

other amenities for workmen and staff have risen.

The Company's new schemes are making progress. The factory for the manufacture of pre-stressed concrete pipes that is being set up with a capital outlay of Rs 30 lakhs is expected to be commissioned in the current year. For the Cochran Boilers and Penstocks factory project, which is estimated to cost about Rs 108.45 lakhs, the complete plant and machinery are expected to arrive by June next year. The plant for the fabrication of transmission towers, which entails an investment of Rs 20 lakhs, is expected to go into operation by March next year. The manufacture of reinforced concrete pipes for the Duct Line Project of the Bombay Municipal Corporation has already commenced.

FACT

THE Fertilizers and Chemicals

Travancore, Kerala, in which the Union and Madras and Kerala State Governments are interested, has now completed the second stage of its expansion programme costing about Rs 2 crores. An oil gasification plant supplied by the Power-Gas Corporation of U K, one of the world's leading designers and suppliers of chemical plants, was commissioned on Saturday last. This modern plant has replaced the former uneconomic firewood gasification plant, and will employ the Texaco Process' of partial oxidation of oil but using light raw naphtha as feedstock. As against the wood gasification plant capacity of 40 tons of ammonia a day, the new plant is designed to supply sufficient hydrogen to make 80 tons of ammonia a day. In addition, an air separation plant of a daily capacity of two-million cubic feet, supplied by British Oxygen, has also been installed. The nitrogen is used for the synthesis of ammonia leading to the manufacture of sulphates and phosphates by direct chemical reaction—while the oxygen is utilized in the oil gasification process.

With the completion of this stage of expansion, the Company's productive capacity has been raised from 10,000 tons to 30,000 tons of nitrogen, and from 10,300 tons to 13,600 tons of phosphorous Pentoxide per annum, the end pro-

ducts being 1,00,000 tons of ammonium sulphate, 33,000 tons of ammonium phosphate, 8,000 tons of ammonium chloride and 14,000 tons of superphosphate.

The process employed by PACT — viz, the manufacture of ammonium sulphate utilising gypsum obtained as a by-product in the manufacture of phosphoric acid — is a new one and has attracted the attention of chemical firms abroad, notably the Power-Gas Corporation, it is understood that F A C T has entered into an agreement with Power-Gas Corporation under which FACT will receive a royalty on all plants (designed to use the FACT process) supplied, by the U K firm anywhere in the world.

FACT has also drawn up the third stage of its expansion programme involving a capital outlay of Rs 11 crores. This programme aims at increasing the capacity of nitrogen from 10,000 tons to 70,000 tons per annum and of phosphorous pentoxide from 13,000 tons to 33,400 tons per annum. The end products will be 2 lakh tons of ammonium sulphate, 1.35 lakh tons of ammonium phosphate, 25,000 tons of ammonium chloride and 44,000 tons of superphosphate. The plans for the third stage are expected to go into operation sometime in 1965. The Union Government has agreed to provide Rs 8 crores to meet a major part of the outlay, Rs 4 crores in equity capital and Rs 4 crores as loan. The Company hopes to meet the balance of Rs 3 crores required from its own resources.

New U S Loans

THE efforts of Hindustan Motors and Tata Engineering and Locomotive Company to secure loans from the U S Agency for International Development have borne fruit. According to an announcement made last week by the U S Ambassador, Mr J K Galbraith—Hindustan Motors will receive 15.8 million dollars (Rs 7.5 crores) and Telco 13.7 million dollars (Rs 6.5 crores), which will enable the companies to increase their lorry production by 7,500 vehicles annually. This will also help to raise the indigenously

manufactured content of their vehicles to 90 per cent.

The Government of India will repay the loans over a period of 10 years, the payments beginning after the first ten years. No interest is payable on the loan, but a service charge of three-fourths of one per cent will have to be paid. Hindustan Motors and Telco have to repay the loans to the Union Government over 10 years with interest at 5 3/4 per cent.

The demand for lorries far exceeds the available supply at present. Production in 1960-61 amounted to 28,000 lorries and 600 jeeps. The Third Plan envisages an annual demand of 100,000 tons and 10,000 jeeps by 1965-66. Hindustan Motors will with the US loan, step up its capacity from 9,000 vehicles to 10,500 vehicles per year and raise the indigenous content of its vehicles from 74 to 90 per cent. The loan to Telco will help raise the lorry plant capacity from 12,000 vehicles to 18,000 vehicles a year and increase the indigenous content from 74 to 86 per cent by 1961 and to 90 per cent by 1965.

It may, however, be mentioned that in the case of Telco, the loan will meet the requirements of the Company only for the first stage of its expansion programme, the second stage envisaging the increase of capacity from 18,000 to 21,000 units. The Company, it is understood, had originally made a loan application for 22.89 million dollars (Rs 10.9 crores) to the U S Development Loan Fund (predecessor of the AID) with the concurrence of Government of India but later, owing to the difficult foreign exchange position, the Company, at the express desire of the Government, had to reframe the expansion programme in two stages and had to revise the original loan application accordingly. The Company, however, hopes that the production of commercial vehicles being a high priority element in the country's development and defence plans, Government will find it possible to sanction the second stage of the plan also in time to avoid any break between the two stages of what is really an integrated programme.