

- (i) Costs during the years 1980 to 1983 have shown an increasing trend under all 'Heads' of expenses *viz.* materials, labour and overheads, in most of the companies.
- (ii) Between August 1981 and April 1984, the impact of the price increase of all raw materials in tyres put together was not significant
- (iii) Taking conversion and selling costs, the comparison between total cost and price (Net Dealers Price) indicates a mixed picture.
- (iv) As a result of change-over from ad-valorem to specific rates of excise duties, the excise duties payable after 1-3-1984 are generally higher than those being paid earlier on basis of basic price.
- (v) Profitability of tyre companies has fluctuated during the four years period from 1980 to 1983 and, generally, there was a sharp deterioration in profitability in 1983 (relative to 1981 and 1982).
- (vi) A 12% post-tax return with an overall debt equity pattern of the industry of 1:1 and an average interest rate of 14% on debts, would require a return of about 21% on capital employed. Only MRF and JK achieved this level of return in 1983.
- (vii) Capacity utilisation of the industry declined to 78% in 1983 as against 98% achieved in 1980. The idle capacity cost may have led to an increase in unit cost of production and downward trend in profitability of the industry.
- (viii) The combined effect of duties on inputs (one stage) and on tyres, raises by 83% the estimated price with absolutely no taxes on inputs and on tyres.
- (ix) Government may consider whether it would be appropriate now to refer the issue of prices discounts,

and trade and distribution practices in the tyre industry to a probe by the MRTP Commission

Import of Intermediates required for Drug Industry

1337. PROF. MADHU DANDAVATE : Will the Minister of INDUSTRY be pleased to state :

(a) whether it is a fact that the State Trading Corporation has not been able to procure some of the key canalised intermediates required for the drug industry from world market;

(b) whether it is a fact that due to this some of the public sector pharmaceuticals are in idle state;

(c) if so, the details thereof; and

(d) the steps being taken to procure the canalised intermediates indigenously ?

THE MINISTER OF STATE IN THE DEPARTMENT OF CHEMICALS AND PETROCHEMICALS (SHRI R. K. JAICHANDRA SINGH) : (a) No, Sir. State Trading Corporation had some problems in procuring 6-APA, which have since been resolved.

(b) No, Sir.

(c) Does not arise.

(d) 6-APA, which is the only canalised intermediate, is being indigenously produced by M/s. IDPL, HAL and Max India. Recently M/s. Gujarat Lyka have started commercial production of this intermediate. These indigenus manufacturers are supplying their product for canalised distribution.

Implementation of Gas-Based Power Projects on HBJ Gas Pipeline

1338. SHRI ANAND SINGH : Will the Minister of ENERGY be pleased to state :

(a) whether the projected three gas-based power projects to be set up on the Hazira-Bijapur-Jagdishpur gas pipeline

have since been taken up for implementation; and

(b) if so, the progress so far made in regard to each project ?

THE MINISTER OF STATE IN THE DEPARTMENT OF POWER (SHRI ARIF MOHAMMAD KHAN) : (a) and (b). Project Reports in respect of the three gas-based Stations have been techno-economically appraised by the Central Electricity Authority. These project are now being considered for investment decision.

Setting up of Small Power Houses by Private Sector

1339. SHRI U. H. PATEL : Will the Minister of ENERGY be pleased to state :

(a) whether the Minister of Energy of Gujarat had stated in Rajkot that, in order to remove the shortage of power, the State Government was very much interested in setting up small power houses by private sector and would extend all possible assistance to it;

(b) if so, the details thereof; and

(c) the special assistance that will be provided by the Union Government to Gujarat Government and private sector for setting up such power houses ?

THE MINISTER OF STATE IN THE DEPARTMENT OF POWER (SHRI ARIF MOHAMMAD KHAN) : (a) and (b). According to information received from the Government of Gujarat, the Minister of State for Energy, Gujarat, during an informal meeting on 31-10-1985 with the Chamber of Commerce at Rajkot, welcomed the idea of setting up small captive plants (of about 5 to 10 MW) in Industrial Estates at various places in the State to supplement the efforts of private industrialists in meeting their power needs. The State Government do not envisage provision of any financial help for such plants.

(c) Permission to instal captive plants is accorded where the requirement of power is substantial and continuous and reliable power supply is necessary. The State Electricity Boards are empowered to give such permission if the capacity is upto 25 MW;

consultation with the Central Electricity Authority is necessary in cases where the proposed capacity is more than 25 MW. No special assistance is provided by the Central Government in such cases.

Reduction in Price of Cooking Gas

1340. SHRI K. KUNJAMBU : Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state :

(a) whether it is a fact that the cost of production of LPG cooking gas is practically negligible;

(b) if so, the relationship it has got with the price that is being charged from the consumers; and

(c) whether Government propose to reduce the price of cooking gas ?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI NAWAL KISHORE SHARMA) : (a) No, Sir.

(b) Does not arise.

(c) No, Sir.

Implementation of Reservation Rules in Recruitment and Promotions in Engineering Projects (India) Ltd.

1341. SHRI ANADI CHARAN DAS : Will the Minister of INDUSTRY be pleased to state :

(a) whether reservation rules in recruitment and promotions are being implemented in Engineering Projects (India) Ltd.;

(b) the total strength of the employees of Engineering Projects (India) Ltd. and strength of Scheduled Caste and Scheduled Tribes employees in the organization as on 1 May 1985 in each group;

(c) the reasons for the shortfall, if any and the steps proposed to be taken to fill the backlog of reserved vacancies; and

(d) the number of posts de-reserved during the last three years ?