

Court asks Govt to address woes of rubber users

Our Bureau

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The Delhi High Court has directed the Union Government and Commerce Ministry to look into the representations made by the rubber user industry on the high price of natural rubber and the inverted duty structure within eight weeks.

The three user-industry associations — Automotive Tyre Manufacturers' Association, Indian Cycle and Rickshaw Tyre Manufacturers' Association and All-India Rubber Industries Association — had approached the court through separate petitions after their representations were rejected by the Commerce Ministry. They asked for fixing maximum and minimum price for natural rubber, reduction in customs duty on natural rubber from 20 per cent to 7.5 per cent and a ban on its futures to avoid speculative trading.

"This court directs the Union of India and Ministry of Commerce to consider the representations including the present petition ... within a period of eight weeks. Ideally, the Secretary, Ministry of Commerce should constitute a panel com-

prising experts from the Rubber Board," said the Delhi High Court verdict.

It added that "a reasoned order containing the decision of the Government will be passed within a period of four weeks thereafter," which would have to be communicated to the petitioners within a period of two weeks. The Court has also left an option for the petitioners to come back to it for further remedy, in case the decision of the Commerce Ministry is unsatisfactory.

Speaking to *Business Line*, a user industry official said: "We want the import duty to be fixed beyond a certain point. If natural rubber is at Rs 80 a kg, the duty would be at Rs 16 a kg (20 per cent customs) and Rs 16 a kg duty should be the ceiling, even if natural rubber prices go up. Even though we have made several representations, we have not received a reasoned justification so far. We want the interests of the users also to be taken care of, like it had been done for cotton."

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