

**REPORT ON FERTILISER PROGRAMME**

\*389. DR. SHRIMATI PHULRENU GUHA: Will the Minister of PETROLEUM AND CHEMICALS be pleased state:

(a) whether it is a fact that an American Company was paid Rs. 20 lakhs as fee for preparing the report on fertilizer programme in India; and

(b) whether an Indian Officer was sent to America to assist the firm to write the report?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND CHEMICALS: SHRI O. V. ALAGESAN: (a) An American Company has been permitted to undertake a feasibility study for the establishment of an additional capacity of 1 million tonnes of nitrogen. The cost of the study will be between Rs. 12 and 19 lakhs, 50 per cent of which will be borne by Government in Indian rupees. No payment has so far been made to the American company.

(b) No, Sir. An Officer, who was in U.S.A. in another connection was advised to render assistance to the firm.

DR. SHRIMATI PHULRENU GUHA: May I know as to when the report of this concern is expected to be submitted to Government? Or, have they already submitted the report?

SHRI O. V. ALAGESAN: The report will be submitted by the beginning of next year.

SHRI M. C. SHAH: May I know whether an American concern has proposed the establishment of five fertiliser factories with a target of ten lakh tons of fertilisers?

SHRI O. V. ALAGESAN: That is what I have said in the answer, Sir.

SHRI SITARAM JAIPURIA: Is it a fact that certain American engineers came over here and have submitted a report for the putting up of five fertiliser factories? If so, what is the

nature of the report and what are the locations mentioned by them?

SHRI O. V. ALAGESAN: In connection with the same study, some field teams are already working here and are studying various aspects. The locations at present under consideration are Cochin, Madras, Barauni, Haldia, Durgapur, Kanpur, Mangalore and Kandla.

SHRI A. D. MANI: The Minister referred to an Indian officer to help the firm in the United States. Is that officer still staying in the United State or has he come back? Is he staying there at Government expenses or at the expense of the company?

SHRI MAHAVIR TYAGI: It is a wrong allegation.

SHRI O. V. ALAGESAN: I think the officer is coming back shortly, or, is on his way back to India. The expenditure in connection with his stay there regarding the company's work will be met by the company.

SHRI B. K. P. SINHA: The hon. Minister has said that the American consortium proposes to set up five plants to produce fertilisers. May I know whether his attention has been drawn to certain press reports that the consortium is demanding more than fifty per cent, share and is demanding controlling interest? How far would that demand be in conformity with the oft-repeated and oft-enunciated policy of the Government in this regard?

SHRI O. V. ALAGESAN: As far as financial participation is concerned, it is under negotiation. In fact, their specific proposals will be known only after the report is submitted but as far as the Government is concerned, we have made it plain that we should like to have the controlling interest.

SHRI ARJUN ARORA: May I know if it is correct that the negotiations have run into difficulties and that the American concern is insisting that the

American Government should also be made to participate in financing the fertiliser project?

SHRI O. V. ALAGESAN: Sir it is too early to say anything. Nobody wishes the negotiations to run into difficulties. In fact, regular negotiations will start only after the report has been submitted and specific proposals have been made about finances which also will form part of the report.

#### AMALGAMATION OF INDIAN REFINERIES AND INDIAN OIL COMPANY

-390. SHRI M. P. BHARGAVA: Will the Minister of PETROLEUM AND CHEMICALS be pleased to state:—

(a) whether the amalgamation of the Indian Refineries Limited and the Indian Oil Company Limited has been completed;

(b) whether the Refinery Division has been given complete autonomy in its working; and

(c) what is the relationship at present between the Heads of the Indian Refinery and the Indian Oil Company?

THE MINISTER OF PETROLEUM AND CHEMICALS (SHRI HUMAYUN KABIR): (a) Yes, Sir.

(b) and (c) Both the Refineries Division and Marketing Division of the Indian Oil Corporation Ltd. work under the general guidance of the Board of Directors, but in their day-to-day operations, the two Divisions work independently under their respective Managing Directors.

SHRI M. P. BHARGAVA: May I know whether there are two Boards of Directors and two Managing Directors Or only one Board of Directors and one Managing Director?

SHRI HUMAYUN KABIR: I think I gave the answer just now. There is a common Board of Directors and two Managing Directors.

SHRI M. P. BHARGAVA: May I know whether it is proposed that the Chairman of the Board of Directors is made the Managing Director of both the organisations so that the whole thing becomes fully amalgamated?

SHRI HUMAYUN KABIR: I have already stated, Sir, that there is a common Board of Directors and naturally a common Chairman but there are two Managing Directors. This has been started and now there is no proposal to modify that situation.

SHRI M. P. BHARGAVA: May I know whether it is a fact that there are differences between these two organisations? Is it not essential that for the smooth running of the organisation the Chairman becomes the Managing Director of both the organisations?

SHRI HUMAYUN KABIR: Sir, firstly, this is a suggestion for action and secondly these are not two organisations but one, the Indian Oil Corporation Ltd.

SHRI ARJUN ARORA: May I know if this arrangement of having two Managing Directors quarrelling amongst themselves is a permanent or a transitory arrangement?

SHRI HUMAYUN KABIR: I do not know where the hon. Member finds quarrels. We should not look for quarrels where they do not exist and these suggestions may often provoke quarrels where they do not exist. We may even have four Managing Directors for this organisation.

#### +INDRAVATI BASIN

\*206. THAKUR BHANU PRATAP SINGH: Will the Minister of REHABILITATION be pleased to state:—

(a) the progress so far made in regard to the techno-economic survey of the Indravati Basin; and

■(■Transferred from the 25th- Novem-1 ber, 1964.