemented in the Zone:-
 - (i) Construction of internal roads has taken up and culvert, approach road to the culvert and another road have been completed.
 - (ii) Storm water drain to the extent of 560 mtrs. have been completed and further work is in progress.
 - (iii) To meet the initial requirements of water, tube wells inside the Zone premises have been sunk and pump houses constructed.
5. The Visakhapatnam Municipal Corporation, on behalf of the State Government has prepared a scheme for supply of 1 MGD of water initially and are going to take up the work shortly.
6. The State Electricity Board has already initiated action for commissioning of 33/11 KV Sub-Station for supplying necessary power to the Zone, the work on which would be completed shortly.

Action against Companies making Excessive Profits

*140. SHREE JEEWAN SHARMA: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Government propose to take action against the companies making excessive profits by bringing them under the purview of the cost audit and by asking them to make public the cost of production of their industrial products;

(b) if so, the precise details of the action proposed to be taken in the matter;

(c) the number of companies subjected to cost audit during the last one year and the outcome thereof; and

(d) the steps the Government propose to take to ensure that the producers and manufactures do not exploit the consumers at large by charging unwarranted profits?

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI K. VJAYA BHASKARA REDDY): (a) and (b). Under Section 233B of the Companies Act, 1956 the Central Government may, by order direct that an audit of cost accounts of the company which is required to maintain cost records in the prescribed manner under Section 209 (1) (d) of the Companies Act shall be conducted by Cost Auditor. After conducting the audit, the cost auditors submit the report to the Department of Company Affairs. A copy each of the cost audit reports received from the cost auditors is sent to the Administrative Ministry concerned and the Bureau of Industrial Costs & Prices for taking action on the various parameters contained in the report including excess profits, if any, made by the companies. While reviewing the cost audit report, the Department of Company Affairs also communicates relevant information to the Administrative Ministries

bringing out specific cases of excess profits to their notice. Central Government has so far notified 36 Cost Accounting Record Rules covering 54 industrial products. The work of prescribing cost accounting record rules for more industries is a continuous exercise.

Central Government can direct the company whose cost accounts have been audited to circulate to its shareholders, alongwith notice of Annual General Meeting to be held for the first time after the submission of such report, the whole or such part of the said report as it may specify in this behalf. The cost audit report is not circulated to the Members of the Public.

(c) During the year 1990-91, cost audit was ordered on 604 companies. Of the cost audit reports received so far, 200 have been reviewed. Instances of excess profit, irregularities in import of raw materials, payment of Duty Draw Back etc. wherever noticed as a part of review have been communicated to the administrative and other concerned Ministries for appropriate action.

(d) In addition to taking action under Cost Accounting Record Rules, the Government can also take steps to ensure that producers and manufacturers do not exploit the consumers at large by charging undue profit, by making a reference to MRTTP Commission under Section 10 (a) (ii) of MRTTP Act in regard to restrictive trade practice (RTP). Restrictive Trade Practice has been defined under section 2 (o) which includes a trade practice which has the effect of preventing, restricting or distorting competition in any manner and in particular by bringing about manipulation of prices so as to impose on consumers unjustified costs or restrictions. Government can also make a reference against Monopolistic Practice under section 31 (1) and take such necessary steps as thought fit to remedy or prevent mischief which may result from such monopolistic practices.

Central Government can also appoint inspectors under Section 44 of the MRTTP Act to conduct an investigation into Restrictive of Monopolistic Practices indulged in by an undertaking, and after taking into consideration investigation report take action to prevent exploitation of consumers by the undertaking.

Review of Import Policy on Books

*141. SHRIMATI MALINI BHATTACHARYA: Will the Minister of COMMERCE be pleased to refer to the reply given on August, 23, 1991 to Unstarred Question No. 4126 and state:

(a) whether the import policy on books has been recently reviewed and any corrective measures taken to facilitate import of specialised scholarly books, classics and teaching aids;

(b) whether the recent hike in money deposits to be made by prospective importers is prohibitive for smaller booksellers; and

(c) if so, whether the Government propose to reduce the money-deposit for booksellers who may be accredited by Universities and educational and research institutions?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) to (c). Import of educational/Scientific and technical books on the subjects as specified and teaching aids continues to be allowed under O.G.L. by the categories of eligible importers. However, keeping in view of the balance of payment and exchange reserves position of the country, RBI has introduced a system of money deposits to be made by the prospective importers with their bankers before opening Letters of Credits. There is presently no proposal to reduce the cash margins requirements for import of books.