

Cement manufacturers asked to cut prices

In a bid to rein in inflation, Finance Minister P. Chidambaram met cement manufacturers here Thursday for the second time after presenting the national budget and asked them to cut prices.

'We have information about how much your sales, profits before tax and profits after tax have increased. You should therefore come forward with some proposals on moderating cement prices,' Chidambaram told cement manufacturers.

The finance minister declined to subscribe to the view that the budget had posed additional tax burden on manufacturers.

The budget had sought to hike excise on cement from Rs.400 per tonne to Rs.600 a tonne if the commodity was sold higher than Rs.190 per 50 kg bag but reduced the levy to Rs.350 per tonne if sold up to a price of Rs.190.

Speaking to reporters later, Chidambaram said he was hopeful the cement makers would heed to his advice to help curb inflationary pressure. The annual rate of inflation has climbed to a two-year high of close to 6.5 percent.

'I get the impression there are both views in the industry. One is a more sober view that we must help the government control inflation. There are some hawkish views as well,' he said.

'But it is my hope they would be able to discuss among themselves and comeback with some proposals to the government. I have requested secretary for industry to keep in touch with them if they have any proposals to come.'

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