

and thereafter the quantum of financial assistance to be given to a particular unit is determined. Most of these units are new and we have got no information about the number of units running in loss or profit. According to my information most of them are functioning properly. We have noted the suggestion made by an hon. Member that people may be encouraged to use more and more bagasse. We will see what action can be taken in this regard.

**SHRI BALASAHEB VIKHE PATIL :** So far as modernisation of sugar mills is concerned, minimum steam consumption, high pressure boilers etc. are needed. Similarly, can these technique prove more useful in case of bagasse. What is the amount of foreign exchange saved by us so far every year by the use of bagasse for producing paper? What type of paper is not produced in India and is being imported. So far as I know you are also importing newsprint from abroad.

**SHRI ARIF MOHAMMAD KHAN :** I have already said in the original reply that we are not importing paper from abroad.

**SHRI BALASAHEB VIKHE PATIL :** Pulp is being imported.

**SHRI VEERENDRA PATIL :** Very little quantity.

**SHRI ARIF MOHAMMAD KHAN :** The figures in respect of newsprint for the year 1984-85 are not available with me at the moment, but its production has been increasing every year. Barring certain special types of paper, we are neither importing any paper nor there is any need for it. But this matter is not directly linked with it. For paper production we want that forests should be protected and also that their use should be minimum. Without linking the question of import with it we want that new units be encouraged to use non-conventional methods more and more. I have already said that the Government have decided to provide facilities. Government have set up a Secretary

level inter-Ministerial Committee to review it and see how these facilities can be provided speedily.

Sugar mills use bagasse as fuel because of its low cost. Therefore, with a view to avoid its utilisation as fuel on large scale, we are trying to provide alternative fuels to them.

**SHRI RAM NAGINA MISHRA ;** The hon. Minister has said in his statement that they would give priority for setting up of the paper mills in areas having cluster of sugar mills. There are as many as 14 sugar mills in Deoria district of Uttar Pradesh. No other district in the country has got so many sugar mills. I would like to know whether Government propose to set up paper mills in Deoria keeping in view the large cluster of sugar mills and production of bagasse in large quantity there.

**SHRI ARIF MOHAMMAD KHAN :** I welcome the suggestion of the hon. Member. If any application for setting up of such a unit is received, I assure you, it would be looked into.

[English]

**SHRI THAMPAN THOMAS :** Sir, there is short supply of paper. The students are not getting books in time. Is there plan for the Government to allow small scale industry to come up in paper industry?

**SHRI ARIF MOHAMMAD KHAN :** Many small plants are working. They are producing paper but in many cases because of the smallness of the size of the plant they were not economically feasible and many of them got closed down. Since most of them are in the private sector we can only try to help them to run their units profitably.

Setting up of Ammonia/Urea Plants  
based on Bombay High Gas

\*83. **SHRI K.P. UNNIKRIISHNAN :** Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state :

(a) whether Government have appro-

ved and finalised the technical consultancy arrangements for ammonia/Urea plants to be set up based on Bombay High Gas ;

(b) if so, the details thereof ; and

(c) the particular qualifications of foreign technical consultancy firms and levels of their technology and experience in Indian conditions ?

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

#### Statement

(a) and (b). Government has so far approved the technical consultancy arrangements for Ammonia/Urea Plants for the following new fertilizer projects being set up based on Bombay High Gas :

1. Vijaipur Fertilizer Project, M.P.
2. Aonla Fertilizer Project, U.P.
3. Jagdishpur Fertilizer Project, U.P.

The details relating to capacity, technical consultants and implementing authority are given in the Annexure.

(c) The technical consultants selected for the Ammonia and Urea plants have earlier undertaken similar work based on the same technology for the gas-based fertilizer project at Thal Vaishet and Trombay-V implemented by RCFL. The consultants for Urea had, in addition, undertaken the work relating to setting up of Urea plants for the fertilizer projects at Hazira, implemented by KRIBHCO, GNFC, IFFCO (Phulpur) and Trombay-V.

**SHRI K.P. UNNIKRISHNAN :** Sir, I have great respect for the hon. Minister for Chemicals and Fertilisers but his brevity in this case is astonishing and the statement conceals more than it reveals. This is such an important issue

of our self-reliance in a vital area like fertiliser technology and it is our misfortune, Sir, that India has become a dumping ground for obsolete technology and there is a virtual invasion by Italian multi-nationals to swamp the entire Indian fertiliser industry.

I want to ask the hon. Minister whether it is not a fact that M/s Snam-progetti, Italian collaborators for the Indo Gulf Fertilisers and Chemicals who are setting up a fertiliser complex in Jagdishpur have suggested that yet another Italian firm M/s Techni Petrol be inducted to monitor detailed engineering procurement of Indian supplies, inspection and expediting of Indian indigenous plant and machinery and construction and erection to be locally done? Italians are to come here—Techni Petrol—to monitor what we are doing and...when we have been exporting the very same technology abroad and have won merit abroad. Now we are told that Italian Techni Petrol will have to come here to monitor what we are doing, what our public sector undertaking PDIL is doing. I want to know whether Government has approved this arrangement and at what stage this arrangement is and what his opinions are.

**SHRI VEERENDRA PATIL :** So far as Indian technology is concerned I must say that we are trying Indian technology of setting up one fertilizer factory at Haldia ; I must admit the fact that our experience has not been very satisfactory. The Haldia factory is still under erection. I think it is now 8 to 10 years that work on the factory had started. During the stage of erection itself there have been various cases of breakdown and all that and we are losing very heavily. When our technology is not upto date or not sophisticated we should not feel shy to admit this fact. It is not now but in 1977 itself it was decided to import the technology. So far as urea is concerned, not one expert committee but several expert committees which were appointed supported this Italian technology for urea. It is not during our regime only but even in 1977 also that technology was

## ANNEXURE

Sl. No.	Project (Location)	Implementing Authority	Capacity	Ammonia	Urea	Technical Consultants
1.	Vijaipur (Guna) Fertilizer Project, M.P.	M/s. National Fertilizers Ltd. (NFL)	1350 TPD of Ammonia & 2200 TPD of Urea	M/s. Haldor Topsoe A/S, of Denmark with M/s. Projects and Development India Ltd. (PDIL), a Public Sector Undertaking as a contractor	M/s. Snamprogetti with M/s. Projects and Development India Ltd. (PDIL), a Public Sector Undertaking, as the authorised contractor	
2.	Aonla (Bareilly) Fertilizer Project, U.P.	M/s. Indian Farmers Fertilizers Cooperative Ltd. (IFFCO)	1350 TPD of Ammonia and 2200 TPD of Urea	M/s. Snamprogetti of Italy, with M/s. Projects and Development India Ltd., (PDIL), a Public Sector Undertaking, as joint consultant.	M/s. Snamprogetti of Italy, with M/s. Projects and Development India Ltd., a Public Sector Undertaking as joint consultant.	
3.	Jagdishpur, Sultanpur District, U.P.	M/s. Indo-Gulf Fertilizers and Chemicals Corpn. Ltd. (IGFCC)	1350 TPD of Ammonia and 2200 TPD of Urea	M/s. Snamprogetti of Italy(*) with M/s. Projects and Development India Ltd. (PDIL), a Public Sector Undertaking, as nominated contractor	M/s. Snamprogetti of Italy, with M/s. Projects and Development India Ltd. (PDIL), a Public Sector Undertaking, as a nominated contractor	

(\*) Using Topsoe technology for Ammonia Process.

preferred by the expert committee. There was a unanimous recommendation made by the expert committee. We are following their advice so far as this technology is concerned because for the first time we are setting up giant fertilizer plants, not one or two only, but we are setting up gas based fertilizer units numbering 10 in the entire country. Therefore we thought we should not take any chance and we should get the best available technology. Government took into consideration the recommendations of the experts committee. They accepted them. On this basis these factories were put up. There is no question of favouring anybody. So far as Snam Progetti is concerned this technology was approved; this was cleared in 1977-78 itself. So far as urea technology is concerned, at no time there was any controversy about this technology.

**SHRI K.P. UNNIKRISHNAN :** He has not answered my question. Was that my question? Will you go through the record? Was that my question? I am amazed at the reply of a Minister like my friend the hon. Minister for Chemicals. What is my question? My question was not about Snam Progetti. If you want I will repeat my question. He has not answered my question. He is telling us about what happened in 1977. All that we have gone into and we will go into again if he wants. But that is not my question. My question was this: In regard to Jagdishpur complex may I know whether the collaborators, Messrs Snam Progetti, Italian collaborators, recommended and the proposal is before you, for another Italian firm, Messrs Techni Petrol to be brought in to monitor detailed engineering to be done in PDIL, procurement, inspection and expediting of indigenous plant and machinery? Indigenous means Indian. That is my question. He has to give answer to that. At what stage that proposal is? That was my question, not what happened in 1977 and so on. I request the hon. Minister to give me an answer on that.

**SHRI VEERENDRA PATIL :** Sir, the hon. Member is referring to some firm called Technipetrol and I do not know

how they are connected with the Snamprogetti. M/s. Snamprogetti have sponsored some consultancy firm. I understand that some proposal have been received and we have not taken any final decision.

**SHRI K.P. UNNIKRISHNAN :** Now, my second question is that in these gas-based fertilizer plants, in the name of standardised technology, the Ministry or certain sources in the Ministry are putting pressures on other applicants like M/s Zuari Agro-chemicals of Birlas and Tatas for having the same Italian-Danish collaborators for their projects. When they want to introduce Kellogg or Toyo or 'X', 'Y', 'Z', pressure is not, put, in the name of standardisation, you can have the Italian-Danish collaborators. I want to know whether they have taken any decision on this. Pressures are being put by other Ministries also.  
(Interruptions).

**SHRI VEERENDRA PATIL :** In 1977-78, the Experts' Committee was constituted.

**PROF. MADHU DANDAVATE :** If he refers to 1977-78, let Mr. H.M. Patel reply to that question.

**MR. SPEAKER :** What is wrong about that? There is nothing wrong about it, even if it is Italian or Danish collaborators. There is no problem.

**PROF. K.K. TEWARY :** He is the only source and he is the most expert person of all the multinationals' operations in this country.

(Interruptions)

**SHRI VEERENDRA PATIL :** The hon. Member wanted to know about Zuari Agro Chemicals and Tata Fertilizers plants. Sir, the latest position regarding finalisation of technical consultancy arrangements is that the company has informed that they are likely to send the final proposal from the proposed consultants immediately after the scrutiny of the same and they will submit a draft agreement for the approval. What the hon. Member has stated is not

correct and I am not going to accept his suggestion.

**MR. SPEAKER :** There is nothing wrong about it. Why should we object to it ?

**SHRI VEERENDRA PATIL :** I do not agree with the suggestion of the hon. Member that our officers in the Ministry are putting pressures on these undertakings. There is nothing like that. That is entirely left to the Fertiliser companies.

**SHRI S. JAIPAL REDDY :** For all the fertiliser plants at Vijaipur, Aonla and Jagdishpur, the consultants are Topsoe and Snamprogetti. Topsoe are the subsidiary of Snamprogetti. For all the three projects, only one company, that is, Snamprogetti is the consultants. I am not going into the aspect as to whether indigenous technology in this vital area is adequate or not. Even when a decision is taken to import foreign technology, it requires to be seen what is the standard procedure to be followed. The answer given to this is that since they were consultants for Thal Vaishet project, it has been decided that they are the consultants again for this fertiliser plant. Sir, you know the controversy that arose in regard to Thal Vaishet project. If one mistake was done earlier, we should see that it is not repeated, ad nauseam.

**SHRI VEERENDRA PATIL :** I want to explain the position if the hon. Members listen to me patiently. I started saying that in 1977-78, it was decided.

In 1977-78, it was decided to set up joint fertilizer plants based on natural gas and at that time we were hopeful of getting plenty of natural gas. Therefore, our experts felt that on the basis of natural gas we can put up ten joint fertilizer projects. The Government accordingly set up two Committees, one expert committee for deciding about the technology and the other expert committee for alignment of the gas pipeline. More than one expert

committee went into this matter after considering the recommendations of the expert committee, so far as ammonia technology is concerned, Government took a decision on two firms from which the fertilizers units could select the technology; one is Haldor Topsoe and the other is Kellog. Haldor Topsoe is from Denmark and Kellog is from America.

So far as Urea is concerned, the decision was taken in favour of Snam Progetti, an Italian firm. Now, it is entirely left to the individual fertilizer units to decide from whom to avail of the technology... (*interruptions*). How can I complete? They are not allowing me to complete.

**MR. SPEAKER :** You asked how it was decided and he has explained.

**SHRI VEERENDRA PATIL :** As I said, the Government after taking into consideration reports of the expert committee decided that we should have uniform technology and uniform erection of fertilizer machinery and plants in the entire country. We wanted finality; we wanted our engineering firms, one PDIL and the other FACT to be associated with this foreign technology, so that in course of time, our engineering firms should absorb this technology. The Government decided on two firms for ammonia technology and one for urea technology. So far as selection of consultant is concerned, it is entirely left to the project authorities. There is no question of showing any favour to anybody. As I said, technology for ammonia is restricted to Haldor Topsoe and Kellog, and for urea it is Snam Progetti. Out of these technologies, which have been approved by the Govt., the project authorities and the engineers of the project have to make a selection and go to the Government for necessary approval.

**SHRI S. JAIPAL REDDY :** My question has not been answered.

**MR. SPEAKER :** What more do you want ?

**SHRI S. JAIPAL REDDY :** I wanted to know the standard procedure.

**MR. SPEAKER :** That is what he has explained.

**SHRI S. JAIPAL REDDY :** You do not allow me to complete the question. He referred to an expert committee appointed in 1977-78, and he has also referred to a decision taken by the Government...*(Interruptions)* Which Government....

**MR. SPEAKER :** Whatever be the party, Government is Government. It is a continuous process, whether it is Janta or Congress party... Not allowed... This is my ruling... He has replied and I am satisfied with his reply. Your question has been amply answered. Please sit down. Not allowed.

Mr. Swell.

*(Interruptions)\*\**

**SHRI G.G. SWELL :** They are taking my time.

**MR. SPEAKER :** Mr. Jaipal Reddy, you cannot do this. It is my ruling. I am satisfied with it. You asked how it was done and he has replied. I am not allowing you. This is too much.

*(Interruptions)\*\**

**MR. SPEAKER :** Please take your seat. It is not done like this. I am very sorry about this. Yes, Mr. Swell.

*(Interruptions)\*\**

**MR. SPEAKER :** Please sit down.

*(Interruptions)\*\**

**MR. SPEAKER :** I have not allowed it. Without my permission, nothing goes on record. I have not allowed either you or him.

*(Interruptions)\*\**

**MR. SPEAKER :** I am not going to stand this !

*(Interruptions)\*\**

**SHRI G.G. SWELL :** As far as I understand, Sir, the basic question is, setting up of these fertilizer plants based on Bombay High gas. Now, if I understand the Minister correctly, he said that the Haldia project had taken 10 years and it is not yet ready to go into operation. Now the experts, the geologists and the hydro-carbon experts have come to the conclusion that the oil and gas in Bombay High will run out in another fifteen years. If you take another ten years to set up these plants, will you have this plant on Bombay gas for five years or do you have other alternative source of gas to be fed into these fertilizers, or will it be an exercise in futility?

**PROF. MADHU DANDAVATE :** Leave it to the next Government.

**SHRI VEERENDRA PATIL :** I agree with the hon. Member that our gestation period is too long and we are short of fertilizers. And the demand for fertilizers in the country is growing. As it is, we are importing a lot of fertilizer.

Therefore, we want to see that these 10 fertiliser plants are taken up and completed as a time bound programme. Therefore, we do not want to take any risk. Therefore, we selected foreign technology. I want to make one thing clear. The hon. Member should not confuse between the two. There is a difference between supplying technology and appointing consultants. I have said only about technology. So far as appointing consultants is concerned, it is entirely left to the project authorities of different project managements who are incharge of the projects. But, I said, we have accepted the technology of these two firms one for ammonia and one for urea ; it is because we want to have some sort of a uniformity.

*(Interruptions).*

**MR. SPEAKER :** He is only asking for the gestation period. Why is it taking so long ?

**SHRI G.G. SWELL :** That is not my question. My question is whether the Bombay High Field will run out in another five years of oil and gas.

**SHRI VEERENDRA PATIL :** I have not completed it. If we have one common technology, then it not only helps our engineering firms which are public sector engineering firms to absorb the technology but also our manufacturers who are going to supply equipment ; that will facilitate them also to manufacture and supply. I am clarifying it so that there should not be any confusion about technology and consultancy. The point raised by Mr. Swell is if we take ten years, whether Bombay High Gas is sufficient to feed these plants or whether it will run out. We have started these projects on the basis of experts' reports ; the experts have said that there is sufficient gas available, Bombay High gas available. That is why these ten projects have been conceived. The gestation period, so far as these ten projects are concerned, is not going to be too much ; they will be completed from the zero date of commencement within 3-3 1/2 years. (*Interruptions*)

**SHRI G.G. SWELL :** He is avoiding the question. Whether the gas will run out in another five years.

#### Oil Rigs on Lease from US Companies

\*85. **SHRI K. RAMAMURTHY :** Will the Minister of PETROLEUM be pleased to state :

(a) whether there is any proposal to get oil rigs on lease from US companies;

(b) whether any global tenders have been invited;

(c) if so, the number of times these tenders were invited and the response thereto; and

(d) the steps being taken to indigenously produce such oil rigs ?

**THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM (SHRI NAWAL KISHORE SHARMA)** (a) to (d) : A statement is laid on the table of the Sabha.

#### Statement

(a) to (c) : The requirements of Charter-hire of oil rigs are met through open global tendering. During 1984, six tenders were processed. The response against these tenders ranged from a maximum of nine parties to a minimum of three parties. Against these tenders four rigs from US companies have been hired.

(d) : Three units having a total capacity to manufacture 39 nos. of onshore drilling rigs per annum have been licensed/approved so far. One unit with licensed capacity of 24 rigs is in production. Offshore drilling rigs are being manufactured by Mazgon Docks Ltd. and Hindustan Shipyard Ltd.

**SHRI K. RAMAMURTHY :** To explore the possibility of producing more oil, which is a very urgent need of our country, we are hiring a lot of rigs for off-shore as well as on-shore drilling through global tenders. In this particular question, in part (c) I have asked, how many times the tenders were repeated again for the same year 1984. In the first question, the hon. Minister has stated, global tenders were floated and six firms were participating in the tenders which were ultimately reduced to three. Have these three firms been again asked to repeat their tenders or any new firm has also competed in the further tenders which have been called for by the ONGC ? What are the names of those three firms which are finalised by the government ?

**SHRI NAWAL KISHORE SHARMA :** The hon. member's question relates to the hiring of rigs during 1984. During 1984, six tenders were processed and the response against six tenders ranged from a maximum of nine parties to a minimum of three parties. Against these tenders, four rigs from US companies have been hired. Now, I will give