

Government, regional imbalances in industrial development have taken place and monopolistic empires have grown. In the last few years may I know what basic principles have been followed by the Government?

Shri Hathi: That is a pertinent question that in giving licences, the need of the region, the economy of the project, the availability of raw materials, etc., have to be considered. This is being done. Still there are complaints that this is not what should be done. That is why Government have referred this matter to the Administrative Reforms Commission.

Shri Tyagi: Has it come to the notice of Government that professional middlemen are allowed to act as go-betweens between the applicants for licences and the officials? There are general complaints that these professional middlemen are recognised by Government.

Shri Hathi: This has come to the notice of Government. Perhaps the hon. member knows that we have taken steps to see that these people are not interviewed by officers.

Shri Sham Lal Saraf: Since this matter was remitted to the special consultative committee of the Home Ministry, may I know whether two other Committees—Swaminathan Committee and Mathur Committee—have submitted their reports and whether any action has been taken with regard to those reports, till the Administrative Reforms Commission submits its report?

Shri Hathi: Yes, Sir. Not only Mathur Committee, but there was another committee under the chairmanship of Mr. K. K. Shah, Member of Rajya Sabha, for cotton textiles and iron and steel. There were four study teams. Some of their recommendations have been accepted and others are being examined. But they were only about their own fields. This is a general thing.

Shri Hem Barua: Are Government aware of the fact, in pursuance of Mr. Tyagi's question, that there are

some modern fashionable women in Delhi, political geishas....

Shri Tyagi: Non-political geishas.

Shri Hem Barua:.... non-political geishas who approach ministers on behalf of certain businessmen and industrialists for permits and the ministers are only too glad to oblige them?

Shri Hathi: I was dealing with this question at that level that the machinery for issuing licences should be so evolved as would not allow any doubt or suspicion to remain in the minds of the people. Such a machinery should be evolved so that people have not the least doubt or suspicion that the cases are not decided on merits and they are sure that licences are issued on merits and on certain criteria. That is why this matter has been examined and referred to the Administrative Reforms Commission.

Naphtha Steam Reformation Plant

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- *183. **Shri Vishwa Nath Pandey:**
Shri H. C. Linga Reddy:
Shri P. C. Borooah:
Shri Bhagwat Jha Azad:
Shri S. C. Samanta:
Shri Subodh Hansda:
Shri M. L. Dwivedi:
Shri Maheswar Nalk:
Shri P. R. Chakraverti:
Shri B. K. Das:
Shri Mohan Swarup:

Will the Minister of Petroleum and Chemicals be pleased to state:

(a) whether it is a fact that an agreement for the installation of a Naphtha Steam Reformation Plant at Sindri has been signed between the Fertilizer Corporation of India and Hitachi of Japan;

(b) if so, the main features thereof; and

(c) the estimated expenditure involved?

The Deputy Minister in the Ministry of Petroleum and Chemicals (Shri Iqbal Singh): (a) Yes, Sir.

(b) and (c). A statement is laid on the Table of the House.

STATEMENT

(b) The main features of the agreement are as follows:—

(1) M/s. Hitachi will design, engineer, supply and commission a steam naphtha reformation plant that will process 50 tonnes of naphtha a day to supply synthesis mixture for production of ammonia.

(2) The foreign exchange cost of equipment as per the contract will be met out of the 5th Yen Credit.

(3) Payment for the contracted goods will be made as follows:

(i) 20 (Twenty) percent of the price shall be paid within four weeks of the contract becoming effective, for which Hitachi will furnish a guarantee from a bank acceptable to F.C.I., and

(ii) 80 (Eighty) per cent of the price shall be paid against shipping documents.

(4) The contract provides for suitable capacity, quality and consumption guarantees.

(5) M/s. Hitachi shall make suitable arrangements for a reasonable number of our Engineers to receive practical training in the operation and maintenance of similar plants in Japan.

(c) The value of the contract is about Rs. 45 lakhs as detailed below:

(1) Foreign Currency	(i) Price for design engineering supply of equipment C & F Calcutta including licence fee, charges for service of Hitachi engineers for supervision of erection, installation, start-up and commissioning.	185,779,000 Yen (Rs. 38,70,358).
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(ii) Price for spares.	15,080,000 Yen (Rs. 3,14,166).
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(2) Rupees (i) Price for supply P s. 6,34,200. of equipment of Indian origin FOR Sindri, including Sales Tax, Insurance, Excise duties, other Licences and expenses for Hitachi's engineers for their stay etc. in India

(ii) Price for spares. Rs. 10,000.

श्री विश्वनाथ पाण्डेय : भारतीय उर्वरक निगम और जापान की हिताशी फर्म के बीच सिदरी में नैथा भाप परिष्करण कारखाना बनाने के सम्बन्ध में करार हुआ है। मैं जानना चाहता हूँ कि क्या इस प्रकार के कारखानों के स्थापित करने के लिए सरकार ने किसी अन्य देश की किसी फर्म से भी विचार-विमर्श किया था या कि सिर्फ जापानी फर्म से ही किया था।

श्री इकबाल सिंह : सवाल यह था कि जो सिदरी का कारखाना है उस की जो टोटल कर्बसिटी है वह 1 लाख 17 हजार टन नाइट्रोजन की है। लेकिन वह इस के मुताबिक काम नहीं कर रहा था क्योंकि इसमें जिस कोल से गैस बनती थी उस किस्म का कोल नहीं मिलता था। उस की मदद के लिए यह गैसफिकेशन प्लांट लगाया गया है ताकि इस का प्रोडक्शन 10 हजार टन और बढ़ाया जा सके। इस के लिए टेण्डर मंगायें गये थे और उन टेण्डरों में से जो जापान का टेण्डर था वह मंजूर किया गया है।

श्री विश्वनाथ पाण्डेय : मैं जानना चाहता हूँ कि यह कारखाना कब तक स्थापित हो जायेगा।

श्री इकबाल सिंह : यह 1968 के आखीर तक तकरीबन मुकम्मल हो जायेगा।

Shri P. C. Borooah: The Planning and Development Division of the Fertiliser Corporation of India recently claimed that India has got the talent and capacity to raise fertiliser plants. May I know whether this Division was asked to take up this

project before going in for any foreign collaboration with any foreign firms?

The Minister of Petroleum and Chemicals (Shri Alagesan): This relates to steam reformation of naphtha. This process was a new process and was recently acquired by FACT from the Power Gas Corporation of U.K. This scheme was taken up much earlier and tenders floated much earlier. This is comparatively a small plant. In order not to lose time and also because of the fact that we had only recently acquired this process and we are going to apply it both at Durgapur and Cochin, this was allowed to go.

Shri S. C. Samanta: May I know whether any other foreign firm was invited for collaboration with this schemes; if not, why this Hitachi Company only has been taken into confidence?

Shri Iqbal Singh: Tenders were called for and seven companies had submitted their tenders. They are Hitachi of Japan, Otto & Co., West Germany, Koppers of West Germany Uhde of West Germany, UCB of Belgium, FRI of Belgium and Onia-Geigi of France.

श्री म० ला० द्विवेदी : मंत्री महोदय ने प्रश्न संख्या 181 के उत्तर में बतलाया था कि अमोनिया की कमी चौथी पंचवर्षीय योजना में पूरी नहीं हो सकेगी। जो ऐप्रिमेंट हिताशी कम्पनी से हुआ है उस में यह लिखा हुआ है :

"the naphtha reformation plant will process 50 tonnes of naphtha a day to supply synthesis mixture for production of ammonia."

में जानना चाहता हूँ कि क्या इतनी अमोनिया नैयार करने से चौथी पंचवर्षीय योजना में कमी पूरी नहीं होगी। यदि नहीं होगी तो उस कमी को पूरा करने के लिए क्या उपाय किया जायेगा।

Shri Iqbal Singh: The Sindri plant is based on coal-based gasification. This is to supplement coal-based gasification by naphtha gasification. There is no question of any ammonia deficit. This is to supplement the production of ammonia in the Sindri plant. This is only a small plant for supply of 50 tonnes a day so that the total production in the Sindri plant may go up to 1,10,000 tons of nitrogen per year.

Shri Indrajit Gupta: From this statement I find that a sum of something over Rs. 38 lakhs is put down as the foreign exchange expenditure for a number of items of which one is the supply of equipment, whereas Rs. 6 lakhs only will be spent for supply of equipment of Indian origin. May I know how much of this Rs 38,11,000 foreign exchange is actually only for the supply of foreign equipment, apart from other items, and has the Government fully explored the possibility of increasing the supply of equipment of Indian origin in relation to this?

Shri Alagesan: The broad question of minimising the imported equipment and maximising the use of fabrication facilities within India whenever we put up a fertilizer plant is always under our consideration and we give preference to fabrication locally. So, in this case as the hon. Member himself has mentioned in the question, it is a consolidated amount that is given. Naturally, a larger part of it will go for the cost of the equipment. In all the fertilizer factories that we are putting up we are trying to use as much as 40 to 50 per cent of indigenously fabricated equipment.

Bharat Barrel and Drum Co. (P) Ltd.

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*185. **Shri Madhu Limaye:**
Shri Kishen Pattanayak:
Dr. Ram Manohar Lohia:

Will the Minister of Petroleum and Chemicals be pleased to refer to the