

MR. CHAIRMAN : Please sit down. I have heard you.

DR. K. MATHEW KURIAN: The House is entitled to an answer.

SHRI SANAT KUMAR RAHA: May I know whether it is a fact that the erosion at this place is of a virulent type? It is apprehended that the Padma and the Bhagirathi will meet together. Midway the space is becoming narrower and narrower and if they meet together the entire western zone will be affected...

MR. CHAIRMAN : Kindly confine yourself to this question.

SHRI SANAT KUMAR RAHA: I am giving the background so that the question can be answered completely. The entire western zone of the Bhagirathi river will be affected if the Padma and the Bhagirathi meet together. May I know whether the Railway Ministry has ever drawn the attention of the Irrigation Ministry to the fact that in future if these two rivers meet together, the fate of this railway station situated in the Nawadwip will be affected.

MR. CHAIRMAN: Question disallowed.

SHRI SASANKASEKHAR SANYAL : They would joint together.

MR. CHAIRMAN: They cannot join hypothetically.

SHRI SANAT KUMAR RAHA: It is a very serious question...

MR. CHAIRMAN: I have disallowed this. Please sit down.

SHRI SANAT KUMAR RAHA: I want to draw the attention of the Minister...

MR. CHAIRMAN: Mr. Tilak.

AGREEMENT FOR SETTING UP FERTILISER PLANTS

*3. SHRI J. S. TILAK:

SHRI KOTA PUNNAIAH:†

SHRI CHANDRA SHEKHAR:

SHRI KALI MUKHERJEE:

SHRI BRAHMANANDA PANDA:

SHRI KRISHAN KANT:

SHRIMATI SAVITA BEHEN:

SHRI DEBANANDA AMAT:

SHRI A. G. KULKARNI:

DR. Z. A. AHMAD:

SHRI U. K. LAKSHMANA
GOWDA:

SHRI G. R. PATIL:

SHRI M. S. ABDUL KHADER:

Will the Minister of PETROLEUM AND CHEMICALS be pleased to state:

(a) whether Government propose to set up eleven fertilizer factories during the Fifth Five Year Plan period;

(b) whether it is a fact that a team of officials from his Ministry and the Planning Commission recently paid a visit to Tokyo (Japan) for securing credit for setting up fertilizer factories;

(c) if so, the extent of assistance likely to be available from Japan and other foreign countries for the setting up of these factories indicating the names of the countries from which the assistance is being sought;

(d) what would be the likely production capacity of these factories; and

(e) what would be the foreign exchange component for these fertilizer factories?

THE MINISTER OF PETROLEUM AND CHEMICALS (SHRI D. K. BOROOAH): (a) Details regarding additional fertilizer capacity required to be set up during the Fifth Plan period are being worked out. It seems that about 10-12 new

†The question was actually asked on the floor of the House by Shri Kota Punnaiah.

plants would have to be set up to meet the projected level of demand by 1978-79.

(b) and (c) Yes, Sir. Government of Japan have been approached for extending necessary credit facilities for five fertilizer plants and their final reactions are awaited.

(d) The capacity envisaged, at present, for the new plants is of the order of 900 tonnes/day ammonia for inland locations and 1300 tonnes/day ammonia in coastal locations.

(e) The foreign exchange requirements for the five fertilizer projects proposed to be set up with Japanese cooperation and credit are estimated at \$220 million. The foreign exchange requirements of the remaining plants are being worked out separately.

SHRI KOTA PUNNAIAH: Is there any truth in the Press reports that the number of projects with Japanese collaboration is going to be reduced from 5 to 3 and, if so, may I know whether the proposal for coastal projects will be given preference over the interior projects?

SHRI D. K. BOROOAH: Sir, as I have said, the Government of Japan has been approached for extending the necessary credit facilities and their reactions are awaited. They have not given their indications as yet.

SHRI KOTA PUNNAIAH: In view of the fact that Andhra Pradesh is one of the biggest chemical fertiliser consuming States and also in view of the fact that Andhra Pradesh is having natural ports like Kakinada and Vishakhapatnam which are ideally suited for the location of such plants, may I know whether Government have taken a decision to locate some of the plants in Andhra Pradesh in accordance with the statement made by the hon. Minister a few days back in the Lok Sabha?

SHRI D. K. BOROOAH: Yes, Sir. It is a fact that Andhra Pradesh is a very big fertiliser consuming State and it is also a fact that there is already a fertiliser factory at Vishakhapatnam, and a coal-

based fertiliser factory is also being built in Ramagundam. And Sir, for the location of an on-shore fertiliser factory, Kakinada is being considered.

SHRI CHANDRA SHEKHAR: May I know from the hon. Minister whether he has properly assessed the indigenous capacity to install fertiliser factories and, if so, what is the position today? At what stage are we to establish fertiliser factories on our own and what are the other sources excepting Japan from which we are trying to get collaboration or help in setting up fertiliser factories?

SHRI D. K. BOROOAH: Sir, it is a fact that so far as fertiliser projects are concerned, we have acquired during the last few years a fairly good knowledge of the technology of fertiliser factories, and whatever projects we have, we will allow only those parts of the fertiliser factories to be built by the collaborators about which we do not have either the technology; or the equipment. So far as the next question is concerned—'In case these Japanese collaboration projects do not materialise, what will we do?'—while we are discussing with Japan, we are also discussing with other companies like Sham Project of the ENI which is a 100 per cent Government of Italy concern and also with a British company as well as a French Company. The West Germans have also indicated their interest in collaborating with us in establishing fertiliser plants in this country.

SHRI KALI MUKHERJEE: Have you any proposal to set up a fertiliser plant in North Bengal which is a backward area, that is, in the eastern part.

SHRI D. K. BOROOAH: Not yet, Sir.

SHRI KRISHAN KANT: May I know, Sir, what are the detailed plans of the Government of India for attaining self-sufficiency in fertiliser? How many plants are proposed to be made with indigenous know-how? Is it not a fact that they are busy in building plants in other countries? If they can build elsewhere why can they not make in India? May I know how many plants they want to build up in the

whole Plan? How many with indigenous know-how and how many with foreign collaboration and by what time these plants are supposed to go into production? May I warn that it may not be advisable to depend upon Japan who may not be able to deal with the whole problem as such? May, I further know whether they want to train Indian technicians also so that they can be used for installing the plants for collaboration? Are holding companies also proposed to be built up for the fertiliser plants?

SHRI D. K. BOROOAH: Sir, the hon-ble Member has put quite a few questions in one question.

MR. CHAIRMAN: They are connected.

SHRI D. K. BAROOAH : I will reply to the first question. In the plants which will be built in this country first preference will be given to the indigenous know-how...

SHRI NIREN GHOSH: No, no.

SHRI D. K. BOROOAH: Perhaps I should know better about my department...

SHRI K. CHANDRASEKHARAN: They have not done that . . .

MR. CHAIRMAN: Let him reply. This is not the way.

SHRI D. K. BOROOAH: Every project will be considered on its own merit. Those parts which we can manufacture or fabricate in this country or that part of the technology which we can procure in this country will be utilised. We will go in for foreign collaboration or fabrication in respect of only those parts for which material or equipment is not available in this country.

The second question he raised was about holding companies . . .

SHRI KRISHAN KANT: I asked how many plants you want to instal in all, how many with the Japanese collaboration and how many with others.

SHRI D. K. BOROOAH: I had already

replied to this question. The first part of my answer says that "It seems that about 10-12 new plants would have to be set up to meet the projected level of demand by 1978-79".

SHRI KRISHAN KANT: Out of these how many are with foreign collaboration?

SHRI D. K. BOROOAH: The first five factories for which we have got clearance from the Finance Ministry are in the public sector. About others details are being worked out. Also financial commitments are being worked out. There are other implications also which are being worked out. The clearance by the Finance Ministry has been given in respect of these five.

So far as holding companies are concerned I have explained before this House and I undertook that I would be able to sort out the problem of reorganisation in a month's time. We have considered the question in great detail. Whatever structural changes we want to bring about we will have to bring about in stages. Holding companies is one of the alternatives that has been proposed, and we are considering that.

SHRI KRISHAN KANT: What about the first part of my question, namely, by what time do you think self-sufficiency in fertiliser will be obtained? Have you planned for that?

SHRI D. K. BOROOAH: I say that the purpose is to meet the projected level of demand by 1978-79, which is itself self-sufficiency.

श्रीमती सविता बहिन : मैं यह जानना चाहती हूँ कि क्या राजस्थान में भी कोई फैक्ट्री लगाने का प्रयोजन है ?

श्री डी० के० बरूआ : राजस्थान में अभी एक फैक्टरी है कोटा में। नई जो 5 फटिलाइजर फैक्टरियों के बारे में चिन्ता हो रही है उनमें राजस्थान में कोई नहीं है, उसको अगले 5 में देखा जाएगा।

SHRI A. G. KULKARNI: Sir, without going into the ideological questions about indigenous technology and foreign techno-

logy, the point is, in the Fifth Plan, the Government's target is to import fertilisers, if they are not produced here, roughly to the tune of Rs. 900 crores, which is a big drain on the country's resources. Now, is it not a fact that the proposed Japanese collaboration envisages indigenous technology being made available through the Engineers India Limited? Only the know-how of the Japanese will be used, but the engineering items and other aspects will be taken care of by the Engineers' India Limited. I would like to know whether the Government will also keep in mind the indigenous technology. Foreign know-how is also a drain on our resources. We are, for example, getting know-how from Monte Catinni of Italy. So, will the Government see that the present proposal is ushered in as early as possible, without loss of time and will the Government also be careful about not creating any drain on our resources?

SHRI D. K. BOROOAH: Sir, I am in agreement with the hon. Member that it is absolutely necessary that we build our fertiliser factories as early as possible. But, Sir, it is also fact that we also develop our own indigenous technological know-how in order that later we may not depend on foreign countries. So, dependence in terms of know-how is also not suitable for an intellectually developed country like ours. Therefore, we would like to strike a balance between the urgency of building these factories as early as possible and also maximum utilisation of the indigenous know-how which is not inconsiderable in this country.

DR. Z. A. AHMAD: In continuation of the question Mr. Krishan Kant has asked, I would like to know whether it is a fact that certain scientists and experts have made a representation to the Planning Commission that the specific type of know-how and technology that we seek to import from Japan is available in India or can be made available in India, provided proper attention is paid to it. Is it a fact that some sort of a tussle is going

on between the FCI and the Planning Commission on this question? What does the Government propose to do about it? Will the Government pay proper consideration to the representation made by these scientists and experts that this know-how is available in India? Will you take steps to examine their point of view properly and come to some conclusion? Or have you done so already?

SHRI D. K. BOROOAH: Sir, I have said in my reply to Mr. Kulkarni that so far as the indigenous know-how available in this country is concerned, we will use it to the maximum limit possible. Secondly, it is not a question of only submitting a memorandum. Discussions are being held between the scientists of the FCI and the EIL in order that we can arrive at a proper conclusion, after proper assessment of the factories as to which is the technological know-how which is available in this country and which has to be imported from outside.

SHRI BHUPESH GUPTA: Sir, on a point of order. The answer should be exact. The question was whether the Fertilizer Corporation of India made a representation that this could be developed with indigenous technical knowhow. The question was specific but the Minister's answer was general. You may say discussions are taking place...

MR. CHAIRMAN: Mr. Bhupesh Gupta, please sit down. Mr. Minister, do you wish to add anything?

SHRI D. K. BOROOAH: They have submitted a memorandum...

SHRI BHUPESH GUPTA: They have submitted a memorandum. The question is whether in that memorandum it was stated that this could be developed with indigenous knowhow and that there is no need for a technical agreement with Japan.

SHRI D. K. BOROOAH: This is being considered.

SHRI NIREN GHOSH : Five units have already been cleared. Then what will you consider ?

SHRI D. K. BOROOAH : I would like to make it clear that the five projects with Japan have not been cleared. Five projects, five fertilizer projects, to be established in this country have been cleared, not specifically with Japan.

SHRI BHUPESH GUPTA : On a point of order, Sir,

MR. CHAIRMAN: Mr. Bhupesh Gupta, please sit down.

SHRI BHUPESH GUPTA : Sir, why are you annoyed ? Can we not get a proper answer from the Minister ?

MR. CHAIRMAN : Mr. Bhupesh Gupta

SHRI BHUPESH GUPTA : Sir, why are you getting annoyed ? You should help us.

MR. CHAIRMAN : I am helping you. But kindly listen to me also . . .

SHRI BHUPESH GUPTA : We have been asking repeatedly a specific question but the answer is not coming. Sir, I put it to you, a long memorandum was made that the agreement should not be entered into and that this could be produced within the country . . .

MR. CHAIRMAN : Mr. Bhupesh Gupta, this is Question Hour and you must remember that.

SHRI BHUPESH GUPTA : Sir you are our presiding deity. I do not believe in God. You are the only presiding deity I know of . . .

MR. CHAIRMAN : Therefore, kindly sit down.

SHRI G. R. PATIL : May I know the names of States in which the factories are going to be located and also whether pre-

ference will be given to the industrially backward States ?

SHRI D. K. BOROOAH : I can give the names of places also. One will be located in Mathura. One will be located in Bhatinda. One will be located in Haryana, either in Karnal or in Panipat . .

SHRI BHUPESH GUPTA : What about Unnao ?

MR. CHAIRMAN : Let him answer the question.

SHRI D. K. BOROOAH : So, far as coastal fertilizer plants are concerned, Paradip has been selected. Kakinada is also one of the places which is being considered.

SHRI B. K. KAUL : May I know from the honourable Minister what the criterion is for the selection of the place for the factory and whether raw material is one of the criteria for the selection of the place ?

SHRI D. K. BOROOAH : All these fertilizer factories would be built with furnace oil, residuary fuel oil, produced by the Mathura refinery. Therefore, this is also one of the considerations. The other considerations are the requirements of the area for fertilizer.

SHRI LOKANATH MISRA : May I know whether any particular date has been fixed for inaugurating the projects that have been already announced like the Paradip fertilizer plant and other fertilizer projects ? In that connection, can I ask whether an expert team has visited Japan for Yen credit arrangement and whether it is a fact that the expert team has not got a very good response from the Japanese Government so far as Yen credit is concerned ? Maybe, the proposal has been turned down by the Japanese Government altogether.

SHRI D. K. BOROOAH: So far as the first question is concerned, no date has been fixed for inaugurating or for laying the foundation stone of the fertilizer plants.

So far as the second question is concerned, it is under discussion with the Japanese Government.

MR. CHAIRMAN : Mr. D. D. Puri.

SHRI D. D. PURI : Sir, my question has been asked by my honourable friend.

MR. CHAIRMAN: All right, thank you very much. Then, Dr. Mahavir.

SHRI K. P. SUBRAMANIA MENON : Sir, I have been standing for a long time.

SHRI DAHYABHAI V. PATEL : You are eclipsed by Mr. Bhupesh Gupta.

DR. BHAI MAHAVIR : We have been getting very general answers to specific questions.

In view of the fact that the Government is committed to attainment of self-reliance in respect of technology, the hon. Minister has been saying that we will utilise indigenous technology to the maximum extent. My specific question is this : What is the percentage of our dependence on foreign technology for setting up of fertiliser plants? At what rate is that dependence being reduced? And by when we hope to be able to make ourselves competent to set up fertiliser plants completely on the strength of our indigenous know-how in this country? This is my specific question.

SHRI D. K. BOROOAH : This is a very specific question no doubt, but then it is also a very general question which covers the entire gamut of development of fertiliser industry in this country

(Interruptions)

MR. CHAIRMAN : We have taken 20 minutes over this question.

DR. BHAI MAHAVIR : Government is taking years to decide about fertiliser plants. Therefore, 20 minutes are not much.

MR. CHAIRMAN : But I cannot have more than one hour.

SHRI D. K. BOROOAH : May I answer? I only wanted to bring to the notice of the hon. Member that it varies from feed stock to feed stock. In this country we started Sindri factory which was based on Gypsum and coal. Then we switched on to Nephta. Then we switched on to natural gas in Namrup. Now we are switching on the fuel oil which is entirely new. We have never had any fertiliser factory based on fuel oil. It is a new technology. Therefore, as I said, it is very difficult to say at a particular point of time what is the percentage of indigenous know-how and what is the percentage of foreign know-how because it goes on changing from factory to factory.

DR. BHAI MAHAVIR : This is a completely evasive answer. He can at least say that in respect of this technology our dependence is 5 percent and in respect of that technology the dependence is 10 percent and so on.

MR. CHAIRMAN: He is not able to say that because the technology is changing.

DR. BHAI MAHAVIR : He had given an assurance that to the maximum extent he will use indigenous technology. When he does not know about our dependence on foreign know-how, how can he keep that assurance?

SHRI D. K. BOROOAH : The quantum of technology which will be used will not be decided by me, but by the experts.

SHRI K. P. SUBRAMANIA MENON : Most of the fertiliser factories are based on either furnace oil or on naphta. In either case we have to depend upon the import of crude from abroad at high prices. In view of the serious difficulties we have about import of crude oil and our foreign exchange position, will it not be better for the Government of India to set up all these plants on coal-based feed stock, for which we have already the know-how and which is not likely to affect our

foreign exchange position and make us more dependent on foreign countries ?

SHRI D. K. BOROOAH : I am in agreement with the hon. Member about the necessity of finding alternative feed stock for our fertiliser because the availability of crude and its price will affect our fertiliser production. Two fertiliser factories have been started and one was inaugurated by the Prime Minister the other day and there the civil works have been started. We are also considering the feasibility of having another coal-based fertiliser plant. But for coal-based fertiliser factory the investment is heavy because it costs about Rs. 120 crores or so.

SHRI D. K. BOROOAH : And then the foreign exchange quantum would be of the order of Rs. 28 crores and the gestation period is somewhat longer and the availability of the coal is also to be ensured by having captive coal mines. All these facts are to be considered.

SHRI K. P. SUBRAMANIA MENON : The coal mines are in the public sector now. So, what is the difficulty now ?

SHRI D. K. BOROOAH : Therefore, the three I have mentioned and the fourth is under consideration and the FCI is considering preparing the feasibility report and if and when it is submitted, we will certainly consider it.

MR. CHAIRMAN : Yes, Mr. Malaviya.

SHRI HARSH DEO MALAVIYA : Sir, there are a number of firms in Japan like Toyo, Mitsai, Mitsubishi, Hitachi etc. With which firm in Japan are you negotiating ? Further, how far the terms they have offered differ from the terms of the famous Bechtel of the USA ?

SHRI D. K. BOROOAH : Sir, Toyo has given certain proposals and Toyo is owned by the Mitsui. And, Sir, Mitsubishi has also made certain offers and other countries also...

SHRI HARSH DEO MALAVIYA : I want only to know the firm in Japan with which you are negotiating.

SHRI D. K. BOROOAH : There are others also and we will take all into account and then come to a conclusion.

SHRI HARSH DEO MALAVIYA : How far do the terms of Bechtel differ from these ?

SHRI D. K. BOROOAH : Pardon ?

SHRI HARSH DEO MALAVIYA : You know the Bechtel, the famous Bechtel of the USA ? How far do their terms differ from these ?

SHRI D. K. BOROOAH : I do not see Bechtel here in this because no offer has been made by them.

MR. CHAIRMAN : Yes, Mr. Chinai.

SHRI BABUBHAI M. CHINAI : Sir, in view of the fact that the urgency of the fertilizer plant has been conceded by the honourable Minister, may I know at what stage the Mithapur project of the Tatas is at present ? Originally, it was a Rs. 200 crore project and then it was made into a Rs. 100 crore one and it is said that it is a Rs. 50 crore one. At what stage is it now, because we would have saved hundreds of crores of rupees of foreign exchange if that project had gone into production by now ? May I know what the exact position is, whether the licence has been given, whether the project is coming into existence at all and, if so, when ?

SHRI D. K. BOROOAH : I cannot give you the exact date.

SHRI BABUBHAI M. CHINAI : Give us the approximate time.

SHRI D. K. BOROOAH : I cannot give you the exact position today. But, certainly, a couple of months ago, there was a request for the extension of the letter of intent and that I think was considered.

MR. CHAIRMAN : Yes, the next question. Yes, Mr. T. N. Singh.

SHRI BABUBHAI M. CHINAI : Was it agreed to? Sir, what is the reply?

SHRI T. N. SINGH : Sir, when we know the position, when we know that the know-how or the capacity itself differs from feedstock to feedstock—I want to state this specifically—so far as the fuel oil is concerned, in addition to naphtha, coal and other feedstock and the LSF also, the FCI is in a position to erect ammonia plants based on that.

SHRI D. K. BOROOAH : What do you say?

SHRI T. N. SINGH : The FCI is in a position to construct ammonia plants on the basis of the fuel oil as feedstock. Why then ... is the Government proposing to go in for foreign consultants? Is it because of lack of foreign credit or foreign aid that you are going in for it and not because of lack of know-how?

SHRI D. K. BOROOAH : Sir, in this country no fertilizer plant based on fuel oil has been erected as yet. In fact, it has not been built. All our fertilizer factories have been built either on the basis of naphtha or natural gas...

SHRI T. N. SINGH : It does not matter.

SHRI D. K. BOROOAH : Therefore, this is a new technology.

SHRI T. N. SINGH : But the ammonia plant at Rourkela was constructed by the FCI.

SHRI D. K. BOROOAH : The Rourkela plant which is working at 40 per cent is based on coke oven gas supplied by the Rourkela steel factory. It is based on coke oven gas produced by the steel factory. That is the cheapest thing. Then, regarding the Mithapur also, we would be able to...

SHRI T. N. SINGH : This has to be verified.

MR. CHAIRMAN : All right. Next question.

RELAXATION ON THE BAN ON IMPORT OF POWER GENERATING EQUIPMENTS

4. SHRIMATI SAVITA BEHEN† :

SHRI M. K. MOHTA :

SHRI THILLAI VILLALAN :

SHRI S. SIVAPRAKASAM :

Will the Minister of IRRIGATION AND POWER be pleased to state :

(a) whether it is a fact that, in view of the acute power shortage in the country, Government have lately decided to relax the ban on import of power equipment, particularly electric generating sets required by the industry;

(b) if so, the number of generating sets imported recently for industries in each State and at what cost; and

(c) how far the import of these sets is likely to make good the cut in power imposed in each State?

THE DEPUTY MINISTER IN THE MINISTRY OF IRRIGATION AND POWER (SHRI BALGOVIND VERMA) :

(a) to (c) A statement is laid on the Table of the House.

STATEMENT

(a) Yes, Sir. It has recently been decided to allow restricted import of diesel generating sets of capacity from 50 KVA to 300 KVA and more liberal imports of sets of capacity from 300 KVA to 1500 KVA by industrial units to be used as stand by/emergency units by the industry during power shortage/failure.

†The question was actually asked on the floor of the House by Shrimati Savita Behen.