

Levelling and grading of the site of the plant has just started.

(b) and (c). According to the Detailed Project Report, the plant is scheduled to go into experimental production in 1965; it is proposed to take up manufacture of 22 types of heavy machine tools in this plant. In a basic heavy engineering industry of this type, there is a fairly lengthy initial period of loss. The return on investment in this project should, however, not be assessed merely in terms of profit; the saving in foreign exchange in the years to come by the avoidance of import, the contribution to self-sustaining growth that the products of this project will make, and the very high degree of advanced engineering skills that will be acquired, should also be taken into account.

There is no proposal, under consideration at present, for modifying the manufacturing programme in the initial stages. The plant is, however, being equipped with versatile machinery and equipment to cope with necessary modifications, that may be necessary.

Fertilizer Plant in Madhya Pradesh

*510. **Shri Hari Vishnu Kamath:** Will the Minister of **Steel and Heavy Industries** be pleased to state:

(a) whether a final decision has been taken with regard to the establishment of a fertilizer factory in the public sector in Madhya Pradesh; and

(b) if so, the nature and details thereof?

The Minister of Steel and Heavy Industries (Shri C. Subramaniam):
(a) Yes, Sir.

(b) The factory will be set up in the public sector by the Fertilizer Corporation of India Limited. It will be located at Katni and is designed to produce, by gasification of slack coal, 100,000 tons per annum of nitrogen in the form of urea.

Phyto-Chemicals Plant at Neriamangalam

*511. **Shri Rameshwar Tantia:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether any decision has been finally arrived at regarding the new technological processes to be adopted for the Phyto-Chemicals Plant at Neriamangalam in Kerala; and

(b) if so, the details thereof?

The Minister of Industry in the Ministry of Commerce and Industry (Shri Kanungo): (a) No, Sir.

(b) Does not arise.

Raw Materials used by Pharmaceutical Industry

*512. { **Shri A. K. Gopalan:**
Shri P. Kunhan:

Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether it is a fact that prices of essential raw materials used by pharmaceutical industry such as vitamins and folic acid have increased abnormally in recent months;

(b) if so, the reasons therefor; and

(c) steps proposed to be taken by Government to normalise prices?

The Minister of Industry in the Ministry of Commerce and Industry (Shri Kanungo): (a) to (c). Government have received reports that some established importers are marketing raw materials and bulk drugs like vitamins, etc. used in formulation activity at increased prices. This is apparently due to the reduction in the quotas of established importers made by Government with a view to saving foreign exchange and also to assist actual users to obtain their requirements directly and at reasonable prices. The present position is that the bulk of imports of raw materials is made directly by the industry and the quantum of raw materials obtained through established