

Sabha at its sitting held on the 25th July, 1973, and transmitted to the Rajya Sabha for its recommendations and to state that this House has no recommendations to make to the Lok Sabha in regard to the said Bill."

(ii) "In accordance with the provisions of sub-rule (6) of rule 186 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to return herewith the Orissa Appropriation (No. 2) Bill, 1973, which was passed by the Lok Sabha at its sitting held on the 26th July, 1973, and transmitted to the Rajya Sabha for its recommendations and to state that this House has no recommendations to make to the Lok Sabha in regard to the said Bill"

17.57 hrs.

RELEASE OF MEMBER

MR. CHAIRMAN: I have to inform the House that the Speaker has received the following communication dated the 26th July, 1973, from the Superintendent, Central Prison, Bombay:—

"Shri Jambuwant Dhote, Member, Lok Sabha, has been released today, the 26th July, 1973, from the prison on payment of fine"

SHRI ATAL BIHARI VAJPAYEE (Gwalior): The privilege issue would stand cancelled then?

SHRI SAMAR GUHA (Contai): That will be decided by the Privileges Committee.

17.58 hrs.

HALF-AN-HOUR DISCUSSION

DELAY IN COMMENCEMENT OF PRODUCTION AT THE DURGAPUR FERTILIZER PROJECT

SHRI SAMAR GUHA (Contai): The Durgapur Fertiliser Project failing to be

commissioned not only in time but even after about three years of its scheduled has become almost a big scandal. Similarly, the Cochin fertiliser project has also become another big fertiliser scandal. I want to add more and say that the Barauni and projects which were also to be commissioned by 1970 are also going to be near-scandal. For the Durgapur Fertiliser Project and the Cochin Fertiliser Project, the design, engineering and construction are almost the same. Not only the chemistry of fertiliser production, namely from naphtha to urea, is same, but these two projects were jointly undertaken by FACT and the FCI. But, unfortunately these two projects have completely failed in the sense that the time-schedule for production could not be maintained. The Durgapur fertiliser project has not yet reached even the stage of gassification of naphtha. In the Cochin fertiliser, a few k.g of urea was perhaps produced, but that also had failed subsequently. In Durgapur, Cochin, Barauni and even in Namrup the source material is not naphtha, but the end product is urea. If these projects could be commissioned to production, it would meet nearly 33 per cent of the country's requirements. If these Rs. 240 crores worth of projects could be commissioned for production in time, they would have saved our national exchequer foreign exchange to the tune of about Rs 100 crores, if not more. But since no time-schedule for production of urea was maintained by these projects under construction for the last two years and there was no production, we had to import fertilisers. Even in the Eastern European countries, from where we are importing fertilisers, fertilisers have become scarce, and the price of fertiliser is now double there, and as a result, I am ashamed to say that we are begging from one door to another in foreign countries to import fertilisers. But strangely, these four fertiliser projects which were to be completed by 1970 have completely failed.

18.00 hrs.

In the case of the Durgapur project, the foundation-stone was laid by

[Sri Samar Guha]

Shastriji in 1965. In 1966, the contracts with the foreign agency who were to give the engineering and plant design were completed. In 1967, the foreign exchange required was released, and by the end of 1969 it was scheduled that the Durgapur fertiliser project would be commissioned and start production. But it has not only failed to maintain time schedule, the production of urea is yet far off. Now, we are in 1973.

There are three parts of Durgapur project; the gasification chamber, the ammonia production chamber and the urea production chamber, that is, the end-chamber. You will be astonished to know, not to speak of the failure in the ammonia production chamber and the end-chamber, that is, the urea production chamber, there was no question of giving any trial to these chambers at all. Even in the gasification chamber, where the naphtha will be cracked into hydrogen and carbon dioxide, they have failed and they have not been able to produce hydrogen and carbon dioxide from naphtha. For the construction of the gas chamber, the task was entrusted to the FACT. It has failed.

When I asked for the reasons, the Government in a very vague way replied to me on the 24th July, saying that the "delay in commissioning the project has been mainly due to the mechanical failure in some of the imported equipment and other problems during the start-off of the trial operations." I want to know from the Minister what are the mechanical failures and what are the failures of the equipment. What did those people, who are responsible at the time of approving the design and the engineering plant and also the construction, do? Did they not go into the matter? Who were responsible for that? They did not check that up.

I also want to know whether at the construction stage, who were the persons or the group of persons responsible for the failure to check the construction

and design of the engineering plant and equipment. In a very vague way, the Minister replied that there were some problems during the start-off time. I want to know who are the persons or the group of persons responsible for the failure to check this. There were certain small equipments, small minor equipments worth Rs. 2 lakhs to Rs. 3 lakhs, that were required. Even there also, they have failed to take a prompt decision to purchase those small equipments to enable the commissioning of the project and switching over to the production stage. I want to know from the Government who are responsible for that.

At the moment, I do not want to digress or dilate and I do not want at the moment, that those people who are responsible should be taken to task. The reason is, I do not want to digress now or deviate from the main task. But certainly, when the Durgapur, Cochin, Barauni and Namrup plants reach the production stage, after that, an enquiry should be made to find out who are those responsible for the failure and they should be taken to task. But, at the moment, the real dimension of the problem is to bring these projects into the stage of production so that they can start the production of urea.

One thing appears to be very strange. The Action Committee, which was a high-powered committee, visited Durgapur, Cochin, Barauni and Namrup. They made, I should say, some drastic observations and sweeping remarks about the structure of the FCI, but this high-powered committee did not fix the responsibility; they did not make any suggestion; they did not mention what are the correctives that have to be taken for commissioning these projects and bringing them to the production stage. They did not even suggest any remedies. It is strange that a high-powered committee who visited and examined the projects, did not try in anyway to fix the responsibility or suggest the corrective measures for bringing these projects into the commissioning stage.

I have already said that at the moment I did not want to fix up the responsibility. That does not mean that I want to condone those people who failed to discharge their duties. But at the moment attention should be concentrated on making Durgapur and Cochin projects successful. I have been told by Mr. Pathak that the Action Committee had suggested that some foreign experts should be invited to investigate into the causes of failure in Durgapur and Cochin and also the causes of delay in commissioning of Barauni and Namrup projects. I have no prejudice against foreign expert. But may I remind Mr. Pathak that from the beginning he was discouraging the F.C.I. and was for foreign experts and foreign collaboration. Is it a fact that the Gujarat Fertiliser, Coramandel Fertiliser, Madras Fertiliser, Kota Fertiliser and the I.C.I. Fertiliser—all these five fertiliser projects, more or less of the same design and engineering construction, with minor deviation, are based on naphtha to produce urea? All these five projects are running well. Those who are handling them have a certain expertise. They know the reasons for arising difficulties. Should not a trial be given to our Indian experts, who have been successful in the production of Urea from Naphtha in these five plants? It is generally the same condition, the same design and more or less the same engineering. If they fail to identify the defects and suggest remedies within a month or two weeks, I will not hesitate to seek help from foreign experts. Only from the point of view of the immediacy of bringing these projects into commissioning, I request the hon. Minister to give an opportunity to the Indian experts to investigate into the causes that have led to this failure

The sweet looking and ever smiling Fertiliser Minister is perhaps very nice in literary studies and would have been a very suitable incumbent in the Ministry of Culture and Social Welfare. I should say that in regard to the main problem of bringing these 4 fertiliser units into production stage, he has failed. He has

allowed importance to a minor aspect, 15 lakhs of Mysore and Andhra deal of F.C.I. What is this 15 lakhs? It is 0.7 per cent of the total production of F.C.I. and 0.01 per cent of the total production of fertiliser in our country. They gave the case to the C.B.I. The result is total demoralisation and paralysis and total frustration in the whole structure of F.C.I. I am sorry to know that recently Mr. Singh, Manager of the Trombay unit has been dealt with in a particular way. The credit goes to him for making a commendable production, 9 crores excess fertiliser in Trombay unit.

Even the Action Committee appreciated the work of the Trombay unit. The Public Undertakings Committee in a report said that Trombay management should not be disturbed in any way because it has made a commendable performance. But strangely because the CBI said something, Mr. Singh who was Trombay Manager was asked to go on leave and when he came back from leave, he was transferred to Calcutta, where he is hibernating without any work to do. I want to ask the Minister how directive of the Public Undertakings Committee was flouted and a stigma was allowed to be attached to this gentleman by shifting him to Calcutta without any work to do. Who is the master? Is it the CBI or is it the Minister who is responsible for taking the decision?

Without entering into the dimension of the real problem which I have specified, viz. to bring the four units into production, the Minister has wasted the last six months, creating a sense of frustration, paralysis, demoralisation and disorganisation in the whole set-up of F.C.I. Out of the five Directors, he has shunted Mr. Ghosh to Lube. He has asked Dr. Chakravarti, the Managing Director, to quit and he is persuading him to become one of the Advisers to the Minister. Dr. Mukherjee, according to the admission of the Minister himself, is the most dynamic man who was behind the F.C.I. But for the last five months, he is also hibernating. The Minister assured this House that within two months the C.B.I.

[Shri Samar Guha]

enquiry report will be available. Now it is five months. You may bring in any body—Mr Hasan, Mr Sharma or any other person you like. I will hail you if you can bring within six months Durgapur, Cochin, Barauni and Namrup into the stage of production. You can fix specific responsibility on a group of persons to bring it to the production stage within six months. I want to know if you can take weekly reports of the progress made in each unit and hold them responsible for it. They are not to take up any other responsibility. Let them have their camp at Cochin, Durgapur, Barauni and Namrup and finish the work within six months.

Already we have wasted Rs 150 crore of valuable foreign exchange. Still we are begging at the door of foreign countries particularly East European countries for nitrogenous fertilisers. Black marketing is going on because of scarcity of fertilisers. You should not fritter away your energy on small matters like a loss of Rs 15 lakhs, may be due to some malpractice at the distribution level which is just 0.01 per cent of the total production in the whole country. But you have wasted your energy for the last six months for 0.01 per cent of the fertilizer production. I would request the hon. Minister to concentrate his energy to see that these four units are brought to commission within the next six months. If he still goes on frittering his energies with small matters, perhaps he will be accused of acting like a penny wise accountant of a village primary school.

श्री कमल निश मवुकर (केरिया) : देश में अन्न की कमी का दूर करने के लिए तथा रैशजार् बढ़ाने के लिए उर्वरकों की बहुत आवश्यकता है। उर्वरक अधिक मात्रा में पैदा करने के लिए, रैशजार्जान भी लगाने चाहिये और वर्तमान का रैजानो का विस्तार भी किया जाना चाहिये। बहुर में उर्वरक कारखाने खोले गए हैं जैसे बरीनी, दुर्गपुर, कोचीन आदि में। जिनमें भी कारखाने हैं

उन में उत्पादन पूरा नहीं हो रहा है, जो क्षमता है उसका पूरा उपयोग नहीं हो रहा है। बाहर से जो चीजें आती हैं उनको छाड़ कर इन कारखानों में जो क्षमता है उसका पूरा उपयोग होना चाहिए और इन कारखानों का सफलतापूर्वक चलाया जाना चाहिये। इसके लिए यह भी जरूरी है कि मजदूरों का मैनेजमेंट में पार्टिसिपेशन हो ताकि मजदूर भी यह समझे कि देश के निर्माण के कार्यों में वे भी हिस्सा बटा रहे हैं। मैं जानना चाहता हूँ कि ऐसी कोई व्यवस्था प्राप्त करने जा रहे हैं ताकि उत्पादन उर्वरकों को बढ़ाया जा सके ?

मैनेजमेंट में इन कारखानों में ऐसे लोग भी हैं खास कर उच्च अधिकारियों में जो राजकीय पूंजी के खिलाफ हैं। क्या यह भी एक कारण नहीं है कि लक्ष्य के अनुसार उत्पादन नहीं हो रहा है उर्वरकों का ? यदि हा तो आपने कौन सी योजना बनाई है ताकि उर्वरकों का उत्पादन अधिक हो सके और जहां पूरी क्षमता में पैदावार नहीं हो रही है वहां वह हा सके और पूरी क्षमता का इस्तेमाल हो सके ?

आपने बाहर के देशों से विशेषज्ञ बुलाए हैं, मैं जानना चाहता हूँ कि क्या उनका रैजानो अभी भी जरूरी है ?

THE MINISTER OF PETROLEUM AND CHEMICALS (SHRI D K BOROOAH) Mr Chairman, Sir, Shri Samar Guha spoke with great knowledge and erudition about the situation in Durgapur. It is indeed a very sorry state of affairs that the Durgapur plant, which was mechanically completed in September 1971, has not produced an ounce of urea. Not only that there has been at least 30 attempts to start production, but these attempts have proved infructuous due to failures or mechanical problems of some of the critical items of equipment, particularly those imported from outside. As

a result of this, the ammonia plant would only work for 120 days out of 460 days between March, 1972 and June, 1973. The balance time was lost due to failure of R.G. boilers, feed water pump and waste heat recovery system.

When I took over, I made enquire about the Durgapur plant. I was told by the Chairman and Managing Director, about whose competence and ability Mr. Samar Guha paid such high tributes that there was some difficulty about the pumps. I asked, "Who produced the pumps?". He said that the pumps were supplied by an Italian firm. Then, they made certain alterations and ultimately, they changed with pumps from a Japanese firm. Then, they mentioned about the failure of compressors and that some of the pipes of the boilers had also burst. Even today, in spite of the fact that the Managing Director and all the experts have been at it, this morning, one of my officers returned from there and he tells me that there is no hope of going into production by the end of August.

So far as the Cochin fertiliser plant is concerned it is also based on the same system....

SHRI KRISHNA CHANDRA HALDER (Aurangabad). I would like to know from the hon. Minister whether he is going to institute a high-power inquiry committee to find out whether second-hand machinery was supplied...

MR. CHAIRMAN: The hon. Member should not interrupt like this. He should sit down. The Minister is not yielding.

SHRI D. K. BOROOAH: The same problems have been faced also by the Cochin Fertiliser plant. This morning, I received the Telex from Cochin—I quote :

"PRODUCTION FIGURES OF COCHIN PLANT FOR 27TH JULY ARE 128 TONNES OF AMMONIA AND 100 TONNES OF UREA STOP RATES OF PRODUCTION AS ON 28TH MORNING ARE SEVEN TONNES PER HOUR OF AMMO-

NIA AND TEN TONNES PER HOUR OF UREA STOP..."

This is really nothing. They have to produce 1000 tonnes of urea and 600 tonnes of ammonia every day.

What I am going to say is a very sad situation. I have written to the Prime Minister. I had a meeting with all my Managers and talked to them. Although I have a reputation of being a polite person, if you ask them, I was not very polite with them also. Then, the Planning Commission also had a meeting with them. I had it on 12th June and the Planning Commission had it on 17th July. We have asked them to go into this. Of course, certainly, we told them, on the advice of Mr. Pathak, Member, Planning Commission, "If you cannot find where the fault lies, we will get somebody to find it out" Most of the equipment came from abroad I will give you the names of the firms which have supplied this machinery. The pumps have been supplied by Thermo Meccanica, an Italian firm; the compressors by Nuovo Pignone, an Italian firm and boilers by Lentjees Rekuperator, West Germany. So, we have told them that if they cannot find the faults by themselves, we will have to get experts from outside because many of the equipment came from abroad. In fact, we have already asked the fabricators to come and they have come. If they cannot find the faults, naturally, we will have to get the best advice available.

About the five plants, I do not know about all. I know about Kota plant, that is, a Japanese plant; Gujarat plant is also a Japanese plant as also the Gorakhpur plant. They are working very well. But their system is different.

SHRI SAMAR GUHA: Not totally.

SHRI D. K. BOROOAH: I am not an expert like you.

SHRI SAMAR GUHA: I am not an expert

SHRI D. K. BOROOAH: My knowledge is more limited than yours

[Shri D. K. Borooah]

This is based on high pressure heat recovery system which is about 135 atm. Usually all other fertiliser plants work at a pressure of 105 atm. Therefore, I am told that this is a new technology which has not been very widespread all over the world. In fact, as some of my friends told me, this is almost at the stage of experimentation. Therefore, we have to be very careful.

The people who were in charge made a mess over six years, and is it possible for any man to clear it in six months? Judging from what my hon. friend, Mr. Samar Guha, has said, they made a mess over six years. Can I clear the whole thing in six months? But I am certainly trying to clear it. I am not spending my time uselessly. I am at it, discussing this matter in great detail and taking a number of meetings...

SHRI SAMAR GUHA: These five units are almost the same, naphthased, for urea production. At least you could ask those who are handling it to investigate. (Interruptions)

SHRI D. K. BOROOAH: As I pointed out just now, they have a system which is different. I am told that this is based on high pressure heat recovery system. That has to be looked into carefully. I have told my experts to go into it and find out; if they can do, it is well and good; otherwise, I will have to take some drastic measures.

I would like to point out who are responsible for it. The people who were in charge of it are responsible for it. Howsoever capable the Managing Director of Fertiliser Corporation of India may be, whatever good reputation he may have, he has been in charge of this. Earlier it was Mr. Satish Chandra. Now it is Mr. Chakravarty from 1970. I told my officers, 'You have the reputation of being bright students, but the only difficulty is that you fail in all examinations'. Whom shall I hold responsible for this mismanagement at Durgapur, for their failure to even start the factory after two years of completion? Should I not hold those people responsible—those who were responsible for constructing it and manag-

ing it? Therefore, it is very clear as to who is responsible. The responsibility lies on those who were responsible for it. It is very obvious. We do not have to have a committee for that...

SHRI SAMAR GUHA: You mentioned Mr. Chakravarty. Who is the other person who is responsible?

SHRI D. K. BOROOAH: If the Government goes wrong, the Prime Minister is responsible. If my Ministry goes wrong, I am responsible. If the FCI goes wrong, the Managing Director is responsible. It stands to reason. Let him find out who is responsible down below. I will certainly hold him responsible. If he does well, I will recommend him for the award of Padma Vibhushan; otherwise, he takes the responsibility. It is as simple as that.

He mentioned about Rs. 13 lakhs. There was a case involving suspected criminology. I did not give it to the CBI; the Managing Director gave it to the CBI...

SHRI SAMAR GUHA: You have the final authority. It is childish to say that he did it. (Interruptions)

SHRI D. K. BOROOAH: The case was given to the CBI and it was given to CBI. I have... (Interruptions) I have given the wrong version? I did not give it to the CBI. The Managing Director and the Chairman gave it to the CBI.

SHRI SAMAR GUHA: But with your concurrence.

SHRI D. K. BOROOAH: Before they consulted me, they gave it to the CBI. When it came before me, naturally, I had to ask them to go on leave. CBI says that more unsavoury things are there. Therefore, they had to go on leave. So far as the CBI inquiry is continuing, I have to go by the advice of the CBI. No man is above the law of the country.

SHRI SAMAR GUHA: CBI is not the master. The Minister is the master. It has led to a thorough demoralisation and frustration in the whole organization. You should ask them to complete their inquiry within two months. Complete and thorough disorganisation and demoralisation.

MR. CHAIRMAN: You cannot impose your opinion on others.

SHRI D. K. BOROOAH: Demoralisation is more because under the leadership of the present management the Durgapur is not functioning well. That provides more demoralisation to the officers down below. That is due to ineffective leadership.

As I said, law will take its own course. Nobody is above law whether it is the son of Borooah or Mukerjee or Chakravarti.

SHRI SAMAR GUHA: What happened in the case of the Food Corporation? Have you asked them to go on leave? Differential treatment, and the result is this.

MR. CHAIRMAN I warn the hon Member that this is not the way to interrupt the Minister. If he continues like that, I have to adjourn the House. Let the Minister finish his reply.

SHRI D K BOROOAH: So far as this matter of basic responsibility is concerned, I am very deeply concerned about it. I have looked into it and so far as Durgapur is concerned, I have put the fear of God in them and if they do not do it and complete it, they will go. There is no second alternative. You may be very clear about it.

Secondly, so far as Namrup is concerned, Namrup is based on another feed-stock, that is, natural gas and natural gas has to be supplied by the Assam Gas Company. They do not have the compressors. I have brought them with me from Dibrugarh and got the foreign exchange sanctioned to the Assam Gas Company. This is only for the expansion. Then electricity has to be supplied by the Assam State Electricity Board for which the generator was being made in Bhopal and this has been completed and despatched by now and in six months' time, I was told by the Chairman of the ASEB, they will be able to give the power.

So far as Barauni is concerned, it stands on another footing. Barauni technology also is more or less the same. In the meanwhile, we have looked into the problem and in the case of future factories, I tried to sort them out. Barauni, I think, would be completed by the end of this year or may be early next year. But I do not know because again this also is based on the same technology for which you know the responsibility is that of the people who did it. Therefore, what I say is that these are the measures we have been taking. I have an idea that if they work hard and if they work with devotion and if the people get the proper guidance, then they will be able to go on stream—that is what I have been advised by the Durgapur people—by the end of the next month.

So far as FACT, Cochin, is concerned, it has already produced some urea. It is hoped that they will be able to sort out their problem... (*Interruptions*) May be a small quantity. But, as I said, they must give a good account of themselves and I am sure this House will stand by me if I fix the responsibility on those people who are responsible for this and mete out adequate justice for them. I am sure the House will stand by me.

SHRI SAMAR GUHA: Bring them into operation.

SHRI D. K. BOROOAH: There are two ways of bringing them into operation. Either by praising the good and the successful or punishing the bad and the unsuccessful. That is also one method. I am going to take very serious steps about it.

And, about my smiles, it is a very small distance between my smiles and my frown, if you have known it.

18.35 hrs.

The Lok Sabha then adjourned till Five of the Clock on Tuesday, July 31, 1973/Sravana 9, 1895 (Saka).