

made that special adhesive stamps be used in lieu of Non-judicial stamps.

(d). A statement is laid on the Table of the House.

Fertilizer Plant in Collaboration with International Finance Corporation

- *1133. **Shri Virendrakumar Shah:**
Shri Marandi:
Shri George Fernandes:
Shri Madhu Limaye:
Shri S. M. Banerjee:
Shri K. P. Singh Deo:
Shri Sradhakar Supakar:
Shri Sarjoo Pandey:

Will the Minister of **Petroleum and Chemicals** be pleased to state:

(a) whether the International Finance Corporation has agreed to establish a \$82.5 million Fertiliser Plant in India;

(b) if so whether it is to be established and who are the Indian and Foreign entrepreneurs collaborating in the Project;

(c) their respective shares and in what forms the shares regarding the supply of equipment providing of land, its improvement and providing of engineering and technical services will be contributed; and

(d) the other broad details of the Project?

The Minister of Planning, Petroleum and Chemicals and Social Welfare (Shri Asoka Mehta): (a) to

STATEMENT

M/s. Indian Explosives Ltd, in which the Government at present holds a 17.5 per cent equity interest, have been granted a licence for the establishment of a Fertilizer Factory at Kanpur for the production of 450,000 tonnes of Urea, per annum. The party has entered into an Investment Agreement with the International Finance Corporation on the 26th June, 1967. According to this agreement, the I.F.C. will purchase at par 2,150,000, equity shares of Rs. 10/- each and also offer a loan of Rs. 6.45 crores to the company. These monies will be paid in U.S. dollars and the funds will be utilised for the construction of the fertilizer plant.

A Project Funds Agreement between I.F.C. and I.C.I. (India) Pvt. Ltd. and Indian Explosives Ltd., was entered into on the 26th June, 1967. This agreement constitutes an undertaking by I.C.I. (India) Pvt. Ltd. to provide any additional sum required to complete the project in time in case of over-run.

The cost of the Project will be financed as follows:—

	Foreign	Local	Total
A. Equity Shares.			
(i) By ICI London.	76,000	—	76,000
(ii) By the President of India.	—	19,000	19,000
(iii) By the Public in India.	—	50,300	50,300
(iv) By IFC pursuant to this agreement.	21,500	—	21,500
	<u>97,500</u>	<u>69,300</u>	<u>166,800</u>
B. Long Term Loan.			
(i) From Indian loan Consortium.	—	190,000	190,000
(ii) Through Suppliers' Credit.	79,800	—	79,800
(iii) By IFC pursuant to the agreement.	64,500	—	64,500
	<u>144,300</u>	<u>190,000</u>	<u>334,300</u>
C. Overdraft facilities :	—	30,000	30,000
D. Internal Cash Generation :	—	87,500	87,500
	<u>—</u>	<u>87,500</u>	<u>87,500</u>
Total Finance	<u>241,800</u>	<u>376,800</u>	<u>618,600</u>

It is estimated that the construction of the plant will be completed by December 1969.