

House and I have also been trying to explain. Our endeavour has been to see that the quality of the coal improves. Constant measures have to be taken for this.

#### Investment in Hindustan Fertilizers, Haldia

\*231. SHRI MANORANJAN BHAKTA : Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state :

(a) The total amount of investment made in Hindustan Fertilizers at Haldia with year-wise break-up and foreign exchange spent, ;

(b) when the plant was commissioned and if not, when it is likely to be commissioned ; and

(c) what will be the total production of ammonia vis-a-vis the installed capacity of the plant ?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI R.C. RATH) : (a) to (c) A statement is laid on the Table of the House.

#### Statement

(a) The total amount of investment made in Haldia Fertilizer Project of Hindustan Fertilizers Corporation Ltd, as on 30.6.1984 is Rs. 332.72 crores as per details given below :—

(Rs. crores)

#### Amount of Investment

Year	Indian currency	Foreign currency	Total
1970-71	Nil	0.09	0.09
1971-72	0.57	2.08	2.65
1972-73	6.28	3.95	10.23

1973-74	9.18	4.61	13.79
1974-75	19.41	7.12	26.53
1975-76	38.04	9.41	47.45
1976-77	34.46	6.46	40.92
1977-78	35.72	2.60	38.32
1978-79	17.56	1.62	19.18
1979-80	21.66	0.82	22.48
1980-81	23.50	0.56	24.06
1981-82	20.62	0.48	21.10
1982-83	32.87	0.73	33.60
1983-84	26.95	0.47	27.42
1984-85	4.90	Nil	4.90
(Apr-June, 1984)			

Total	291.72	41.00	332.72
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(b) It has not been possible to commission the plant so far due to equipment failures. Commissioning activities of the ammonia plant are held up at present due to non-availability of the Oxygen compressors since end-1983 when two of the 3 Oxygen compressors were damaged by fire and the third compressor developed a crack. Urgent measures are being taken by HFC to repair the compressors and put them in line. As soon as this is done commissioning activities will be resumed.

(c) The installed capacity of the ammonia plant is 198,000 TPA. The quantity of ammonia which will be produced by the plant can be ascertained only after production has stabilised.

SHRI MANORANJAN BHAKTA : Sir, the statement given by the hon. Minister gives a grim picture. During the last fifteen years, more than Rs. 332 crores have been spent on Haldia fertilizer project and out of this amount, Rs. 41 crores have been spent in terms of foreign exchange, but even within these fifteen years, the plant could not be

commissioned- In part (b) of the statement it is stated that it has not been possible to commission the plant so far due to equipment failures. So, I would like to know from the hon. Minister that when India is technologically known as number one in the world, how is it that our experts could not find out the defects in the equipments? Is it because so many countries are involved in installing the machinery in that plant or are there any other defects in that plant or it is because of the standard throughout the country that all the plants take this much of time or it is only in West Bengal where we find that this extra-ordinary delay has been caused? Another reason is that since 1983 three oxygen compressors were damaged due to fire. Was it due to any union activity in the plant or any other reason? What is the finding of the expert committee on the fire which took place?

SHRI R.C. RATH : The mechanical completion of the project took place in November 1979. Six months before the mechanical completion of the plant, in the month of April 79 the West Bengal State Electricity Boards expressed its inability to provide power. At that time, in September, this plant wanted 50 MW power. When in April it was made known to HFC management that the West Bengal Government could not provide power, in September 1979 a proposal was mooted by the management for a 20 MW gas turbine and that proposal was okayed in 1980. It was commissioned in 1982. This delay was also there. During this period, when the plant was mechanically complete and could not be commissioned, corrosion and other things took place. Another question raised by the hon. Member is about the fire in the compressor. The Expert Committee which looked into the matter gave the finding that there is no sabotage.

SHRI MANORANJAN BHAKTA : When will this plant be commissioned, according to the Ministry? Have they tried to find out the defects in the equipment or machinery? Which are the countries from which the machinery were brought? If the machinery is found to be defective, what

action has been taken, or is proposed to be taken, against the suppliers?

SHRI R.C. RATH : This plant was based on oil-based technology. At that point of time 13 credit facilities were available. We had taken advantage of them. The amount of foreign exchange involved was Rs. 41 crores. Since the plant could not be operated within the scheduled time, the suppliers cannot be held responsible because of certain stipulated conditions. However, all efforts are being made to rectify the defects, as and when they are noticed, and we hopefully believe that the process would be completed in the near future and we will be able to go ahead with the scheduled target of production.

SHRI SUNIL MAITRA : In answer to Unstarred Question No. 1395 dated 1st December 1981, the hon. Minister stated, as he states now, that the plant was mechanically ready and that it was about to go into production. Now the damage to the compressor must have been discovered sometime between December 1981 and April 1982. In his reply he says that from the end of 1983 the compressor was not available in the market. Between April 1982 and the end of 1983, did the Government come into the market for the compressors, if the compressors were not available from the end of 1983 (though the natural assumption should be that it was available prior to end of 1983)? Even if it was not available till the end of 1983, why the compressors were not purchased prior to the end of 1983 and why the plant was not commissioned?

SHRI R. C. RATH : Sir, if the plant would have been commissioned in time, we would have known where are the defects and we could have tried to rectify them. The delay in commissioning of the Plant for three and a half years was because of the lack of power supply. And at a later stage when we saw that some snag had developed in the first compressor and in the second compressor there was a fire, we tried to rectify it. Then there was the fire in the third compressor also. Efforts are being made to get a compressor. Overnight a compressor cannot be brought, because you have to

place orders and then procedural completion also takes time. Funds also have to be made available.

So, the fact is that had the West Bengal State Electricity Board given power in time, all these problems would not have arisen. So, I would request the Hon. Member that he should impress upon his State Government that when they think of a project, they must have an assurance of power.

**SHRI SUNIL MAITRA :** You say you wanted to commission it in December 1981. That means you must have got the assurance. Otherwise how could you say it ?

**THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI VASANT SATHE) :** When we gave that assurance of commissioning at that time we had got our own power by that gas turbine. So, we were not dependent on the power supply after 1981-82.

Now, you cannot know in advance whether a particular compressor will develop a defect, will explode or something will go wrong with it. Now, when we tried to commission these two compressors in 1983, they were damaged. Then we had to repair it. You cannot do anything about it. And if you have to repair it, you have to call the party which has supplied the compressors. They came and under their supervision the repair work was done. Now, we will see in September whether these compressors will work or not. I cannot promise you in advance whether they will or will not work.

**SHRI SUNIL MAITRA :** That precisely is my point. You say in your reply that they are not available since the end of 1983. Even if the damage was done in 1982, what did you do in the meanwhile ?

**SHRI VASANT STATE :** What is to be done ? They were already there. The compressors were there for commissioning in 1979. The whole plant was ready. From 1979 to 1982 the West Bengal Government

did not give power. Therefore, we could commission it. Then we got the gas turbine. With the help of the gas turbine in 1982, we decided to commission. When we started commissioning, the damage took place. What can you do on that ?

**SHRI SATYAGOPAL MISRA :** Sir, the Minister is misleading the House. This project is within my constituency. I have visited the project several times, perhaps for more number of times than Shri Rath has visited. Sir, the electricity was there. The Haldia Fertiliser Plant was not dependent upon the electricity of the State electricity Board. The project was not set up initial dependent upon the electricity supply from the West Bengal State Electricity Board.

Sir, I would like to know why the two oxygen compressors practically faced identical failure ? Is it due to electricity ? My pointed question is that up to what time does the Government expect the replacement or repair of these two compressors will be done ? We have already crossed one year. The first compressor is already there and in that only minor repair may be necessary. So, I would like to know about the first oxygen compressor also.

**SHRI R. C. RATH :** Sir, the Hon. Member is probably misinformed. The project was to start after the mechanical completion in November 1979 with the assured power supply of fifty megawatts from the State Government. This project was envisaged with an assured power supply of fifty megawatts. When it did not come the project was held up for two and a half years.

About the compressors I would like to inform the Hon. Member that there have been some corrosion and some other technical problems beyond anybody's knowledge and only the expert committee could say when the compressor No. 1 and No. 2 developed fire and there was a crack in the third. We have taken steps to repair these two compressors and we have to start trial on it. So, till then we have to wait.