

processor. The term 'independent processor' has been defined for the purpose of notification No. 32/84-CE dated the 1st March, 1984, as a manufacturer, who processes cloth with the aid of power and who does not have any proprietary interest in any factory engaged in the spinning of yarn or weaving of cotton fabrics. Since this definition did not cover processes carried out without the aid of power, fabrics of the description specified above were not eligible for full exemption, when subjected to the process of roller printing without the aid of power. By issue of notification No. 78/84-CE dated the 21st March, 1984, full exemption from central excise duties has been granted to fabrics of the above description, even when processed without the aid of power.

श्री वृद्धि चन्द्र जैन : अध्यक्ष महोदय, नोटिफिकेशन न० 32184-सी ई, दिनांक 21 मार्च, 1984 जारी करके मन्त्री महोदय ने लघु उद्योगों को जो राहत दी है उससे मैंसंतुष्ट हूँ और इसके लिए मैं आपको धन्यवाद देना चाहता हूँ।

Shri Mool Chand Daga rose.

अध्यक्ष महोदय : इस पर सवाल करने वाला कोई नहीं है, सप्लीमेंट्री आ गया।

श्री मूलचन्द डागा : अध्यक्ष महोदय, सरकार की नीति है कि जो काम बिना पावर के होता है, लेबर ओरिएन्टेड है उन उद्योगों को प्रोत्साहन देना चाहिए। रोलिंग प्रिंटिंग मशीन में लोग पावर काम में नहीं लेते हैं, लेबर से ही काम लेते हैं। इसके लिए जो 51 काउन्ट के ऊपर का जो धागा है, उस पर ड्यूटी कुछ लगा रहे हैं, क्या इसको छूट देने के बारे में विचार करेंगे? इसके बारे में एक मैमोरेंडम पहले ही आपके पास आया है, उस पर क्या आप

सहानुभूतिपूर्व विचार करेंगे या नहीं? क्योंकि जहाँ ज्यादा लेबर काम करती है, उस पर विचार करने की आवश्यकता है।

SHRI S.M. KRISHNA : This is a suggestion for action. We will certainly consider it.

Representation of Aluminium Extrusion Industry

*608. SHRI H.N. BAHUGUNA : Will the Minister of FINANCE be pleased to state :

(a) whether aluminium extrusion industry has to pay 44 per cent central excise on their products made out of imported C.G. aluminium besides not getting [set off of customs duty, as against 28.6% if made out of indigenous metal and also getting full set off of excise duty by which disparity the industry is unable to utilise the aluminium imported by MMTC which is costing them more by Rs. 6,000/- per ton than indigenous metal being used by their competitors, i.e. primary producers, who are also manufacturing extrusions ;

(b) whether Aluminium Extrusion Manufacturers Association and Federation of Indian Chambers of Commerce and Industry have represented to his Ministry [for removing this hurdle to enable consumer industries including extrusion manufacturers to utilise their capacity [reasonably in view of low production of indigenous metal owing to severe power cuts ; and

(c) if so, remedial steps taken in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.M. KRISHNA) : (a) to (c) A statement is laid on the Table of the House.

Statement

(a) Extruded products made from

imported C.G. aluminium ingots, on which countervailing duty under notification no. 264/81-Customs, dated the 3rd December, 1981, has been paid, are chargeable to a total excise duty at the rate of 28.6% ad valorem. In other cases, excise duty on such products is chargeable at the rate of 44% ad valorem. As for extruded products, made from indigenous ingots or manufactured by primary producers of aluminium, excise duty is leviable at the rate of 28.6% ad valorem. The benefit of proforma credit of excise duty or countervailing duty actually paid is admissible in all cases.

(b) The Government have received certain representations from the All-India Aluminium Extrusion Manufacturers' Association and Aluminium Extrusion Manufacturers' Association, wherein they have requested for uniform rate of 28.6% ad valorem of excise duty on extruded products of aluminium whether made from indigenous or imported C.G. ingots and also for proforma credit of countervailing duty at full rate on a 'deemed' basis.

(c) The Government have examined the matter and have decided to equate the rates of excise duty on aluminium products, including extruded products, made from imported C.G. aluminium ingots, with those on the products made from indigenous ingots. However, the proforma credit admissible will be equal to the actual amount of excise/countervailing duty paid.

SHRI H.N. BAHUGUNA : Sir, you see the reply of the Minister. I have put a specific question that the metal imported by MMTC and given for the extrusion industry costs Rs. 6000 per tonne more than the indigenous metal. The reply is not referring to that at all. But does it mean and am I to understand that this difference will be obviated and parity maintained? That is part (a)

(b) I would also like to know that the concession which the Government wants to give now and which is now

contained in part (c) of the reply--which is the effective date for the application of that concession?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE) : In regard to the last part of the question, a notification amending the Central Excise Notification has been issued on 5th April. So it will be effective from 5th April.

In regard to the other part of the concession which the representationists wanted, there will be one problem and it is a technical problem. As far as Rule 56 of the Central Excise Rules is concerned the *pro forma* credit is possible only to the extent of the duty which has been paid. Now, here, the Hon. Member is aware that at first it was 22% countervailing duty and subsequently it was reduced to 15%. Now, their contention is that though they have paid 15% duty, but the set-off should be at the rate of 22% which is not possible. But with regard to the other part of their demand, as the Hon. Member is aware, I have amended the Excise Duty Notification accordingly.

SHRI H.N. BAHUGUNA : My second question is : the Hon Minister perhaps knows that the indigenous aluminium industry itself is in a disarray because of lack of power and the production capacity of the industry is not fully utilised. Therefore, imports are an imperative of the whole thing. Now if the imported metal is going to cost as high as this or lower than this amount, how does he think that the two sets of people—one using indigenous metal in the extrusion industry and the other one using the imported metal—will be able to compete and live in the market? Therefore, will they intervene and find a way out for this? The best solution would be to increase the aluminium production in the country to meet the requirements of the country, but obviously that is not Finance Ministry's business. Since the Government has a collective responsibility, will the Minister be pleased to say if he is

going to take some specific steps towards that direction ?

SHRI PRANAB MUKHERJEE : So far as the anomaly which cropped up because of the duty structure as far as the excise duty is concerned, that has been taken care of by that amendment and even with the countervailing duty of 15% there were some products made out of it and these are in various stages of production. So in between there was some anomaly which cropped up because of the manufacture out of the imported metal which took place earlier.

SHRI H.N. BAHUGUNA : Why not you pool the two and levy the price ?

SHRI PRANAB MUKHERJEE : There is the pooling arrangement. But, at the same time, you know when you are claiming the duty set off, may be technically—that is why I am saying this is also a technical problem—their demand may be justified, but it is difficult to do it because I can set off only that part which is actually paid out.

I cannot set off. Therefore, for the controversy arising out of 22% and 15%, there is a problem. But in future, we are trying to see that the price of the product out of indigenous and out of imported material is at par.

MR. SPEAKER : Shri Nadar—Q. No. 609—not here. Shri Narayan Choubey—Q. No. 610—not here. Dr. C. Pratap Wagh—Not here. Shrimati Rane—not here. Q. No. 612—Shri Sanat Kumar Mandal.

**Permission for Setting up of
Commercial Bank by West
Bengal Government**

*612 **SHRI SANAT KUMAR MANDAL :** Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question No.

192 on 24 February, 1984 regarding new licences to foreign banks and state :

(a) whether West Bengal Government has reiterated its demand for a commercial bank to be set up by that Government which has been pending with the Reserve Bank of India for the last three years ;

(c) if so, the stage at which the matter stands at present ; and

(c) how long will it take for the Reserve Bank of India to decide the matter and whether he will ask the Bank to expedite it ?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c) Reserve Bank of India, which is the statutory authority for licensing a banking company, has conveyed its views to the Government of West Bengal in February, 1984. No further reference has been received so far by the Reserve Bank from the State Government.

SHRI SANAT KUMAR MANDAL : Mr. Speaker, Sir, from the reply of the Hon. Minister, it is clear that the Government of India has stated its views to the Government of West Bengal. May I know from him what is the content in the letter and whether the Government of India is ready to set up a commercial bank in West Bengal.

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE) : No, Sir.

SHRI SANAT KUMAR MANDAL : If the answer is 'No', what is the reason you have explained in detail, in the letter which you have sent to the West Bengal Government ?

SHRI PRANAB MUKHERJEE : No.

SHRIMATI GEETA MUKHERJEE : Sir, the Minister has stated that he has let the West Bengal Government know the reasons. Since this is a