

January, 1987) is 7,549. In addition, seven community/institutional biogas plants have been installed in Orissa during the Seventh Plan.

Cost of production of LPG

*273. SHRI V. S. VIJAYARAGHAVAN : Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state :

(a) the cost of production of cooking gas when bottled;

(b) whether Government have a proposal to reduce the present price of LPG in view of the larger demand for the cooking gas; and

(c) if so, the facts thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BRAHMA DUTI) : (a) The cost of production of cooking gas, including marketing costs/margins, filling charges and other charges is Rs. 4938.79 per mt.; Rs. 70.13 per 14.2 kg. cylinder.

(b) No, Sir.

(c) Does not arise.

Production of Cement

*274. PROF. K. V. THOMAS : Will the Minister of INDUSTRY be pleased to state :

(a) the estimated requirement and production of cement by the end of 1990;

(b) whether mini cement plants are economically viable; and

(c) if so, the steps proposed to be taken to help mini cement plants in increasing their production ?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM) :

(a) The requirement as well as production of cement by the end of the financial year 1989-90 is estimated to be around 49 million tonnes.

(b) While representations from the associations of mini cement plants have recently been received about their deteriorating financial position, no detailed study has been made by the Government as yet.

(c) Mini cement plants with a capacity of upto 200 TPD were exempted from the requirement of providing levy cement. With a view to enabling these units to maximise utilisation of their existing installed capacities and to increase production, the limit for such exemption from levy obligation has been increased upto an installed capacity of 300 TPD.

[Translation]

Losses in Cement Industry

*275. SHRI SHANTI DHARIWAL : Will the Minister of INDUSTRY be pleased to state :

(a) whether Government's attention has been drawn towards the financial loss being suffered by the cement industry these days;

(b) if so, the number of the cement factories set up during the Sixth and Seventh Five Year Plans which have been incurring losses continuously;

(c) whether Government have received any proposal for exempting cement industry from excise duty and to do away with the policy of levy cement; and

(d) if so, the reaction of Government thereto ?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM) : (a) and (b). Representations have been received from the Cement Manufacturers' Association as well as some individual units about the financial problems faced by cement plants. However, the details regarding the losses which might have been incurred by

individual units have not been reported to the Government.

(c) Representations have been received that capital investment in the establishment of new plants and expansion of existing units has increased and, therefore, relief has been sought by way of rebate in the excise duty and reduction in levy quota in respect of new units and expansions which have gone into production after 1.1.1982 and also those which commenced production after 1.4.1986.

(d) The position has been examined by the Government and the following reliefs have already been given :

- (i) Levy obligation of all cement factories has been reduced by 10 per cent with effect from 15.12.1986;
- (ii) Retention price for levy cement has been increased by Rs. 24.50 per tonne with effect from 15th December, 1986;
- (iii) Payment of Rs. 9/- per tonne by the cement factories to Cement Regulation Account on the non-levy production of cement has been discontinued from 15.12.1986;
- (iv) A further relief in levy quota by 15 per cent of production has been allowed with effect from 1st March, 1987, to newer cement units which had commenced production on or after 1.4.1986. The levy obligation in respect of these units is now fixed at 15 per cent of production instead of 30 per cent for other new units; and
- (v) Newer units commencing production on or after 1.4.1986 will also be entitled to a rebate in excise duty at the rate of Rs. 50/- per tonne provided their production in the relevant financial year is not less than 30 per cent of the licensed capacity (as may be certified by the Development Commissioner for Cement Industry). The rebate will

be admissible during the period 1st March, 1987 to 31st March, 1990.

Contract for Karnal refinery

*276. SHRI DILEEP SINGH BHURIA :
SHRI M. RAGHUMA REDDY :

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state :

(a) whether the contract for the oil refinery proposed to be set up at Karnal is being given to a multinational foreign company;

(b) if so, whether terms and conditions for this purpose have been liberalised as no tenders therefor had been received earlier; and

(c) if so, whether this multinational company is also being allowed to undertake digging work independently ?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BRAHMA DUTT) : (a) to (c). Government have taken a decision, in principle, to set up a 6 MTPA refinery at Karnal. Its mode of implementation is yet to be worked out.

Some foreign oil companies have separately submitted bids for exploration and exploitation of hydrocarbons in nine offshore blocks. Preliminary discussions are going on with them.

[English]

Transportation of coal through pipelines

*277. SHRI SATYENDRA NARAYAN SINHA : Will the Minister of ENERGY be pleased to state :

(a) whether there is any proposal to study the economics of coal transportation through pipelines;

(b) if so, whether any offer of foreign technology has been received for this purpose; and