

LOK SABHA

Tuesday, August, 3, 1982/Sravana
12, 1904 (Saka)

The Lok Sabha met at Five minutes
past Eleven of the Clock

[MR. SPEAKER in the Chair]

अध्यक्ष महोदय : क्या विचार है, इच्छा नहीं है काम करने की ? छुट्टी कर दूँ ?

श्री मनीराम बागड़ी : आप पहले हमें सुन लें, फिर छुट्टी कर देंगे।

अध्यक्ष महोदय : आपकी बात में सुनूँगा।

SHRIMATI GEETA MUKHERJEE : Today there is a demonstration by the women under the banner of the Dahej Virodhi Chetna Manch. So, if you declare a holiday, I can request all Members of Parliament to participate in that.

अध्यक्ष महोदय : गीता जी, आप तो डिस्प्लिन्ड वे में काम करती हैं। आपको पता है इसमें सारा सदन एकमत है कि यह बहुत बुरी प्रथा है और इसका निवारण करना सभी का काम है। यह एक बड़ा सामाजिक दोष है।

SHRIMATI GEETA MUKHERJEE : If you give us *chuti*, all the members could go there.

DR SUBRAMANIAM SWAMY : You can declare a holiday.

श्री मनीराम बागड़ी : अगर आप छुट्टी करके उस जुलूस को देखने जायें तो सारे राष्ट्र में और समूची दुनिया में इसका असर पड़ेगा।

अध्यक्ष महोदय : सिर्फ जुलूस ही नहीं, कुछ काम भी चाहिए। एक ऐसा तूफान उठना चाहिए देश में, एक ऐसी चीज होनी चाहिए देश में और एक ऐसी भावना जाग्रत होनी चाहिए जो एक चेतना पैदा करे। यह क्या है ? क्या सब कुछ मर गया है संसार में ? ऐसे लोगों के मुताबिक हमें सोचना चाहिए। चारों कोनों में देश में काम होना चाहिए।

(Interruptions)

अध्यक्ष महोदय : हर एक चीज को ओझा मत उतारा करें। Do not try to belittle this thing.

11.06 hrs.

ORAL ANSWERS TO QUESTIONS

Haldia Petro-Chemical Complex

*347. SHRI .R. P. DAS : Will the Minister of PETROLEUM, CHEMICALS AND FERTILIZERS be pleased to state :

(a) whether it is a fact that Haldia Petro-Chemical Complex has again been referred to the Planning Commission; and

(b) if so, the reasons therefor?

THE MINISTER OF PETROLEUM, CHEMICALS AND FERTILIZERS (SHRI P. SHIV SHANKAR) : (a) and (b). There is no

provision in the Central Sector of the Sixth Five Year Plan for the proposed Petro-Chemical Complex in Haldia. However, in consultation with the concerned authorities including the Planning Commission, a provision for taking initial steps, including the selection of technology and basic project engineering is expected to be made on the basis that the project will be a suitable form of joint venture of the Central Government and the West Bengal State Government.

SHRI R. P. DAS : the Minister in his reply said :

“There is no provision in the Central Sector of the Sixth Five Year Plan for the proposed Petro-Chemical Complex in Haldia. However, a provision for taking initial steps is expected to be made on the basis that the project will be a suitable form of joint venture of the Central Government and the West Bengal State Government.”

As a matter of fact, a letter of intent was issued to the West Bengal Industrial Development Corporation Limited for the setting up of a petro-chemical complex at Haldia on the 11th November 1977. Subsequently, a detailed project report was submitted to the Government of India in May 1980 on the assurance that the required naphtha would be available from the refineries. It visualized an investment of the order of Rs. 428 crores for the total implementation of the complex, with an attractive rate of return. The Government of West Bengal expected that employment of over a lakh and a half could be generated through this project. The detailed project report was examined by the Government of India.

MR. SPEAKER : Please put the question.

SHRI R. P. DAS : The letter of intent was modified on 19th December 1980.....(*Interruptions*)

MR. SPEAKER : He is laying the foundation stone.

PROF. N. G. RANGA : What is the question, Sir ?

SHRI R. P. DAS : It was modified by them. But, Sir, no industrial licence was accorded to it. Therefore, the Complex could not be implemented.

PROF. N. G. RANGA : Whose fault is it ?

Shri R. P. Das : It is surely the fault of the Central Government. The Central Government has to modify the letter of intent and it has to issue the industrial licence. Therefore, it is the fault of the Central Government. (*Interruptions*).

By saying “a suitable form of joint venture of the Central Government and the West Bengal State Government” in his reply, whether the Hon. Minister indicates a cut in the size of the original project or the modified letter of intent which was issued to the West Bengal Industrial Development Corporation on 19th December, 1980 ? If not, what does he mean by a suitable form of joint venture of the Central Government and the West Bengal State Government, and what are the salient features of the proposed joint venture of the Government of India ?

SHRI P. SHIV SHANKAR : Mr. Speaker, Sir, it is true that it was in November 1977 that the letter of intent was issued with a provision that the ethylene capacity will be 54,000 tonnes per annum. The West Bengal Industrial Development Corporation wanted the amendment in the letter of intent and accordingly it was amended on 19th December 1980 to provide for one lakh tonnes of ethylene.

It so happened that in March 1981 the Chief Minister of West Bengal addressed the Central Government that it should be a case of a joint venture where 40 per cent equity share capital should be contributed by the Central Government, 40 per cent by the State Government and 20 per cent from the financial institutions. Now, when the entire project cost was gone into it came as though that it would be roughly a matter of Rs. 660 to Rs. 690 crores to be spent. Now the share of 40 per cent even to start with would be roughly about Rs. 80 crores so far as the Central Government is concerned.

So far as the State Government is concerned, the position is that the Working Group in the Planning Commission with reference to the State Plan has completed its work. But a provision of only Rs. 3 crores for 1982-83 for this project has been originally provided. No doubt this Complex has got to be on the rails. Therefore, in April there was a discussion in the Planning Commission which my Ministry initiated and we thought that some provision be made so that preliminary steps like selection and negotiations for know-how and some amount for the basic and detailed engineering could be provided. Accordingly, for the three plants at Saleempur, Gujarat and Haldia, a sum of Rs. 25 crores was accepted for these preliminary steps.

SHRI CHITTA BASU : By the Planning Commission?

SHRI P. SHIV SHANKAR : Yes, we took it up and it was only in June that they agreed. But this would be, as I said, only for the preliminary steps like selection and negotiations for know-how, and some basic and detailed engineering alone. The project is now estimated to cost roughly about Rs. 720 crores.

The State Government has also to make a provision for the amount. The Centre has also to make the provision. So far as the Centre is concerned, in the Sixth Five Year Plan, there is no provision whatsoever. My Hon. friend was saying why no industrial licence was issued. Now there is only the Letter of Intent. Once the infrastructure, the know-how the provision for funds etc., are put up before the Government, Government considers the issue of licence. These had been at the preliminary stage. I have already made submission, with reference to the joint venture. It was the suggestion from the Chief Minister himself that there should be a participation of 40% equity share capital by the Centre, 40% equity share capital from the State and 20% from the financial institutions.

SHRI CHITTA BASU : Have you agreed?

SHRI P. SHIV SHANKAR : Though in principle it has not been agreed, but the fact remains that after discussion with Planning Commission a provision for Rs. 25 crores for the initial preliminary steps with reference to the three Plants viz., at Saleempur, Gujarat and Haldia is being made.

SHRI R.P. DAS : The question has been raised in different circles that Haldia Petro-Chemical Complex would not be able to compete with the proposed gas based plants proposed to be located in the Western Regions of the country, This is based on the assumption that the prices of gas would be cheaper than that of naphtha. If the relative price differential is maintained in regard to the basic price of gas. Haldia Petro-Chemical Complex will be able to compete with the prices.

I would like to know whether Government of India would maintain the same relative differential in

regard to the basic price of gas for fertilisers and other petro-chemical products ?

SHRI P. SHIV SHANKAR : You are coming from Petro-Chemical complex to price of gas. After the finished products what should be the price ? Let us first go ahead with the Petro-Chemical complex itself.

SHRI R. P. DAS : Both are related. If the basic price of gas is maintained like that of Naptha, Haldia Chemical Complex would be able to compete.

SHRI P. SHIV SHANKAR : To be fair to you, I am not able to understand to whom we are selling. I have not been able to understand your point.

MR. SPEAKER : Call him to your chamber.

SHRI P. SHIV SHANKAR : I am prepared to discuss with you in detail. I have not been able to catch the point that you are trying to make.

MR. SPEAKER : I cannot allow the latitude to have discussion here.

SHRI CHITTA BASU : Will the Hon. Minister make it clear to the House that decks have been made clear for issuing licence for that complex ? What has been the share of West Bengal out of Rs. 25 crores which has been allotted by the Planning Commission during the Sixth Five Year Plan for Petro-Chemical Complex ?

SHRI P. SHIV SHANKAR : First question is with reference to clearing the decks for the purpose of granting licence. As I said, in fact, it is a step forward that so far as the Central Government is concerned, notwithstanding the fact that there is no provision in the Sixth Five Year

Plan, we are making—I mean after discussing with the Planning Commission—a provision of Rs. 25 crores for the purpose of taking preliminary steps. But we have got to go a long way for the purpose of coming to a final conclusion as to the capital participation and the West Bengal Government itself will also have to make a provision for money. Therefore, this is only a preliminary step we have started and I feel, in the right direction. Therefore, if we proceed properly with reference to making a provision for the capital for the project, then there should be no difficulty. But today, if you ask well, have we come to that stage, have we come to the conclusion for the purpose of granting licence, I will say, 'No'. We are still in the preliminary stage.

Second question that my Hon. friend asked is what is the amount that has been provided as West Bengal's share in this Rs. 25 crores; this Rs. 25 crores is only to take preliminary steps because the Secretaries' meeting has got to finalise it since this is only a block provision and the Planning Commission has said, provisionally yes, subject to experts going into the details. It is only after that, we will be in a position to come to the conclusion as to what is the allocation for Salimpur Plant, what is the allocation for the Gujarat Plant and what is the allocation for the Haldia plant.

Checking of Air Pollution at Indraprastha Power Station.

*348. **SHRI AMAR ROYPRADHAN :**

SHRI D. M. PUTTE GOWDA :

Will the Minister of ENERGY be pleased to state :

(a) whether it is a fact that the American engineering firm which was engaged by DESU to instal electrostatic precipitators at Units 2, 3 and