



ORISSA STATE

R. N. Singh Deo  
CHIEF MINISTER

D.O. No. 2493 CM

BHUBANESWAR

The 9<sup>th</sup> November, 1967.

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*copy*

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My dear Mr. Masani,

I have gone through the letter of Sri J.D. Choksi, Vice-Chairman of Messrs. Tata Iron & Steel Company Ltd. and have learnt that Pelletisation Plant is not going to be installed either near Gorumahasoni or Badampahar iron ore mines. While I am sure that technical reasons have guided this decision, I feel that a reputed private firm like Messrs. Tatas should pioneer some of the major Industries in Orissa.

During the last three plan periods, our State has concentrated mainly on the development of water and power resources and the pace of industrialisation has not reached the minimum pace of some other States like Maharashtra, Gujarat, West Bengal, Madras and even Bihar. From the recent trend of investment in the private and in the public sector undertakings, either for metallurgical or even fertilizer and petro-chemical industries, Orissa has been deprived of its rightful claim during the current plan period. It may be relevant to mention here that during the Fourth Plan Period, no major project has been decided in favour of our State and unemployment problem is assuming dangerous proportions. The need for development of the economy due to devastations caused by drought, flood and recent cyclone is therefore urgent. You may kindly appreciate that under such circumstances, we have to make vigorous efforts to establish some major industries in the State where raw materials, labour and other conditions are extremely congenial for their growth.

In connection with the processing of some major industries, it may be mentioned that the State Government have been pursuing, for a long time, the implementation of the TALCHER INDUSTRIAL COMPLEX, which is unique as a major resource development project in the country. The Central Government after making detailed scrutiny of the same and even after the approval of the Production Committee of Secretaries have not yet given us final green signal and financial assistance to go ahead with this project. In the circumstances, we are thinking seriously to promote the project with the participation of private firms. For this project, foreign participation has been indicated by reputed firms like Messrs. Krupps, Messrs. Salzgitter, Messrs. Bauckau Wolf in West Germany and M/s. Kobe Steel of Japan. A short note prepared in this connection is enclosed herewith for your ready reference. This note may be passed on to Mr. Sondhi and if any further discussion is needed, Dr. H.P. Misra, our Industrial Adviser, will be sent to Bombay.

Regarding the fertilizer plants, several teams have come to examine the possibility of implementing a big sized fertilizer plant at Paradeep and have exhibited keen interest but nothing has materialised yet. The Government of India is aware that although Paradeep has been considered more suitable than Kandla and Tuticorin, yet Kandla has been decided in favour of installing the fertilizer plant under cooperative sector, whereas the case of Paradeep has been completely overlooked. Besides this project, units like Zinc Smelter and Phosphatic Fertilizer Plant can also be planned at Paradeep based on imported Zinc blends and phosphatic rocks. When Messrs. Tatas are interested in establishing a big petro-chemical complex with an investment of Rs. 200 crores in Mithapur, I would suggest that they can as well think of some chemical industries at Paradeep. Similar potentialities exist for the installation of caprolactum plant at Rourkella and Soda Ash & Ammonium Chloride Plants in Ganjam.



R. N. Singh Deo

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In Koraput area, cement plant and newsprint factory can be easily planned and implemented with the raw materials available there. A Canadian consultant team has already worked out in some detail regarding this newsprint factory. The quality and extent of limestone available at Koraput can provide an excellent cement plant in that area. In this connection, it may be advisable to contact AGC group of industries.

Another metallurgical project in which Messrs. Tatas may be interested is the Ferro-vanadium project in Mayurbhanj District, where vanadi-ferrous ore is available in plenty. A preliminary project report has been prepared by Messrs. Kuljian Corporation.

In this connection, I may suggest that a team consisting of Director-in-charge of Messrs. Tatas Chemicals & TISCO should visit various sites so that Messrs. Tatas can think of some chemical and metallurgical industries for Orissa in concrete terms. In this context, enclosed please find herewith a note entitled as 'Industrial Prospects in Orissa', which will provide you broad information regarding the industries which can be thought of and implemented.

I will be happy if you can persuade Messrs Tatas to appreciate the problems of the State to establish some major Industries during current plan period. Tata's are seeking to close two big mines in Orissa owned by them and some new venture by them in the State will be very much appreciated by the people also.

With kind regards,

Yours sincerely,

Sri M.R. Masani, M.P.,  
148, Mahatma Gandhi Road,  
Bombay-1.



R. N. Singh Deo  
Chief Minister

D.O. No:2493 CM  
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November 9th, 1967

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Mr. Bhabani Prasad,  
Minister of Industries, Commerce,  
Cooperation & Forestry and Fisheries,  
Government of Orissa,  
Bhubaneswar.