

Protection to SSI of Gujarat

*367. SHRI SURYAKANTBHAI ACHARYA:
SHRI JAYANTILAL BAROT:

Will the Minister of FINANCE be pleased to state:

(a) whether the request of the State Government of Gujarat for rationalization of duty structure in respect of drugs and pharmaceuticals by bringing down the rate of excise duty from 16 per cent to 8 per cent has been turned down;

(b) if so, the reasons therefor;

(c) whether any alternative steps are being taken by Government to protect the adversely affected small scale industries of Gujarat; and

(d) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) The request of the Government of Gujarat for reduction in excise duty on drugs and pharmaceuticals from 16 percent to 8 percent *ad-valorem* was examined. Keeping in view the fact that mean Cenvat rate of excise duty is 16% *ad-valorem* and reduction in excise duty on drugs to a rate lower than mean Cenvat rate would result in an inverted duty structure, distort the Cenvat credit chain and involve substantial revenue loss, it was decided not to make any change in excise duty structure and rate for drugs.

(c) and (d) As regards Small-scale units, under the general SSI exemption scheme, such units are eligible for full exemption from excise duty on clearance value upto Rs. 1 crore in a financial year.

Utilization of amount under IEPF

*368. SHRI C. RAMACHANDRAIAH: Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) the steps being taken to utilize the amount available under the Investor Education and Protection Fund (IEPF);

(b) whether the amount sanctioned and disbursed to the Investors Associations is very late in a financial year;

(c) if so, the reasons therefor;

(d) the number of proposals received from the Investors Association during the last one year;