

MR. SPEAKER: It is a suggestion.

[English]

Setting up of Petrochemical Complex at Barauni

*581. SHRI SURYA NARAYAN SINGH:
SHRI BHOGENDRA JHA:

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

(a) whether there is any proposal to set up a petrochemical complex at Barauni in Bihar;

(b) if so, the details thereof; and

(c) the decision taken thereon?

THE MINISTER OF PETROLEUM AND CHEMICALS (SHRI M.S. GURUPADASWAMY): (a) to (c). M/s Bihar State Industrial Development Corporation Ltd. had applied on 24.9.84 for a letter of intent for setting up of an Aromatic Complex at Barauni in Distt Begusarai, in the State of Bihar. This application was rejected by the Government on the grounds that the feed-stock required for this project has not been tied up.

[Translation]

SHRI SURYA NARAYAN SINGH: The reply given by the hon. Minister is most unsatisfactory. The question was asked to elicit some concrete reply. I would like to quote a reply given by the then hon. Minister. The following question was asked on 7th August, 1984.

[English]

"Whether there has been a persistent demand for the establishment of a petrochemical complex at Barauni in Bihar for

production of caprolactum if so, the causes of delay in accepting and implementing the same?"

The then Petroleum Minister, Shri P.C. Sethi replied: "Such a plant is not contemplated in the Central Public Sector."

[Translation]

This question has not been put for the first time but it has been raised a number of times even during the period of the previous Government also. The previous Government as well as the present Government have given stepmotherly treatment to Bihar. Is the hon. Minister aware that during Fourth Five Year Plan, a study group was constituted to find out the possibility of setting up a petrochemicals project at Barauni? What election promises the Government have made and what it is doing now? We want a clear reply. The Study Group has recommended that Petrochemical Complex can be set up at Barauni. In 1968, Shri Raghu Ramaiya, the then Petroleum Minister announced in this House that Petrochemicals Complex would be set up at Barauni. Several committees were constituted to find out the possibilities of setting up of a petrochemical complex and every Committee had recommended that Petrochemical Complex could be set up at Barauni. When two Petroleum Minister, Mr. Raghu Ramaiya and Shri P.C. Sethi had announced it here that Government had taken decision to set up petrochemical complex at Barauni, then what is the justification of giving such a reply here in the House.

[English]

SHRI M.S. GURUPADASWAMY: Sir, I require some time to explain the whole situation. There is no Letter of Intent issued to Bihar or Bihar Development Corporation in regard to Petro-Chemical Complex. When the application was made for a Letter of Intent, it was rejected long back. In spite of that, a study Group was constituted to go into the whole question, by the Ministry here and that Study Group also has not favoured this

Complex in Bihar. I will read out one condition:

"There would not be sufficient demand-supply gap for aeromatic to justify the building up of an Aeromatic Complex in Barauni."

Then again, there was a separate team constituted for this purpose. They also not favoured it. Ultimately, we have told the Bihar Government that there is no free stock available for this purpose. May I say that he is confusing this with the other? We have already issued a Letter of Intent for two projects one for manufacture of caprolactams and another for manufacture of synthetic filament yarns. In the first case, it involves an expenditure of Rs. 460 crores. In the second Plant, the investment will be about Rs. 250 crores. Letters of Intent have been issued to them. Till today, they have not made any headway. It is for them to decide.

[*Translation*]

SHRI SURYA NARAYAN SINGH: Mr. Speaker, Sir, I would like to say that a site selection committee was constituted by the Petroleum Ministry in August 1980 to find out whether Petrochemical complex could be set up at Barauni or not. The committee recommended that Petrochemical complex could be set up there. In 1981 the then Petroleum and Chemicals Minister Shri P.C. Sethi told the Lok Sabha that the Government had accepted the report of the site selection committee and had decided to set up a petrochemicals complex at Barauni, I would like to know whether such a committee was constituted and had Shri P.C. Sethi given any assurance that a Petro Chemicals Complex would be set up at Barauni?

[*English*]

SHRI M.S. GURUPADASWAMY: Sir as I said already, the application was rejected initially by the Government on 30.6.86. So, it was rejected. Later on, there was a Study Group and that Study Group also did

not favour the Project. I will read one more sentence.

"There is no Naphtha available. There is no free stock available there. How can we start the Project?"

SHRI A.K. ROY: Mr. Speaker, Sir, I have got a similar question—Question No. 589—and I saw the answer also. It is very disappointing, painful and devastating answer which he has given against that. It is connected with that Barauni Project.

Regarding Caprolactum project, three places were proposed, one at Barauni, one at Sindri and another at Bokaro. For the Caprolactum Project, the principal raw material is ammonia. Ammonia is produced either in Barauni or at Sindri. What is surprising is that, there, the so-called techno-economic experts have rejected both Barauni and Sindri. Our fates are similar. It is sad. They have selected Bokaro. May I know the rationale behind selecting Bokaro and rejecting Barauni and Sindri?

SHRI M.S. GURUPADASWAMY: He has referred to another question which is there; but let me answer him. For the caprolactum project, various suggestions came before the Government—about its location. Initially it was to be at Barauni. Later on, Bihar Government suggested that Sindri should be selected. They, we asked Engineers India Ltd. to go into the whole question. They examined all the locations—Barauni and Sindri—and came to the conclusion ultimately that Bokaro was the best site for this project. And their lies their personal influence... (*Interruptions*)

SHRI A.K. ROY: Where ammonia is the principal raw material required for caprolactum, any ammonia-producing centre should be the ideal location. We also know a little bit of engineering. (*Interruptions*) Therefore, kindly convince us...

SHRI M.S. GURUPADASWAMY: About this, again I say that the Bihar Government has changed its position. It wanted this to be

located in Barauni itself, in the beginning. Later on, they opted for Sindri. Then Engineers India Ltd. went into the whole question, and they said Bokaro was the ideal place for this purpose. Now, CCEA has to approve this project.

SHRI Y.S. RAJASEKHARA REDDY: I would like to bring before the House the injustice that has been perpetuated towards Andhra Pradesh...

MR. SPEAKER: This question is about Bihar, Mr. Reddy.

SHRI Y.S. RAJASEKHARA REDDY: That is right, but it is about petrochemicals. One petro-chemical complex was sanctioned at Visakhapatnam. I think the promoters were the Vijaya Mallaya Group. This petro-chemicals complex, by itself, was not a viable unit. They wanted the downstream products' licences also to be given along with it, so that the project can be taken up. But, unfortunately, the licences have not been given. So, the project is not being implemented. Will the hon. Minister kindly consider giving licences for the downstream products, so that the project can be implemented soon?

SHRI M.S. GURUPADASWAMY: First, may I make a slight correction, Sir? The present location approved is Barauni, not Bokaro.

MR. SPEAKER: About capro-lactum?

SHRI M.S. GURUPADASWAMY: Yes, Sir. The CCEA has got to approve the project; and that is the stage where it is lying, and we are going to consider this.

Regarding the downstream project in Andhra, I will look into the matter.

[Translation]

SHRI YUVRAJ: Mr. Speaker, Sir, regarding petrochemical complex at Barauni, the hon. Minister has told that there was imbalance between demand and supply and that was the reason why the study group did

not approve it. Two big industries are there—Fertilizer and Oil Refinery—from where enough raw material would be available for the petro-chemical complex. For these two industries lands from many farmers were acquired and they were displaced. The proposed complex is to compensate the displaced farmers by providing jobs to their children. I would like to know the basis on which the Committee disapproved the proposal? What would be its estimated cost and estimated earning on the basis of which the decision was taken? Please clarify the position.

[English]

SHRI M.S. GURUPADASWAMY: I have already referred to that question. He is only repeating it.

MR. SPEAKER: Next question.

(Interruptions)

Kayamkulam Thermal Power Station in Kerala

*584. PROF. K.V. THOMAS: Will the Minister of ENERGY be pleased to state:

(a) the amount allocated for the Kayamkulam Thermal Power Station;

(b) the mode of transportation of coal to this station; and

(c) whether there is a proposal to construct a small port for this purpose?

THE MINISTER OF ENERGY AND MINISTER OF CIVIL AVIATION (SHRI ARIF MOHAMMAD KHAN): (a) Rs. 69.48 crores have been allocated for the Kayamkulam Thermal Power Project during the year 1990-91.

(b) and (c). Coal is proposed to be transported to this power station through a rail-cum-sea route. A study has been commissioned to look into the need for creating