

ment (Facilities) Bill, 1998 as passed by the Lok Sabha.

SHRI GURUDAS DAS GUPTA (West Bengal): Are we going to discuss the CVC Ordinance? You have just now mentioned the Bills that we have to discuss. Do they include the CVC Ordinance? You have not allotted the time for it. How can the Government announce its discussion?

MR. CHAIRMAN: We shall look into it.

**CALLING ATTENTION TO A
MATTER OF URGENT PUBLIC
IMPORTANCE—**

Revival of Sick Units of — Hindustan Fertilizer Corporation Limited and Fertilizer Corporation of India.

SHRI DIPANKAR MUKHERJEE (West Bengal): Sir, I call the attention of the Minister of Chemicals and Fertilizers to the revival of sick units of Hindustan Fertilizer Corporation Limited and Fertilizer Corporation of India.

THE MINISTER OF CHEMICALS AND FERTILIZERS AND MINISTER OF FOOD AND CONSUMER AFFAIRS (SHRI SURJIT SINGH BAR-NALA): Sir, the situation prevailing in the sick fertilizer undertakings under the administrative control of the Ministry of Chemicals and Fertilizers has time and again engaged the attention of this august House. I fully share the concern of the honourable members and feel that an early decision is required regarding the fate of these units of HFC and FCI.

The revival packages formulated in April 1995 for the rehabilitation of HFC and FCI envisaged the limited revamp of their functional units. The revamp of Haldia Project of HFC was not found to be technically economically viable. Similarly, the revamp of Gorakhpur unit of FCI was not found feasible as it would have entailed the setting up of a new ammonia/ urea plant. The requirement of fresh investment for revamp of the functional

units of HFC and FCI was estimated at Rs. 465 crores and Rs. 1736 crores, respectively. These revival packages could not be implemented for want of funding tie-up.

An Expert Group under the leadership Industrial Credit & Investment Corporation of India Ltd. (ICICI) was thereafter constituted to reformulate the revival package from the standpoint of funding by Financial Institutions (FIs). The Expert Group has put the requirement of fresh investment for the revamp of Sindri, Ramagundam and Talcher units of FCI at Rs. 2638 crores and that for the revamp of Namrup, Durgapur and Barauni units of HFC at Rs. 869 crores. In addition, various other financial reliefs and concessions in terms of write off of GOI loans and accumulated interest aggregating to Rs. 5006 crores are envisaged to make these packages viable.

On the basis of the Expert Group which submitted its report in February'97, the Government considered the revival proposals and fresh proposals were submitted in July/August'97 for consideration of the Government. The Government decided in October'97 on the revival package in respect of Namrup units of HFC. The consideration of the proposals in respect of the other units of HFC and FCI was deferred.

The revival proposal in respect of the Namrup units of HFC involves an estimated fresh investment of Rs. 350 crores with a term loan component of Rs. 156 crore from FIs and Rs. 194 crore as budgetary support. The ground work for implementation of the revival package has been expedited. The company has addressed the problem of gas supply limitation and has made necessary arrangements with OIL/GAIL for augmentation of the gas supply to the level of 2.17 mmscmd, which would enable the Namrup Units to attain a satisfactory level of capacity utilisation. The company has awarded the Engineering, Procurement and Construction (EPC) Contract to Pro-

jects Development India Limited (PDIL) on 2.11.98 on a single point responsibility basis.

On account of the budgetary constraint and technology as well as feedstock related issues which also act as a serious constraint, it has not been possible to take a final decision with regard to the rehabilitation package for both the HFC & FCI.

Revised comprehensive rehabilitation proposals in respect of the remaining units of HFC & FCI have been reformulated and are presently under inter-ministerial consultations. As both the companies stand referred to the BIFR further action would have to be taken after the Government's decision according to the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985.

It may, however, be mentioned that the Government has been providing budgetary support for meeting essential capital expenditure and operational requirements of HFC and FCI.

Given the magnitude of the fresh investment and other reliefs required, a due diligence exercise having bearing on the multiple dimensions of the issue has been undertaken in the Government. The Government is committed to bring about an expeditious and judicious decision of his complex issue in the overall national interest.

SHRI DIPANKAR MUKHERJEE: Mr. Chairman, Sir, the hon. Minister of Chemicals and Fertilizers is really on the point when he says that the issue of revival of the two fertilizer companies, namely, the Hindustan Fertilizer Corporation Ltd., and the Fertilizer Corporation of India Ltd., time and again engaged the attention of this august House. As a matter of fact, in the last session, when I tried to raise this issue through a special mention, it was not allowed. I had thought that in your wisdom, you had felt in the same way as the Board of Industrial and Finance Reconstruction felt ab-

out these units. These companies were referred to the BIFR in 1992. These units are located at Sindri, Talcher, Ramagundam, Gorakhpur, Barauni, Durgapur, Namrup and Haldia. The last hearing by the BIFR was held on 22.10.1997. The BIFR has said, I quote: "The Bench would like hearing the sick public sector units only when some concrete developments regarding the revival scheme had taken place. It would not like to hold any infructuous hearing in this matter." If further says, "We have directed the operating agency to be in touch with the Ministry of Chemicals and Fertilizers for formulating a rehabilitation proposal which could be considered for the ailing company." Sir, last time, when I wanted to raise this issue through a special mention, you did not allow me. I think that you had the same feeling as that of the BIFR that a debate here would be infructuous, without any result. However, I am grateful to you for allowing me to raise this discussion now. But, unfortunately, I do not find anything new in the statement by the Minister. Now, where do we stand? Time is the essence in the revival of any sick company. The project cost which was Rs. 2000 crores will now cost Rs. 5000 crores. Another one year and you are talking of Rs. 7000 crores. The time is the essence. In para 7 of the statement by the Minister, he said, "These companies have been referred to the BIFR, further action would have to be taken after the Governments' decision." My first question to the hon. Minister is: Would he ensure that these companies would not be any reference to the BIFR and there would be no further talk about the BIFR? The BIFR has specifically told you, "Please come with some scheme; otherwise don't come." So, any reference to the BIFR at this stage is not relevant. In spite of this, I am raising this Calling Attention matter. For the last six years we have been discussing this matter and I have an idea about these units. Governments may come and Governments may go. Ministers may come and Ministers may go. But the issue

goes on like this. The very purpose of raising this Calling Attention is because the Minister is new to this Ministry and the officials also have changed they will have an open mind and we can discuss this matter with them. Unfortunately, I do not find that. As a matter of fact, the wording is also the same.

I had raised a Starred Question No. 27 on 11.7.1996—two years back—regarding the revival of the sick PSUs. I find from his statement that the same words which were used in reply to the above question have been used. There is no new approach. I quote: "It has been decided to reformulate the revival packages on the stand-point of financial institutions. Here also the, same words have been used, "The financial institutions will reformulate the revival package." The reply which was given on 11.7.1996 has been repeated today also. Now we are in the middle of December, 1998.

Some words, same things: only —the cost is increasing. Why are we talking about this? You have the figures before you. The Government talked about a revival package for the six units. Out of eight, you have already separated Haldia and Gorakhpur. You are not going to do anything about them. The decision was taken—Mr. Pranab Mukherjee is not here—the Government's decision to revive these six units was taken in 1995 at a cost of Rs. 2000-odd crores. What would it yield? It would yield this as per the reply from the Government: "On implementation of the revival package, these companies would be able to sustain a production capacity of 23 lakh metric tons of urea." In 1995, it was said that 23 lakh tonnes of urea would be the production capacity. It is now three years from 1995. In 1998, it would have been over. Within Rs. 2000 crores 23 lakh tonnes could have been provided. What have you been doing during the last three years? The figures are there. Yesterday we discussed it. Again, I want to repeat. In 1995-96, we imported 37.81 lakh tonnes of urea. In 1996-97, it was 23.28 lakh tonnes. In

1997-98, it was 23.89 lakh tonnes. This year, probably, you had already imported seven lakh tonnes. What is the cost? Every year, it would not be less than Rs. 1700 crores. Penny wise, pound foolish! If you had Invested Rs. 2200 crores, by 1998, 23 lakh tonnes urea would have been with you! What did you do? You went on giving budgetary support for all these units to the tune of Rs. 140-150 crores. And you merrily imported urea worth Rs. 1700 crores per year from outside. You did not take any decision on this. What is the fertiliser position today in India? Whatever we say, we find that there are shortages. A new theory is being put and my third question is on that. You are also a leader of the farmers. Please do not be guided by the officials. I am sorry. Not these officials; the whole of them. Today, it is again being said that imported fertiliser is cheaper. So, why should we spend money? In 1994, your predecessor Mr. Faleiro had written a letter to Dr. Mitra and me saying the same thing—imported fertiliser is cheaper. China and India are the biggest importers of fertiliser. The moment you start importing more and the moment the plants stop, they will increase the price. The international price has increased. What had been the trend of the price of urea for the last four years? Sometime in 1994, it was decided, "Fertiliser price internationally has decreased; so you need not go in for revamping". I mean there was not that much attention. Again, in 1996, what was the price? It went up, it doubled. Today, the same theory is being put which is not at all tenable.

Today, what do you find in potash which you are importing? We discussed it yesterday. You could not unload in the port. The ships are altogether tagged off. Your ports cannot handle this much of import. How do you take this urea to other places, from other zones to this zone? Who are suffering? What is the regional balance? All these units excepting Ramagundam—I will take up Ramagundam first—are located in the

eastern region—in Bihar, Bengal and Orissa. No new fertiliser plants are coming because feedstock of gas is not available. They only think of gas as a feedstock. So far as consumption is concerned, it is one of the highest in West Bengal. I know, in Bihar also, it has increased as well as in West Bengal and Orissa. Mr. Patnaik is sitting here. Talcher plant is there. What is happening there? Either you import urea or you bring from the west zone or the north zone to that zone. What is the transportation cost? This has been said.

A reference is being made to the Fertiliser Association of India. Time and again, they have said that it is always cheaper to have the revamping or revival of old plants rather than going in for a new plant, a new grassroot plant. Thirty per cent of cost you can save through the infrastructure. This revamping, retrofitting is a priority. If this is the priority, then, what is being done in these six years? What is the assurance? What is going to be done? One by one, they are going to die a natural death. Haldia is out; Gorakhpur is out. Now they are putting on KRIBHCO. Production is stopped in Durgapur. Here, in the statement, you have said you are replacing. Government is providing budgetary support for meeting essential capital expenditure. The Minister knows better than me regarding Durgapur. Yesterday, I asked the Prime Minister and he said he would talk to the Finance Minister. They will die a natural death. Today, in Durgapur, there is no production. People are being paid salaries. I am not interested in salaries. About Rs. 45 crores were required for the last one year so that production starts. That money is not there. That is what they say. My friends from Bihar are sitting there. Tomorrow, Barauni is going out. If I am not mistaken, in Barauni Fertilisers, the production is going to stop. Then I come to the Ramagundam and Talcher plants. Unless you do something about these plants, they are going to die their natural death. I would

like to know whether the Government is contemplating a natural death for these fertilizer units by resorting to imports and these units will die their natural death. Let the Minister clear this point. Seven years have passed. Mr. Minister, unless you take some time-bound decision, these units are going to die their natural death.

So far as the question of availability of money is concerned, there is no point in telling as to why this money is required. The Minister knows it better. You see, revamping or setting up a new plant there is a must. I would suggest that first of all, you limit it to revamping. Thereafter, you can go in for a full-fledged plant, for technology. Money is not there. I will restrict myself to five minutes. I will inform the hon. Minister about the sources of money, if he agrees to my view-point. If you just bear with me, I would like to inform the hon. Minister that his first source of money is the non-Plan support. The Government of India is an indivisible entity, including the Minister of Steel, the Minister of Chemicals and Fertilizers and the Ministry of Industry. Shri Sikander Bakht has been able to get Rs. 517 crores for the Voluntary Retirement Scheme for closing down eight public sector units. It is not from the National Renewal Fund as many people think about it. It is from the non-Plan support. Shri Bakht has been able to generate Rs. 517 crores for the Voluntary Retirement Scheme. If you can get Rs. 517 crores of rupees for the Voluntary Retirement Scheme, can't you get 45 crores of rupees for starting a plant from the non-Plan support? Will the Minister of Chemicals and Fertilizers prove himself as powerful as the Minister of Industry, Shri Sikander Bakht? Will he give an assurance right now that if Shri Sikander Bakht can get Rs. 517 crores for the Voluntary Retirement Scheme, he will be able to get at least 45 crores of rupees for starting the Durgapur plant? (*Interruptions*) No, no. He has said that he would talk to Shri Yashwant Sinha. I do not know. If he has said so, it is all right. I will sit down. I will not go further

it the Durgapur plant is started. I have got a beautiful report from the Ramagundam and Talcher plants—Coal-based Fertilizer Industry—India's Pride. Today, we don't have gas. You have to import NAPHTHA for making fertilizer; you have to import fertilizer or you have to import the feedstock, and these units are the pride of India—Ramagundam and Talcher. All of a sudden, after twenty years, when we are again thinking of having coal as a feedstock for making a fertilizer plant instead of oil and gas and these plants are being allowed to die. This is the report which has been prepared by the engineers and workers of the Ramagundam and Talcher units. They have sent a copy of this report to the Secretary. They require Rs. 300 crores for the revival of the Ramagundam and Talcher coal-based plants. I request you to revamp it. This will be an opening for you in the fertilizer sector. It is not a question of the salaries of the people or the plant. Whatever differences are there, let us concentrate on this thing. What is the harm in this? What about the Sindri and Barauni units? What harm have they done? Why can't you put some money there? Who will give the money? The second source of money will you, Mr. Minister, is this. Within Your Ministry, you have got two cooperatives—KRIBHCO and IFFCO—and the Government has 80 per cent equity in them. One of your companies that is, KRIBHCO, is paying Rs. 100 crores per year as tax for the last three years. This matter was discussed in this House also. They have got tremendous investible surplus. They have not taken up any project during the last three years. I have got a report from there. For the last three years they have not taken up any project. They are going for power. They had gone for the Mangalore Chemical Fertilizer because the then Prime Minister was interested in this private company. But they have not bothered. Now, they are saying that they are taking it up at Gorakhpur. What about KRIBHCO and IFFCO? Take the

case of KRIBHCO. They had decided to take over these units in Russia and America in 1994-95. They wanted to take over these units in Russia and America and revive them. But they will not invest money here. Till now, they have not gone to the eastern zone of the southern zone. They are interested in having joint ventures in Oman. Joint ventures in Oman is all right. It is being told that they will give a lot of money, they will have a lot of fertilizers. How much money have you got from Oman? Sir, are you aware that from 1994 onwards, in five years, 117 officials' visits have already taken place? 117 official visits abroad! The project is still not finalised! The zero date is still not finalised Indo-Oman, Indo-Iran joint ventures! Sir, I am not against the joint ventures. But can you depend totally on that, a hundred per cent buy-back of fertilisers from here? Based on that, if, today, there is a problem in Iraq, and if, tomorrow, there is some problem, will you be able to totally depend on them? The whole question is of investible surplus of KRIBHCO and IFFCO. Now IFFCO is also coming. They are talking about Oman and Iran. Six years have passed. In Oman, nothing has happened. Iran, for six years they have been talking only and visits by the officials have taken place. I have got a Report of the Standing Committee. Sir, what they have said, in the Report, about KRIBHCO is very interesting. In March, 1995—this is the Report of the Standing Committee, Report No. XIII, MD, KRIBHCO, informed the Committee, "We have identified, after seeing, six sick plants in Russia and six sick plants in America."—Six sick plants, not good plants!—"We were asked to see in South Africa..."—Six sick plants in Russia and America!—"We were asked to see in South Africa, but because of some reasons they did not want to sell." Sir, I don't want to tell you what has happened to that. You know the history. I want you to have an open mind. Go through it, Sir. Forget twelve, not a single plant

has been taken over. Three crores were spent on the visits of these officials. You have KRIBHCO and IFFCO where there is investible surplus. Forty-five crores can't be given on loan. This is not the justification to be given. I know the story in fertilisers. There has been a story going round in fertilisers for the last three-four years. Regarding a particular unit, it was said that it won't be run. A decision was taken by the Company. Why can't this particular unit of the Company be run? I will not name that. "Someone has to stand for election from that area!" I mean, a highly placed politician. Then within seven days the Company was asked, "Please make a format as to why this plant has to be run." If you say this has to be run, on a note you will get a note saying how it has to be run. If you say it is not to be run, then a note will come to you saying why it cannot be run. Sir, I want you to give a specific directive saying that you want this plant to be run. Sir, you specifically say to them, "I don't want to listen to this long-term solution of IFFCO going to Gorakhpur, new plant in another six years, grassroot changes, a lot of money." You specifically tell them, "I want KRIBHCO and IFFCO to share a part of the revival process in the HFC and FCI units."

Sir, coming to the last point, but a little touchy point, I have written a letter to you. Sir, you have the money. In your own Ministry you have the money. Subsidies are given to the manufacturers—this is the last point. Subsidies are given to the manufacturers. And CII—I am fond of taking their names because they give big sermons on these issues—FICCI and those big industrialists, "Subsidiary Government", Chidambaram Sahib used to say, Monmohan Singh Sahib used to say and now Yashwant Sinha Sahib used to say "No subsidies. Not good; subsidies. Subsidies for poor; very bad, very bad!" And what are these johnnies doing? Four of these are private manufacturers, I know. The subsidy for fertilisers is paid

directly to the manufacturers. The price is calculated. The price is calculated based on the capacity utilisation. Now what these great sermon givers have done in this country is they have gold-plated the nameplate. What does that mean? A plant can produce 120 tonnes per day. They have rated it as 100 tonnes. Then, they run it at 120 and 130, they say there is 30-40 per cent over-capacity utilisation. What an efficient plant it is! This is only meant for getting more subsidy. Sir, as an engineer, and having a little knowledge, I can tell you that this is a technical fraud which has been perpetrated for the last five-six years. 140 per cent capacity utilisation by a plant is absurd. And you have been taking this absurdity as a reality for the last six years. There was a specific report in FICC (Fertiliser Industrial Coordination Committee) in its 75th meeting held on 16th March. It was said there that in the case of one particular unit where the capacity has been shown as 900 tonnes per day of ammonia, it is actually capable of producing 1100 tonnes per day. They are taking subsidies on higher utilisation of capacity and the subsidies are taken by that particular company. I will not name that company. They are supposed to pay Rs. 400 crores to the Government from 1993 onwards. The Government is supposed to recover this Rs. 400 crores. There are three or four such companies. Aft amount of thousand crores of rupees is recoverable from these companies. The Ministry is giving explanation which is based on the Hanumantha Rao Committee, "We will review it". The Hanumantha Rao Committee can give a new Pricing Policy. But the fraud played on the people of the country on the basis of the earlier Pricing Policy has been specifically mentioned in the 1992 Joint Parliamentary Committee Report. There is no justification. There is no iota of doubt it. When you say that you don't

have money, why can't this money be recovered? Would the Minister specifically assure this House that whatever the excess subsidy that has been

drawn by these private companies will be recovered from them, I underline, with retrospective effect? They are trying to create an atmosphere that this is with prospective effect. No. The poor people of this country, who just deserve it, have been denied the subsidy and these fellows, who have taken subsidy of a thousand crores of rupees for the last two or three years cannot be left out. An assurance must come and it should be with retrospective effect.

SHRI ASHOK MITRA (West Bengal):
What about the rate of interest?

SHRI DIPANKAR MUKHERJEE: You can take the interest, Sir. But you give Rs. 5,000 crores to these sick companies. That is enough. The Ramagundam unit requires Rs. 400 crores. The Barauni unit requires immediately Rs. 150 crores. The Sindri unit requires power. So, kindly get this money. If you want our help, we are there. Kindly treat Durgapur just like Uddham Singh Nagar. If you take that stand, I can say that we are with you. I will give you all the figures about Sindri, etc. Barauni is called *urvarak* nagar. आप भी कुछ बोलिए। आप भी यहाँ बैठे हैं कब तक चुपचाप बैठे रहेंगे वह हमारे पास फोन करते रहते हैं क्यों I am not talking about the 20,000 workers. If 23 lakh tonnes of urea is necessary for this country, it is a must. *R I =ra W£ s&m I Ten per cent will be distributed among all. You may be there, you may not be there. The officials may change. None is interested in revamping. Why? Kindly come out. I only request you, please come out. You come out with an open mind, you examine and take an expeditious decision, not based on the things which you have stated here. This is a repetition of all other reports. I will give you all the reports. Whatever reply you have given to the Calling Attention is a repetition. You have reproduced them word by word. I am sure, next time the Chairman may allow me to give a Calling Attention notice. Just like the BIFR, the Hon'ble Chairman may say, "enough is enough", unless the Government acts, no, further

discussion, no further *Bhashanbaji*. Either you come out with something or let us not discuss it. Let us have no discussion.

SHRI SOLIPETA RAMACHANDRA REDDY (Andhra Pradesh): Mr. Chairman, Sir, in the eighties we have started producing nitrogen and phosphatic fertilizers. We are fortunate enough to have a number of fertilizer units in the public sector, in the co-operative sector and in the private sector. But still we are unable to fulfil our country's requirement. Even today we are foregoing our hard-earned foreign exchange on import of fertilizers. Every day newspapers are reporting about the scarcity of fertilizers in different States and the farmers are agitating every day for fertilizers. The money which we are spending on imports—at least, part of that money—can be utilised for revival of sick industries. We are fortunate enough to have a fertilizer factory at Ramagundam, in the backward area of Telengana in our State, established by the Fertilizer Corporation of India. Many factories in the country are either naphtha-based or gas-based. But the factories at Ramagundam and Talcher, as my hon. friend has mentioned, are coal-based. Some time back there was a thinking to convert the Ramagundam factory from coal-based to naphtha-based. Many experts have pronounced that there is every likelihood of exhausting the oil in the world after fifteen or twenty years. We have got sufficient stock of coal in India. It would be wise to depend on our coal stocks and our indigenous technology. I fully agree with Mr. Mukherjee when he is saying that it is a pride of the nation that we have such a large quantity of coal. Our factory including other factories were declared sick by the BIFR under the Sick Industrial Companies Act. A revival package for FCI was formulated envisaging limited revamp of the Ramagundam and Talcher units. The revival package could not be implemented for want of funding tie-up

as the Minister has said. Then, the package was reformulated, taking into account the unit-wise viability. But it is still awaiting the approval of the Government. Even in these odd conditions, without getting the salaries regularly, nearly 1,200 workers in the Ramagundam factory are producing 750 tonnes of urea everyday. The Ramagundam unit needs a revival package of Rs. 300 crores. If the package is approved and implemented, the Ramagundam factory will produce 1,500 tonnes of urea per day, for about 25 to 30 years without any hinderance. The Minister was kind enough to say that the Government is committed to bring about an expeditious and judicious decision of this complex issue in the overall national interest. A judicious decision can be, and must be, only the revival of the sick units in the interest of the farmers and in the interest of the nation.

Sir, I appeal, through you, to the Government to take immediate steps for the revival of the sick units of the Fertilizer Corporation of India and the Hindustan Fertilizer Corporation of India. Thank you.

SHRI J. CHITHARANJAN (Kerala): Sir, I am happy to learn from the Minister that the Government is committed to bring about an expeditious and judicious decision of this complex issue, in the overall national interest. But if one reads the previous paragraph, one cannot believe it. The fertilizer industry is generally in the doldrums. Most of the units, other than the HFC and FCI units, are in a crisis. Some of them may be closed in the near future if things go on like this. As a result, even now, we are importing a large quantity of chemical fertilizers. If things go on like this, year after year, we will have to import more and more quantity of fertilizers. Then we will have to spend foreign exchange for that purpose. Can the country afford to do this? Therefore, the Government will have to take a very serious view of this problem.

What has the Government done for the HFC and FCI? They have divided these units into two categories; functional units and non-functional units. The question of non-functional units has been thrown abroad. So far as the functional units are concerned, they have been trying to revamp these units. They have been thinking of it from 1995 onwards. Thereafter, several times, certain committees were constituted to put forward proposals for revamping these units. These committees have already submitted their reports. But after having considered these reports, the Government constituted another Committee. This has been done just to evade this problem, to make the people understand that the Government seized of the matter, and Government taking some steps. At the same time, they are avoiding a solution to the problem by appointing committees after committees for going into the same question. Various revival packages which were put forward have been thrown away. Finally, they have approved certain revival packages for Namrup. I do not know whether these packages will be implemented properly. Then, certain suggestions have been made in the revival packages. One suggestion is, the loans which have been given by the Government of India will have to be written off. Secondly, the interest also will have to be written off. Say, in one case, the interest accrued so far is Rs. 5,000 crores. When the unit is almost on the verge of closure—several units have been closed down; and the other units also are on the verge of closure—can the Government think that they can get these 5,000 crores of rupees at any time in the future? They cannot get it. Therefore, if you are seriously interested in revamping these units, of course, that will have to be given up. In the records, 'it is all right. The Government is entitled to get Rs. 5,000 crores by way of interest. But you are not going to get it. Even if the company is liquidated and even if the assets are—sold,' you are not going to get this

amount. The same case with the loan. I don't say what steps are to be taken, but the Government will have to seriously consider those proposals and take various decisions which will, practically, help in the revamping of these units. And the revamping of these units is very much necessary for improving the agricultural production. As all of us know, at present, the agricultural production has almost reached a plateau. We are not going beyond that. And if the situation continues like this, the production may fall down. Now, there are several reports that even during this year, like the last year, in several areas, the people, the agriculturists, the peasants, are not getting adequate quantity of fertilisers, especially potassium. In view of this, the Government will have to take up earnestly the question of revamping these units and also the revamping of the other units in the fertilizer industry. That is what I have to say.

With these words, I conclude.

श्री नेरश यादव(बिहार): महोदय, रासायनिक उर्वरकों ने इस देश में एक नई क्रांति ला दी है। जब हमारा देश अन्न के मामले में आत्मनिर्भर नहीं था तो हमने 1967 से इसका इस्तेमाल शुरू किया था। तब से लेकर आज तक रासायनिक उर्वरकों के चलते हम अनाज के मामले में आत्मनिर्भर हो गए हैं। उर्वरकों की खपत, हम देखते हैं कि 1967 से हमने इसकी 11 लाख टन से स्टार्ट किया और वह 1978-79 में बढ़कर 12 लाख टन हो गया और आज 12 से 13 लाख करोड़ टन रासायनिक उर्वरकों की खपत हिन्दुस्तान का किसान अपने खेतों में कर रहा है। लेकिन यह दुर्भाग्य की बात है कि यह रासायनिक उर्वरक दो विभागों के बीच में फंसा हुआ है। रासायनिक उर्वरक मंत्री इसकी मानीटरिंग करते हैं, वितरण का काम करते हैं और कृषि मंत्री इसका असेसमेंट करते हैं। दोनों में तालमेल न रहने के कारण आज जो हालत किसानों की हो रही है वह हम सब को मालूम है। आज किसान डी.एस.पी. और पोटैशा के लिए, एक दो स्टेट को अगर हम छोड़ दें, हरियाणा और पंजाब के किसान काफी जागरूक हैं, और मंत्री जी की उन पर ज्यादा कृपा रहनी ही चाहिए, लेकिन बाकी पूरे देश में डी.एस.पी. और पोटैशा का हाहाकार मचा हुआ

हैं। अभी किसान इस चीज के चलते बुआई नहीं कर पाए हैं। महोदय, मैं आपके ध्यान में लाना चाहता हूँ कि अब हम पूरे के पूरे प्राइवेट सेक्टर पर निर्भर हो गए हैं, आयात पर निर्भर हो गए हैं। बताया जाता है कि आयात सस्ता पड़ता है। यह कौन सा तर्क है? हम अपने देश में, अपनी जमीन पर जो खाद डालेंगे, अगर उसको देश पैदा करेगा तो इस देश के लिए एक गर्व की बात होगी। लेकिन जिस तरह राजनीति के हिसाब से हमारे अर्थशास्त्री बताते हैं उसके हिसाब से यूरिया का इस्तेमाल चीन और भारत सबसे ज्यादा करता है। चीन में अगर यूरिया की खपत बढ़ गई तो यहां यूरिया का अभाव हो जाएगा और जिस दिन चीन ने यूरिया का इस्तेमाल कम कर दिया तो भारत में यूरिया का इतना स्टॉक हो जाएगा कि फिर हमें मुश्किल हो जाएगी। इसलिए हम यह कहना चाहेंगे कि आप पूरे के पूरे इस मामले में विदेशों पर निर्भर न हों, आयात पर निर्भर न हों। आज भी 23 लाख टन यूरिया बाहर से मंगाने की योजना है। जबकि हमारे यहां जो उर्वरक संयंत्र हैं, जो फर्टिलाइजर इंडस्ट्री है, वह बीमार है, रूग्ण है। हम यह चाहेंगे कि बनिस्पत विदेशों पर निर्भर करने के हम अपने ही देश में रूग्ण इकाइयों का पुररुद्धार करें। मंत्री जी ने आज वक्तव्य दिया है, वक्तव्य इसके पहले भी कई बार आते हैं। हम यह चाहेंगे कि चूंकि मंत्री जी किसान हैं और किसानों के प्रति उनकी रूचि ज्यादा है, कम से कम जिस तरह सुओमोटो बयान चला आता है, हम लोग अपनी बात रखते हैं, आप भी अपनी बात रखते हैं और अध्यक्ष जी अपनी जिम्मेदारी समाप्त कर लेते हैं, आज ऐसा नहीं हों, हमें आपसे काफी उम्मीद है। आप ठोस निर्णय कीजिये और अपने जवाब में यह बताइये कि आप क्या करने जा रहे हैं? इसके पहले भी माननीय उर्वरक मंत्री ने काफी प्रयास किया, हमारे बिहार के लखन बाबू आए और उन्होंने बरौनी के बारे में काफी कहा। बरौनी शुरू कर रहे हैं, इसकी घोषणा सरकार से कराई गई लेकिन आज भी उर्वरक नगर बरौनी की हालत जैसी की तैसी पड़ी हुई है। इसलिए हम यह कहना चाहते हैं कि भारत सरकार सिंदरी और बरौनी कारखानों के पुनरुद्धार के लिए एकमुश्त राशि निर्यात करे जिससे अपने ही देश के उत्पादित यूरिया पर हमारा देश आश्रित हो सके। श्रीमन् यूरिया और अन्य रासायनिक उर्वरक की काफी किल्लत हो रही है, खास कर के ईस्टर्न जोन में, बंगाल में, उड़ीसा में और बिहार में हम चाहेंगे कि आप विशेष ध्यान दें और वहां पर किसानों को उर्वरक मुहैया कराई जाए। वहीं पर उर्वरक संयंत्र भी लगाए जाएं जिससे किसान लाभान्वित हो सके। बहुत बहुत धन्यवाद

MR. CHAIRMAN: (SHRI MOHD. AZAM KHAN) He is absent. Prof. M. Sankaralingam.

PROF. M. SANKARALINGAM (Tamil Nadu): Hon. Chairman, Sir, I want to impress upon the Government the necessity to revive these fertilizer companies instead of closing them down because closing down our national public sector units really harms our country. We have instituted these public sector companies to help our agriculturists in getting fertilizers in time. We say, ours is an agricultural country and the economy relies upon agrarian production. Fertilization is very necessary to augment agricultural production and, it should come in time also. Now, once it is closed down we have to rely on imports and get fertilizers from foreign countries. But short term agricultural production will be affected without timely fertilizers. For example, if you take paddy, it takes 120 days. Some crops take 150 days and some crops take six months. Giving fertilizer in time is very much essential to augment production. To help our agriculturists and to get more agricultural production we have to set up public sector fertilizer companies. Instead, the Government is thinking of closing them. There may be so many reasons. Reasons may be there, but we are here to rectify all these things. We have to find the means to rectify things and our motto should be to revive all the public sector companies. Last week, the Government went ahead with its decision for the closure of eight public sector companies in spite of the opposition raised by all my friends here cutting across party lines. The reasons may be there. We have to get over all these difficulties and we should concentrate on reviving these public sector industries so as to help our country's economy. This is my party's view, and my view. I associate myself with * all the hon. Members who have given so many reasons for revival of Industries. Very detailed reasons were presented. I also associate myself with them and stress upon the Government to

rethink the policy and come with steps for revival of these public sector companies, especially the fertilizer institutions. Thank you.

4.00 P.M.

MR. CHAIRMAN: Now it is one o'clock, shall we continue and finish it?

SOME HON. MEMBERS: Yes, Sir.

MR. CHAIRMAN: All right. Now, Shri Brahmakumar Bhatt.

SHRI BRAHMAKUMAR BHATT (Gujarat): Sir, a very important discussion regarding the problem of fertilizer has been raised by my friend, Shri Dipankar Mukherjee, and others. Sir, fertilizer is a sellers' market. The question of consumption of fertilizer is not there because whatever is manufactured in the country can be very easily sold.

That is why, a large amount of urea is being imported even today. There are three sectors which are engaged in the manufacture of fertilizer. One is the public sector which is being discussed just now. The other is the private sector, and the third one is the co-operative sector. I would say, by and large, the public sector has always performed in a very poor fashion. I know that the general production level of the public companies is about 50-60 per cent of their rated capacity. Even the public sector companies which belong to the State Governments, like the Gujarat State Fertilizer Corporation and the Narmada Valley Fertilizer Corporation, are making very good profits. Sometimes, they are running at 90 per cent or 100 per cent. They are giving good salary and bonus to their employees. So, these are a different type of public sector companies which are owned by the State Governments. The private sector fertilizer companies, like the SPIC, or, even the Nagarjuna Fertilizers, which is a new company in a sense, are making very good profits, and giving a very good show. Their rated capacity and production is very high.

So far as the co-operative sector is concerned my friend has referred to IFFCO and KRIBHCO. I believe, no company either in the private sector or in the public sector has ever been able to surpass the performance of the co-operative sector. Both the IFFCO and KRIBHCO have already crossed their rated capacity, and they are performing at a capacity of 110 or 120 per cent. So, they are manufacturing fertiliser at this capacity. My friend has rightly mentioned that this is the reason why the profits of IFFCO and KRIBHCO are very high. Any fertilizer company which is manufacturing above 80 per cent, I believe, is just earning profits. If these companies in the co-operative sector are manufacturing at 110 or 120 per cent of their rated capacity, then, obviously, they will be making a huge profit.

Sir, so far as I understand, the co-operative sector is not prepared to take over a sick unit; whichever the sick unit is, maybe, the National Fertilizer Corporation or the Fertilizer Corporation of India. Once, I had written a letter to the Managing Director of IFFCO regarding one public sector unit which was sick. I had also requested him and insisted that he should consider that as it was worthwhile doing so. He wrote me a letter that it will be rather worthwhile for IFFCO to start a new plant than to take over a plant which is not likely to function very well. That is their view. I am afraid, even the Government of India will not be able to force them.

If they persuade them, it is all right. If the hon. Minister is able to persuade the IFFCO and KRIBHCO, I have no objection. It will be good, but today they are, as far as I know, not prepared to take over any public sector unit which is sick and which is not working for the last several years. They have to take the permission of the general body before they take over any public sector unit.

The General Body is consisting of six hundred delegates from all over the country, representing 28,000 co-operative

societies of this country. Twenty-eight thousand co-operative societies are members of this organisation! They are to take the consent of the Body, which is as big as this House. If the General Body gives consent, then only can they proceed in any direction; otherwise, they cannot. That is the rule and the constitution of this co-operative. I feel, ultimately, work culture matters. If the work culture is to see that the institution survives, to see that the organisation or the industry survives, only then the industry or that particular institution will make some profit or make a good show. I am not against the revival of public sector sick units; let my friend, Dipankar Mukherjee, also be clear. I am not against it. I am only suggesting that unless a good performance is made and unless the unit reaches the rated capacity it cannot continue to be healthy. It will, once again, go sick and the conditions will be the same. If the Government is prepared to do that, then only practical and viable suggestions could be given. An expert committee may be appointed by the Government. If the Government has got the money to do it, well, the Government should do it. I am not against it. But, the Government should appoint an expert committee on fertilizers consisting of members from within India and outside India. There are so many countries in the world where there are co-operative units having a very good share in the total manufacture of fertilizers. Even in America, 35% American productions by co-operatives only.

If the Government is thinking on it, let it appoint a committee of experts both from India and from outside and let that committee go into the details as to why a particular unit has gone sick, what the reasons are for its non-functioning properly and as to why they made losses. If they chose some two-three units, they can start with it. Instead of starting with all the units, I agree that it should be done—let them start with one or two units, and it should be possible for the

committee to suggest how a particular unit can be started easily by putting a little less amount required for starting that particular unit. Then only this can be done. Now, I remember a story of about twenty years back. Mr. Bahuguna was the concerned Minister. KRIBHCO was not in the picture then. The National Fertilizer was going to have a plant and the other plant was to go to IFFCO. But, Mr. Bahuguna himself said, "I do not want any National Fertilizer plant. National Fertilizer plant is my plant, a public sector plant. It is definitely going to make losses. I do not want to go side by side with IFFCO and have a National Fertilizer Plant. Therefore, we handed over that plant also to IFFCO." And that is how KRIBHCO was started as a sister concern of IFFCO. This was the view of the then Minister, twenty years before. I hope, the view of the present Fertilizer Minister might have been changed. I hope, it is going to change if he is to undertake revival of sick fertilizer units in this country. The best way out would be, firstly to appoint an expert committee of persons from India and from outside, hand-over these problems to them, the problem of revival of fertilizer units in this country and then start with one or two units. Have an experiment. If the experiment is successful, then the Government can go ahead with more and more fertilizer units. My submission to the hon. Minister is that revival of fertilizer units will not be a proper idea. The question is which particular unit can be revived easily by putting a little less capital of the Government. I believe, it is difficult for the Government. In that case, if the committee recommends to the Government then you can take up a particular unit, then it will be possible.

The Kribhco, as my friend has told, has got a lot of money. They have made a profit of Rs. 400 crores. I know that they are going to have a power station of 650 MW. The Kribhco is going to have its own power station which means, an amount of Rs. 2,000 crores is required. The agriculturists also require power. If

they go in for a power station, there is nothing wrong in it. Why should they pay tax to the Government of India? They should not pay Income-Tax. They have decided not to pay the Income-Tax. They are going in for a power station because that is also required for agriculture purposes. Instead of looking to the IFFCO or Kribhco or anybody else, the Government should decide on its own with regard to appointing a committee. They have to decide as to how much money the Government can invest. If this is done, then only can the Government go ahead. This is the only solution available now(Interruptions)...

MR. CHAIRMAN: All right, all right. Mr. Margabandu. He is not here. Shri Vedprakash Goyal.

SHRI VEDPRAKASH P. GOYAL (Maharashtra): Mr. Chairman, Sir, even when standing on this side, face to face with Mr. Dipankar Mukherjee, I have no hesitation in supporting him on some of the points. I am as much thrilled by the idea of revival of a sick plant as compared to its closure, but not dogmatically or, on the basis of any ideology. He has mentioned that the coal-based plants are the pride of this country. They were started 50 years back. Some of them are absolutely outdated. We cannot cling to them. That sort of a charge which is generally stuck on us that we are traditionists, we are old timers, I do not agree with that approach. Each plant will have to be seen separately. As has been mentioned in the statement, the requirement of funds is to the tune of Rs. 2,638 crores for the three plants of the FCI and another Rs. 869 crores for the three plants of the HFC and Rs. 5,006 crores is the write off. This is a whopping amount. I think we have to examine each case one by one and not give an umbrella sort of treatment. In principle, we should try our best to revive a plant, if it can be revived. Now, the Hindustan Fertilizer Corporation's first plant is the Haldia Plant. This was conceived in the '60s when power was committed to it by the

West Bengal Government. By the time it came into being in 1972, there was no power. With the result, in 26 years it has not produced even one grain of fertilizer. What do you do with such plants? In Hindi is said.

“बंदरिया मरे हुए बच्चे को छाती से चिपकाकर रखती हैं”

I do not agree with that. A plant which has not produced anything in 26 long years, there is no harm in closing it and in finding a better use of that place, equipment or whatever infrastructure is available there. That will be a right thing to do. No serious attempt has been made in the last 26 years to start it. It is long time back now. There is no going back on that. Barauni and Durgapur are the sister States plants. Barauni, I am told, keeps working off and on with no economic production. But, still it is living and it has not breathed its last. Its technology is outdated. If the new technology has to be infused, it requires a lot of funds. This is one thing which must be examined. I am told — I am not an expert on this subject, probably, Dipankar is because he comes from that area that high pressure coal gasification is a way out. But that is something on which BHEL can also work. I am told that they have gone to some foreign consultants who have ruled out the revival of this plant. It was not referred to the BHEL. Are there plants which the BHEL or the Engineers India or any other consultant in the country can look into in more details and help us in reviving them? We should not take as a gospel of truth the recommendations which are given by the foreign consultants.

There is a general problem in most of these plants. That is about staff. There are 1,000 to 1,5000 people in each plant, as against about 400 people in any new plant. All the five new plants which have come up in recent years are meeting most of the requirement of fertilizers in the country. Plants at Guna, Chambal, Tata,

Shahjahanpur and Indo-Gulf are employing about 400 people. Also, in the past, I am told as to what has been happening; under pressure from the unions, promotions were given on Seniority-basis and not on skill-basis. As a result, even a peon or a sweeper, by virtue of passage of time, will be taken into technical grades, without any training. I would like to know whether any efforts have been made to train people and to upgrade them. That is what is required. If it has not been done, that is the route to be taken now. These new plants are running at 120 per cent to 130 per cent of efficiency. I also agree, to some extent, with Mr. Dipankar Mukherjee that rating of the plant also has got a lot to do. They need technical examination in-depth. This has also happened in the steel industry. Many of them are rated in such a manner that benefits are taken by declaring 120 per cent to 130 per cent production efficiency. Generally, you can have 5 per cent or 10 per cent higher than the rated capacity. These large figures in regard to production efficiency need to be examined in detail. What is the myth? There could be some *gol-mall* in that. It needs to be examined and removed. I am told, the plants at Durgapur and Barauni can go, within three or four years, on the LNG route. It is imported by tankers; the LNG will come and the pipeline can also supply to these plants. But that is after three or four years. If they are not producing economically, it may even be cheaper to keep on paying the people than-use more resources to make more losses. These are the things which need to be examined. If they can reach a cut-off point of economic production, they should be revived. Marginal additional requirements of funds can possibly be made available.

The fourth in that category is Namrup in Assam. Out of the three plants of Namrup, only plant number three is working. Plant numbers one and two are closed. There is no point and no chance

of starting plant numbers one and two. Plant number three was revamped under P & D or PDIL. That is what it is called. And, it is producing something which, I think, is a good sign. That means, the Indian Consultant Organisation and the PDIL, which is a Government organisation, can do very good work if plant number three of Namrup is revived.

Coming to the Fertilizer Corporation of India's plants at Talcher and Ramagundam, they could not start when they were ready because power was not available. So much time has passed and the power, probably, has been used elsewhere. And, for want of power, as per the information I have got, they could not be started. Both are coal-based plants and both have on old and outdated technology. Both need to be referred to the BIFR to have another detailed look to see what can be done. After all, as you have said, 30 per cent infrastructure is already available and that can still be made use of. The additional incremental funds, if they can be found, can be diverted from less productive sources. That is the one thing we should try.

Sir, Sindri was also originally a coal-based plant. That was the pride of the country. I remember to have taken training there. But, long back — about 10 to 12 years back — I am told, it has been converted into a fuel-oil plant. Now, it is working all right. My information is, whatever problems are there due to indiscipline and the people, who probably, cannot give up the old habits and cannot see today's requirements of competitiveness.

The fourth plant is Gorakhpur. There was a problem in that plant also for about ten years. All of them, with such an old history, are not working. That has been given to KRIBHCO. I am told, they have scrapped the plant and put up a new plant and, probably, waiting for an approval from the Government. If that is

true, Such approval should be given first.

Then, so far as the import is concerned, today, area is the cheapest to import. I am not a protagonist of import. But, in the short run, I am told, our shortage is about 10 per cent. If it is only that much, and if by import we can give it to the farmers well in time and at a cheaper price, the Government subsidy can be reduced. It is a case worth considering, and not reject the idea of import. In a global economy, you import as well as export things. That is in the best interest of the country. If there is shortage, there is no harm in resorting to that.

I would like to submit that these decisions should be taken on techno-economic studies and the requirement of the country — both long-term and short-term — and not on any dogmatic approach. We must give relief, and the people must be maintained. The people will become useless without any work for years on end and getting wages. They also do not want to get wages without work. I have met many of them. Ways should be found to train them. So, I would like to appeal to the hon. Minister that whatever studies are required, it should be done fast.

श्रीमती कमला सिन्हा(बिहार): सभापति जी, मैं अपनी बात को बहुत संक्षेप में रखूंगी क्योंकि डेढ़ बजने जा रहा हूँ, सबको भूख लग रही होगी।

सभापति जी, मैंने इसमें देखा कि जो कम्पनियों के बारे में बातें की गई है। दीपांकर मुखर्जी जी को शायद याद नहीं था कि हिन्दुस्तान फर्टिलाइज़र कारपोरेशन और फर्टिलाइज़र कारपोरेशन आफ इंडिया के अलावा भी एक और पब्लिक सैक्टर अंडरटेकिंग है, जो खाद बनाता है, और उसका नाम है पी.पी.सी.एल.-पाइराइट्स फास्फेट कैमिकल लिमिटेड-और उसके चार यूनिट हैं हिन्दुस्तान में। इसके बारे में बात करना चाहती हूँ क्योंकि यह भी यूरिया और खाद बनाता है। बाकी बातें हो तो गई, बरौनी, रामागुंडम, तालचर, नामरूप, दुर्गापुर आदि के बारे में बात हुई है और गवर्नमेंट कुछ राइट आफ भी करने जा रही है, 5,006 करोड़ रुपए तो राइट आफ करने जा रही है, गवर्नमेंट आफ इंडिया के जो लोन्स हैं, उनको वॉयबल बनाने के लिए जिन सबके नाम मैंने लिए हैं। नामरूप यूनिट के लिए इन्होंने 350 करोड़ रुपया

रखा है और 156 करोड़ रुपए का टर्म लोन देगी और बजटरी सपोर्ट भी देगी, वह ठीक हैं, यह भी अच्छी बात है। नामरूप असम में हैं, करना ही चाहिए, बहुत खुशी की बात है, लेकिन मैं पी.पी.सी.एल.का एक यूनिट, जो बिहार में है, उसके बारे में बात करना चाहती हूँ। मध्य बिहार के पहाड़ी इलाके में, विन्ध्य पर्वत रेंज में यह कारखाना है पी.पी.सी.एल.का अमझोर नाम के इलाके में। 1960 के दशक में वहां से गंधक का एक खदान निकला था और इस खदान से केवल गंधक निकलता था और उससे यूनिया एसिड बनाया जाता था। लेकिन बाद में ऐसा सोचा गया कि वहां कारखाना भी बनना चाहिए और जब श्री अशोक मेहता जी प्लानिंग कमीशन के डिप्टी चेयरमैन हुए तो उन्होंने जाकर देखा और इसकी पॉसिबिलिटी की जांच कराई और सरकार ने उसको टेक-अप किया और वह कारखाना भी खुल गया, पी.पी.सी.एल. का बिहार का यूनिट खुल गया। जो खाद वह बनाता है उसका नाम है सोन गंगा। बहुत ही बेहतरीन क्वालिटी का खाद वह बनाता है। अभी हाल में ही, इस वर्तमान सरकार ने, इन देअर विजडम, फैसला लिया कि गंधक के खदान को बंद कर देंगे, उसमें 1700 लोग काम करते हैं, और उन्होंने कहा कि हम यूरिक एसिड बाहर से मंगाएंगे, वह हमको सस्ता पड़ेगा और फिर उससे यूरिया बनाएंगे। कारखाना वहां रहेगा, लेकिन खदान बंद कर देंगे। मैंने उसके बारे में फाइनेंस मिनिस्टर से बात की और उनके कई संसद सदस्यों से दस्तखत कराकर प्रतिवेदन दिया। उन्होंने कहा कि वी.आर.एस. देने से हमें सस्ता पड़ेगा, 50 करोड़ रुपए में हमारी छुट्टी हो जाएगी और कारखाना हम चालू कराएंगे तो हमारा 100 करोड़ रुपया लगेगा और विदेश से हम यूरिक-एसिड मंगाएंगे। मैं समझती हूँ कि हमने जो पोलिसी ग्लोबलाइजेशन आफ अवर इकोनोमी अपनायी है और प्राइवेटाइज करना और ओपन डोर पोलिसी इसके तहत शायद यह बात बैठती होगी। लेकिन जहां तक बात आती है कि सरकार की दूसरी कमिटमेंट भी है। वैलफेयर सोसाइटी होने के नाते, वैलफेयर स्टेट होने के नाते हमारी कुछ और भी जिम्मेदारियां हैं उस जिम्मेदारी में यह बात बनती नहीं है मैंने बरनाला जी से भी मिलकर कहा कि आप तो स्वयं कृषि के बारे में जानते हैं, आपको जानकारी है इसके बारे में इसलिए आप ऐसा न करें। 50 करोड़ रुपया वी.आर.एस. में दे करके सारे लोगों को आप बिठा देंगे। लेकिन अगर सौ करोड़ रुपया आप देते हैं तो यह कारखाना रिवाइव कर जाएगा। वहां तैयार माल पड़ा हुआ है, सरकार उसको बिकवा नहीं रही है एक-एक

इनकी पोलिसी हो, इतनी गलत पोलिसियां हैं, श्री दीपांकर मुखर्जी ने बहुत बताया लेकिन अगर समय मिले तो मैं भी बहुत बतला सकती हूँ। एक-एक इतनी गलत पोलिसी है, वहां माल के स्टेट के स्टोक रखे हुए हैं लेकिन सरकार उसको बेचने की इजाजत नहीं दे रही हैं। शायद जानबूझकर चाहती है कि यह बीमार है तो और बीमार हो और उनको एक दलील मिल जाए कि ऐसे बीमार कारखाने को हम क्यों चलने दें। तो बरनाला जी, मैं यह चाहूंगी कि आप इसके बारे में विचार करें, पी.पी.सी.एल.को बंद न करें और खास करके मध्य बिहार का यह एकमात्र कारखाना है, आप उसको चलाएं। बरोनी को आप चलाने का फैसला कर रहे हैं, रिवाइवल पैकेज आप दे रहे हैं, खुशी की बात है, सिंदरी को देने जा रहे हैं। ठीक हैं, बी.जे.पी.की एक हमारी बहन है, उसकी कंस्ट्रिक्टेंसी में है। करना ही चाहिए और हम लोगों ने भी बार-बार डिमांड किया है। लेकिन अमझोर के कारखाने को आप बंद न करें, मध्य बिहार के लिए यह बहुत ही आवश्यक है। कल को आप झारखंड स्टेट बनाएंगे तो बिहार स्टेट के लिए कोई कारखाना ही नहीं रहेगा। उस दृष्टिकोण से भी यह बहुत आवश्यक है। मुझे इतना ही कहना था। धन्यवाद

KUMARI NIRMALA DESHPANDE
(Nominated): Sir, I would just like to draw the attention of the Minister through you to Sindri. I had been there recently and the workers' and the management representatives met me. They said, we are happy that Namroop is being considered, but Sindri is better than Ramagundam and Talcher. Production is going on and the workers are prepared for sacrifices also. So, Sindri should be revived and should be given preference.

श्री आर.एन.आर्य(उत्तर प्रदेश): आदरणीय सभापति महोदय, इस विषय में जहां हमारा भारत कृषि प्रधान देश है और हम किसानों की जो बहुत आवश्यक डिमांड है-खाद और यूरिया, इसके बाबत जो सिक यूनिट्स हैं और एक्सपोर्ट द्वारा आई.सी.आई.सी.आई.के द्वारा जब देखा गया है तो हम इसमें कहना चाहते हैं कि यूरिया की आपूर्ति के लिए जो आपने आयात किया है सन् 1997-98 में 23.89 लाख टन किया है, डाई 14.60 लाख टन किया है और पोटास भी हमने 19 लाख टन किया है। गत वर्ष से हमारा आयात बढ़ने के बावजूद भी हम किसानों की इस आपूर्ति को करने में अक्षम रहे हैं। कल्याणकारी स्टेट होने के नाते इन

यूनिट्स को चलाने से हमारे जो इम्प्लोइज हैं उनको भी जॉब मिलता है। इस मामले में हमारा आत्म-निर्भर होना तथा किसान प्रधान देश होने के नाते इस खाद के मामले में बहुत जरूरी है। यही वहज से हलदिया का जो प्रोजेक्ट (एच.एफ.सी.) 1995 में 465 करोड़ निवेश अनुमान रखा और जो गोरखपुर यूनिट एफ.सी.आई. है उसका अनुमान 1766 करोड़ रखा गया है उसमें यह देखा जाए कि जो हम आयात कर रहे हैं उसमें कितना खर्च आता है। आयात से यहां ज्यादा खर्च करना पड़ जाता है, लेकिन तमाम लोगों को जॉब मिला हुआ होता है। इसलिए मैं चाहता हूं कि उत्तर प्रदेश की खास करके जो गोरखपुर इकाई है उसकी फिजिबिलिटी नहीं मानी गई है उसे भी माना जाए। मैं इतना शेयर करना चाहता हूं कि किसानों के हित में कार्य हो और दीपांकर मुखर्जी जी का भी मैं आभारी हूं। इतना अति विशिष्ट विषय जिस पर हमारी सरकार ध्यान नहीं दे रही है उसको ध्यान देना चाहिए और सिक यूनिट्स को रिवाइस करना चाहिए थैंक्यू।

SHRI SURJIT SINGH BARNALA: Sir, it has been an interesting debate. Very useful suggestions have come.

We are dealing with chronic sick fertilizer public sector units. There are eight of them. In the FCI there are four—Sindri in Bihar, Ramagundam in Andhra Pradesh, Talcher in Orissa and Gorakhpur in U.P. Similarly, in the HFC again there are four—Barauni in Bihar, Namrup in Assam and Durgapur and Haldia in West Bengal.

Sir, the main question here has been revamping of these sick units. They have been sick since 1992. They were declared sick in 1992, and they continued like that. Some efforts were made for their revival. They did not succeed. The matter was delayed in stages. I will come to the stages also. It has been decided to hive off two of them. One is Haldia and the other is Gorakhpur. These two are to be closed. For Haldia, for the time being we have no remedy. But for Gorakhpur, we are going to set up a new plant in place of the old one. The KRIBHCO has come forward for doing so. This is in an advanced stage. Only the recommendation of the Government is required for that. That will be taken care of. Some

work for revival has already been started. Similarly, some funds are being provided to Sindri also, and some work has started.

Regarding the other four, these are Durgapur, Barauni, Ramagundam and Talcher. I have made proposals for their rehabilitation. They have gone to various Ministries. They have now gone to the Finance Ministry. We are waiting for the comments of the Finance Ministry. Then they will go to the Government. So, it is not that nothing has been done during this period of time. I was myself quite keen. As my friends who have taken part in this debate were all keen that revival should be made, I was also keen that these units, at least those of the units which could be revived, should be revived, even at some extra expense.

As I have earlier stated, the question of provision of money is quite serious. Regarding Sindri, Ramagundam and Talcher, Rs. 2,636 crores is required. Similarly, for Namrup, Durgapur and Barauni, Rs. 869 crores is needed. A lot of money is required. About Rs. 5,006 crores are to be written off. The loans and accumulated interests aggregating to Rs. 5,006 crores have to be written off. Then something can be thought of for reviving these units.

While reviving them, we have to take into consideration what possibly can be done. It was argued here that two of these units, Ramagundam and Talcher, are coal-based and that coal-based technology, unfortunately, has not succeeded. It has not been very successful. It is now being considered that some alternative feedstock should be made available. The feedstock for the time being that could be available was naphtha. Naphtha is a high-cost feedstock as compared to gas. If gas can be made available somehow, then, these units could be revived and they could be run properly also. Efforts in that direction are being made. These units are all with the BIFR. For a long time they have been with it. Some efforts were made at

various stages. For example, after their being declared sick in November, 1992, the BIFR appointed the ICICI as the operating agency in March, 1994. They gave a report in 1995. A group of Ministers considered it in 1995. A package about it was considered by the group of Ministers in January 1996. It was referred to a Committee of Secretaries for further examination. In 1996, there was also a report by F.E.D.O. That report was also considered. In February, 1997, an export group submitted its report. The package reformulated by the Department of Fertiliser was considered in April 1997. It was felt that the Government required to contribute Rs. 564 crores for H.D.C. and Rs. 1,781 crores for F.C.I. Financial institutions are reluctant to finance term loans for these projects, because they are very old units and have been lying sick for a long time.

Sir, there are certain reasons why they became sick. Therefore, before considering revival of these units, these things have to be taken into consideration. There was no capacity utilisation related to the technological design of the equipment. Aging plants led to frequent equipment breakdowns. Frequent shut downs and chronic power shortages in that area led to high consumption norms. Industrial relation problems also cropped up. There has been a surplus manpower in these units. They are employing slightly more than 15,000 persons. There was a flight of quality manpower away from these units. There was increase in input cost and power tariffs. These are the reasons why these units, over time, have fallen sick.

The hon. Member, Shri Dipankar Mukherjee, mentioned that only Rs. 40 crores are needed for the Durgapur Unit. That is not correct. Sir, our calculations are slightly different. Rs. 55 crores are required as Plan expenditure and Rs. 43 crores as non-Plan expenditure. So, for a limited revival of the unit, Rs. 88 crores are required for the time being. The

reports show that its cost of production will be high i.e. for one tonne, the cost of production there will be Rs. 18,620; whereas the retention price is Rs. 10,979. That means the cost of production will be Rs. 8,000 more than the retention price. It shows the unit is not a viable one and that it cannot run in profit. This unit will be running in loss over a period of time.

Sir, I intended to pay a special attention to the Durgapur plant. According to our calculations, for revamping this unit, the estimated cost will be Rs. 250 crores. But, even after spending this much, this unit will not run for its full period. It will run for 275 days in a year with an average capacity utilisation of around 60 per cent. At 60 per cent capacity utilisation, this unit cannot run in profit. So, this is not a viable proposition. Since my friend, Mr. Dipankar Mukherjee specialises in this branch and has a good knowledge about fertilisers and about running the fertiliser industry, we would like to have his advice in these matters whenever required. We hope he will render good advice, because he is very keen in re-vamping the Durgapur unit.

Sir, a mention was made since the cooperative units like IFFCO have got a lot of money with them, they should lend some money to this unit. As was mentioned by Mr. Bhattji correctly he is perhaps an expert in this line and he had already worked in IFFCO that it is not in their purview to lend money like other financial institutions. They are covered by the Cooperative Societies Act which forbids them from lending money like this. They cannot do it. But all the same, KRIBHCO have come forward to setup a new plant at Gorakhpur, in place of the old plant. They have agreed to that. I think very soon they will be in a position to take it up. KRIBHCO is already busy with their projects. Their hands are already full. They have their own expansion plans also. They are investing money for outside projects also. A mention was made about the Oman fertilizer project.

We have a joint venture project in Oman in which KRIBHCO is one of the investors. The RCF is also one of the investors. They are investing money in some projects in the country and outside the country also. The investment outside the country sometimes becomes very important because gas is available in Oman in large quantities. Cheap gas is available there, but in our country much is not available. We are short of natural gas. So, we are trying to find sources where we can get gas and are willing to have joint ventures. That is why we have gone to Oman. This project is also in an advanced stage of decision-making.

A mention was made regarding the PPCL, Amjhore. This is a different type of activity there. Earlier, sulphur rocks were available there. Some mining activity is going on. The mining activity was taken up in Dehra Dun and Mussorie. Now those mines also have totally become non-profitable. They have to go very deep. The quantity available is not sufficient to man the industry. That is why a problem has arisen. We are trying to feed this project at Amjhore with sulphuric acid which is available outside. We are importing it in large quantity. Perhaps, this would sustain this industry there. I have to look into this. I cannot make any commitment right now.

Kumari Nirmala Deshpande has mentioned about Sindri. The work at Sindri has already started. We have allocated some funds, about Rs. 30 crores to Sindri. This is one of the premier projects of India. We will be able to take up further revamping at Sindri. As of today, This is the position. Our intention is to revamp old projects wherever possible. That is what we are trying to do.

MR. CHAIRMAN: The House is adjourned for lunch till 2.30 p.m.

The House then adjourned for lunch at forty-three minutes past one of the clock.

The House reassembled after lunch at thirty-six minutes past two of the clock,

The Vice-Chairman (Shri Sanatan Bisi) in the Chair.

PRIVATE MEMBER'S BILLS

The Mango Growers of Andhra Pradesh and other areas (Marketing and other facilities) Bill, 1998

DR. Y. LAKSHMI PRASAD (Andhra Pradesh): Sir, I beg to move for leave to introduce a Bill to provide for the promotion of the business interests of the mango growers of the Viziansagaram, Krishna, Guntur, Vishakhapatnam, Chittore etc. regions in Andhra Pradesh and other areas of the country by giving them incentives and facilities like packaging and marketing for their mango crops and the requisite fertilizers and insecticides at subsidised rates and for matters connected therewith.

The question was put and the motion was adopted

DR. Y. LAKSHMI PRASAD: Sir, I introduce the Bill.

THE CONSTITUTION (AMENDMENT) BILL, 1998 (TO AMEND ARTICLES 269, 270 ETC.)

SHRI C. RAMACHANDRAIAH (Andhra Pradesh) Sir, I beg to move for leave to introduce a Bill further to amend the Constitution of India.

The question was put and the motion was adopted.

SHRI C. RAMACHANDRAIAH: Sir, I introduce the Bill.

THE CROP INSURANCE CORPORATION BILL, 1998

SHRI C. RAMACHANDRAIAH (Andhra Pradesh): Sir, I beg to move for leave to introduce a Bill to provide for the establishment of the Crop Insurance Corporation for the purpose of undertaking the business of crop insurance so as to protect the interest of farmers from loss due to unavoidable cause and also as