

**CONCESSION MEANT FOR SMALL SCALE
INDUSTRIES AVAILED OF BY LARGE SCALE
MANUFACTURERS**

**MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)**

**PUBLIC ACCOUNTS
COMMITTEE
(2006-2007)**

FORTY-FIRST REPORT

FOURTEENTH LOK SABHA



**LOK SABHA SECRETARIAT
NEW DELHI**

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(DEPARTMENT OF REVENUE)



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LOK SABHA SECRETARIAT
NEW DELHI

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COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE
(2006-2007)

Prof. Vijay Kumar Malhotra — *Chairman*

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INTRODUCTION

I, the Chairman, Public Accounts Committee, as authorised by the Committee, do present this Forty-first Report relating to “Concession meant for Small Scale Industries availed of by large scale manufacturers” on Paragraph 4.3 of the Report of Comptroller & Auditor General of India for the year ended 31 March, 2004 (No. 11 of 2005), Union Government (Indirect Taxes – Central Excise & Service Tax).

2. The Report of the Comptroller & Auditor General of India for the year ended 31 March, 2004 (No. 11 of 2005), Union Government (Indirect Taxes – Central Excise & Service Tax) was laid on the Table of the House on 6th May, 2005.

3. The Committee took evidence of the representatives of the Ministry of Finance (Department of Revenue) and Ministry of Small Scale Industries, Agro & Rural Industries on the subject at their sitting held on 19th January, 2006. The Committee considered and finalised this Report at their sitting held on 19th April, 2007. Minutes of the sittings form Annexures to the Report.

4. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in thick type in the body of the Report.

5. The Committee would like to express their thanks to the officers of the Ministry of Finance (Department of Revenue) and Ministry of Small Scale Industries, Agro & Rural Industries for the cooperation extended by them in furnishing information and tendering evidence before the Committee.

6. The Committee place on record their appreciation of the assistance rendered to them in the matter by the Office of the Comptroller and Auditor General of India.

7. The Committee also place on record their appreciation for the invaluable assistance rendered to them by the officials of Lok Sabha Secretariat attached with the Committee.

NEW DELHI;
19 April, 2007

29 Chaitra, 1929 (Saka)

PROF. VIJAY KUMAR MALHOTRA,
Chairman,
Public Accounts Committee.

REPORT
CONCESSION MEANT FOR SMALL SCALE INDUSTRIES AVAILED OF BY
LARGE SCALE MANUFACTURERS

PART I

Background Analysis

Introductory

Small Scale enterprises play a major role in the economic and industrial progress of the country. They contribute a significant percentage of the country's industrial production and have been consistently registering a higher growth rate than the rest of the industrial sector. For the growth and development of the small scale sector, the Government has been providing fiscal incentives by way of concession in payment of central excise duties on goods manufactured by the Small Scale Industries. A general excise duty exemption scheme for small scale units has been made operational providing concessions from excise duty in respect of clearances of specified excisable goods.

Central Excise Notifications dated 1 March, 2000/2001/2002 on the subject *inter-alia*, stipulate that manufacturers whose aggregate value of clearances of goods for consumption within the country in the preceding financial year did not exceed Rs. 3 crore were eligible for concessional rate of central excise duty/full exemption from central excise duty. However, in the aggregate value of clearances, value of clearances relating to (i) branded goods manufactured and cleared on behalf of another person on payment of normal rate of duty, (ii) excisable goods which were either exempt or chargeable to nil rate of duty, and (iii) excisable goods exported to countries except Nepal and Bhutan, were to be excluded.

2. The Union Budget 2003-04 recognized that while Small Scale Exemption Scheme aimed at providing a distinctive advantage to labour – intensive units, there was possibility of misuse of this facility in certain sectors. Consequently, the clause relating to exclusion of exempted goods for purpose of computation of total clearances was deleted. Value of clearances pertaining to exempted goods or goods cleared with nil rate of duty was therefore includible for purpose of determining eligibility criterion of Rs. 3 crore with effect from 1 April, 2003. However, the relevant clauses which provided for exclusion of clearances pertaining to branded and export goods were not deleted and consequently value of those clearances continued to be excluded for purpose of reckoning the eligibility limit of Rs. 3 crore.

3. The Audit Paragraph 4.3 of the Report of the Comptroller and Auditor General of India for the year ended 31 March, 2004, No. 11 of 2005, Union Government (Indirect Taxes – Central Excise and Service Tax) relating to “Concession meant for Small Scale Industries availed of by large scale manufacturers” has referred to

instances of mis-use of the excise duty exemption scheme for small scale industries. It has revealed that the concession meant for small-scale units were availed of by large scale manufacturers by taking advantage of the clause in the scheme which excluded branded goods manufactured and cleared by the units on behalf of another person from the value of clearances taken into account for determining eligibility of the unit for the exemption/concession. Audit test check revealed that the continued retention of exclusion clause relating to branded and export goods thus enabled these large manufacturers to derive unintended benefit of duty exemption/concession which amounted to Rs. 40.41 crore during the financial years from 1999-2000 to 2003-04.

4. The Committee desired to know about the background of the formulation of the Government policy on the eligibility criteria of small-scale exemption scheme. During his deposition, Secretary (Revenue) explained that the scheme of the exemption for small scale industry has been evolved over a period of time taking into account the reported misuse of the scheme. Prior to 1987, a small- scale unit was allowed to avail of the exemption even in respect of goods bearing the brand name of a large unit. The view at that time was that this arrangement gives to the big unit the advantage of low labour costs, which is generally applicable to SSI units. Such an arrangement benefits both the SSI units and the big units, leads to increased production and capacity utilization, solves the marketing problems of SSI units and hence is good for the economy as a whole.

5. He further elaborated that :—

“The general small-scale exemption scheme was modified in 1987, so as to deny the exemption where a SSI unit affixed the brand name or trade name of a non Small-Scale unit. Representations were received to the effect that while the Government’s intention to ensure that a larger unit does not take advantage of an exemption meant for Small- Scale units was understandable, the provision was hampering the capacity utilisation of Small-Scale sector. It was then suggested that clearance of such branded goods on which full duty is paid should be excluded while calculating the eligibility limit. It was felt that accepting this suggestion would not dilute measures adopted by the Government to prevent large-scale units from getting the benefit of concessions meant for Small-Scale units. Consequently, the scheme was amended in 1989 so as to exclude the clearances of branded goods, on which full duty was paid while calculating the eligibility limit.”

6. In this connection, Secretary (Revenue) also sought to emphasise that :—

“After 1987 the scheme was limited to exclusion of branded goods with the stipulation that the brand shall be owned by a small scale unit. In other words, brands owned by large scale units were not covered within the purview of the exclusion. When a small scale unit produced a product with a brand name belonging to another small scale unit, they were also entitled to special concessions on excise duty in respect of the turnover of the branded products.”

7. Further expounding on the evolution of the eligibility criteria for exemption and the exclusion clause built in the provision, the witness added:—

“It was however, noted that the some major brands like Nirma were misutilizing the facility. The concerned small-scale unit remained within the stipulated ceiling (at that time Rs. 2 crore) but got that product manufactured through other small scale units availing of the exclusion and concessions. In 1989, the issue was considered at length by the Government. The pros and cons of the continuance of the scheme were examined at length in the relevant file. It was noted that big units get the advantage of low labour cost and fiscal and other incentives given to SSI units. On the other hand, it was also felt that such a concession would encourage ancillarization by large scale units and utilization of capacity by small scale units. It was also felt that the economy would benefit by giving room to small scale industries to grow and develop. It was noted that the Public Accounts Committee then had criticized the practice of large scale units deriving benefits meant for the SSI sector. It was noted that the scheme had been modified on 1.10.1987 to deny exemption in all cases where an SSI unit affixes the brand name of another entity that is not a small scale unit. However, it was decided not to make any change as it was felt that denying the concession to a small scale unit who was affixing brand name of another SSI unit would be restrictive and amount to withdrawal of concession which they have been enjoying.

The scheme of exemption for branded goods was again reviewed in 1994 budget in the light of recommendation of Tax Reforms Committee under Dr. Raja Chelliah that there should not be any concession if an SSI unit uses the brand name of another SSI unit. TRC did not recommend or suggest any changes in respect of computation of eligibility limit. This recommendation was accepted and the benefit of exemption was denied for use of any other manufacturer's brand name. However, the existing scheme of exclusion of value of branded goods was continued.

After changes over a period of time, the exemption scheme prior to 2003 budget had the following salient features:—

- (a) In order to be eligible to avail of this concession, the aggregate value of clearances of a manufacturer should not have exceeded Rs. 300 lakhs in the preceding financial year.
- (b) In computing the aggregate value of clearances in a financial year, clearances by a manufacturer from one or more factory or from a factory by one or more manufacturers are clubbed together.
- (c) Clearances for export goods and clearances of branded goods in urban areas are excluded while computing the aggregate value of clearances.

In 2002, the Task Force on Indirect Taxes, headed by Dr. V. Kelkar had, *inter alia*, reviewed the SSI exemption scheme and made following recommendations with reference to the clearance limits:—

- (a) The exemption should be extended only to small units with a turnover of Rs. 50 lakhs;

- (b) The exemption limits should be gradually brought down to Rs. 50 lakhs; and
- (c) Duty exemption should be based on total turnover. However, in view of the special contribution of the sector towards overall exports and to encourage exports, the clearances for exports might continue to be excluded.

It may thus be seen that the policy of exclusion of clearances of goods bearing brand name of another manufacturer, on which full duty is paid formulated in 1989, has been reviewed by successive Governments in 1994 and again in 2003, and it was a conscious policy decision to continue the existing dispensation.”

8. In reply to a pointed query by the Committee on the exclusion of value of branded goods from the clearance value limit for availing exemption, the Ministry of Finance (Department of Revenue- CBEC) informed that exclusion of value of branded goods from the aggregate value of clearances was continued keeping in mind the following grounds on the basis of which this benefit was initially given to the Small Scale units in 1987:—

- (a) in any case, excise duty at normal rate is paid on such goods, as they are ineligible for SSI exemption;
- (b) inclusion of value of such goods in aggregate value of clearances would affect capacity utilization of SSI sector; and
- (c) there was also no proposal from the Ministry of Small-Scale Industries that this particular provision should be withdrawn.

9. The Committee further desired to know the circumstances and compulsions which led the Government to take such a deliberate policy decision. The Ministry of Finance (Department of Revenue- CBEC) explained as under:—

“This has to be seen in the context of the exclusion, which was given in 1989 to units because of withdrawal of the exemption from the excise duty on goods manufactured by such units being the brand manufacture of another non-SSI person. As full excise duty is charged on clearances of branded goods (ineligible for SSI exemption), and their inclusion would have affected the capacity utilization of SSI sector, it was decided to continue their exclusion from aggregate value of clearances as well. Similarly, inclusion of value of goods cleared for exports would have affected the capacity of SSI sector to contribute to exports, and it was decided to continue their exclusion from aggregate value of clearances”.

10. The Ministry further clarified that:

“In 2003 budget, inclusion of value of exempted clearances in the aggregate value for determining eligibility for SSI exemption was provided. However, to promote export competitiveness of small scale sector and to help them in optimum capacity utilization, exclusion of

- (a) value of goods cleared for exports; and
- (b) value of branded goods (ineligible for SSI exemption) on which full excise duty is paid was continued”.

11. The Committee enquired about the yardsticks applied by the Government to satisfy itself that the Small Scale Industry units, to whom excise duty concession was given, actually achieved their full capacity. The Ministry responded as under:—

“Capacity utilization by Small Scale Industry units in general would depend on a number of factors including fiscal concessions. Fiscal concessions alone cannot ensure full capacity utilization by Small Scale Industry units. *There is no mechanism in the Ministry of Finance (Department of Revenue—CBEC) to ensure that a Small Scale Industry unit achieves its full capacity.* However, the exemption for small-scale units has been given to help the Small Scale Industries, and from time to time the exemption amount has been increased, though not on the basis of any study.”

12. The Committee also enquired whether the Ministry conducted a detailed study as to how many Small-Scale units had developed their own brands while availing of this concession and whether this concession was ultimately intended to benefit the brand owning large scale companies. The Ministry replied:—

“The present scheme does not benefit brand owning large-scale companies, as the benefit at the most is restricted to clearances of Rs. 1 crore. Units having large brands cannot get the benefit of this exemption. If a unit clear goods bearing its own brand in excess of the eligibility limit, there is no exclusion and full duty has to be paid on all clearances. It is only when a unit clears goods bearing the brand of another manufacturer, and pays full duty, only then it is eligible for concession on its own clearances not exceeding Rs. 1 crore.”

The Ministry have further informed in a written note that they have not conducted any study for this purpose.

13. On being asked about the total amount of revenue foregone on account of the exclusion clause in the exemption provision, the Ministry of Finance (Department of Revenue) stated that they have not done any evaluation or study for this purpose.

14. When specifically asked about the exclusion clause relating to branded and export goods facilitating 278 large manufacturers to derive unintended benefit of duty exemption of Rs. 40.41 crore between 1999-2000 to 2003-04, the Ministry of Finance (Department of Revenue—CBEC) stated that *the benefit was available to these units as per policy decision of the Government and thus cannot be termed as unintended benefits.*

15. When further enquired as to whether the Ministry received any feedback from revenue field formations on the revenue leakages occurring due to the exclusion clause, the Ministry replied in the negative.

16. Asked whether the Ministry ever considered the impact of exemption on the development of small scale industries all over the country, the Ministry of Finance (Department of Revenue—CBEC) in their written information submitted to the Committee stated as follows:—

“This Ministry has not done any study to evaluate the impact of this exemption for Small Scale Industry sector. Ministry of Small Scale Industry is the

administrative Ministry for all matters pertaining to small-scale sector and they have not commented adversely on the efficacy or otherwise of fiscal concessions meant for Small Scale Industry. In fact, there have been requests from them for increasing the exemption limit as well as the eligibility limit.”

17. The Committee desired to know as to how the Ministry ensured that without a proper study, exemptions would not be availed arbitrarily and the intended result of extending the benefit to Small Scale manufacturers would be achieved. The Ministry in their written Information informed as under:—

“In the matters relating to fiscal concessions for SSI sector, this Ministry takes into consideration inputs from various sources, such as concerned Parliamentary Committees, references from public representatives, Ministry of Small Scale Industries, field formations and recommendations from Committees or Expert Groups constituted by this Ministry.

It would thus not be correct to say that the present excise duty exemption scheme for SSI is arbitrary. The SSI exemption scheme has been reviewed by various study groups/task forces and present scheme has been finalized taking into consideration their recommendations, as well as inputs from trade and industry and Ministry of SSI.”

18. On a pointed query by the Committee on the exclusion of branded goods in the particular context of the Kelkar Committee recommendations on exemptions to small-scale sector, the Ministry informed in a note that:—

“The Task Force on Indirect Taxes, headed by Dr. V. Kelkar had reviewed the Small Scale Industry exemption scheme and *inter-alia*, made following recommendations:

- (a) the exemption should be extended only to small units with a turnover of Rs. 50 lakhs;
- (b) the exemption limit should be gradually brought down to Rs. 50 lakhs. On such reduction the unit would have an option of payment of duty @ 4% (without cenvat credit);
- (c) duty exemption should be based on total turnover. The duty exemption should provide for determining the turnover based on value of total clearances including exempted goods. However, in view of the special contribution of the sector towards overall exports and to encourage exports, the Task Force proposed that the clearances for exports might continue to be excluded for this purpose for the present;
- (d) a negative list of items should be drawn up and Small Scale Industry exemption should be denied to units manufacturing such items, so as to ensure that Small Scale Industry exemption does not subsidize consumption of luxury items;
- (e) a unit should be required to file a declaration when value of clearances touches Rs. 50 lakhs; and

- (f) list of goods eligible for Small Scale Industry exemption should be comprehensively reviewed so as to extend the exemption to all those goods to which the exemption is presently not applicable to the extent possible.”

19. On being asked as to whether all the recommendations made by the Kelkar Committee have been accepted by the Ministry, they replied in a note:—

“The recommendations of the Task Force were examined and it was felt that accepting all of them would adversely affect the Small Scale Industry sector. However, it was decided to accept the recommendation of the task force regarding inclusion of value of exempted clearances while calculating the aggregate value for deciding the eligibility for small Scale Industry exemption. It was also decided to accept the recommendation of the Task Force, regarding continued exclusion of the export clearances from such aggregate value of clearances. As regards value of branded goods, the Task Force had not made any specific recommendation regarding their inclusion or exclusion from the aggregate value of clearances.”

20. Dwelling upon the norms/criteria for granting duty exemption to small-scale sector, the Ministry in their written information furnished to the Committee, have apprised that the present criteria laid down by the Government for Small Scale Industry excise duty exemption, *inter-alia* include:

- “(a) exemption applicable only for specified goods;
- (b) in order to be eligible for the exemption, the aggregate value of specified clearances of unit during the preceding financial year should be less than Rs. 4 crore;
- (c) the exemption is applicable only for the first clearances in a financial year upto Rs. 1 crore; and
- (d) the exemption is not applicable to goods manufactured by units located in urban areas bearing brand name of another person.”

21. The Ministry further added:

“Criteria for inclusion or exclusion of a particular commodity for the purpose of Small Scale Industry exemption may vary from commodity to commodity and generally take into consideration factors like nature of industry, difficulty in administering the levy for inclusion of an item and need to check evasion for exclusion of an item. Generally, the policy has been to include as many items as possible under the small-scale exemption scheme.”

22. On being specifically asked as to whether the Ministry satisfied itself that the criteria/norms adopted presently for determining eligibility to Small Scale Industry exemption was a fool proof device which would be available for and utilized by only genuine small scale units, the Ministry replied:—

“Present eligibility criterion for Small Scale Industry exemption is in line with Government policy on this issue. The policy can be changed if it is found that it has not helped the Small Scale units.”

23. Seeking to know about the definition of a “Small-Scale Unit”, the Committee enquired as to what actually constituted a small-scale unit for availing the duty exemption, the Ministry of Finance (Department of Revenue) apprised in a written note that:—

“Notification No.8/2002-CE dated 1.3.2002 was issued by the Government of India in exercise of powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944, granting excise duty concessions to goods manufactured by the Small Scale Industry units. This notification, *inter-alia*, provided exemption from payment of duty by Small Scale Industry units satisfying the criteria laid down therein. The benefit of the notification was to be available subject to a number of conditions, one of which was that the manufacturers whose aggregate value of clearances for home consumption in the preceding financial year did not exceed Rs. 3 crore were eligible for concessional rate of duty/full exemption of duty.”

24. It was further stated therein that:—

“For the purpose of determining the aggregate value of clearances for home consumption, the notification laid down that the following clearances, *inter alia*, shall not be taken into account, namely:—

- (i) branded goods manufactured and cleared on behalf of another person on payment of normal rate of duty;
- (ii) excisable goods which were either exempt or chargeable to nil rate of duty; and
- (iii) excisable goods exported to countries except Nepal and Bhutan.”

25. On the issue of definition of “Small-Scale Industry”, the representative of the Ministry of Small Scale Industry clarified during evidence that:—

“There is a definition so far as Ministry of Small-Scale Industry is concerned. The definition is the value of plant & machinery should not be more than Rs. 1 crore, that is the general definition of Small Scale Industry. It is across only one definition that is being used by the Ministry of Small Scale Industry for defining the small-scale industries. That should be taken into account while giving exemption benefit. That is very much necessary.”

26. On this issue, while observing that no uniform definition of Small Scale Industries has been defined either in the Central Excise Act, 1944 or in the Central Excise Rules, 1944, Public Accounts Committee (1992-93) in para 118 of their 32nd Report (10th Lok Sabha) had recommended:—

“The Committee note with surprise that although the excise duty concessions are extended to the Small Scale Industrial Units by the Department of Central Excise, the term ‘Small Scale Industrial Undertaking’ is nowhere defined in the Central Excise and Salt Act, 1944 or Rules made thereunder. The Committee desire that the Central Excise and Salt Act, 1944 or Rules should be amended to incorporate therein the definition of the term ‘Small Scale Industrial Undertaking’ on the same lines as in the Industries (Development and Regulation) Act, 1951.”

27. In their Action Taken Notes on the above recommendation of PAC furnished in June 1993, the Ministry of Finance (Department of Revenue – CBEC) stated as follows:—

“The Department of Small Scale Industries and Agro and Rural Industries is the department concerned with all aspects of development of Small Scale Industries and legislation in this regard. The Industries (Development and Regulation) Act, 1951 already contains the definition of ‘small scale industrial undertaking’ and the Central Excise exemption notification No. 1/93 – Central Excise dated 28.2.1993 (which came into force on 1.4.1993) lays down that full exemption from duty for clearances upto Rs. 30 lakhs and concessional rates of duty upto Rs. 75 lakhs shall be applicable to a factory which is an undertaking registered with the Director of Industries in any State or the Development Commissioner (Small Scale Industries) as a small scale industry under the provisions of the Industries (Development and Regulation) Act, 1951.

Besides, if a definition of small scale industrial undertakings is incorporated in the Central Excise and Salt Act, 1944 or Rules made thereunder, it would necessitate the determination of value of plant and machinery in such undertakings. This is likely to give rise to disputes and litigation. Moreover, the Department has no such expertise.

The objective of having minimum contact with the small sector units in particular, would also get diluted.

In view of the foregoing, it is felt that it may not be necessary to incorporate the definition of small scale industrial undertakings in the Central Excise and Salt Act, 1944 or Rules made thereunder.”

28. The Committee then desired to know whether registration of small scale units under the Industries (Development and Regulating) Act should be made mandatory for availing exemption under the excise duty regime. The representative of the Ministry of Small Scale Industry sought to explain this point as follows:—

“As far as registration is concerned, it is a voluntary thing. So, small scale industry sector, who are interested in registering themselves with the District Industrial Centres (DICs) in the State Government, they can go for registration. Many of the small scale industries which are functioning in our country are not registered with the State Governments. As per the census conducted by our Ministry, almost 85 percent of the small scale units functioning in our Country are unregistered. But, at the same time, we would certainly like that this benefit which is given under this general Small Scale Industry Exemption Scheme should also be available to the 85 per cent of the small scale industry sector which is functioning in the country at this point of time. That is the reason we would not certainly like to make registration as a compulsory thing for availing the benefit under the general Small Scale Industry Exemption Scheme.”

29. Explaining the reasons for non-registration of 85 percent of the Small Scale Industry units, the representative of Ministry of Small Scale Industry stated during evidence:—

“During the survey that was conducted in 2001-02, one of the questions that was asked from the Small Scale Industry units which were covered under the census and the survey was why they were not registering themselves. As I have told you, only 15 percent of the Small Scale Industry units have registered themselves. There were very valid reasons that were given by the Small Scale Industry people. One of the most significant replies was that they are not interested in it. But what we feel is that they are basically apprehensive of the harassment because of various labour related laws and various other inspectors visiting their premises. That is one of the major factors.”

30. The Secretary Revenue, endorsing this view, stated that:—

“One could be that the very process of registration is leading to Inspector Raj in the sense that you have to go to a particular person and get yourself registered. That creates a certain hassle and certain amount of difficulties for the small scale industries. That must have been the major reason why many of them are not registering themselves.”

31. On the question of registration, the representative of the Ministry of Small Scale Industry observed that the Central Excise Department can verify whether the unit is small scale or not by getting some information over the investment criterion.

32. The Secretary Revenue, also informed in this regard that :—

“This issue was considered in the 1994 Budget. The Hon’ble Finance Minister at that time said:

I am also proposing certain changes in the general Small Scale Industry Exemption Scheme. At present, only the registered units are eligible for concessions up to Rs. 75 lakh. Non-registered units can get exemption only up to Rs. 30 lakh. I propose to do away with this distinction so that the small scale units can get the exemption meant for them irrespective of whether they are registered or not. This will satisfy one of the major demands of the small scale industries.”

33. Audit has observed that on the issue of the exclusion clause with regard to branded goods, despite judicial pronouncements providing enough justification and ground for inclusion of value of clearance pertaining to branded goods under the over all ceiling of Rs. 3 crore, the Government has not so far made suitable amendment in the Small Scale Industry notifications.

34. Submitting their explanation on Audit’s observation, the Ministry of Finance (Department of Revenue—CBEC) have clarified as below:—

“The decision of Hon’ble Supreme Court in the case of M/s Food Specialities Limited Vs. Government of India (referred by Audit), relates to valuation of branded goods manufactured on job work by Food Specialities Limited for Nestle’s Products (India) Limited, and as such it is not related to determination of eligibility for Small Scale Industry exemption.

In fact, the question before the Hon'ble Supreme Court in this case was whether the value for the purpose of levy of excise duty of the goods sold by the respondent (Food Specialities Limited) to Nestle should include the value of the trade marks under which the goods are sold in the market and whether the value of such trade marks should be added to the wholesale price for which the goods are sold by the respondent to Nestle's products. In this regard, the Hon'ble Court had observed that what were sold and supplied by the respondent were goods manufactured by it with the trade marks affixed to them and it was the wholesale price of such goods that must determine the value for the purpose of assessment of excise duty."

35. On being asked whether the policy of exclusion will continue, the Revenue Secretary informed the Committee during the evidence:—

"I can only say that this is the current policy. The Board has appointed a group which is looking at this entire thing. Of course, we will have to interact with Small Scale Industries. We will have to interact with other Departments. We will have to see if any changes need to be made."

36. With regard to terms of reference of the Study Group, the Ministry of Finance informed in a written note as under : —

"The terms of reference of the Study Group were as under: —

- (a) Whether clearances of exported goods and branded goods ineligible for SSI exemption should be included for determining eligibility limit; and
- (b) Whether clearances of branded goods of other manufacturer can be allowed exemption within the Rs. 1 crore exemption limit, and whether in such eventuality, no exclusion should be made of the clearance of branded goods for determining the eligibility."

37. The Committee desired to know about the co-ordination mechanism between the Ministry of Small Scale Industry and the Ministry of Finance (Department of Revenue—CBEC) in ensuring that undue benefits do not accrue to non Small Scale Industry manufacturers under the garb of Small Scale Industry concession while protecting the benefits due to a genuine Small Scale Industry manufacturers. The Ministry of Finance (Department of Revenue—CBEC) informed that :

"Small Scale Industry exemption scheme is reviewed every year as part of budget exercise. Ministry of Small Scale Industry every year sends proposal to this Ministry, which are examined along with input from other sections. Ministry of Small Scale Industry in their pre-budget suggestions on no occasion had suggested that the present scheme of exclusion of certain clearances should be withdrawn. Ministry of Small Scale Industry is mandated to frame policy for development of the small-scale sector, and it is reasonable to expect that while recommending fiscal concession for this sector, they would have raised the issue of these benefits going to bigger units, if they felt that such a policy is not desirable."

38. In the light of the revenue leakages occurring due to this concession, the Committee desired to know as to whether there is a need to amend the Central Excise statute for providing a more objective and fair definition of a Small Scale Industry unit, particularly from revenue perspective. The Ministry of Finance (Department of Revenue—CBEC) replied as under:—

“The present scheme is easy to administer. It is based on computation of the clearances, which are easily verifiable. Any other criterion will be difficult to administer. For instance, if it is limited to the unit being registered by the Directorate of Small Scale Industry, many units will be denied the benefit despite being small. It is for this reason that the requirement of registration of a unit for the purpose of availing of the exemption was dispensed with in the year 1994 budget. However, as the Committee has rightly observed in the present scheme concessions can be availed of by units having a larger turnover. But this is in accordance with policy of the Government followed until now. One way out may be to include all clearances, whether it is for export or clearance of other manufacturers brands. In this context, it will also be desirable to have the view of the administrative Ministry. If the Committee feels that such inclusion will be in the overall interest of the development of the small scale sector, the Department will process it further for decisions at appropriate policy making levels”.

PART II

OBSERVATIONS/RECOMMENDATIONS

39. The Small Scale sector has played a very important role in the socio-economic development of the Country during the past five decades. It has significantly contributed to the overall growth in terms of Gross Domestic Product (GDP), employment generation and exports. The performance of the small scale sector has had a direct impact on the growth of the overall economy. The Committee have been apprised about the various measures initiated from time to time with the purported objective of enhancing the productivity, efficiency and competitiveness of the small scale sector. As a part of this policy, the Government has been providing calibrated fiscal incentives by way of concession in payment of central excise duties on goods manufactured by the Small Scale Industries. Excise duty concession to the small scale sector is stated to have been formulated to help them harness their full capacity and enable their growth in a steady manner.

[Sl. No. 1]

40. A general excise duty exemption scheme for small scale units has been made operational for about last two decades providing concession from excise duty in respect of clearances of specified excisable goods. Presently manufacturers, whose aggregate value of clearances of goods for consumption within the country in the preceding financial year do not exceed Rs. 3 crore, are eligible for full exemption from central excise duty or concessional rate of duty. However, while computing the aggregate value of clearances of excisable goods for determining the eligibility criteria, value of clearances relating to the certain categories of goods are to be excluded viz. (i) branded goods manufactured and cleared on behalf of another person on payment of normal rate of duty; (ii) excisable goods which were either exempt or chargeable to 'nil' rate of duty; and (iii) excisable goods exported to countries except Nepal and Bhutan.

[Sl. No. 2]

41. The Union Budget 2003-2004, while recognizing that there was a possibility of misuse of the duty exemption facility extended to the small scale sector, deleted the aforementioned clause relating to the exclusion of exempted goods or those cleared with 'nil' rate of duty, making it includible in the computation of aggregate value of clearances of goods for determining the eligibility criteria. However, the clauses relating to exclusion of clearances of branded and exported goods were not deleted and consequently, the value of clearances of these goods continued to be excluded for the purpose of reckoning the eligibility limit of Rs. 3 crore.

The aforesaid decision of the Government to exclude the value of clearances of branded goods manufactured and cleared on behalf of another person from the aggregate value of clearances of excisable goods in determining the eligibility criteria

for availing duty exemption became the focal-point of the Audit paragraph, which has, *inter-alia*, highlighted how this decision helped large scale manufacturers to avail themselves of the duty exemption scheme intended for small scale units. Audit has pointed out that 278 large manufacturers derived unintended benefit of duty exemption to the tune of Rs. 40.41 crore during the period covered by audit review, that is, 1999-2000 to 2003-2004. The Ministry of Finance (Department of Revenue), while responding to the audit findings, categorically stated that this was a deliberate policy decision of the Government. Therefore, according to the Ministry, it could not be construed that unintended benefits were caused to any entity.

[Sl. No. 3]

42. While explaining the evolution and background of the duty exemption scheme for the small scale sector, the Revenue Secretary acknowledged the earlier Observations of the Public Accounts Committee on this issue, wherein the practice of large scale units deriving benefits meant for the small scale sector was criticized. He informed that in compliance to the recommendation of the PAC, the general small scale exemption scheme was modified in 1987, so as to deny the exemption where a small unit affixed the brand name or trade name of a non-small scale unit. However, in response to representations from the industry, this decision was reversed in 1989 so as to exclude the clearances of branded goods, on which full duty was paid, while calculating the eligibility limit. The purported rationale behind this was to encourage ancillarisation by large scale units and utilization of capacity by small scale units.

[Sl. No. 4]

43. According to the Ministry, the exclusion of value of dutiable branded goods from the aggregate value of clearances of excisable goods was made on the ground that: (i) in any case, excise duty at normal rate is paid on such goods, as they are ineligible for SSI exemption; (ii) inclusion of value of such goods is aggregate value of clearances would affect capacity utilization of SSI sector; and (iii) there was also no representation from the administrative Ministry that this particular provision gives benefit to larger units also. The Committee consider this reply of the Ministry rather tactical and evasive as it tries to circumvent the core issue, that is, by excluding branded goods from the clearance value eligibility limit for SSI units, the benefit of duty concession was indirectly allowed to large scale units and to units which were not genuinely small scale. The Committee are surprised to note that the Ministry of Finance (Department of Revenue) have neither done any evaluation of the revenue implication of their decision nor have they received any feedback in this regard from revenue field formations on the revenue leakages occurring due to this decision. In the opinion of the Committee, such concessions may lead to wrongful/undeserving availment without a proper mechanism of regular feedback from revenue field formations. The Committee are of the considered view that since most of the units under the small scale sector are actually tiny units, any fiscal concession including excise duty exemption should be clearly focused and there should not be any hidden provision which gives benefit to non-small scale units. In this connection, the Committee desire to be apprised of the quantum of revenue outgo arising out of the exclusion clause in the scheme and the extent of its misuse by non-small scale units.

The Committee note that the exclusion of the value of branded goods manufactured and cleared on behalf of another person from the aggregate value of clearances of excisable goods reckoned for determining the eligibility of a unit for small scale exemption was made as a deliberate policy decision of the Government with the intention to facilitate ancillarisation and capacity utilization and growth in the small scale sector. However, examination of the subject by the Committee has revealed that the Ministry of Finance have not conducted any study or analysis so far to evaluate the impact of the small scale exemption scheme in achievement of full capacity by the small scale sector or in development of independent brands by this sector. Surprisingly, the Ministry of Finance have sought to shift the onus by stating that the Ministry of Small Scale Industry, being the administrative Ministry for all matters pertaining to small scale sector, have not commented adversely on the efficacy or otherwise of fiscal concessions meant for small scale industry. The Committee are not satisfied with such a stance of the Ministry of Finance (Department of Revenue) as, in so far as the duty exemption scheme for the small scale industry is concerned, it is the Department of Revenue which is responsible for administering the scheme and evaluate its impact and efficacy. The Department of Revenue cannot thus shy away from their primary responsibility of reviewing the working of sector- specific duty exemption schemes such as the one for small scale units. The Committee need hardly emphasise that extension of any incentive or concession should be followed up with a detailed evaluation to enable the Department to assess the efficacy of such incentives in terms of growth of the targetted sector. This becomes all the more relevant as fiscal concessions are the balancing act between the growth of the sector and the likely revenue loss that is to accrue to the exchequer. The Committee, therefore, desire that the Department of Revenue should at least now undertake a comprehensive study/review to ascertain the benefits, pitfalls, shortcomings and instances of misuse noticed in the working of the exemption scheme, in its present form, at the ground level with a view to ensuring that the policy of the Government subserves its purpose. This feedback will form a vital input for the Ministry in the formulation of any effective strategy for programme/policy support to promote the growth of the small scale sector. The Committee would like to be apprised about the steps taken in this regard and the corrective measures including statutory changes initiated as a result thereof.

[Sl. No. 5]

44. The Ministry of Small Scale Industry is the administrative Ministry for all matters pertaining to small scale sector and it has been stated that there have been requests from them to the Ministry of Finance for increasing the exemption limit as well as the eligibility limit for duty concession. The Committee are not surprised that the Ministry of Small Scale Industry, being the nodal agency for the development of small scale sector in the country, has been seeking more duty concessions from the Ministry of Finance. However, the Committee would once again emphasize that formulation of foolproof duty exemption schemes for the small scale sector is the exclusive responsibility of the Department of Revenue and they have to ensure that no provision/clause remains in the scheme which causes benefit to non-small scale units, albeit indirectly. In this context, it may be

appropriate to appoint an Inter-ministerial Group comprising of representatives from both Ministries of Small Scale Industries and Finance to monitor the administration of fiscal concessions to small scale sector, identify the loopholes in their implementation and to adopt a more balanced approach in the formulation of policies for the small scale sector.

[Sl. No. 6]

45. The Committee note that there is no definition prescribed in the Central Excise Act, 1944 or Rules for defining a small scale industry. The Ministry of Small Scale Industry has a prescribed definition for small scale industries that the investment in plant and machinery should not be more than Rs.1 crore. The Committee had in their 32nd Report (10th Lok Sabha) recommended that the Central Excises and Salt Act, 1944 or Rules made thereunder should be amended to incorporate the definition of the term “small scale industrial undertaking” on the same lines as in the Industries (Development and Regulation) Act, 1951. The Ministry of Finance (Department of Revenue) have not however accepted the recommendation on the plea that if a definition of small-scale industrial undertaking is incorporated in the Central Excises and Salt Act, 1944 or rules made there under, it was likely to give rise to disputes and litigation and the objective of having minimum contact with the small sector units would also get diluted. It was thus felt that it may not be necessary to incorporate the definition of small scale industry in the Central Excises and Salt Act, 1944 or Rules made thereunder. This argument of the Ministry does not appear to be convincing. The Committee feel that giving a clear-cut definition for small scale undertaking would actually help to prevent the misuse of the exemptions. The Committee, therefore, recommend that there should be one uniform definition of small scale industries both from revenue and development perspective, based on the criteria of investment limit in plant and machinery as well as turnover. The Committee would like to be informed of the conclusive action taken in the matter.

[Sl. No. 7]

46. The Committee have been informed that almost 85 percent of the small-scale units functioning in our country are unregistered and their registration is not compulsory either for availing duty exemption. Explaining the reasons for non-registration of small scale industries, the Ministry of Small Scale Industry have stated that small scale units are basically apprehensive of the hassles that may arise out of the operation of labour laws etc. and inspectors from different Departments visiting their premises. The Revenue Secretary also endorsed the view that the very process of registration was leading to procedural hassles for the units. Thus, while reviewing the small scale exemption scheme in 1994-1995 Budget, it was decided to do away with the requirement of registration with the Directorate of Industry for the purpose of excise duty exemption. The Committee, however, do not share this apprehension that registration *ipso facto* will lead to harassment of the small units or create hassles for them. In fact, registration will seek to ensure the genuineness of the unit availing excise duty exemptions. The Committee, therefore, recommend that the Ministry of Finance (Department of Revenue) should

reconsider the feasibility of making registration compulsory for availing exemptions under the excise duty regime, as it will obviate the need for any verification of the status of the unit by Central Excise Authorities. Needless to emphasise, the process of registration should be made as simple and transparent as possible with usage of information technology.

[Sl. No. 8]

NEW DELHI;
19 April, 2007

29 Chaitra, 1929 (Saka)

PROF. VIJAY KUMAR MALHOTRA,
Chairman,
Public Accounts Committee.

ANNEXURE I

MINUTES OF THE EIGHTEENTH SITTING OF THE PUBLIC ACCOUNTS
COMMITTEE (2005-2006) HELD ON 19TH JANUARY, 2006

The Committee sat from 1630 hrs. to 1730 hrs. on 19th January, 2006 in
Committee Room "A", Parliament House Annexe, New Delhi.

PRESENT

Prof. Vijay Kumar Malhotra — *Chairman*

MEMBERS

Lok Sabha

2. Dr. R. Senthil
3. Shri Madan Lal Sharma
4. Shri Brijbhushan Sharan Singh
5. Shri Tarit Baran Topdar

Rajya Sabha

6. Shri Prasanta Chatterjee
7. Dr. K. Malaisamy
8. Shri V. Narayanasamy
9. Shri Jairam Ramesh
10. Prof. R.B.S. Varma

SECRETARIAT

1. Shri S.K. Sharma — *Additional Secretary*
2. Shri Ashok Sarin — *Director*
3. Smt. Anita B. Panda — *Under Secretary*

Officers of the office of the Comptroller and Auditor General of India

1. Smt. Mohua Chatterjee — ADAI
2. Dr. A.K. Banerjee — Director General
3. Shri Jayanti Prasad — Principal Director

Representatives of the Ministry of Finance

(Department of Revenue)

- | | | |
|-----------------------------|---|-------------------|
| 1. Shri K.M. Chandrashekhar | — | Revenue Secretary |
| 2. Shri M. Jayaraman | — | Chairman (CBEC) |
| 3. Shri V.P. Singh | — | Member |
| 4. Smt. Chitra Saha | — | Member |
| 5. Shri Gautam Ray | — | Joint Secretary |
| 6. Shri Ramtirath | — | Commissioner |

Representatives of the Ministry of Small Scale Industries

1. Shri A.S. Nikhade — Addl. Development Commissioner & Economic Advisor
2. Shri Praveen Mahto — Addl. Economic Advisor

2. At the outset, the Chairman welcomed the Members of the Committee to the sitting. Thereafter, the Committee took up for consideration and adoption of following two draft Reports:

- (i) *** *** *** *** ***
- (ii) *** *** *** *** ***
3. *** *** *** *** ***

4. The Chairman then informed the Members that the sitting has been convened also to take oral evidence of the representatives of the Ministry of Finance (Department of Revenue) on Paragraph 4.3 of Audit Report No. 11 of 2005 (Central Excise) pertaining to "Concession meant for small-scale industries availed of by large scale manufacturers". Thereafter, the Officers of the C&AG briefed the Committee on the specific points arising out of the Audit Para. The representatives of the Ministry of Finance (Department of Revenue) and Ministry of Small Scale Industries were then called and the Committee commenced their oral evidence.

5. To begin with, the Revenue Secretary gave an overview of the Government's policy on the subject and explained the various points arising out of the Audit Para. Members then raised some queries on the issues brought out in the Audit Para. To certain queries, for which the witnesses could not give satisfactory reply, the Hon'ble Chairman directed the Revenue Secretary to furnish the requisite information in writing at the earliest.

6. A copy of the verbatim proceedings of the sitting has been kept on record.

The Committee then adjourned.

ANNEXURE II

MINUTES OF THE TWENTY FIRST SITTING OF THE PUBLIC ACCOUNTS
COMMITTEE (2006-2007) HELD ON 19TH APRIL, 2007

The Committee sat from 1600 hrs. to 1630 hrs. on 19th April, 2007 in Room No. "53", Parliament House, New Delhi.

PRESENT

Prof. Vijay Kumar Malhotra — *Chairman*

MEMBERS

Lok Sabha

2. Shri Khagen Das
3. Shri Raghunath Jha
4. Shri Bhartruhari Mahtab
5. Shri Rajiv Ranjan 'Lalan' Singh
6. Shri Kharabela Swain
7. Shri Tarit Baran Topdar

Rajya Sabha

8. Shri R.K. Dhawan
9. Shri Suresh Bhardwaj
10. Shri Prasanta Chatterjee
11. Dr. K. Malaisamy

SECRETARIAT

- | | | |
|---------------------------------|---|-----------------------------|
| 1. Shri S.K. Sharma | — | <i>Additional Secretary</i> |
| 2. Shri A. Mukhopadhyay | — | <i>Joint Secretary</i> |
| 3. Shri Brahm Dutt | — | <i>Director</i> |
| 4. Shri M.K. Madhusudhan | — | <i>Deputy Secretary</i> |
| 5. Shri Ramkumar Suryanarayanan | — | <i>Under Secretary</i> |

Officers of the Office of the Comptroller and Auditor General of India

- | | | |
|------------------------------|---|----------------------------------|
| 1. Shri P.K. Kataria | — | Pr. Director of Audit (RC) |
| 2. Shri Nand Kishore | — | Pr. Director of Audit (AB) |
| 3. Ms. Sudha Krishnan | — | Pr. Director of Audit (DT) |
| 4. Shri Jayanti Prasad | — | Pr. Director of Audit (INDT) |
| 5. Ms. Subhashini Srinivasan | — | Pr. Director of Audit (Railways) |

2. At the outset, the Chairman, PAC welcomed the Members to the sitting of the Committee. Thereafter the Committee took up for consideration the following draft Reports:—

(A) Draft original Reports on the following subjects:

- (i) Concession Meant for Small Scale Industries availed of by Large Scale Manufacturers;
- (ii) Allotment of land to Educational Institutions by Delhi Development Authority;
- (iii) Performance Audit of Sarva Shiksha Abhiyan (SSA);

(B) Draft Action Taken Reports on Action Taken by the Government on the following Reports:

- (i) 7th Report of PAC (14th Lok Sabha) relating to "All India Institute of Medical Sciences (AIIMS)";
- (ii) 21st Report of PAC (14th Lok Sabha) relating to "Excesses over Voted Grants and Charged Appropriations (2003-2004)";
- (iii) 24th Report of PAC (14th Lok Sabha) relating to "Kendriya Vidyalaya Sangathan";
- (iv) 29th Report of PAC (14th Lok Sabha) relating to "Status of improvement of efficiency through the 'Restructuring' of the Income Tax Department."

The Chairman invited suggestions of the Members on the Draft Reports. After discussing the contents of the draft Reports in brief, the Committee adopted the same.

3. The Committee authorized the Chairman to finalise these Reports in the light of verbal discussion and consequential changes arising out of factual verification by the Audit or otherwise and present the same to Parliament.

4. As the term of the Committee ends on 30th April, 2007, the Chairman apprised the Members of the work done by the Committee in their current term. He stated that during the present term, the Committee have finalized twenty Report (11 Original and 9 Action Taken), out of which thirteen Reports have already been presented and the remaining seven will be presented in the current Session of Parliament. He expressed his thanks to all the Members for the co-operation extended by them in making this possible and hoped that this momentum would be carried through to the next Committee.

5. The Chairman specially expressed his thanks to the Members namely, Shri Magunta Sreenivasulu Reddy, Shri Madan Lal Sharma, Shri K.V. Thangakabalu and Shri R.K. Dhawan, for their co-operation and contribution in the successful working of the Committee. These Members will not be part of the Public Accounts Committee in the next term beginning from 1st May, 2007.

6. On behalf of the Committee, the Chairman placed on record their appreciation of the Officers/Staff of the Lok Sabha Secretariat attached with the Committee for their hard work and dedication in rendering Secretarial assistance to the Committee.

7. The Committee also expressed their thanks to the C&AG of India and his team for providing assistance to the Committee.

The Committee then adjourned.

APPENDIX

PARA 4.3 OF THE REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA FOR THE YEAR ENDED 31 MARCH, 2004 (NO. 11 OF 2005), UNION GOVERNMENT (INDIRECT TAXES—CENTRAL EXCISE & SERVICE TAX) RELATING TO “CONCESSION MEANT FOR SMALL SCALE INDUSTRIES AVAILABLE TO BY LARGE SCALE MANUFACTURERS”

Notifications dated 1 March 2000/2001/2002, *inter-alia*, stipulated that manufacturers whose aggregate value of clearances for home consumption in the preceding financial year did not exceed Rs.3 crore were eligible for concessional rate of duty/full exemption from duty. Value of clearances relating to (i) branded goods manufactured and cleared on behalf of another person on payment of normal rate of duty, (ii) excisable goods which were either exempt or chargeable to nil rate of duty and (iii) excisable goods exported to countries except Nepal and Bhutan, were to be excluded.

The Union Budget 2003-04, had recognized that while Small Scale Exemption Scheme aimed at providing a distinctive advantage to labour—intensive units, there was possibility of misuse of this facility in certain sectors. Consequently the eligibility limit of Rs.3 crore under general small scale industries scheme was rationalised and the clause relating to exclusion of exempted goods for purpose of computation of total clearances was deleted. Value of clearances pertaining to exempted goods or goods cleared with nil rate of duty was therefore includible for purpose of determining eligibility criterion of Rs.3 crore with effect from 1 April 2003. However, the relevant clauses which provided for exclusion of clearances pertaining to branded and export goods were not deleted and consequently value of those clearances continued to be excluded for purpose of reckoning the eligibility limit of Rs.3 crore even after 1 April 2003.

It was however, seen that in the case of M/s. Food Specialities Limited Vs. Government of India, the Supreme Court ruled that where goods are produced with customer's brand name under his quality control, it does not mean that the customer is the manufacturer {1985 (22) ELT 324}. Despite judicial pronouncements providing enough justification and ground for inclusion of value of clearance pertaining to branded goods under the over all ceiling of Rs.3 crore, Government has not so far made suitable amendment in the SSI notifications.

Audit check of 278 manufacturers in 58 Commissionerates of Central Excise availing the benefits of the notification *ibid* revealed (between January 2003 and March 2004) that the total value of excisable goods cleared ranged between Rs.3 crore and Rs.86 crore. The continued retention of exclusion clause relating to branded and export goods thus enabled these large manufacturers to derive unintended benefit of duty exemption/concession which amounted to Rs.40.41 crore during the financial years from 1999-00 to 2003-04.

The Ministry stated (December 2004) that the exclusion of the export and branded goods from the purview of aggregate clearances of Rs.3 crore was a deliberate policy decision of the Government.

The fact remains that this ran contrary to the declared intentions of the Government through Budget, which enabled the large scale manufacturers to derive undue benefit of duty concession.

PARLIAMENTARY PUBLICATIONS CAN ALSO BE OBTAINED FROM THE FOLLOWING AUTHORISED AGENTS:—

Sl. No.	Name of Agent
	ANDHRA PRADESH
1.	M/s/ Ashok Book Centre, Benz Circle, Vasavya Nagar, Vijayawada- 520006. (A.P.)
	BIHAR
2.	M/s/ Progressive Book Centre, Zila School, Pani Tanki Chowk, Ramna, Muzaffarpur-842002 (Bihar)
	DELHI
3.	M/s. Jain Book Agency, C-9, Prem House, Connaught Place, P.B. No. 1113, New Delhi-110001.
4.	M/s. Bookwell, 2/72, Sant Nirankari Colony, Kingsway Camp, Delhi-110009.
5.	M/s. Rajendra Book Agency, IV-D-50, Lajpat Nagar, Old Double Storey, New Delhi-110024 (T. Nos. 26412362 & 26412131)
6.	M/s. Central News Agency Pvt. Ltd. P-23, Connaught Circus, New Delhi-110001.
7.	The Manager, M/s. Books India Corporation, Publishers, Importers & Exporters, L-27, Shastri Nagar, Delhi-110052.
8.	M/s. Sangam Book Depot, LG-3, Akarshan Bhawan, 23, Ansari Road, Darya Ganj, New Delhi-110002.
9.	M/s. Biblia Impex Pvt. Ltd. 2/18, Ansari Road, New Delhi-110002 (T. No. 23262515).
10.	M/s. Universal Book Traders, 80, Gokhale Market, Opp. New Courts, Delhi-110054 (T.No. 23911966).
11.	M/s. Seth & Co., Room No. 31 D, Block-B, Delhi High Court, Sher Shah Road, New Delhi-110003.
12.	M/s. Dhanwantra Medical & Law House, 592, Lajpat Rai Market, Delhi-110006. (T.No. 23866768).
13.	M/s. Jayna Book Depot, Chowk Chhapparwala, Bank Street, Karol Bagh, New Delhi-110005.
14.	M/s. Standard Book co., 125, Municipal Market, Connaught Place, P.B. No. 708, New Delhi-110001 (T. No. 23411919).
15.	M/s. D.K. Agencies (P) Ltd., A/15-17, Mohan Garden, Najafgarh Road, New Delhi-110059.
16.	M/s. Vijay Book Service, C-D/123/C, Pitam Pura, New Delhi-110034.

MADHYAPRADESH

17. M/s. Suvidha Law House, 28, Malviya Nagar, Roshanpura, Bhopal-462003.

MAHARASHTRA

18. M/s. Usha Book Depot, 585/A, Chitra Bazar, Khan House, P.B. No. 2621. Mumbai-400002.
19. M/s. Jaina Book Agency (India), 649-A, Girgaum Road, Opp. 2nd Dhobi Talao Lane, Mumbai-400002.

PONDICHERRY

20. Editor of Debates, Legislative Assembly Department, Pondicherry-605001.

TAMIL NADU

21. M/s. M.M. Subscription Agencies, 123, Third Street. Tatabad, Coimbatore-641012.
22. M/s. C. Sitaraman & Co., 73/37, Royappettah High Road, Chennai-600014.

UTTAR PRADESH

23. M/s. Law Publishers, Sardar Patel Marg, P.B. No. 1077, Allahabad (U.P.)
24. M/s. Ram Advani Bookseller, Mayfair Building, Hazrat Ganj, GPO Box No. 154, Lucknow-226001.