

[English]

SHRI VEERENDRA PATIL : The project estimate was prepared in April 1971 and at that time the cost of the project was expected to be Rs. 93.85 crores with a time limit of 42 months. According to the project report the capacity is 900 tonnes of Ammonia and 1500 tonnes of Urea per day. The production as I have already given in the statement is : in the year 1982-83 it is 1,62,664 tonnes, capacity utilisation—49.29%. 1983-84—it is 1,75,068 tonnes and capacity utilisation is 53.05 per cent and 1984-85—it is 2,03,090 tonnes and capacity utilisation is 61.54 per cent.

[Translation]

SHRI MOOL CHAND DAGA : It has been stated that its estimated cost was Rs. 93.85 crores initially which rose to Rs. 270 crores at the time of completion. Will the Hon. Minister state the period over which this cost increased approximately triple? Besides, what was its capacity in 1982-83, 1983-84 and 1984-85 and the total quantum and percentage of production as against it as also the loss thus suffered each year and its percentage?

SHRI VEERENDRA PATIL : I have already said about the capacity utilisation. Regarding capacity utilisation, the latest figure we have is for 1984-85 and it is 61.54 per cent. The Hon. Member wanted to know about the losses. I am sorry I do not have the information. I will collect and furnish it to the Hon. Member.

[Translation]

SHRI MOOL CHAND DAGA : On the one hand you say that the production was about 50 per cent of the total capacity and on the other hand you are not telling us the losses... (Interruptions) What have we to construe therefrom?

[English]

SHRI C. MADHAV REDDI : The figures supplied by the Minister about capacity utilisation of the Ramagundam plant are very misleading. Now he has given only the figures of urea production and he has indica-

ted that in 1984-85 the production was to the extent of 61 per cent. Our reports show that the entire production was only 40 per cent so far. But if we include ammonia also, certainly this figure will go down. May I know from the Minister as to what is the reason for this type of presentation of figures?

Secondly, the main defect we were told with this plant is the design imbalance and foreign consultants have been appointed to go into it. We would like to know what is the progress in this direction.

SHRI VEERENDRA PATIL : So far as the technology is concerned, I have already replied this question on several occasions.

For the first time a coal-based fertiliser plant was experimented in our country and even in foreign countries also I think there are only 2 or 3 fertiliser plants based on coal in South Africa and there is one or two in East Germany and in no other part of the world there are any fertiliser plants based on coal. This was first started in 1971 because at that time our oil position was very bad. We did not have sufficient oil. We did not have sufficient naphtha. We did not have sufficient gas. Therefore, at that time the decision was taken

MR. SPEAKER : We discussed this very question earlier also.

SHRI VEERENDRA PATIL : Earlier also we discussed it. This is the technology we have taken from one Krupps Co. It is a German technology.

Hon. Member, Mr. Daga wanted to know about profit and loss. I can only say that the net profit for the year 1984-85 is Rs. 88 lakhs. It is only this year that Ramagundam plant has made a net profit of Rs. 88 lakhs. But the accumulated losses upto 31.3.85 is about Rs. 55 crores because the plant could not function to its full capacity because of power constraints and other equipment and imbalance of design, etc.

Production of Portland Cement

*841. **SHRI BHOLA NATH SEN :** Will the Minister of INDUSTRY AND COMPANY AFFAIRS be pleased to state :

(a) whether Government have received complaints of scarce availability of ordinary Portland Cement in the market because of deliberate diversion by the Cement factories of their production capacity to production of Portland Pozzolana Cement, Portland Slag Cement and other varieties in which cheaper ingredients are used;

(b) if so, the details thereof;

(c) to what extent the production of different varieties of cement has increased in the country during the past three years; and

(d) the steps taken/proposed by Government to increase availability of ordinary Portland Cement in the market for consumption by the general public ?

THE MINISTER OF STATE IN THE

MINISTRY OF INDUSTRY AND COMPANY AFFAIRS AND IN THE MINISTRY OF HOME AFFAIRS (SHRI ARIF MOHAMMAD KHAN) : (a) to (d). A statement is laid on the Table of the House.

Statement

(a) and (b). Some complaints have been received about inadequate availability of ordinary portland cement from consumers such as Irrigation and Power sectors, Railways, Oil India etc. despite the fact that production of ordinary portland cement has shown increase since the introduction of the policy of partial de-control of cement industry.

(c) Production of different varieties of cement in the country during the past three years is as follows :

(in lakh tonnes)

Year	Variety-wise production of Cement				Total
	OPC	PPC	PSC	Other Varieties	
1982	49.7	134.9	39.3	1.5	225.5
1983	64.3	144.6	44.0	1.3	254.2
1984	81.9	166.9	40.7	2.2	291.7
(prov.)					

(d) Cement producers have been requested to manufacture Ordinary Portland Cement in sufficient quantity to make available 30 per cent of the levy quota to various consumers as per directions given by the Government. Cement producers are also exhorted time and again in this regard.

SHRI BHOLA NATH SEN : Sir, at the outset I would like to point out that part (d) of my question has not been replied to. The answer does not give any indication whether general public will get more ordinary portland cement as is given to the Government departments ?

SHRI ARIF MOHAMMAD KHAN : The cement producers have been requested to

manufacture ordinary portland cement in sufficient quantity to make available 30 per cent of the levy quota to various consumers as per directions given by the Government.

SHRI BHOLA NATH SEN : What about the general public ?

SHRI ARIF MOHAMMAD KHAN : For the general distribution the State Governments are responsible. Through the office of Controller of Cement we remain in touch with the State Governments and try to see that there is enough availability of ordinary portland cement in the market for the general public.

SHRI BHOLA NATH SEN : Sir, in

answer to parts (a) and (b) of my question it has been stated :

“Some complaints have been received about inadequate availability of ordinary portland cement from consumers such as Irrigation and Power sectors, Railways, Oil India etc. despite the fact that production of ordinary portland cement has shown increase since the introduction of the policy of partial de-control of cement industry.”

So, Sir, when the Government departments are complaining about the non-availability of portland cement I would like to know what steps have been taken for supply of ordinary portland cement to the members of the public ?

SHRI ARIF MOHAMMAD KHAN : The only step we can take is to persuade the producers to ensure availability of ordinary portland cement in the market and that is what we are doing.

SHRI BHOLA NATH SEN : Sir, my question is that Pozzolana and Slag cements are made of fly ash and slag. The mill owners are diverting their capacity to manufacture more Pozzolana or Slag cement although you have asked them to increase the capacity of ordinary portland cement by 30 per cent. By diverting their capacity to Pozzolana and Slag cements they are making huge profits because the cost of ingredients of Pozzolana and Slag cement is much less and the price of all these varieties is almost the same. Since in spite of your requests they have not increased the production of ordinary portland cement will you consider to bring a change in the law ?

THE MINISTER OF CHEMICALS AND FERTILISERS AND INDUSTRY AND COMPANY AFFAIRS (SHRI VEERENDRA PATIL) : I want to make it clear that so far as the quality of cement is concerned whether it is ordinary portland or pozzolana cement the quality is almost the same. The only difference is...

SOME HON. MEMBERS : No.

SHRI VEERENDRA PATIL : I have not

completed. The only difference is this : in the case of OPC it sets very quickly. In the case of pozzolana it takes a little time. Therefore in all Government departments—wherever irrigation works are there, construction of bridges are there, railway works are there—they naturally prefer ordinary portland cement. Therefore they prefer ordinary portland cement to be supplied to them. If there are any complaints those complaints are mostly from those Public Works Departments. Therefore the policy of the Government is to encourage this because in Pozzolana cement fly ash and other such materials are being used. We have got limited quantity of limestone and we want to conserve it. Therefore the Government policy is to encourage more and more production of pozzolana cement; therefore pozzolana cement production is going up. At the same time in order to meet the requirements of the ordinary portland cement also we have been telling time and again the manufacturers to increase availability. They have increased it. Production also has gone up. If there is any shortage we will persuade the manufacturers to supply it to the departments which require ordinary portland cement and we are following it up. We are having detailed discussions with manufacturers. I think to a great extent we have been able to satisfy the Public Works Department so far as supply of OPC is concerned.

SHRI LALITHESWAR SHAHI : Sir, I want to know whether the Minister has considered the pricing system of different qualities of cement the pricing was last revised only in 1978. Which system encourages production of more slag cement in comparison to portland and pozzolana cement ? In prestressed concrete bridges the cement has to set within a particular time limit. Unless there are different prices for different grades of cement in order to induce them to produce the required production cannot be increased by mere request.

SHRI VEERENDRA PATIL : There is price difference between Pozzolana cement and ordinary portland cement. The price difference is Rs. 15 per tonne between ordinary portland cement and POC cement. In the case of ordinary portland cement it is Rs. 532. In the case of POC it is Rs. 517,

[Translation]

SHRI BANWARI LAL PUROHIT : I want to know from the Hon. Minister whether Government are considering any proposal to increase the price of cement and that is why the factories are not releasing the stocks of cement but are instead holding it. I would like to know how far it is true.

SHRI VEERENDRA PATIL : The price of levy cement was increased a bit last year. There is no question of increasing the price of non-levy cement, because its price depends on the principle of demand and supply in the market. Ever since we increased the price of cement last year, the cement manufacturers are saying that they are incurring losses and that its price should be increased further. But, Government have not taken any decision in this regard.

SHRI BHAGWAT JHA AZAD : Do not increase it, it is already very high.

**Setting up of new Fertilizer Plants
in Orissa**

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*842. **SHRI SOMNATH RATH :**
SHRI K. PRADHANI :

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state :

(a) the number of fertilizer plants set up in Orissa so far;

(b) the location of those fertilizer plants;

(c) the quantum of fertilizers produced from each of those plants in the last three years;

(d) whether Government have a proposal to set up new fertilizer plants in Orissa during the Seventh Five Year Plan period; and

(e) if so the sites selected therefor ?

THE MINISTER OF CHEMICALS AND FERTILIZERS AND INDUSTRY AND COMPANY AFFAIRS (SHRI VEERENDRA PATIL) : (a) to (e). A Statement is laid on the Table of the House.

Statement

(a) and (b). There are two fertilizer plants in operation in Orissa one at Talcher and the other at Rourkela.

(c) The requisite details are given below :

Production (In thousand tonnes of Nitrogen)

	1982-83	1983-84	1984-85
Talcher	20.6	37.3	55.1
Rourkela	11.0	22.5	49.8

(d) and (e). A large Phosphatic fertilizer plant is under construction at Paradeep in Orissa; it would be completed during the Seventh Plan period. Besides, an industrial licence has been granted for setting up of a small Single Superphosphate unit in Mayurbhanj District of Orissa.

There is no decision, at present, to set up more fertilizer plants in Orissa.

SHRI SOMNATH RATH : I am glad to know from the Hon. Minister that the phosphatic fertilizer plant under construction at Paradeep is going to be completed by the end of the 7th Plan. I would like to know from the Hon. Minister when the fertilizer plant is likely to start commercial production as also the total quantity of fertilizer likely to be produced from that plant annually.

SHRI VEERENDRA PATIL : Sir, so far as this phosphatic fertilizer plant which is being set up at Paradeep is concerned, it would have annual installed capacity of 117,000 tonnes of nitrogen and 300,000 tonnes of phosphatic fertilizer with P_2O_5 in the form of Di-ammonia phosphate. Construction of the plant is proceeding according to the schedule and the Di-ammonia phosphate plant is scheduled to be commissioned by March 1986.

SHRI SOMNATH RATH : I have come to know from the answer given by the Hon. Minister that a small single super-phosphatic unit is going to be set up at Mayurbhanj district of Orissa. I would like to know whether the Government will explore possibilities of setting up more and more such small projects in Ganjam district of Orissa.