

emphasized on the State Government that the highest priority should be given to agriculture in the matter of supply of diesel. Kerosene allocations to Punjab have been made at a level of 5 per cent more than the actual sales of this product for the corresponding months of the previous year.

(c) Allocations of diesel are made on the basis of historical sales pattern of the product in that State after taking into account the overall availability and movement capability of the product.

#### **Contract for the Ammonia Plants at Thal-Vaishet and Hazira Fertilizers**

246. PROF. MADHU DANDAVATE: will the Minister of PETROLEUM, CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is true that Government are reversing its earlier decision to award the engineering consultancy contract for the ammonia plants at Thal-Vaishet and Hazira fertilizer complexes to Pullman Kellogg of the U.S. and the Italian controlled Haldor Topsoe;

(b) if so, whether this reversal of original decision will make the state exchequer loss at least Rs. 55 crores per year; and

(c) if so, what are the reasons for the change in the original decision about the consultancy contract which has affected the credibility of India abroad?

THE MINISTER OF PETROLEUM, CHEMICALS AND FERTILIZERS (SHRI P. C. SETHI): (a) M/s. Haldor Topsoe and Pullman Kellogg have been selected as consultants for the ammonia plants at Thal Vaishet and Hazira respectively.

(b) No, Sir.

(c) The bids received from the pre-qualified consultants were evaluated by a Negotiating Committee set up by Government in September, 1978. This Committee recommended that M/s.

C. F. Braun be selected as consultants for the Thal Vaishet project. In August 1979 Government asked Rashtriya Chemicals and Fertilizers Ltd. to negotiate the contract with M/s. C. F. Braun and submit it to Government for approval. While the draft contract submitted in December, 1979 was under examination, there was a change in Government. The present Government decided to have a fresh look into the selection of consultant and set up an Expert Committee in February, 1980 to assess the relative merits of the bids received and to examine whether it was desirable to have the same consultant for both tests of plants (at Thal Vaishet and Hazira). The Committee recommended that M/s. C. F. Braun be selected as consultant for the Thal Vaishet project subject to certain improvements in the negotiated draft contract. The majority of the Committee was of the view that the risks involved in having one consultant for both the complexes was not of an acceptable degree. There was no unanimity of opinion regarding the selection of consultant for the second set of plants. Government agreed with the majority view that the risk involved in having one consultant for both the complexes was not of an acceptable degree. Government did not agree with the recommendations of the Committee that C F. Braun be selected as the consultant for the Thal Vaishet project on the grounds that they had no experience of having built and operated a plant in India, that their response in regard to transfer of technology in case only one set of plants was awarded was equivocal and that the contract offered by them suffered from legal lacunae. Government, therefore, confined its choice to the next three bidders viz. Toyo, Pullman Kellogg and Haldor Topsoe. Toyo was offering essentially the same technology as Pullman Kellogg and it was felt preferable to deal directly with the original proprietors. Government therefore, selected Haldor Topsoe and Puuman Kellogg respectively as the consultants for the Thal Vaishet and Hazira projects.