

establish a coal-based fertilizer Plant at Korba; and

(b) if so, the progress made so far in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND CHEMICALS AND OF SOCIAL WELFARE (SHRI RAGHU RAMAIAH):

(a) No, Sir.

(b) Does not arise.

Coal-based Fertilizer Plant

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- *4. SHRI B. K. MODAK:
SHRI P. RAMAMURTI:
SHRI NAMBIAR:
SHRI K. M. ABRAHAM:

Will the Minister of PETROLEUM AND CHEMICALS be pleased to refer to the reply given to the Starred Question No. 1215 on the 15th April, 1968 and state:

(a) whether the sub-Committee of the Board of Directors of the Fertilizer Corporation of India has scrutinised the report submitted by the Planning and Development Division of Coal-based Fertilizer Plant;

(b) if so, the details thereof and the decision taken thereon; and

(c) if not, when the scrutiny is likely to be completed and the reasons for the delay?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND CHEMICALS AND OF SOCIAL WELFARE (SHRI RAGHU RAMAIAH):

(a) to (c). The techno-economic feasibility report in respect of a coal-based plant at Korba has been studied by a sub-committee of the Board of Directors of the Fertilizer Corporation. The Committee has suggested some modifications. A supplementary report is accordingly under preparation. It is expected that the Board of Directors of the Corporation will soon consider the main report along with the supplementary report.

श्री मणिभाई जे० पटेल : क्या पेट्रो-लियम और रसायन मंत्र. महोदय यह बतलाने की कृपा करेंगे कि नैफथा एवं एमोनिया से बनने वाले खाद के कारखानों की अपेक्षा कोयले की इस नवीन प्रणाली से कितने प्रतिशत का फायदा होगा और कितनी बचत होने वाली है ? वे यह भी बतलायें कि जिन जिन देशों में इस प्रकार के कारखाने बन गये हैं । उन्होंने नैफथा और एमोनिया से बनने वाले खाद के कारखानों की अपेक्षा कितनी अधिक प्रतिशत पैदावार की है ।

THE MINISTER OF PETROLEUM AND CHEMICALS AND SOCIAL WELFARE (SHRI ASOKA MEHTA): It is not easy to give this calculation until firm calculations are made. The projects are still under scrutiny. But, roughly speaking, subject to future correction, I would say that a coal-based plant would require about Rs. 10 crores more of investment than a naphtha-based plant of the same type and producing the same type of fertilizers. Secondly, as far as this particular project is concerned, it appears that the internal capital may be round about 12 per cent, as against 18 per cent which one would need in the other kind of plant. These are the tentative figures, but I would not like to be pinned down to them later on when we get more firm figures.

श्री मणिभाई जे० पटेल: क्या माननीय मंत्री यह बतलाने की कृपा करेंगे कि जिन देशों में इस प्रकार कोयले से खाद बनाई जाती है अर्थात् जिन कारखानों ने कोयले की खाद का उपयोग किया है वहाँ ऐग्रीकलचरल प्रोड्यूस कितने प्रतिशत अधिक हुई है ? जब इतने बड़े कारखाने बनाये जा रहे हैं और उन पर इतनी भारी रकम खर्च होगी तो हमें कम से कम यह अंदाज तो होना चाहिये कि इतनी रकम लगने के बाद हमारी पैदावार में इतने प्रतिशत की बढ़ोतरी होगी ।

SHRI ASOKA MEHTA: As to how much increase takes place in agricultural production, it has nothing to do

with the base for fertilizer production. The increase in agricultural production will be the same irrespective of the base for fertilizer production.

MR. SPEAKER: Shri Laxhan Lal Gupta Absent, Shri S. N. Maiti.

श्री अशोक मेहता : आखिर जिन देशों में इस प्रकार के कारखाने लगे हैं वहाँ कितने प्रतिशत का फायदा हुआ है या बचत हुई है तथा वह कितने वर्षों में हुई है यह तो मंत्री महोदय को बतलाना चाहिये . . .

MR. SPEAKER: I have already called another hon. Member.

SHRI S. N. MAITI: May I know whether Government is contemplating to run the Durgapur Fertilizer Plant as a coal-based plant?

SHRI ASOKA MEHTA: Korba is supposed to be coal-based.

SHRI B. K. MODAK: May I know whether the World Bank has advised the Government of India not to go ahead with coal-based fertilizer plants and if so, whether the delay in taking a decision is due to the pressure of the World Bank?

SHRI ASOKA MEHTA: The World Bank has given no advice and we do not follow anybody's advice like that.

SHRI NAMBIAR: In view of the fact that the import of ammonia is causing a great drain on our foreign exchange and also because we have started exporting naphtha and also for the reason that we have got sufficient coal in this country, which is the necessary raw material, and the development wing of the Sindhri Fertilizer Factory has developed such technical know-how that any plant can be set up in this country without having recourse to the import of any material for a coal-based fertilizer factory, is it not necessary or correct on the part of India to utilise our own know-how and indigenous raw material rather than go in for the import of ammonia

which is making our country dependent on America? Is it not the policy of Government to abhor such dependence and to utilise our own raw material and know-how?

SHRI ASOKA MEHTA: First of all no ammonia is being imported today. I have made it clear over and over again that of the total projected production of fertilisers, fertilisers that may be produced by the import of ammonia will provide a very small fraction. But such a decision has to be taken in each individual case.

As far as naphtha is concerned it is being exported today because the fertiliser plants are in the process of coming up. We have five fertiliser plants under construction in the public sector and three more plants have been decided upon. We are going ahead with them. All these are going to require large quantities of naphtha and we are likely to be short of naphtha after some time.

But we also want to diversify our feedstock and, on previous occasions, I have made it clear that we are also most anxious to develop coal-based fertiliser production. That is why the Korba Project, which was mooted in 1964-65 and given up in 1965, is sought to be revived. But we have got to make a thorough study of the techno-economic aspects of the project. We have also to see whether power, coal, land, water and other facilities would be available. All these discussions are taking place with the State Government. As soon as the Corporation is able to reach a firm conclusion, the Government will be able to decide what to do. But I can assure the House that the Government is keenly interested in coal-based fertilisers.

श्री अब्दुल गनी बार : अभी वजीर साहब ने एक सप्लीमेंटरी क्वेश्चन का जवाब देते हुए फरमाया जब उन से पूछा गया कि क्या वर्ल्ड बैंक ने आप को कोई मशविना दिया तो उन्होंने जवाब दिया कि उसने नहीं दिया वैसे हमें किसी के मशविरे की जरूरत नहीं है। मैं अपने वजीर साहब से पूछना चाहता हूँ कि क्या वह खुदा और भगवान की तरफ परफैक्ट है कि उन्हें किसी के मशविरे की कोई जरूरत नहीं है ?

[!بھی وزیر صاحب نے ایک سیپلیمینٹری کوشنن کا جواب دیتے ہوئے فرمایا جب ان سے پوچھا گیا کہ کیا ورلڈ بینک نے آپ کو کوئی مشورہ دیا تو انہوں نے جواب دیا کہ اس نے نہیں دیا ویسے ہمیں کن کے مشورے کی ضرورت نہیں ہے - میں اپنے وزیر صاحب سے پوچھنا چاہتا ہوں کہ کیا وہ خود اور بھگوان کی طرح پرفیکٹ ہیں کہ انہیں کسی کے مشورے کی کوئی ضرورت نہیں ہے -]

श्री अशोक मेहता : मैंने यह कहा था कि उन्होंने मशविना नहीं दिया। उनके मशविरे पर हम सोचते नहीं हैं ऐसा मैंने नहीं कहा नहीं मैंने यह कहा कि उनके मशविरे की जरूरत नहीं है लेकिन फैसला गवर्नमेंट अपने सामने जा कुछ हालात होते हैं उनको अपने सामने रख कर वह खुद अपना करती है।

SHRI G. S. REDDI: Is the coal-based fertiliser plant at Kothagudem under the consideration of the Government?

SHRI ASOKA MEHTA: There is a proposal under the consideration of Government, not at Kothagudem but at Ramagundam.

SHRI S. S. KOTHARI: Sir, Edmund Burke once said: Seas roll and months pass between the order and the execution. Between the conception of a project in this country and its execu-

tion, months and months pass. May I ask the Minister as to what steps he is taking to reduce this timelag so that all such projects are expedited?

SHRI ASOKA MEHTA: In the public sector alone we have five projects under construction. Three more have been decided upon. All these will require an outlay of Rs. 391 crores.

SHRI NATH PAI: He has completely ignored Burke.

SHRI S. S. KOTHARI: Why not reduce the timelag?

SHRI ASOKA MEHTA: When we take up any new plant we have also to see how much finance will be available. Rs. 391 crores have already been committed and I am taking up with the Planning Commission and the Finance Minister the next lot of projects that I want to take up which would involve an outlay of Rs. 320 crores.

SHRI S. S. KOTHARI: That is no answer to my question.

SHRI HEM BARUA: That is no answer. He has omitted Burke.

SHRI S. S. KOTHARI: Why does he not reduce the timelag between conception and execution?

SHRI ASOKA MEHTA: I have pointed out that as far as eight projects are concerned, they are either under construction or have been cleared. As to the next lot of projects, surely I must devote the maximum time for the most thorough study of that because the necessary finances have still to be found. I do not understand how I can say, "Yes, it will be done" unless the financial provision is made which will be theoretical clearance.... (Interruption).

SHRIMATI TARKESHWARI SINGHA: Before the Government took a decision on having coal-based plants did they take into consideration the

technology of Sindri and the reason why Sindri has been suffering; also, is it a fact Government has already decided to divert personnel from Sindri so that they could be absorbed in other fertiliser plants because Sindri is not able to run economically? I would like to know the reasons as to why Sindri plant is not running economically and whether this coal-based plant and other plants at other places could be run economically.

SHRI ASOKA MEHTA: About Sindri, I would like to have notice. As far as the other part is concerned, these matters have been gone into by the Planning and Development Division which the hon. Member knows is itself in Sindri and which is highly competent.

SHRI INDRAJIT GUPTA: The hon. Minister stated a little while ago that it was his assessment, a tentative assessment, that fertiliser plant based on coal would be somewhat more expensive and that it would cost about Rs 10 crores more than a plant based on ammonia. May I know from him whether it is a fact that this expert committee which went into the question has stated in its report that the actual assessment will be just the reverse because the naphtha produced here indigenously would not be upto the specifications and, therefore, it would be cheaper and more efficient to use our hydro-carbon resources?

SHRI ASOKA MEHTA: The F.C.I. has not completed its report. No such report has yet come to us.

SHRI P. VENKATASUBBAIAH: I am glad that the Government has taken up the Korba plant which had been abandoned after spending more than a crore and that the Government is also keenly thinking of having some more projects based on coal at Ramgudem and other places. May I know whether Government will give fresh thought on these coal based projects for which there is indigenous raw ma-

terial and there is the P&D Department which has got the necessary technical know-how instead of going in for giant complexes based on imported raw material.

SHRI ASOKA MEHTA: In the development of fertiliser industry, all these aspects are kept before us.

SHRI D. N. PATODIA: The hon. Minister stated that naphtha will be in short supply by 1970-71 and that this is one of the reasons why the abandoned plant at Korba is being revived. It is precisely on these grounds that the Tata Fertilizer Project was cleared by the Ministry of Petroleum and Chemicals after examining its feasibility. May I know what stands in the way of giving the final approval to this project? May I know whether it is a fact that Government is hesitating to give a clearance only because it is likely to be set up in the private sector even though the delay may be against the national interest.

SHRI ASOKA MEHTA: The F.C.I. has not yet completed its examination. The first report was received by the Board. When the Board considered the report, they found that certain further studies had to be made. Another report is yet to come. The Government is not in a position to take any view on this particular project until that report is received. Secondly as I pointed out 5 projects are under construction and 3 projects have been cleared. This involves a financial commitment of Rs. 391 crores. Until we know how much more finances we have to put into the fertiliser industry, it is not possible for us to clear things straightway.

श्री महाराज सिंह भारती : इसी कोरबा पर पहले कोलवेस्ट प्लान्ट बनाने का निश्चय किया गया था और हम ने उस पर पहले 1 करोड़ से ज्यादा रुपये खर्च किये थे; उनके बाद वह

स्क्रीम छोड़ दी थी। अब दुबारा इसी कोरबा पर कोल-बेस्ड प्लांट बनाने की बात चल रही है। मैं जानना चाहता हूँ कि किन कारणों से पहले उस पर 1 करोड़ ६० खर्च करने के बाद उसको मुलतवी किया गया था, और अब वह कारण कैसे बदल गये हैं कि दुबारा फिर कोल बेस्ड प्लांट बनाया जा रहा है जबकि सरकार के पास पूरी जानकारी अभी तक मौजूद नहीं है। इसकी क्या गारन्टी है कि फिर एक करोड़ रुपया खर्च करने के बाद उस को मुलतवी नहीं किया जायेगा ?

SHRI ASOKA MEHTA: In 1963-64 or so, there was a technological breakthrough in the fertiliser industry and at that time it was felt that the new technology would make it possible for us to produce fertiliser cheaper than the old technology. What is sought to be done now is this. The plant that was planned in the past was of a small size. What is now being planned is almost three times larger than what was thought of at that time. Such a large plant will enable us to have economy of scale. Secondly, we have now a very large fertiliser programme. We want to have, as I have said over and over again, diversified feedstock. That is why what was not possible in 1963-64 becomes possible in 1968-69 or 1969-70. As I said, the matter is still under consideration. The F.C.I. report has not yet come to the Government. The Government is not in a position to take a final view. All that I say is we are keen about having a fertiliser plant in Kobra and we would like to have some plants which are based upon coal as a feedstock.

श्रीमती लक्ष्मीकास्तम्भा : कोटागुडम फर्टिलाइजर प्लांट कारम्भ करने की बात बहुत सालों से सोची जा रही है, अब फिर उसके रामगुडम को बदलने का क्या कारण है ?

SHRI ASOKA MEHTA: It was for a variety of reasons, including supply of water and transport facilities.

SHRI S. KUNDU: It is indeed heartening to know what the hon. Minister has said, that he will give more emphasis for the coal-based fertiliser plants. But what I feel is that there is a lopsided policy; the Ministry of Petroleum and Chemicals do not know or do not pursue a policy about location of fertiliser projects. According to the hon. Minister, shortly 8 fertiliser projects are going to be cleared.

Will the Minister make out a policy and say that there will be diversification of industries in different States and as a first step, regional imbalance will be corrected and priority will be given to those places where there is an abundant supply of coal available and where electricity is also available?

SHRI ASOKA MEHTA: If you look at the position, it will be found that one is in Bihar, plant one in Bengal, one in Assam, one in Madras, one in Kerala, one in Maharashtra and so on and so forth. Therefore, I do not know what further the hon. Member wants. Before selecting any site, power, water, raw materials, demand, etc., are all gone into.

Fertilizers & Chemicals Travancore Ltd.

*3. **SHRI P. VISWAMHARAN:** Will the Minister of PETROLEUM AND CHEMICALS be pleased to state:

(a) the installed capacity of Fertilizers and Chemicals Travancore Ltd. in 1967;

(b) the total quantity of fertilizers produced by the Company during the year 1967;

(c) the actual profit or loss from production and sale of fertilizers during 1967;

(d) the total income earned by the company in 1967 by selling technical know-how; and