

As soon as they are able to supply power, we will be in a position to commission that plant.

DR. KRUPASINDHU BHOI: Election work was completed up to 90 per cent in 1975. So, may I know why there was so much delay in commissioning upto 1980.

SHRI VEERENDRA PATIL: I do not have the details, but my information is that so far as Talcher is concerned, it has been mechanically completed and it is ready for commissioning. There might have been some delay in the past in erecting the equipment.

Auction of Fertilizer Plant under Sindri Unit of Fertilizer Corporation of India

*332. **SHRI A. K. ROY:** Will the Minister of PETROLEUM AND CHEMICALS be pleased to state:

(a) whether he is aware of a proposal to auction the old coal based fertilizer plant under Sindri Unit of the FCI if so, facts in details;

(b) whether many of the units and equipments to be auctioned are in good running condition if so, names of such units or equipments;

(c) whether the value fixed is less than the market value as the bidders organised themselves into a syndicate causing huge loss to the company;

(d) whether it is a fact that the auction has been arranged without the approval of Government; and

(e) do Government propose to make a probe into the matter?

THE MINISTER OF PETROLEUM, CHEMICALS AND FERTILIZERS (SHRI VEERENDRA PATIL): (a) to (e). In view of the uneconomic and unsafe operation of the old plants at Sindri which went into production in 1951, it was decided that these should be closed with the commissioning of the Sindri Modernisation and Sindri Rationalisation projects. After retaining such of the equipments as were required by Sindri and other

sister plants and after consulting other public sector companies, FCI invited tenders through advertisements in All India News Papers for the sale of the balance of equipments and spares. Based on the offers received, FCI issued acceptance letter to the highest bidder. A probe in the matter is not considered necessary.

SHRI A. K. ROY: Before putting a supplementary, I want to raise a point of order.

MR. SPEAKER: In the Question Hour there is no point of order.

SHRI A. K. ROY: It is the custom, convention and rule in the House that whenever a question is asked in parts, answers are also given in parts. I have put some definite questions from (a) to (e), but the Minister has given one single answer to all of them.

MR. SPEAKER: If it is a point of order, it is out of order.

SHRI A. K. ROY: The Sindri Fertiliser Plant is not only the first public sector fertiliser plant, but the first public sector unit in the country. It was commissioned in 1951. It is a coal-based plant situated in the coal area. It is a very serious thing that the Government of India is auctioning a public sector enterprise to the private sector. It is a very serious thing. I am coming from that factory. I know it cost Rs. 200 crores; at that time, first Rs. 35 crores and then Rs. 15 crores, which at the present value would come to Rs. 200 crores. They are going to auction the total factory, coal-based factory, the biggest factory in the country employing 8000 people. First, the highest bid was Rs. 7.7 crores and it has come down to Rs. 4 crores. No explanation has been given. Why is it that a factory, which costs Rs. 200 crores, is being auctioned for this amount? (*Interruptions*). It is the concern of all of us. Everybody knows about the Sindri Fertiliser factory. (*Interruptions*).

MR. SPEAKER: Let us be reasonable. Let us not get agitated over it.

SHRI A. K. ROY: You please read the answer. I had put pointed questions. This is no answer at all.

Let me put my first supplementary. I want to know whether he is aware that the highest bidder has not been given a chance and that the original bid for Rs. 7.7 crores has come down to Rs. 4 crores. If so, what are the reasons for the same?

SHRI VEERENDRA PATIL: If the hon. member has got the patience, I will reply to all his questions. He is under the impression that one coal-based fertiliser plant, which was established in 1951 was sold out to a private sector for a song. It is not so. The position is this.

Unfortunately, right from the inception of the Sindri Plant, the factory suffered from the progressively deteriorating quality of the main raw materials viz., coal and gypsum. With the further passage of time, due to the ageing of the plant and accelerated deterioration of equipment and machinery the production came down, frequency of unforeseen breakdowns increased. Besides, handicaps were faced due to the old technology and non-availability of imported spare parts. Heavy maintenance of old equipment and machinery was also a bottleneck. In view of the foregoing, it was decided that the old plants that had outlived their usefulness should be scrapped and renovation work undertaken on other plants. Accordingly, Sindri Modernisation Scheme at a revised cost of Rs. 183.19 crores was undertaken to change the feedstock from coal/coke to LSHS/fuel oil. This went into commercial production on 1-10-1979. The Sindri Rationalisation Scheme at a revised cost of Rs. 60.77 crores also went into commercial production on 1-10-1979, yielding by-product gypsum to be used in place of natural gypsum in the manufacture of ammonium sulphate. The old Sindri Plants were progressively shut down on account of deterioration and for safety reasons

since 1976. That is why the old plant had to be shut down and new plants have been erected at a huge cost. Now the question arises how the old plants had been disposed of. The FCI has adopted a procedure, I have gone through the records and the procedure that has been adopted, I must say with full confidence, is a perfect one. I am giving the details.

Before disposing of the plant, items required by different units of FCI and other sister companies were transferred/reserved for the company concerned. 141 other public sector concerns were also contacted. Of these, some companies stated that they did not require any of the items, some did not come with firm offers and a majority of the companies did not respond. After tenders were opened... (Interruptions) I am giving the details. Some of the parts of the plant were disposed of after inviting tenders.

The hon. Member says that the highest tender was rejected. It was not so. The FCI accepted the highest tender of Rs. 672.25 lakhs. Now, he wants to know why it came down to Rs. 400.25 lakhs. I will give the reasons for that.

The highest bid was Rs. 672.25 lakhs. That was accepted. What happened afterwards was that after the tenders were opened and the Tender Committee recommended acceptance of the highest bid, FPDIL gave their requirements of plants/equipments, required by them for purpose of research, out of the redundant plants. After accepting the highest offer, this organisation said that they required some more components. Ramagundam unit of FCI also gave a small list of equipments required by them. In view of this, it was considered appropriate to explore the possibility of retention of the equipment by Sindri for disposal to FPDIL. It was, therefore, decided to negotiate with the highest bidder for reduction in the price that would be offered on account of deletion of such equipments.

The Tender Committee initiated discussions with the party in this connection. After negotiations, an offer of Rs. 277.78 lakhs for the equipment desired to be retained was accepted. The Tender Committee accordingly recommended the offer of the highest bidder, namely, a sum of Rs. 394.47 lakhs for the remaining plants and the related spares.

The House should not be under the impression that we have sold it for a reduced price. We had to sell it at a reduced price because these two companies FPDIL and Ramagundam unit, after opening the tenders and after accepting the highest offer, wanted certain equipments which we had decided to dispose of in favour of the highest bidder. The value of the components which were proposed to be retained was Rs. 277.78 lakhs. The Tender Committee accordingly recommended the offer of the highest bidder, namely, Rs. 394.47 lakhs for the remaining plants and the related spares.

But we have not accepted that offer. When the matter was put up to the Board of Directors on 14-5-1980, it was decided that the Tender Committee should ask the first six firms who had earlier given tenders for a value exceeding Rs. 4 crores to give their financial bids for the deletion of the equipments proposed to be retained by Sindri for FPDIL and Ramabundam keeping the original bid in tact. Action was accordingly taken and the six parties were given opportunity to offer their bids. These parties after visiting the concerned plants and receiving the necessary clarifications, submitted their sealed offers for reduction in closed covers on 23-5-80. The offers were opened on the same day by the Tender Committee in the presence of tendering parties. This time, M/s Ganpatral Rishiwashi whose offer was the highest reduced the value of the list of deleted items from Rs. 277.78 lakhs quoted by them earlier to Rs. 272.00 lakhs. The Tender Committee considered the offer advantages and recommended the offer of this party that they may be given the sale order for the remaining plants at Rs. 400.25

lakhs. This was approved by the Board of Directors on 20-5-80. Accordingly, a letter of acceptance was issued to the party on 30-5-80.

The House should not get any such impression as to why after having accepted the highest offer, that is, of Rs. 672.25 lakhs, it was reduced to Rs. 400.25 lakhs. I do not want to give any room for any such suspicion. That is why I gave all these facts.

The General Manager of FCI constituted a Committee. This Committee worked out the reserved price on the basis of the residual value of the plant. The assessed market value as worked out by the Committee, less the cost of dismantling, is Rs. 277.32 lakhs against which the offer accepted is Rs. 400.25 lakhs.

SHRI A. K. ROY: The second question that arises is about the desirability of the auction itself. A chemical plant cannot be cremated like a dead body. If we keep some parts and they become old, there are standard methods of replacing them, after calculating the depreciation etc. But what have they done? They have totally closed down the coal-based plant and they have spent more on a naphtha-based plant....

MR. SPEAKER: That is not a supplementary.

SHRI A. K. ROY: Now both the plants are closed.

MR. SPEAKER: Now, come to the question.

SHRI A. K. ROY: They are now talking of again having a new coal-based plant. In view of that, I want to know whether the Minister will consider constituting a Committee of Members of Parliament to go into the fact whether the old-coal-based plant cannot be renovated at much lesser cost, and started.

SHRI VEERENDRA PATIL: There is no question of constituting a Committee to go into the affairs because

we are satisfied that there is no irregularity at all and the procedure adopted is a perfect procedure. On the other hand, whatever has been done is in the interest of the fertilizer unit.

Mini Television Centre

*334. SHRI JANARDHANA POOJARY: Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

(a) whether there is any proposal under consideration of Government to set up mini television centres at Mangalore, Mercara and Mysore; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF INFORMATION AND BROADCASTING (SHRIMATI RAM DULARI SINHA): (a) and (b). Proposals are under formulation to have relay TV centres covering a substantial part of South India in the micro-wave communication system. This is likely to cover Mangalore, Mysore and Mercara, when implemented.

SHRI JANARDHANA POOJARY: In view of the answer given that proposals are under formulation to have relay TV centres covering substantial parts of South India, on the micro-wave communication system, will the Minister please state which are the other Centres in Karnataka that are going to be covered by T.V. Centres?

THE MINISTER OF INFORMATION AND BROADCASTING AND SUPPLY AND REHABILITATION (SHRI VASANT SATHE): The most important Centre is of course Bangalore, the capital of Karnataka. In addition, my friend had asked whether Mangalore, Mysore and Mercara will be considered. I would say that Mangalore and Mysore, being directly on the micro-wave system, will be considered first and, later on, Mercara also, which is in between, will be taken up for consideration.

SHRI JANARDHANA POOJARY: I would like to know whether a full-fledged TV Centre at Bangalore will be located in between Mysore and Bangalore to serve the interests of the viewers.

SHRI VASANT SATHE: Sir, how can the TV Centre at Bangalore be located in between Bangalore and Mysore?

SHRI XAVIER ARAKAL: There is lack of TV facility at Ernakulam and Trivandrum. Has it come to the notice of Government, and what steps are being taken to have one at Ernakulam or Trivandrum.

SHRI VASANT SATHE: For Trivandrum, a TV Centre has already been sanctioned and it is in process.

SHRI EDUARDO FALEIRO: Almost every other day we hear that a relay centre will be established at some place or other in the country. May I know whether there are any broad criteria or a policy for the establishment or creation of these relay centres? Will you permit me also to ask when he is going to have a relay centre in Goa?

SHRI VASANT SATHE: The criterion is that wherever there is a micro-wave system started by the P&T, we want to utilise that micro-wave system for television relay centres as well because it is now technologically possible with a little modification, to utilise the micro-wave system for TV purposes. Wherever this micro-wave system is there, the P&T has already laid some lines, and there are some lines which are proposed in the Plan. We have to place a firm order for having our relay centres of the TV, which we are doing. Therefore the criterion is wherever there is this micro-wave system, we would like to utilise that for TV relay centres. And that is what we are doing. If Goa is linked with micro-wave system, the hon. Member can be hopeful of having a relay station.