

LOK SABHA DEBATES

1

LOK SABHA DEBATES

Tuesday, August, 1978/Sratana 10,
1900 (Saka)

The Lok Sabha met at Eleven of the
Clock.

[MR SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

Additional Fertilizer Plant at Namrup

*224 SHRI AMAR ROYPRADHAN
SHRI YAGYA DATT
SHARMA

Will the Minister of PETROLEUM,
CHEMICALS AND FERTILIZERS be
pleased to state

(a) whether Government propose
to start an additional fertilizer plant
at Namrup using gas from oil fields in
the North East region as feed-stock,
and

(b) if so, the outline of the proposal
and the time by which it is likely to
be implemented?

THE MINISTER OF PARLIAMEN-
TARY AFFAIRS AND LABOUR
(SHRI RAVINDRA VARMA) (a) and
(b) Yes, Sir It is proposed to set
up a 600 tpd ammonia and a 1000 tpd
urea plant at Namrup, Assam where
there is already a fertilizer plant in
operation. The plant will use the
associate/free gas available from the
oil fields of OIL and the ONGC in
Assam. The feasibility report pre-
pared for this project is under exa-
mination for processing the case for

2

an investment decision. M/s. Hindustan
Fertilizers Corporation Ltd. would
implement the project and Fertilizers
(Planning & Development) India Ltd.
would act as the main contractor.
The feasibility report envisages the
completion of the project within a
period of 38 months from the date of
receipt of all necessary approvals

AN HON MEMBER. Where is Mr.
Bahuguna?

MR SPEAKER Mr Bahuguna is not
well He has taken my permission.
Therefore, the Minister for Parla-
mentary Affairs will reply

SHRI AMAR ROY PRADHAN:
Sir, I like to draw your attention to
the news that has been published in
different daily newspapers that on
29th July while addressing the meet-
ing of Hindustan Chamber of Com-
merce in Madras, the hon'ble Minister,
Shri Bahuguna told to a questioner
that,

'Fertiliser industry had been sick
because of high prices of feedstocks
and unrelated price of finished pro-
ducts in Industry has turned to
corner "

At the same time the decision of
an additional fertilizer plant in
Namrup is really to be welcomed.
Moreover when the colossal waste of
gas in North East region and new oil-
fields and new coal fields were being
found then it is a precious decision to
have a plant in Namrup to meet the
nation's fertiliser demand. So, I
would like to know how much money
would be required for the installation
of this plant Secondly, how much
foreign money will be required and
what is the total position of natural
gas in Assam and East region?

Sir, in the reply it has been stated that the feasibility report envisages the completion of the project within a period of 38 months from the date of receipt of all necessary approvals. So, I want also to know when the approval is expected?

SHRI RAVINDRA VARMA Sir, the preface to the honble Member's question does not need an answer from me. As far as the capital cost of the project is concerned, the estimated capital cost is Rs 171.47 crores. Of this the foreign exchange content is expected to be Rs 30.67 crores. The Project Report makes it clear that the amount of gas required for use in this particular project would be available in Assam.

श्री सुकम चन्द कछवाय : अध्यक्ष
महोदय सम्बन्धित मन्त्रालय के मन्त्र ज.
नहीं हैं।

MR SPEAKER I have already permitted him to reply as Mr Bahuguna is not well. Order please.

SHRI AMAR ROY PRADHAN Regarding approval, may I know when the approval is expected?

SHRI RAVINDRA VARMA The papers regarding the project are being processed. The decision of the committee concerned will be available very soon. It is not possible to say by what date the decision will be arrived at.

SHRI AMAR ROY PRADHAN On the 28th July, a news item has appeared in the different newspapers that British is ready to spend one-and-a-half crores pounds for the machinery, know-how, technical hand and materials for the additional fertilizer plant at Namrup. I would like to know from the hon. Minister whether it is a fact that this is going to be a multinational project in collaboration with the United Kingdom.

SHRI RAVINDRA VARMA: It is not going to be a multi-national project. But as far as the question of foreign exchange is concerned, as assistance from elsewhere is welcome in such enterprises, it is hoped that a provision of about 15 million pounds may be available as assistance from the Overseas Department Ministry of the United Kingdom.

As far as the implementation of the project itself is concerned, apart from the foreign exchange requirements, this availability may be drawn upon for the engineering services and equipment necessary for the project.

As far as the technical know-how for the erection of the plant itself is concerned, Sir, this is available in India itself with the Fertilisers Planning and Development India. Therefore, the project does not visualise any large scale utilisation of foreign know-how.

SHRI PURNANARAYAN SINHA: It is a proved fact that 40,000 cubic metre of natural gas is being flared away every day for the last 10 years. We have suggested to the Govt to lay a big pipeline along the south bank of the Assam Valley from Dibrugarh to Gauhati in order to supply cooking gas to the people of the different towns. Will the Government take steps towards materialisation of this aspect of the utilisation of natural gas instead of only drawing it to Namrup where there is already a fertiliser factory, using natural gas from other sources?

SHRI RAVINDRA VARMA: The latter part of the hon. Member's question is related to this question. The question of the best site for the location of this plant has been twice gone into. The preliminary feasibility report as well as the subsequent review of the report and studies in the light of representations made from

the area have led to the conclusion that it is best to locate this plant along with a captive power plant at Namrup for various reasons including the fact that production in the fertiliser plant at Namrup is at present affected, among other things, by irregular and inadequate supply of power and there are various other factors relating to transport, availability of gas and techno-economic considerations which have to be borne in mind in deciding on the location of a plant of this kind.

After taking all these things into consideration, the Government has come to the conclusion that the best location for this plant is Namrup.

श्री एच० एल० पटवारी : क्या मंत्री जी बतावेंगे कि यह प्लांट कब शुरू होगा और आसाम सरकार की इस बारे में कितनी मांग की क्या सारी मांग हमसे पूरी होती है ?

SHRI RAVINDRA VARMA: I have already stated that it will take 38 months for the project to be implemented, for the project to go on stream. So far as the suggestions of the Government of Assam are concerned, at this stage they will be fully taken into consideration while finalising the project.

SHRI BEDABRATA BARUA: The hon. Minister has been brave enough to try to attempt to reply questions handled by another Minister. I would, therefore, like to give him one information that the gas in this project will only be partly utilised. The project will not utilise all the gas and some gas will be flared away: that is a great wastage of resources. In view of that, may I know if this was not really an old proposal that has not been cleared; and that the private sector also wanted to start this. Will the Government think of giving this licence to the private sector in view of the very much procrastinated Government proposal which has been for

ten years waiting at the consideration stage, or will the Government combine both or take over the entire gas, if they could, for utilization for the production of fertilizers since that area has been suffering for endemic scarcity, unemployment etc.? Will the Government clarify as to what is its policy in regard to this?

SHRI RAVINDRA VARMA: As far as this project is concerned, the hon. Member is right in saying that this is not an entirely new proposal. The hon. Member as well as the House, is aware that there is a proposal in the Ministry to set up four large-size nitrogenous fertilizer plants from gas in the Bombay High South basin region and one plant in Assam utilising the gas from the oil fields of Oil India Ltd. and ONGC. The question is whether the entire amount of gas available may be used for this particular project. Taking into consideration the various requirements, the feasibility study as well as the subsequent review, the Government came to the conclusion that it will be best at this moment to plan for a plant which would produce 800 tonnes per day of ammonia and 1000 tonnes per day of urea. The preliminary project report or the feasibility report was first finalised by the Planning and Development Division of the erstwhile Fertilizer Corporation. Therefore, it is clear that it has a long history, but in view of representations from that area, both about the location and the utilization of the total quantity of gas available, a subsequent study was made. That study confirmed the view that it is best to locate the plant there....

MR. SPEAKER: His question is, whether you are going to do it entirely in the public sector or also going to take the assistance of the private sector.

SHRI RAVINDRA VARMA: There is no proposal to utilise the private sector for this plant.