

**Closure of hand processing units in
Bombay**

*538. SHRI P. KOLANDAIVELU : Will the Minister of TEXTILES be pleased to state :

(a) whether it is a fact that cotton textiles hand processing units in Bombay are facing closure due to imposition of excise duty of 41.25 paise per metre on hand processed cloth;

(b) if so, the details thereof; and

(c) the action taken by Government to avoid the closure ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) to (c). A Statement is given below :

Statement

(a) and (b). A number of representations have been received from hand processing establishments, Associations etc. stating that such units are facing closure due to new excise levies proposed to be imposed on cotton fabrics processed without the aid of power or steam whether or not machines are used.

(c) The matter is under the consideration of Government.

SHRI P. KOLANDAIVELU : Sir, in his statement also, the Hon. Minister has stated that the matter is under consideration. I would like to know how long the matter is going to be under consideration of the Government. I have already drawn the attention of the Government to the news item published on 11th March '87 where it has been mentioned that about 6000 cotton textile hand processing units in Bombay employing about 5 lakh workers are facing closure due to imposition of excise unit duty of Rs. 41.25 per metre on hand processed cloth. I would like to know from the Hon. Minister whether he has taken any concrete action in this regard. He is stating that the matter is under consideration. I would like to know how long the matter would be under

consideration and when the Government is likely to take a final decision in this regard.

SHRI RAM NIWAS MIRDHA : Sir, in the budget proposals for the year 1987-88 some new excise levies were imposed and some other changes effected. We have received a lot of representations from hand processing units in this respect and we are in touch with the Ministry of Finance and very soon a decision will be taken after consideration of the representations received.

SHRI P. KOLANDAIVELU : Sir, again he says very soon'. 'Very soon' means how long ? Please tell the House.

AN HON. MEMBER : Thirty years or forty years.

(Interruptions)

SHRI P. KOLANDAIVELU : Please define 'very soon'. How long or how many days will you take ? You please do it, then I will go to the second Supplementary.

(Interruptions)

SHRI RAM NIWAS MIRDHA : Well, Sir, I have said, this is a very complicated matter; a lot of budgetary proposals are there in this respect as well as for other levies and proposals in the budget a lot of representations have been received. The Finance Ministry is seriously considering all of them; we are in touch with them and since the final decision does not rest with us, no firm date can be given; we are in touch with the Ministry of Finance and very soon a decision will be taken.

(Interruptions)

SHRI P. KOLANDAIVELU : My second Supplementary is this. Due to this, all the activities of the hand processing sector have come to a grinding halt and actually the clearance has been stopped and the manufacturers have stopped sending their goods for processing through hand processing. And by this the workers are suffering a lot. Sir, it is such a very serious matter that the Government has to take immediate steps. Please do not dodge. You are giving dodging answers

and all these things. Because it is a situation that is arising out of all these things, I would request the Hon. Minister to take immediate action. I would like to know whether the Government will come forward to take immediate action in this regard.

SHRI RAM NIWAS MIRDHA : Sir, there is no question of Government dilly dallying or not trying to do things quickly. But as I said, Sir, a lot of proposals in this budget have come, some of them impinge on the hand processing sector. So, we are considering all the implications of these levies and other changes. The Finance Ministry is examining those so many suggestions that are made to them. There the discussion is going on and as I said, it is not only soon, but very soon a decision will be taken.

SHRI KADAMBUR JANARTHANAN : Mr. Speaker, Sir, in the new textile policy a lot of concessions are given to the man-made fibres. I want to know from the Hon. Minister whether equal concessions will be also given to natural fibres, that is, cotton fibres.

SHRI RAM NIWAS MIRDHA : Sir, whatever is mentioned in the new textile policy is being followed. The policy was enunciated in June 1985 and a number of suggestions and propositions made in that policy are gradually being taken up for implementation. The main purpose of the policy is that the various sectors of the textile industry have scope for expansion and improvement and modernisation, whether it is the organised sector of the mills or is the handloom sector or is the powerloom sector, whether it is a man-made sector or cotton sector—all these things are mentioned in the new textile policy and we are trying to see in what way we can proceed so that all sectors have a homogenous development.

SHRI KADAMBUR JANARTHANAN : Sir, I want your protection. I want to know categorically whether the concessions shown to man-made and natural fibres will be equal. There is a lot of difference in the new textile policy.

SHRI RAM NIWAS MIRDHA : Sir, if the Hon. Member gives a separate notice for

it, we can discuss the whole policy, why man-made at all? So, the question does not refer to which sector... (*Interruptions*). If you mention some concessions I can react to that. But this question is something different.

[*Translation*]

SHRI RAMASHRAY PRASAD SINGH : Mr. Speaker, Sir, through you, I would like to tell the Hon. Minister that hand-processed cloth is manufactured on a large scale at Manakpur in Gaya district of Bihar, but the imposition of excise duty by the Government has adversely affected these units and they are on the verge of closure. I want to know from the Hon. Minister whether Government are aware of it and, if so, what steps are proposed to be taken in this regard.

SHRI RAM NIWAS MIRDHA : I can only say that this year's budgetary provisions for textiles as also the representations that have been received, are under consideration of the Government. We are in touch with the Ministry of Finance and after considering all these things, some decision will certainly be taken.

[*English*]

Functioning of Indian Diamond Institute

*540. **SHRIMATI PATEL RAMABEN RAMJIBHAI MAVANI :** Will the Minister of COMMERCE be pleased to state :

(a) the composition of the governing Board of the Indian Diamond Institute and since when it is in office;

(b) whether Government's attention has been drawn to certain shortcomings in the working of the Institute;

(c) if so, details thereof; and

(d) the corrective steps being taken or proposed?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a) to (d). A Statement is given below.