

## TATA CHEMICALS LIMITED

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REF. No. \_\_\_\_\_

FAX

Chairman and  
 Managing Director's Office

31 October 1991

Dear Mr. Minocha :

Reading your report entitled "Tata Fertiliser Project facing uncertainty", appearing in Indian Express of 30 October 1991, I feel called upon to write to you, not to complain nor to criticise nor to condemn but to counsel, if I may.

2. Some ad verbatim quotes in your report suggest that you were either furnished some material by vested interests or you had acquired access to some disjointed documents that you have quoted from. In either case, you seem to have picked out, out of context and on a selective basis, some bits and pieces from these documents, juxtaposed them and added some "mirch masala" to make a sensational story. This might be very clever journalism but, I submit, it is not helpful, and is indeed detrimental, to the larger national interest inasmuch as it wrongfully shifts the emphasis from the realities which have blocked, and are blocking, the implementation of these projects.

3. Unfortunately, I donot have the time or the energy or even the inclination to controvert large parts of the report which are grossly erroneous. I would, however, like you to ponder how come that, no matter at what point of time the three gas-based Fertiliser Projects in the Private Sector were issued Letters of Intent, all of them could make progress only upto a certain degree, marginally varying in each case, and have been stalled for so long? I would also like you to ponder why would any serious Entrepreneur "drag his feet" and suffer huge escalations in costs which are so painful to all concerned? You would do a real service to the country if you were to identify and highlight the reasons, without necessarily blaming anyone, which impeded the progress of these projects and brought them to a standstill, inflicting a potential foreign exchange loss of as much as US\$ 35 million per month on the country.

4. Merely by way of an illustration, I would like to deal with one situation, picked up at random, from your report, namely, TCL's "demand" for allocation of foreign exchange amounting to US\$ 26.4 million. I shall narrate to you the factual position only for your information and education but not for publication.

\* The project investment cost, as appraised and approved by IDBI and the Government in September 1988, had a foreign exchange component of US\$ 166 million.

\* The Department of Fertilisers recommended a Bulk Import Licence for a value of Rs. 195 crores in May 1990.