

SHRI N. K. SANGHI ;
 SHRI CHENGALRAYA NAIDU ;
 SHRI RABI RAY ;
 SHRI MOHAMMAD ISMAIL ;
 SHRI R. R. SINGH DEO ;
 SHRI YOGENDRA SHARMA ;
 SHRI INDRAJIT GUPTA ;
 SHRI CHINTAMANI
 PANIGRAHI ;
 SHRI BRIJ RAJ SINGH ;
 SHRI BHOGENDRA JHA ;
 SHRI BAL RAJ MADHOK ;
 SHRI JANESHWAR MISRA ;

Will the Minister of PETROLEUM AND CHEMICALS AND MINES AND METALS be pleased to state :

(a) whether it is a fact that Government are using pressure on the Oil Companies to cut prices of crude ;

(b) whether Government released foreign exchange for 15 days only in January, 1970 ;

(c) if so, the total quantum of exchange released for remaining days of the month of January, 1970 ; and

(d) whether Government have examined as to how the Refinery Agreements could be revised so that the controversy over crude prices is resolved in future ?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND CHEMICALS AND MINES AND METALS (SHRI D. R. CHAVAN) : (a) to (c). It is true that the Government had asked the foreign oil companies to reduce the price of crude oil imported by them by 10 cents per barrel so as to bring it in line with the fall in the prices of Middle East crudes in world market. On their failure to do so, the Government decided to reduce the foreign exchange allocations and imposed a cut of $7\frac{1}{2}\%$ on their foreign exchange allocations from June 1969. In the meantime, the oil companies reduced the price by 4 cents per barrel only. Government imposed a further cut of 20% on the foreign exchange allocations with effect from 16th January, 1970.

The Oil companies have now reduced the prices by the further six cents per barrel desired by Government with effect from 1st February, 1970.

(d) The Government are considering a suitable revision of the refinery agreements.

**Recommendations of Study Group
on Coal Industry**

18. SHRI SAMINATHAN ;
 SHRI NARAYAN ;
 SHRI DHANDAPANI ;
 SHRI N. R. LASKAR ;
 SHRI MAYAVAN ;
 SHRI CHENGALRAYA
 NAIDU ;

Will the Minister of PETROLEUM AND CHEMICALS AND MINES AND METALS be pleased to state :

(a) Whether it is a fact that the Union Government have accepted the recommendations made by the Study Group on stowing subsidy and other forms of assistance to the coal industry ;

(b) if so, what are the other recommendations made by the Study Group ; and

(c) how many have been accepted and the steps taken to implement them ?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND CHEMICALS AND MINES & METALS (SHRI JAGANATH RAO) : (a) to (c). Government have accepted the recommendations of the Study Group with minor modifications. A statement is laid on the Table of the House.

Statement

The main recommendations/conclusions of the Study Group are as under :

(1) Sand-royalty should be paid by Coal Board in addition to the stowing subsidy payable to individual collieries.

- (2) *Transportation of sand by trucks* : The Group have recommended revised ceiling rates for truck transportation on the basis of 1 K. M. distance slabs.
- (3) *Auxillary transport of sand from Storage points of Coal Board's Ropeways* : The Group have recommended revised ceiling rates for transportation of sand by trucks from the Coal Board's storage points to the bunkers of collieries.
- (4) *Transportation of sand by mechanised systems* : The Group have revised the ceiling rates for different systems of mechanised transportation. They have recommended the formulae for reimbursement of the cost of sand supplied from Bhaladih Sand Gathering Plant to Chinakuri Dhemu Main and Methani Collieries. They have also revised the rates of auxillary transport in cases of mechanised transportation system.
- (5) *Underground stowing operations* : The Group have not recommended any change in the ceiling rates for underground stowing costs. They have also recommended that underground stowing costs should be paid at the rates prescribed for stowing by sand irrespective of the material used and the lower rate prescribed for sand/ash mixture or other mixed material should be abolished.
- (6) *Consolidated rates* : The Group have not recommended any change in the existing consolidated rates, but have recommended that the royalty for the sand used in stowing should be paid in addition.
- (7) *Review of claim cases* : The Group have recommended that the Coal Board might set up a suitable machinery for review of cases where collieries complain of heavy reduction in claims has been made without adequate grounds.
- (8) *Controlled roof caving* : The Group have recommended adoption of controlled roof caving in place of sand stowing wherever possible and have suggested that the change-over should be done within a period of 10 years where sand stowing is being followed. A subsidy has been recommended at the rate of 80 paise per tonne of coal reclaimed, in place of paying stowing subsidy.
- (9) *Gassy nature of mines* : The Group are of the opinion that the costs incurred in category I mines for measures against gassiness should be treated as the common cost of coal raising and should not qualify for assistance. They have worked out the elements of costs for which assistance should be given and recommended the rates.
- (10) *Depth of shafts* : The Group have felt that no change in the existing rates of assistance for this factor is necessary.
- (11) *Inclination of seams* : The Group have felt that no change in the existing rates of assistance for this factor is necessary.
- (12) *Pumping costs* : The Group have recommended increased rates of assistance for this factor.
- (13) *Thinness of seams* : The Group have recommended increased rates of assistance for this factor.
- (14) *High transportation cost from pit-head to rail-head* : The Group have felt that no change in the existing rates is necessary.
- (15) *Open cast mines* : The Group have recommended revision of rates of assistance for high pumping costs, but have not suggested any change in the assistance rates for any other factor.
2. Government have carefully considered these recommendations and accepted

the rates of assistances recommended, subject to the following modifications :

- (i) In the case of stowing assistances covered by items (2) to (6), the rates should be fixed rates. This, in the opinion of Government will simplify the procedures and also encourage the colliery to adopt cost reduction measures.
- (ii) In the case of controlled roof caving, where such method of working is introduced as an alternative to stowing, assistance will be admissible limited to what would have been admissible if sand stowing was adopted.
- (iii) It has been decided that Gassy Mines of categories II, III and IV may be given subsidy at specified rates prescribed.
- (iv) Coal produced from depth may be subsidised at prescribed slab rates, depending upon the depth of workings from which it is produced.

3. Orders have accordingly been issued, and these will take effect from 1st January, 1970.

Setting up of Fertilizer Plant at Goa by Birlas

19. SHRI NARAYANAN :
 SHRI SHIV CHANDRA JHA ;
 SHRI SAMINATHAN ;
 SHRI HIMATSINGKA ;
 SHRI DHANDAPANI ;
 SHRI N. R. LASKAR ;
 SHRI MAYAVAN ;
 SHRI RAMAVATAR SHASTRI ;
 SHRI S. R. DAMANI ;
 SHRI CHENGALRAYA NAIDU ;
 SHRI HARDAYAL DEVGUN ;
 SHRI JANESHWAR MISRA ;
 SHRI ARJUN SINGH
 BHADORIA ;
 SHRI V. NARASIMHA RAO :

SHRI SRADHAKAR SUPAKAR ;
 SHRI J. K. CHOUDHURY ;
 SHRI P. VISWAMBHARAN ;
 SHRIMATI SHARDA
 MUKERJEE ;
 SHRI DEVEN SEN ;

Will the Minister of PETROLEUM AND CHEMICALS AND MINES AND METALS be pleased to state :

(a) whether it is a fact that the Central Government have approved the scheme of setting up a fertilizer plant by the Birlas in Goa with U. S. collaboration;

(b) if so, the details of the finalised project indicating the production capacity to be installed, contemplated terms of collaborations and share of control on finances and management; and

(c) when the work on the project is likely to start ?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND CHEMICALS AND MINES AND METALS (SHRI D. R. CHAVAN) : (a) Yes.

(b) *Production capacity* .

The production capacity envisaged is as under :

Ammonia	2,20,000 tonnes per annum
Urea	3,40,000 tonnes per annum
Compound fertilizer	1,50,000 tonnes per annum
	(28 : 28:0)

Terms of collaboration etc.

A new company by name M/s. Zuari Agro Chemicals have been formed to implement the project. The foreign collaborators headed by the U.S. Steel Corporation will be contributing Rs. 805.50 lakhs towards the equity capital of the company. Besides the U. S. Steel Corporation will also supply know-how. The company will be managed by a Board of eleven Directors. Two of the Directors will be nominated by the Indian Public Financing Institutions. There will be an Indian Managing Director.