

(b) if so, what are the details thereof; and

(c) if the answer to part (a) above be in the negative, what action Government have taken in this regard and by when a decision is likely to be taken?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI NARHARI PRASAD SUKHDEO SAI): (a) The question of taking decision regarding payment of bonus to P&T employees does not arise in view of the provisions of the Bonus Act of 1965 precluding its application to the Central Government employees which include P&T employees also.

(b) and (c) Does not arise in view of (a) above.

Increase in the price of Steel

1341. SHRI R. R. MORARKA: SHRI T. AN JAI AH:

Will the Minister of STEEL AND MINES be pleased to state:

(a) whether Government have increased the price of steel by Rupees 17 per ton for priority industries and Rupees 275 per ton for the monopoly industry,

(b) if so, what are the reasons for the increase;

(c) what would be the effect of the said increase on the cost of other steel based industries;

(d) whether the said increase is consistent with the economy of a developing country?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI KARIA MUNDA): (a) While there has been an average price Increase of Rs. 175/- per tonne, a development surcharge of Rs. 100/- per tonne, in addition, has been levied only on non-priority category items.

(b) Prices have been revised mainly to (i) cover cost escalations in the production of iron and steel (ii) ensure a fair return to producers (iii)

cover increased incidence of freight burden on account of increase in lead distance over a period of time and to (iv) find adequate funds for modernisation, rehabilitation and development of the Steel Industry and to lessen its dependence on budgetary resources.

(c) The effect of this increase on the cost of other steel based industries is not likely to be significant.

(d) Yes, Sir.

Profit in the Steel Industry

1342. SHRI R. R. MORARKA: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether Government have decided to provide a margin of 12 per cent profit to the steel industry;

(b) if so, what would be its effect on steel prices;

(c) whether this principle of minimum return would apply to other industries also; and

(d) if not, what are the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI KARIA MUNDA): (a) In computing the recent price increase, a return of 12 per cent post tax on equity and free reserves has been assumed. However, the earnings of plant, from the sale of big iron, bye-products, defectives and scrap, special types of products, agro-products etc. have been deducted from the computed return.

(b) It would not be in the public interest to disclose the details of costing and pricing.

(c) and (d) Depending on the particular circumstances of individual industries, the rate of return would tend to differ as prices are determined keeping in view the interests of the consumers and the developmental needs of the economy.