

**Thermal Power Plant of Neyveli Lignite Corporation**

\*182. SHRI K. GOPALAN:

SHRI V. GOPALSAMY:†

Will the Minister of ENERGY be pleased to refer to the answer to Starr-ed Question 384 given in the Rajya Sabha on the 16th December, 1985 and state:

(a) whether all the requisite equipment for Thermal Plant of Neyveli Lignite Corporation, Tamil Nadu have since been received from Hungary and if so, whether these have been installed;

(b) whether any of the units have been commissioned; if so, what are the details thereof, and by when the rest of the units are likely to be commissioned;

(c) what has been the cost escalation in this regard; and

(d) how much amount has so far been spent on each of these units?

THE MINISTER OF ENERGY (SHRI VASANT SATHE): (a) to (d) A statement is laid on the Table of the House.

**Statement**

(a) and (b) The first unit (Unit No. III) of the second Thermal Power Station Stage I (3 X 210 MW) of Neyveli Lignite Corporation was commissioned in March, 1986 and is in operation. In respect of Unit II, most of the equipment has reached the site and mechanical erection is nearing completion. This unit is expected to be commissioned in March, 1987. Receipt of materials and erection work of the third unit (Unit No. I) is in progress. This unit is expected to be commissioned in March, 1988.

†The question was actually asked on the floor of the House by Shri V. Gopalsamy.

(c) and (d) The project was sanctioned at an estimated cost of Rs. 213.98 crores in February, 1978. Revised cost estimates amounting to Rs. 483.42 crores including interest during construction of Rs. 22.22 crores was approved in February, 1983. The project is now expected to cost Rs. 494.14 crores representing an escalation of about 7 per cent. Upto the end of October 1986, expenditure of about Rs. 431 crores (provisional) has been incurred on the project. Expenditure figures are not maintained unit-wise.

SHRI V. GOPALSAMY: Mr. Chairman, Sir, the Neyveli Lignite Corporation has prepared a feasibility report for opening a third mine, with a production capacity of 11 million tonnes of lignite per annum. The third mine, spread over an area of 38 sq. kilometres, is estimated to have reserves of 470 million tonnes of lignite. At a production rate of 11 million tonnes per annum, the life of the mine would be about 43 years. I would like to know from the hon. Minister why this important project has not been included in the Seventh Five Year Plan. Is it because it is in Tamil Nadu? Or is it because of the step-motherly attitude of the Central Government?

MR. CHAIRMAN: Why do you add the riders?

SHRI VASANT SATHE: Sir, I do not know why my friend is apprehensive or bitter. As far as the Neyveli Lignite Corporation power projects are concerned, both Stage I and Stage II projects are being provided for. In Stage I, 3 x 210 MW of power is going to be generated by 1988. For Stage I, there is a mine which has already been completed of 4.7 million tonnes of lignite. We have already commissioned Unit No. 1 whose installed capacity is 210 MW and is giving one of the best power productions of 93 per cent PLF. So, how are we being unfair or step-motherly towards Tamil Nadu? All this power is going mainly to Tamil Nadu.

SHRI V. GOPALSAMY: Mr. Chairman, Sir, the Neyveli Lignite Corporation

for the year 1984-85 gave an order to a contractor to collect, convey and dispose of the unburnt lignite at the rate of Rs. 86.20 lakhs. But it was sold for Rs. 1.5 crores by that contractor. Even then the Corporation waived an amount of Rs. 28 lakhs, thereby incurring a loss of Rs. 1 crores by that contractor. Even then the honourable Minister whether the Government has received any complaint about this deal, and, if so, whether the Government has initiated any inquiry and, if not, whether the Government will initiate any inquiry into this scandal.

**SHRI VASANT SATHE:** Sir, I have not received any complaint on this account. Neyveli Lignite Corporation is one of our profit-making Corporations. It made a profit of Rs. 63.27 crores in 1983-84, Rs. 58.97 crores in 1984-85 and Rs. 52.28 crores in 1985-86.

**SHRI V. GOPALSAMY:** Because of this deal, the loss was not shown....  
(Interruptions)

**MR. CHAIRMAN:** Let them get an opportunity...

**SHRI VASANT SATHE:** About this deal, Sir, no complaint has come to us.

**MR. CHAIRMAN:** ... to publicise some of their best things.

**SHRI VASANT SATHE:** So, Sir, if this complaint comes to us, we will look into it.

**MR. CHAIRMAN:** Yes, Mr. Aladi Aruna.

**SHRI ALADI ARUNA alias V. ARUNACHALAM:** Sir, the shortage of coal for generating thermal power in Tamil Nadu is very acute. The Mattur Thermal Power Project was sanctioned on the basis of supply of coal from the Singareni collieries. But the Singareni project has not been developed as scheduled. But the supply to Mattur is now being arranged by diverting coal from the Ennore Thermal Power Station and the Ennore Thermal Power Station has to import coal from Orissa which casts an additional burden on the Tamil Nadu

Electricity Board to the extent of Rs. 350/- per tonne. So, in order to avoid this loss, the Government of Tamil Nadu has been requesting the Central Government to import coal from Australia....

**MR. CHAIRMAN:** No, no. This is not relevant to the main question.

**SHRI ALADI ARUNA alias V. ARUNACHALAM:** Sir, I am coming to the main question. (Interruptions). Sir, I am coming to the question that I want to put.

**MR. CHAIRMAN:** No. It is not related to the main question. Yes, Mr. Vishvijit Prthvijit Singh.

**SHRI VISHVIJIT PRTHVIJIT SINGH:** Sir, part (c) of the question is what has been the cost escalation in this regard and the Minister has said in his written statement, in his reply, that the project was sanctioned at an estimated cost of Rs. 213.98 crores in February 1978 and then he goes on to say that the project is now expected to cost Rs. 494.14 crores representing an escalation of about 7 per cent. Sir, according to my calculation, if the original cost had been Rs. 213.98 crores and if it is today Rs. 494.14 crores, then the escalation is of the order of Rs 280.16 crores which is more than 135 per cent. This is the cost escalation. I know what the honourable Minister is going to say. I know that he is going to say that it was the revised estimate amounting to Rs. 483.42 crores. My query is why from 1978 onwards this project has been kept pending and why it was not accepted in time. This kind of a massive escalation of cost is entirely because of mismanagement. I would like to know from the honourable Minister what the reasons are for this delay which has resulted in this immense loss to the exchequer.

**SHRI VASANT SATHE:** Sir, as far as this project is concerned, when it was originally conceived in 1978, it was proposed that it would be taken up indigenously. Later on, when we found that we did not have sufficient experience as far as lignite mining was concerned, we thought of having collaboration from outside.

That changed the whole concept of the project and that was why the revised cost estimate was prepared in 1983 which is to the tune of Rs. 483 crores.

**SHRI VISHVJIT PRITHVIJIT SINGH:** What about the delay of five years?

**SHRI VASANT SATHE:** After all, Sir, discussions were being held. We were first considering whether we would get the resources or not. It is really a matter of pride, Sir, that though in India, lignite mining is not a success, lignite mining and also production of power from lignite have now proved to be a success and the progress of Neyveli Lignite Corporation is really success story and we should be proud of that. But we learn from our mistakes; after all, we are not infallible. So, on this ground I cannot say that has been really a delay. But where the delay has been mentioned is in the question that has been asked and the question is from the 16th December, 1985, what has been the escalation. This was the question and, Sir, if the honourable Member refers to the question, he will know it. That is why I have said that the delay from that point to today is hardly costing us Rs. 10 crores which is only natural escalation and we cannot say that this is a substantial escalation of cost and, Sir, we will keep to this cost now and also the time-frame.

**SHRI BIR BHADRA PRATAP SINGH:** Earlier I wrote two letters to the honourable Minister. At the first stage he will remember, it was the bucket escalators amounting to Rs. 21 crores, causing accidents twice, killing people and the families affected not being paid compensation. At the second stage I wrote to him about the present project amounting to Rs. 100 crores. I brought the whole question to his notice in order to investigate the reasons for their earlier defective machines, payment in excess of their cost escalation and to realise the compensation dues for those who died in the accidents, because the job was given to a company which had no expertise in doing it. That is the first part of my question. Part (b) of my

question is: What action is being taken to recall the letter of intent issued to NLC which is going to put the public exchequer to a loss of Rs. 100 crores? Then (c): What investigation has been made about the hospitality received by various NLC officers from the company concerned which has no experts in the job and is incurring loss to the public exchequer?

**SHRI VASANT SATHE:** I have already had a dialogue and exchange of letters on this matter with the honourable Member. I have already said if he has something more to find out about it and discuss, I will be happy to do it. But for this question today I would need notice from him. If he wants to ask a specific question, I will give it.

\*183. [The questioner (Shri Sukomal Sen) was absent. For answer, vide col. 41 infra]

\*184. [The questioner (Shri Chaturanan Mishra) was absent. For answer vide col. 41 infra]

\*185. (The questioner (Dr. Bapu Kaldade) was absent. For answer, vide cols 42-43 infra.)

\*185. [The questioner (Shrimati Renuka Chowdhury) was absent. For answer vide cols. 42-43 infra]

#### Anti-cancer, drugs

\*187. **SHRI RAJNI RANJAN SAHU:**†

**SHRI RAFIQUE ALAM:**

Will the Minister of INDUSTRY be pleased to state:

(a) the names of drugs companies which are licensed to produce anti-cancer drugs in the country;

(b) what is the licenced and installed capacity of each drug company and what was the production of these

†The question was actually asked on the floor of the House by Shri Rajni Ranjan Sahu.