

Production in Indian Petro-Chemical Corporation

507. SHRI R. R. MORARKA: Will the Minister of PETROLEUM AND CHEMICALS be pleased to state:

(a) whether it is a fact that the cost of production in the Indian Petro-Chemical Corporation is much higher than the standard cost; and

(b) if so, what steps are taken by Government to bring down the cost?

THE MINISTER OF PETROLEUM AND CHEMICALS (SHRI VEERENDRA PATIL): (a) and (b) The cost of production of Ortho-xylene and DMT compares favourably with standard costs. The standard costs of production of the Olefins Plant and its downstream units have yet to be achieved because production in these units has yet to be stabilised.

Production in Madras Fertilizers Ltd.

508. SHRI R. R. MORARKA: Will the Minister of PETROLEUM AND CHEMICALS be pleased to state:

(a) whether it is a fact that the selling price of some of the items produced in Madras Fertilizers Ltd. is less than the cost price;

(b) if so, what are the details of these items; and

(c) what steps Government have taken to reverse this trend?

THE MINISTER OF PETROLEUM AND CHEMICALS (SHRI VEERENDRA PATIL): (a) Yes, Sir.

(b) The cost of fertilizers including marketeer's margin for the period April, 1979 to January, 1980 and the consumers' price effective April, 1979

for the main products are as follows: (Rupees/

tonne)

Product	Cost of fertilizers	Consumer price
Urea	1797.91	1450.00
<i>NPK Fertilizers</i>		
17-17-17	1857.25	1600.00
14-28-14	2154.87	1900.00
24-24-0	2168.22	1900.00
18-46-0	2667.10	2200.00

(c) In order to make fertilizers available to the farmers at reasonable prices, the prices of fertilizers are statutorily fixed by Government. Further, in order to ensure that the manufacturers are not put to any loss on account of the statutory control on fertilizer prices, the Government have introduced a Retention Prices Scheme whereunder the manufacturers are assured of a 12% post-tax return on net worth provided they operate the plants at specified levels of efficiency.

Production in Indian Drugs and Pharmaceuticals Ltd.

509. SHRI R. R. MORARKA: Will the Minister of PETROLEUM AND CHEMICALS be pleased to state:

(a) whether it is a fact that the cost of production in the Indian Drugs and Pharmaceuticals Ltd, works out to more than the standard cost;

(b) if so, what are the reasons for such high cost; and

(c) what steps Government are taking to bring it down to competitive level?

THE MINISTER OF PETROLEUM AND CHEMICALS (SHRI VEERENDRA PATIL): (a) to (c) Indian Drugs and Pharmaceuticals Limited* Synthetic Drugs plant at Hyderabad and Antibiotics Plant at Rishikesh *i« currently implementing major expansion programmes involving new