

INFORMATION REPORT

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COUNTRY
India

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SUBJECT
Mangal Fertilizer and Heavy Water Factory/
Proposed Petroleum Development Companies/
Neiveli Lignite Project

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DATE OF INFORMATION (Date or dates, on or between which, events or conditions described in report existed)

RESPONSIVE TO

PLACE AND DATE ACQUIRED (By source)

THIS IS UNEVALUATED INFORMATION

SOURCE
[REDACTED]

Mangal Fertilizer and Heavy Water Factory

1. The proposed Mangal Fertilizer and Heavy Water Factory will be located at the site of the Bhakra Dam, district of Hoshiarpur, Punjab, Northern India, about 300 miles Northeast of New Delhi.
2. The plant is to produce 80 thousand tons of nitrogen and 15 tons of heavy water per year. The electrolysis section will use 160 thousand KW of power and deliver 56 3/10 tons per 24 hours of pure nitrogen to the fertilizer plant. The fertilizer plant will produce 11,050 tons per day of 20.5 per cent ammonium nitrate which will be combined with limestone chalk and produce approximately 400 thousand tons per year of nitrate fertilizer. It is estimated that 50 per cent of the power will be available in late 1959 and the balance about March 1960. Although the completion of the electrical rectification and electrolysis section will determine the start of the plant, negotiations leading toward placing of the orders for equipment are being let in December 1956.
3. The work will be carried on under the administration of the Ministry of Production. A contract was signed in November 1956 with a US company for the overall engineering and supervision.

Proposed Petroleum Development Companies

4. The Government of India and the oil companies have apparently, at long last, concluded negotiations which determine their relationship to each other. best information is that two new rupee companies are to be formed; one for exploration and production of crude and the second for its transportation. However, they have not been able to agree on an arrangement for a joint company to refine the crude. the government insists on holding 66 2/3 per cent interest in such a company and has a number of other ideas which are not acceptable to the oil companies. There has been a great deal of hot argument about this question.

Neiveli Lignite Project

5. The Neiveli Lignite Project is located about 50 miles south of Madras. It is planned to exploit a huge lignite deposit which will provide thermo power for Madras and gas for a nitrogen fertilizer plant. The fertilizer plant will produce approximately 400 thousand tons per year of fertilizer and probably some urea.
6. Work has been started on the project, the water table has been lowered, and the over burden is being removed.

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- 7. [redacted] the Indian government has practically decided to use the \$120 million credit extended India by the USSR for this development. The credit will be used for the purchase of materials, equipment, and technical assistance in a complete package deal with the USSR.

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DEPARTMENT OF STATE

Retain class'n Change / classify to _____
 With concurrence of CIA
 Declassify In part and excise as shown
 EO 12356, Sec. 1.3 (a)
 FPC/HDR by BAW 9 / 21 / 94
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