

beneficial to Government Undertaking;

(d) the salient features of the agreement and what steps Government propose to undo the harm done to the public undertaking and to the Indian sector of Industry; and

(e) how many Indian firms had applied for Ampicillin manufacturing and the reasons for turning down their proposals?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND CHEMICALS (SHRI SHAHNAWAZ KHAN): (a) Yes, Sir, as a consultant on M/s. John Wyth Ltd.'s Dyoscorea plantation at Bangalore.

(b) The said ex-Managing Director was also concerned with the negotiations. He retired on the 30th September, 1969, while approval of the Government to the collaboration agreement was conveyed to M/s. Hindustan Antibiotics Ltd. on 23rd January, 1971.

(c) and (d). No, Sir. The agreement secures for M/s. H.A.L. technology from M/s. American Home products Corporation and their technology and know-how in respect of Ampicillin Anhydrous, Ampicillin Trihydrate, Cloxacillin and Phenethicillin subject to the following conditions:

(i) Royalty at the rate of 5 per cent of the net sales value of the finished products;

(ii) duration of the agreement will be 7 years from the date of the commencement of commercial production of any one of the items mentioned above;

(iii) Exports shall be permitted to all countries except where the foreign collaborator has existing licensing arrangement for manufacture;

(iv) HAL will supply to the foreign collaborator and/or to its subsidiaries in India such quantities of semi-synthetic penicillin in bulk as it (they) may from time to time order from HAL provided that:

(a) the amount of compound (s) in bulk thus ordered for supply in respect of any calendar year shall not exceed an estimate of prospective requirement determined from time to time by American Home Products Corporation and/or its subsidiary(ies) and submitted to HAL and agreed to by HAL and the party to be supplied; and that

(b) the compounds in bulk will be sold to American Home Products Corporation and/or its subsidiary(ies) at reasonable prices and shall be such as to permit competition with HAL on an equitable basis, and that

(c) HAL shall not be liable to pay royalty on such sales made to American Home Products Corporation or its subsidiary(ies) in India.

(e). Out of the six applications received from Indian parties for manufacture of Ampicillin 3 were registered by DGTD and other 3 applications were rejected. In respect of these three applications, 2 were rejected as these involved heavy outflow of foreign exchange, and the third because the party failed to furnish requisite particulars.

Freeze on Prices of Petroleum Products

9243. SHRI M KATHAMUTHU: Will the Minister of PETROLEUM AND CHEMICALS be pleased to state:

(a) whether Government have imposed freeze on the prices of wide range of petroleum products;

(b) if so, the facts thereof;

(c) whether any of the oil companies have urged to reconsider this pricing policy; and

(d) if so, the broad outlines thereof and Government's response thereto?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND CHEMICALS (SHRI SHAHNAWAZ KHAN): (a) to (c). Government fix the ceiling selling prices of products like kerosene, diesel oil, petrol, etc., which are called bulk refined or formula products. There are a variety of non-formula products for which prices are fixed by the oil companies themselves

In the wake of the steep increase in the prices of crude oil in January 1974, instructions were sent to the oil companies to obtain the approval of the Government for increasing the prices of non-formula products beyond levels prevailing on 20th January, 1974. Subsequently, the oil companies including IOC, represented that implementation of these instructions of Government would create certain problems to the oil companies. In response to this, revised instruction have been issued, whereby the increases/decreases in the prices of non formula products may generally be related to the increase/decrease in the F.O.B. price of crude oil which is recognised by Government from time to time, for purposes of pricing of bulk refined products and such other authorised increases as are allowed by the Government in the ceiling selling prices of products used for the production of non-formula products. The quantum of statutory levies such as basic excise duty will continue to be reflected in the determination of such price. Prices thus determined shall be the maximum for fixation within which it would not be necessary to seek the approval of the Government

Proposal to Manufacture Oil Rigs in Collaboration with Rumania

9244. SHRI M. KATHAMUTHU: Will the Minister of PETROLEUM AND CHEMICALS be pleased to state:

(a) whether Government have a proposal to manufacture oil rigs in collaboration with Rumania; and

(b) if so, the facts thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND CHEMICALS SHRI SHAHNAWAZ KHAN): (a) No, Sir.

(b) Does not arise.

Distribution of Fertilizers Produced by Private Sector Units

9245. SHRI GAJADHAR MAJHI: Will the Minister of PETROLEUM AND CHEMICALS be pleased to state.

(a) the names of fertiliser plants in private sector which have been issued letters of intent and licences for production during the current year;

(b) whether Government propose to organise the distribution of fertiliser produced by the plants in the private sector through Government's own agencies or through the cooperative societies; and

(c) whether Government are aware that fertiliser is being sold at exorbitant prices in the country, if so, the steps proposed to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND CHEMICALS (SHRI SHAHNAWAZ KHAN): (a) During the current year 1974, the Letters of Intent have been issued to the following companies in the private sector for setting up additional fertilizer capacity.