

Government of India  
Ministry of Industry  
Department of Industrial Development

PRESS NOTE

Subject : Removal of price and distribution on  
cement industry.

The price and distribution of cement have been under control in one form or the other since 1942 except for a brief period of 2 years in 1966 & 1967. In order to attract investment in the cement industry and to provide the desired incentives to increase cement production, the Government in 1977 announced a liberal pricing system for new units and expansions. This was followed by the policy of partial control effective from 28th February, 1982. Both these policy initiatives resulted in significant progress both in terms of addition of new capacity as well as increased cement production. The country has now reached a stage of self-sufficiency in cement.

2. While presenting the general budget for the year 1989-90, the Minister of Finance has announced removal of price and distribution controls on cement industry effective from 1st March, 1989. Accordingly, there would be no levy obligation on the factories in respect of cement produced from 1st March, 1989.

3. However, in cases where factories have made short supplies against their levy obligation upto 28th February, 1989, the liability of such factories will not cease. Such factories would be required to

fulfil their levy obligation by making supplies against their pending orders and/or instructions issued by the Development Commissioner for Cement Industry. Similarly, all past liabilities of Cement Regulation Account would be required to be discharged.

4. With the announcement of removal of price and distribution controls, the Government hope that the growth of cement industry would be accelerated, and this would lead to further modernisation, expansion and new investments in the industry.



( R. K. Sinha )

Joint Secretary to the Government of India.

No. 1-5/89-Cem.

1st March, 1989.

Forwarded to the Information Officer, Press Information Bureau, Shastri Bhavan, New Delhi, with the request that wide publicity may be given to this Press Note.



( R. K. Sinha )

Joint Secretary to the Govt. of India.