

(b) if so, the reaction of Government thereto?

THE DEPUTY MINISTER IN THE MINISTRY OF RAILWAYS (SHRI SHAM NATH): (a) Yes.

(b) Attention is invited to the Statement laid on the Table of the Sabha, in reply to Starred Question No. 531 for 1st October, 1964, which contains the Government's views in the matter.

**CIRCULAR RAILWAY IN CALCUTTA**

278. SHRI SANKAR PRATAP SINGH DEV: Will the Minister of RAILWAYS be pleased to state:

(a) whether Government of West Bengal have sent any proposal for a circular railway in Calcutta; and

(b) if so, the reaction of the Government thereto?

THE DEPUTY MINISTER IN THE MINISTRY OF RAILWAYS (SHRI SHAM NATH): (a) Yes.

(b) The matter is under examination.

**FERTILISER UNIT AT NEYVELI LIGNITE CORPORATION**

279. SHRI S. S. MARISWAMY: Will the Minister of STEEL AND MINES be pleased to state:

(a) what was the original estimate of cost for fertiliser unit at Neyveli Lignite Corporation;

(b) whether there has been any delay in executing the project as per the schedule; if so, the reasons therefor; and

(c) whether the firm of Monte Catini demanded compensation from Government for the alleged delay

THE MINISTER OF STEEL AND MINES (SHRI N. SANJIVA REDDY): (a) The original estimated cost of the Neyveli Fertiliser scheme was Rs. 26.10 crores.

(b) According to the original schedule prepared in 1956, the scheme was expected to commence production by December, 1961, but, there have been unavoidable delays. For example, the original scheme for producing ammonium sulphate based on Gypsum was modified and a decision was taken to produce Urea. The contracts for the supply of plant and equipment could be concluded only in October, 1959. There was also some set-back in the erection of the Plant owing to delay in the supply of indigenous steel for fabrication work. The various difficulties have been progressively overcome and production is scheduled to commence by February, 1966.

(c) Contracts have been concluded with M/s. Ansaldo of Italy and M/s. Pintsch Bamag Linde of Germany and not with Monte Catini. The contractors invoked the *force majeure* clause relating to delay in the supply of indigenous steel and claimed extra payment, which was mostly for meeting the increased expenditure on their technicians and other staff, owing to the extended period of the contracts.

280. [Transferred to the 2nd December, 1964].

**CARBONISATION PLANT BASED ON SINGRAULI COAL**

281. THAKUR BHANU PRATAP SINGH: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether Government are considering establishment of a low temperature carbonisation plant based on Singrauli coal; and

(b) if so, whether they are considering allocation of the plant in the Singrauli areas of Madhya Pradesh in the light of their decision regarding integrated development of resources in Siddhi district which covers the Singrauli area?