

[Mr. Deputy-Speaker]

sub-section (1) of section 620 of the Companies Act, 1956 (1 of 1956), providing that sections 255, 256 and 257 of the said Act shall not apply to a Government Company, laid on the Table of the House on 18th November, 1980.

This House do recommend to Rajya Babha that Rajya Sabha do concur in this resolution."

*The Motion was negatived.*

19.32 hrs.

**DISCUSSION ON CHOICE OF TECHNOLOGY AND FOREIGN COLLABORATION FOR UREA AND AMMONIA FERTILISER PLANTS TO BE BUILT ON THE BASIS OF BOMBAY HIGH COMPLEX**

**MR. DEPUTY-SPEAKER:** Now we take up discussion under Rules 193. Before I call Shri Unnikrishnan, I would like to inform that Shri K. P. Unnikrishnan has given intimation that during the course of a speech raising discussion on the choice of technology and foreign collaboration for the urea and ammonia fertiliser plants, he would quote from certain documents.

I have looked into the matter. It has been held by my distinguished predecessor on 26 February, 1965 that—"A Member can ordinarily quote from a document that is treated by Government as secret or confidential and which Government have not disclosed in public interest."

It has also been held that—

"While Government cannot be compelled to admit or deny the correctness of any alleged copy of a document which is classified as secret or confidential; it is necessary for the Member who quotes from such a document, to certify that he has verified from his personal knowledge that the document is the true copy of the original with the Government and the Member will do so

on his own responsibility, and the Chair will permit him to proceed. In case the Member is not prepared to give a certificate in these terms and he insists on quoting from such document the Chair may find out from the Government about the authenticity of such a document and the facts placed by the Government before the Chair will be final in determining whether such a document is genuine or not. Where Government decline to admit or deny the correctness of any alleged copy, the Chair will allow the Member to proceed and it will be for the Government to give such answers as they think fit."

In the light of the ruling quoted by me above, I would like to know from Shri Unnikrishnan whether he is prepared to certify that he has verified from his personal knowledge that the documents from which he wants to quote are a true copy of the originals with the Government and he will do so on his own responsibility.

**SHRI K. P. UNNIKRIISHNAN (Badagara):** Certainly, Sir; before I begin, I shall fully authenticate it and lay it on the Table of the House, if there is demand in the House; or, the Minister can deny it. I will certainly abide by your ruling. All these are true and genuine copies of what is contained in the respective files.

Sir, History tells us that when Rome was burning, Nero was fiddling. It is disturbing indeed to think that some of our Ministers, in particular the Minister for Petroleum and Chemicals, for whom I have great personal affection and regard, is indulging in the same feat by fiddling with the fate and fortunes of the Indian fertilizer industry and the future of our fertilizer technology and, consequently, the future fate and fortunes of the poor Indian farmers, who have been crying for better tools and inputs.

Before going into the details of this transfer of technology and consultancy

arrangements, I would like to put in a wider canvas, if you would permit me, the Indian fertilizer scene and the present set back to the nitrogenous fertilizer industry.

Even since this Government came into office, the capacity of the nitrogenous fertilizer industry, in terms of the utilisation of installed capacity, has come down from 69 per cent in 1978-79 and 61 per cent in 1979-80 to less than 50 per cent in 80-81 April-Sept. This is in the context of the poor per hectare consumption of fertilizer in India. As against the international average of 120 kg, it has come down to 20 kg, and this year it is likely to be much less. In the international market the feed-stock prices are going up. The price of urea has been steadily climbing up, and it is in that context that you should calculate the damage done by the decision of the distinguished Minister, because the urea import bill has been going up and up and, as a result of this decision, we have already lost over Rs. 600 crores.

Based on the four ammonia plants proposed to be set up in Thal Vaishet and Hazira with a capacity of 1,350 metric tonnes, making a total of 5,450 metric tonnes per day, depending upon the level of technology, it was possible to convert 1.6 metric tonne of urea with 1 metric tonne of ammonia. Thus, 5,400 metric tonnes of ammonia could have been converted into 8,460 metric tonnes of urea.

The 7 urea plants proposed to be set up in the Bombay High complex would have had an installed capacity of 8,400 metric tonnes per day. The value of these 8,400 metric tonnes of urea, under the present import price of Rs. 2,060 per metric tonne, would come to about Rs. 1.75 crores a day. If we assume 330 working days, the value would be round about Rs. 580 crores, by fiddling around with it for the last one year since he came in, and I shall also prove how he was primarily responsible for the decision of

disapproving this contract initialled as early as in December 1979, because of which the national exchequer has already lost over Rs. 600 crores. Now it is in this context, that whatever I shall have to say narration of sequence of events of the Bombay High will have to be judged.

In Bombay High, as early as in 1976, when Shri Sethi himself was probably the Minister, if I could recall it correctly, it was decided, ONGC had said that these oil fields were capable of yielding over 20 million cubic metres of natural gas every day. And it was capable of going in for 10 plants and immediately 4 plants of the capacity of 1,350 metric tonnes a day. So, I do not know whether it was he himself or his predecessor who has appointed a study group under Mr. K. C. Sharma, who went into these details. The most important and significant part of the 8 conditions that the Sharma Working Group has suggested was that plants would be of (a) 1,350 metric tonnes per day and more important, the technology to be imported in these plants would be so standardised that the benefits of standardisation for both size and technology are obtained by this country and also that will be transferred to the then Fertilizer Corporation, subsequently FPDIL, Fertilizer Plant and Development India Limited, a public sector undertaking so that we can go in for other plants and that it will be financed by the World Bank.

In October 1977 the political fortunes of the Congress Party had undergone a change and a new Government had been installed here. However, in October 1977, a Working Group under the chairmanship of Mr. Lavraj Kumar pre-qualified six international companies, namely:

1. CF Braun (USA)
2. Toyo Engineering Corporation (Japan).
3. Technimont (Italy)
4. Humphreys Glasgow (UK)

[Shri K. P. Unnikrishnan]  
5. Pulm'an-Kellogg (UK).

6. Haldor Topsoe (Denmark).

And it was agreed that another Working Group under the same Chairman, Mr. Lavraj Kumar would draw up the procedure for evaluation of bids and award of contracts and its criteria to be taken into account in evaluating the bids in consultation with the World Bank. In pursuance of this decision, bids were invited in March 1978 from the above six parties and Government appointed a high powered expert Committee headed by Mr. Paul Pothén, one of the internationally recognised fertilisers experts, Managing Director of IFFCO, directly concerned with Hazira and the following members:—

2. Duleep Sinh, Chairman and M.D., RCF.

3. B. B. Singh, Chairman and MD, National Fertilisers

4. H. Jethanandani, Executive Director, FPDIL.

So, bids were received in August 1978 and in November 1978 three were eliminated and three remained. Particularly it is important to remember that *Haldor Topsoe was eliminated as technically and commercially not viable*. This firm, I must say, is headed by a distinguished technologist of a small organisation which has not gone into any independent kind of research, nor has it the capacity, not even in Italy where there is a plant running about 1,350 metric tonnes, they went in for collaboration with another Italian Company. Even here, when they put in their bids as I would prove subsequently, first they came with an American Company called Brown and Root, and subsequently now I am told, because of certain preferences the Minister has I am projecting the view of the hon. Minister for Petroleum and Chemicals—now, this Paul Pothén Committee after careful and detailed examination, shortlisted the three fol-

lowing companies for further consideration:—

1. CF Braun
2. Toyo Engineering
3. Pullman Kellogg of UK.

Again, I repeat, Haldér Topsoe was eliminated.

Sir, after a prolonged visit abroad to several plants, the very same Committee reached a unanimous conclusion that the offer of CF Braun was both technically and commercially viable and the best and recommended Braun for award of all the four contracts.

Now, I can do no better regarding the claims or otherwise of CF Braun than to quote firstly the Secretary, Fertilisers and Chemicals on 7th July, 1979, as follows:

"The special Committee (of Secretaries of Fertiliser projects) have gone carefully into the provenness of Braun technology, Braun's experience in setting up of similar plants and Braun's inexperience in Indian conditions. ....

"Some of the other bidders such as Kellogg, Toyo and Humphreys & Glasgow have made a number of submissions to the effect that the Braun technology is not proven and that it is not suitable to Indian conditions, particularly in view of the poor power position here. These points have been dealt with by the Adviser (F) in this Department in his note at pages 45/75 ante. The Special Committee also heard both the Adv (F) and Paul Pothén in great detail on these issues. ....

"The Committee was convinced that there were no problem which were special to the Braun process, that the Braun process was no more susceptible to power disturbances or unstable operating conditions than the other processes and that in view of the provision of captive power for the ammonia plants.

there was no need for any apprehension that the advantages of the Braun process would be counter-balanced by unsatisfactory power conditions."

Now I quote from the Agriculture Ministry's note to the Cabinet dated 25th July, 1980 advocating this case. I quote only selected portions:

"(i) In selecting the Engineering Consultant, the intention has been to attempt standardisation of ammonia technology and to aim at complete transfer of this technology to FDIL. . .

(ii) If instead of C. F. Braun, a different consultant is selected, the outlay of licence fee would be higher by rupees 8 to 10 crores.

(iii) Energy consumption in Braun technology is distinctly lower."

Then it goes on to higher price and higher subsidy by Government. Then in page 2 it says:

"(i) C. F. Braun has a technology which is essentially different from that followed by other consultants and used by them since the early 60s can result in savings of more than 10 to 20 per cent in the input of energy. ....

(ii) The Braun process provides more carbon dioxide than the other processes permitting the conversion of almost of all ammonia to urea..

(ii) ... Other firms like Kellogg have quoted a separate price for technology transfer and have proposed that the technology transfer should be separated from the work on the project."

This went in for scrutiny by the Petroleum & Chemicals Ministry in March, 1979. There was a full evaluation by this committee and it was further scrutinised by the Ministry of Petroleum & Chemicals & Fertilizers, and then sent to the Committee

of Secretaries as is the normal practice in the Government of India.

The Committee of Secretaries in June, 1979, fully endorsed the recommendations of the Paul Pothien Committee. A negotiating committee was subsequently set up under the chairmanship of Shri Duleep Singh, assisted also by technical, commercial and, I underline the word, legal experts. I do not know, whether he recalls informed C. F. Braun of their selection as consultants and invited them for negotiations and final contracts were drafted and initialled after four months of negotiations in December, 1979. The initialled contracts were again approved by the Petroleum & Chemicals Ministry and the Committee of Secretaries. IFFCO also initiated action and finalised contracts in January-February, 1980.

The political situation had changed again and the future and fortunes of Indian fertiliser technology also. It need not be, but that is how it happened. Mrs. Gandhi came to power with a massive mandate in January, 1980, and my hon. friend—I have affection and regard for him, which I think he will bear out—was appointed the Minister of Works and Housing, and after a few days also to hold additional charge of Petroleum and Chemicals.

One of the first acts of this Government was regarding the finalisation of the urea plant. The Minister argues that it is very wrong to put all eggs in one basket, but here he gave away all the seven urea plants to Snam Progetti. Now I hope Shri Sethi will forgive me if I mention, not that I am fully convinced but there has been talk earlier and it was his business to see that these rumours were dispelled. SNAM's successful way of doing business in India has come up in this House for the last several years. I do not know, whether he recalls in early seventies when there was a pipeline scandal. Probably, he would remember some of us from other ben-

(Shri K. P. Unnikrishnan)

ches had raised it There was an enquiry Commission and so on. But, however, the present Minister, Petroleum and Chemicals has always been an old friend of this group and according to the documents available, laid on the Table of House, of the Shah Commission, it was Mr. Sethi who once threatened Chairman of Gujarat Narmada Fertilizer Valley Corporation, Urea Project, with arrest under MISA if he did not withdraw letter of intent from Toyo and gave it to SNAM. Now there are more reasons than this and beyond Mr. Sethi. That is why I do not want to go into the details of it than the various other Italian connection to which Mr. Balasubramaniam, one of our distinguished Journalists referred to in an Article "Playing Favourites" dated September 17, 1980, in "The Hindustan Times"; He says: "SNAM PROGETTI incidentally is rather famous in the Indian Capital very energetically represented and reported to be highly connected politically".

Mr. Jyotirmoy Bosu had during the discussion on the Finance Bill, Third Reading had mentioned this—I quote: "Then Mr. QUDTROCHI, Agent of SNAM PROGETTI, you remember Barauni Pipeline scandal, his name was there. He is a close friend of an Italian lady V. I. P." I do not want to go any further.

Mr. Sethi naturally decided in favour of SNAM PROGETTI. But as far as Ammonia Plants are concerned, after Mr. Sethi's arrival entire procedure underwent a dramatic change. From the day he entered Shastri Bhavan till the day he left in March '80 to yield place to Shri Veerendra Patil, he showed a remarkable and inexplicable bias to Pullman Kellogg. On 25th January he wrote—

"I quite share the apprehensions contained in the minutes of 29th July, 1979 of the then the Minister of State at page 82/N with regard to C. F. Braun. The whole question, therefore, needs to be re-examined thoroughly by an Expert

Committee before we take further action in the matter".

This is only quoting Mr. Yadav half. Mr. Yadav, he says—

"All said in favour of selecting M's C. F. Braun it will be prudent if we do not put eggs in one basket. Braun is absolutely new to Indian Conditions. This inexperience alone will certainly affect the constructions schedule of smooth progress of work". This is what he said. Then the Secretary, Petroleum and Chemicals goes on to deal with his objection which was also raised earlier by Member (Industry) of the Planning Commission and he is satisfied.

Now Mr. Sethi rightly decided to leave things this point of time to a New Expert Committee. On 9th February, 1980 he constituted a new Expert Committee and asked them immediately to report. But, however, not to leave anything to chance or even to this Committee he had appointed, he remarked on 21st February, 1980:—

"In order to re-examine and to properly evaluate the capability of the consultant and his technology and superiority of the terms of the contract for technology, it is necessary for the committee to negotiate also with Pullman Kellogg for a contract for consultancy and technology immediately and then to decide appropriately the selection of consultant/s".

Mark the words. "It is necessary for the Committee..." The Committee has just been constituted. Here is the Minister, before the Committee is constituted and its terms of reference are finalised, before they go into the whole question—the Minister shows his card—saying, "...to negotiate also with Pullman Kellogg—he specially mentions a firm, this is a firm—for a contract for consultancy and technology, immediately and then

to decide appropriately the selection of consultants."

This was done before the Committee had started its deliberations.

On 23rd February, 1980, the Secretary, the Ministry of Chemicals and Fertilisers, however, explained the background and basis for selection of Braun and the undesirability of negotiating with Kellogg after contracts had been concluded. This also vitiates the contract procedures. In any global tenders, once they are opened, unless there is a specific term for negotiations, it cannot be re-negotiated. This is one of the understandings that the Government of India had, as far as I know—he can deny it—with the World Bank. But Mr. Sethi was not convinced as to why not Toyo of Japan who was placed second? Mr. Sethi will not have it.

On 6th March, 1980, that is, the day the information had come that he was being relieved, a day before the new Minister came. Mr. Sethi writes on the file:

"I am surprised that Secretary has not fully appreciated and incorporated my orders of 9-2-80 and 21-2-80. I am thus compelled to arrive at the conclusion that somehow or other "attempts are being made to bypass my orders so that the entire object which I have in view, that is, of giving a full and fair opportunity to everyone including Pullman Kellogg proved abortive. I am unable to understand why a deliberate attempt is being made to bypass Pullman Kellogg.... I now direct that the memo constituting the committee be amended in terms of my orders dated 21-2-80."

My distinguished friend, the hon. Minister, was clearly backing up Pullman Kellogg. It is further clear from a telex dated March 17, 1980 sent by one Mr. R. A. Guillet of Pullman Kellogg to Mr. Masayoshi Nato, President of Toyo Engineering, Japan. This telex was sent by Toyo's

Delhi representative in a letter dated 22nd March addressed to Secretary, Department of Chemicals and Fertilisers, Government of India. The telex reads:

"SUBJECT BOMBAY HIGH GAS BASED AMMONIA PLANT/GREETINGS. IT IS OUR UNDERSTANDING THAT THE SUBJECT PROJECT IS UNDERGOING A NEW BREATH OF LIFE. I ALSO UNDERSTAND THAT THE PRESENT POLITICAL CHANGES IN INDIA MAY FAVOUR TOYO AND PULLMAN KELLOGG COMPETITIVE POSITION."

Poor Mr. Guillet did not know what was being cooked because he was also being dropped.

Then, the new Minister concerned, Mr. Veerendra Patil, on 10-3-80, after looking through Mr. Sethi's noting of 6-3-80, wrote on the file:

"We may, however, await the report of the expert committee before taking the next step. The committee should be asked to expedite its report."

And he sent the file to the Finance Minister.

19.59 hrs.

(SHRI CHINTAMANI PANIGRAHI in the Chair).

THE DEPUTY MINISTER IN THE MINISTRY OF RAILWAYS AND IN THE DEPARTMENT OF PARLIAMENTARY AFFAIRS (SHRI MALLIKARJUN): On a point of order, Sir. My hon. friend has quoted what is written on the file by the Minister. Again he quotes what is written on the file after another Minister comes. I would like to know whether the file has been circulated to my hon. friend, Mr. Unnikrishnan, who has noted it down and places before the august House....

DR. SUBRAMANIAM SWAMY (Bombay North East): Don't be so innocent.

**SHRI MALLIKARJUN:** How he came to know the notings on the file.

**MR. CHAIRMAN:** The Minister will disprove it.

**SHRI MALLIKARJUN:** My point is, how a file on which these notings have been made has come in his possession. How can the exact wording be quoted by an hon. Member from a file of the Government? I want to get it clarified.

20 hrs.

**MR. CHAIRMAN:** The hon. Member has given all the points to the Speaker. The Minister is quite capable of replying.

**SHRI MALLIKARJUN:** This is a very mysterious thing.

**SHRI SATYASADHAN CHAKRABORTY** (Calcutta South): Sir, I want that these papers the hon. Member is quoting from should be laid on the Table of the House.

**MR. CHAIRMAN:** That is a different thing.

**SHRI K. P. UNNIKRISHNAN:** I will lay it on the Table.

**SHRI SATYASADHAN CHAKRABORTY:** Those papers should be laid on the Table.

**SHRI MALLIKARJUN:** The hon. Member is mentioning a file, not from any newspaper.

**MR. CHAIRMAN:** Mr. Unnikrishnan kindly continue.

**SHRI SATISH AGARWAL** (Jaipur): It was made amply clear by the Deputy-Speaker that he had received intimation from the hon. Member regarding the papers to be quoted... (Interruptions)

**SHRI K. P. UNNIKRISHNAN:** I can lay... (Interruptions)... photostat copy with numbers.. (Interruptions.)

**SHRI MALLIKARJUN:** How could he get photostat copy from government file? The hon. Member is indulging in anti-national activities.

(Interruptions)

**SHRI SATYASADHAN CHAKRABORTY:** Why are you afraid of the truth, my dear friend? In that case, he will lay it on the Table.

**SHRI K. P. UNNIKRISHNAN:** I will lay on the Table. [Placed in Library. See No. LT-1767/80].

(Interruptions)

**SHRI MALLIKARJUN:** My point is this. How could he get photostat copy of the file?

**MR. CHAIRMAN:** The Minister will reply to all those points.

**THE DEPUTY MINISTER IN THE MINISTRY OF SUPPLY AND REHABILITATION** (SHRI P. K. THUNGON): The hon. Member wants to impress the House by quoting the notings, if it is a fact, that he has got the exact notings of the file. Can he reveal as to who is the person who has unlied to him? (Interruptions) If he cannot quote where from has he got and what is the source, I ask him whether he is forcing the House to believe his statement.

**SHRI SATISH AGARWAL:** It is for the Minister to contradict it.

**SHRI K. P. UNNIKRISHNAN:** The hon. Deputy Minister is a new-comer to this House. He is a very likeable person.

**SHRI P. K. THUNGON:** I am not new so far as legislative matters are concerned. Mr. Unnikrishnan, you are a very good friend of mine. I would only like to remind you that I also have dealt in such methods in my Assembly. That is why, I wanted to know through you, Mr. Chairman, if it is a fact... (Interruptions)

**MR. CHAIRMAN:** I will tell you. Please take your seat.

**SHRI P. K. THUNGO:** Otherwise, he is trying to mislead the House.

**DR. SUBRAMANIAM SWAMY:** The Minister can contradict.

**SHRI SATISH AGARWAL:** He has given the quotations—quote and unquote. It is for the Minister to contradict him.

**MR. CHAIRMAN:** Just for the information of the Members, the hon. Member has informed the Deputy-Speaker that he is prepared to certify that he has verified from his personal knowledge that the documents from which he wants to quote are true copies of the originals with the Government and he will do so on his own responsibility.

**AN. HON. MEMBER:** He has done that in the beginning itself.

**SHRI K. P. UNNIKRISHNAN:** I have already given the notice and given a copy of the notice to the hon. Minister. It is upto him.

After Mr. Virendra Patil sends it to the Finance Minister, Mr. R. Venkataraman—so far there were only two...

**MR. CHAIRMAN:** How much more time would you take?

**SHRI K. P. UNNIKRISHNAN:** Five or ten minutes. So far, it was only Pullman's case, Kellogg's case—it is very important—which was being advocated by my friend, Mr. Sethi.

But now Mr. R. Venkataraman introduces a new element. I quote:

"PM has seen the file. It is better that the relative merits of six parties are assessed by the expert committee as early as possible."

Now from Pullman we come to Topsoe. While, as I said, Mr. Sethi was arguing for inclusion of Kellogg

even before the experts' committee has gone into it—the experts committee was appointed by him—but he did not want to leave any thing to chance. Now Topsoe, a firm 51 per cent of whose capital was owned by the Italian Snam Progetti is brought back. That is the result of Finance Minister's intervention.

The terms of B. B. Singh Committee were thus enlarged on 19th April, 1980. While the Ministry said on 22nd April, 1980. "The Expert Committee should assess the relative merits of all the six parties on the basis of available information." Mr. B. B. Singh insisted on April, 29 on updating the bids. In that process, Kellogg reduced its fees from 43 million dollars to 30 million dollars, vitiating the procedures.

When B. B. Singh Committee, a technical committee, appointed by Mr. P. C. Sethi also came to the conclusion that selection of C. F. Braun by Paul Pothen Committee was logical and correct and recommended the award of Thal Vaishet plant to C. F. Braun, as regards Hazira plant, there was a difference of opinion among the members. While three wanted it to be given to Braun for standardisation, a principle that was upheld right from the beginning, four felt that all the four need not be given to one consultant. Others felt differently as the Minister knows.

Now, the Chemicals and Fertilisers Ministry, in their note to the Cabinet Committee on Economic Affairs, proposed on the basis of B. B. Singh's report award of Thal Vaishet contract to Braun. I will only read the last sentence of the note to the Cabinet Committee:

"Minister for Petroleum and Chemicals and Fertilisers, Minister of Finance and Minister of Agriculture have seen and approved the note."

Now, the Ministry of Agriculture, as the administrative Ministry concerned



[Shri K. P. Uanikrishnan]  
for IFFCO, also recommended C. F. Braun for Hazira. The last sentence only I will read:

"Minister for Agriculture approved."

But suddenly something happened. The item itself was withdrawn at the last moment from the agenda of the meeting of the Cabinet Committee on Economic Affairs scheduled for July, 25 and now it came back to the full meeting of the Cabinet on July, 29, 1980.

On 29th July, 1980 no decision was taken. Instead the matter was to be referred to a new Sub-Committee of the Cabinet consisting of Mr. Sethi himself, the prime-mover, Mr. Venkataraman, Mr. Veerendra Patil and Mr. Shiva Shankar. Obviously, the opinion of this committee was divided sharply. Finally, Mr. Vasant Sathe, the Minister of Information and Broadcasting is also included to tilt the balance in favour of Mr. Sethi.

This committee overruled two expert committees' findings—one expert committee was appointed by Mr. Sethi himself—and also the findings of the Secretaries Committee throwing away all the norms to the winds on the Independence Day of 1980 and awarded the contract to Halder Topsoe and Kellogg. There was an elaborate defence of it in the Press on 17th September. One defence is:

C. F. Braun has no experience in India!

Now how am I to explain how a multi-core project like the Alumina project of Mr. Mohanty's State has been given to Pechney of France. Have they ever got into the soil of India? Did they use 747 planes before it was brought in here? Which kind of technology has come in here for the first time? If there is a separate discussion and more time, I shall tell you of the technology transfers coming in like this.

Another reason is legal lacunae. Then there it is a bit too thick—I should say. "The technology offered by C. F. Braun was not 'forward-looking.' What about Toyo then? Was it also backward-looking? Probably what is more forward-looking for the Minister is the technology touted by the familiar bearded presence in Delhi's court and power corridors and also exhibited by Sathe's TV." He knows this technology and its various ramifications. Now, Sir, I do not want to go into various other things.

I would only say this. Now, there is a question about Snam's own experience in India and about the other firms. Before I conclude, I would only say this. There is a Phulphur plant. Mr. Sethi knows that a foundation stone was laid in 1974. It is still not commissioned; till 1980, it is still not commissioned. Six years delay has occurred. There is a Kellogg Topsoe-Snam Progetti combination for five Trombay's ammonia projects. How much cost escalation and how much of delay is there because of this Snam-Topsoe's combination?

I conclude, Mr. Chairman. The gravaman of my charge today is that the Minister showed an extraordinary interest in the fortunes of a consultant Pullman Kellogg from the day he entered the office, totally disregarding all official advice and expert committee's recommendation. He had come back to this office after full five years to revise his own expert Committee's advice. My charge today is that he colluded with certain extra constitutional sources of power to subvert all norms of propriety observed in this country for the last thirty years. I know that he is not the personally corrupt. I shall vouchsafe this anywhere in this House or outside. But by providing an umbrella for those with or without beards for signiors or senioritas he committed a grave dereliction of duty.

My charge is: this consequently has resulted in a colossal loss to national

exchequer and out-go of foreign exchange. It is alarming to find that everybody is sitting pretty on this. If it had been in any other country, this kind of scandal in national and international press and media would not have happened. You are an old Member. You know what happened to Shri T. T. Krishnamachari and to Shri K. D. Malaviya and other Ministers. So, I demand—let there be a Parliamentary Probe with the assistance of distinguished scientists as Members, may be, like Dr. Ramanna or Dr. Sethna or Prof. M. G. K. Menon or let the Prime Minister hand over all the files and everything to a judge of the Supreme Court, and have a Commission of Inquiry to enquire into this.

MR. CHAIRMAN: Dr. Swamy. Please be very brief.

DR. SUBRAMANIAM SWAMY: I shall be brief. I won't go into all the technical details which Mr. Unnikrishnan has gone. Certainly, I would not like to repeat what he has said. I want to draw some conclusions and I would like to ask the Minister some questions. There is no doubt that this decision to award the consultancy contract to Pullman Kellogg and Topsoe has been universally condemned.

Somebody said that this was a question of U.S. Lobby speaking. Yesterday somebody said that this is reactionary force speaking. I would like to say that I have the newspaper cutting representing all sections of opinion. There is a Link Magazine which is by no means a reactionary magazine by the standard. In September 14, 1980 with Mr. Sethi's photograph there is a heading—the genesis of big scandal, here is a press cutting from India today, September, 16—30th issue of 1980 'Fiddling with the fertiliser'. Similarly, here is the Financial Express which says 'Fertiliser Consultancy Contracts—why this volte face?' Then, comes the Patriot paper which is, by no means, a paper which I would think to be highly bad. I know many Mem-

bers on that side do that. I am quoting from the 6th September, 1980 'Controversy over the Consultants' The Indian Express, which I have a good opinion of, says: Costlier know-how for ammonia plants. Then Hindustan Times, by no means Balasubramaniam writing plain favouritism Blitz of which I had never a good word for and that has a front page story 'Multi-crore fertiliser sell out'. This is not a question of U.S. company that has lost a contract that we are unhappy about. In fact, another American company has got it. Pullman-Kellogg is an American company. It is a very old rail-road company purchased by another U.S. company because Pullman-Kellogg is financially in a difficult position. I do not know whether the Fertilisers Minister knows about it. But he must know that since the award of the contract to Pullman-Kellogg this company is in grave financial difficulties and it has been taken over by another American company.

The question is that the decision to award the fertiliser contract to C. F. Braun was taken not by one committee set-up during the Janata rule but a series of committees spanning the old Mrs. Gandhi government down to Janata government through the Lok Dal government and even the new Indira Gandhi or Congress (I) government. From November, 1976 it goes to Janata government time and then in August, 1979 when Lok Dal government propped up by the Congress (I) party they have issued this Rashtriya Chemicals and Fertilisers, Chembur, Bombay which says:

"To

C. F. Braun—

Let me congratulate you on your selection as consultant for the four gas-based ammonia plants."

The decision is taken and afterwards the B. B. Singh committee was set-up by Mr. P. C. Sethi or his government and they too said that as far as Thal Vaishet is concerned it must go to

[Dr. Subramaniam Swamy]

C. F. Braun and as far as the other is concerned it may be given to someone else. This was recommended after a complete review. These are the documents which Mr. Unnikrishnan has presented. But the Cabinet, which consists of politicians which normally should evaluate scientific information, took a decision without consideration for the technical facts and made the decision, on what I do not know. It is true that shares of Haldar Topsoe are by and large owned by Italians and I would like to know what is that power which the Italians have over this government. What is the connection—Italian connection? Well, I do not know. He says 'Senorita'. This deal has been condemned by the Press and there is a feeling that some pay-offs are involved and the Italians have a hand in it. Who is that Italian who can wield that kind of power so as to change the decision of the six technical committees and see that this award is given to someone else?

MR. CHAIRMAN: Please conclude.

DR. SUBRAMANIAM SWAMY: I would like to conclude by asking three questions. I would like to ask did you do any cost analysis or is it a fact that the Braun technology would have saved our country Rs. 1,100 crores over thirty years and by not giving the contract to C. F. Braun you have lost Rs. 1,100 crores. Why did you over-rule all the six technical committees? What is the status of the World Banking financing today because I have read from the Press that the World Bank says that it is a stinking decision and they do not have anything to do with it and they may not give the promised soft loans? Do you know that Pullman-Kellogg is in financial mess and you have given the contract to a company which is on the verge of financial bankruptcy.

MR. CHAIRMAN: Before I call the next speaker there is an announcement. Shri K. P. Unnikrishnan quoted from certain documents and he has

handed over the papers at the Table for being laid on the Table of the House. These papers will be examined by the Speaker whether they would be treated as Laid on the Table or not.

SHRI NIREN GHOSH (Dum Dum): I will touch only 2 or 3 points shortly. First I would say that this is a scandal which is analogous to that of Dalmia-Jain scandal that was busted by Mr. Feroze Gandhi on the floor of this Lok Sabha here and I request that a similar treatment should be given to this. Secondly, I would say how the umbrella was spread over in order to bring in HALDOR TOPSOE. It is widely known that HALDOR TOPSOE of SNAM PROGETTI of ITALY is very close to the son and daughter-in-law of a very, very high dignitary in India. That is how it was brought in.

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS AND DEPARTMENT OF PARLIAMENTARY AFFAIRS (SHRI P. VENKATASUBBAIAH): It is an insinuation, Sir, it should be expunged.

MR. CHAIRMAN: You don't go into all these points. You simply state your views.

SHRI NIREN GHOSH: I have not named anybody, I only said: 'high dignitary'. When Mr. Sathe was inducted, Shri Birendra Singh Rao was kept out, whose Ministry, in a note has said, even the HAZIRA contract should be given to C. F. BRAUN. It is his note because his Department is intimately connected with fertilizer things. Then, as regards C. F. BRAUN, why it was selected? The Secretary to the Department of C&F in his Note dated 7th July, 1979 quantified the benefits of Braun technology as follows. I quote:

"The Braun process uses much less energy, about 10 to 15 percent less than others. It results in a saving in the cost of production of ammonia of Rs. 47 per M.T. as compared to the conventional process. In addition, it makes available a streamable

quantity of steam for use in the urea plant. What is of equal if not greater importance is the fact that in the Braun process, a large quantity of CO<sub>2</sub> is produced than in the conventional processes and thereby almost the entire ammonia produced can be converted into urea. This means that while in the conventional process, a quantity of about 60,000 tonnes of ammonia will be surplus and will have to be moved elsewhere for use, in the case of Braun process, almost the whole of this will be converted into about 100,000 tonnes of urea which will be additional production. In a situation where urea is and will continue for many years to be imported, this additional production of urea is a tremendous advantage. There is also a saving in the expenditure on additional storage....."

The energy-saving according to the Braun process is annually Rs. 16 crores. And because of the additional urea that they give it is Rs. 42 crores, all told, Rs. 58 crores. In 20 years it comes to more than a thousand crores. That is what they have lost. Deliberately they have done it. They say, they do not want to put all eggs in one basket. But I can put a question to the Minister. How is it that SNAM PROGETTI which is not an expertise, absolutely new to India, has been given the consultancy, and associated with others? Braun technology is known throughout the world; they can be given; This is a fishy-deal; under-hand deal; money considerations have played an important part. India's image has been degraded.

This is the biggest scandal that has come up in India. A probe under the Commission of Enquiry Act is absolutely essential. Short of that, a Parliamentary probe must be conducted into this affair. Let us remember that the Government of India is in the dock....

20.24 hrs

[Mr. DEPUTY SPEAKER in the Chair.]

MR. DEPUTY-SPEAKER: Shri Satish Agarwal. Please be brief.

SHRI SATISH AGARWAL: After hearing Mr. Unnikrishnan, Dr. Subramaniam Swamy and Mr. Niren Ghosh, I am 100 per cent convinced that it is essential in the interest of the entire national economy and the prestige of so many VIPs involved in this matter, that a Commission of Enquiry under the Commission of Enquiry Act must be set up by the Government so as to remove any suspicions of nepotism, corruption and favouritism in this entire deal.

Since 1952, approximately two hundred commissions have been set up under the Commission of Enquiry Act. It will be very clear from this particular statement that a Commission was set up in order to enquire about whether the deal for purchase of 500 metric tonnes of rice in Kerala in 1956-57 was justified. (Interruptions) So, I am saying that he has made out a case, particularly by quoting various portions of official documents. This controversy is to be cleared; he has put certain portions of Cabinet meetings and Expert Committee's opinions and all that. There is a great controversy, a lot of high VIPs are involved. I do not want to name them. Everybody knows about it. So, in the interest of the present Government, the present Prime Minister and the hon. Minister who is here in charge of this, a Commission of Enquiry be set up under the Commission of Enquiry Act.

SHRI BHOGENDRA JHA (Madhubani): Sir, the matter that has been raised by Shri K. P. Unnikrishnan is worth consideration and I congratulate him for having taken the trouble of bringing before this House authenticated copies of documents. I am not in favour of either C. F. Braun or Topsøe. As far as I am concerned, I would like to judge such issues on the merit of our national interest. I would

[Shri Bhogendra Jha]

like to know whether it was possible for us, on the basis of the technological knowledge that we have got, to execute these projects on our own without handing them over either to Braun or Topsoe collaborators. This has been going on since 1976. I do not know whether the Government headed by the Congress Party or the Janata Party or the Congress-I Party is responsible for this deal. I do know they have a love for the multinationals who are operating in our country and many of them are detrimental to our national interest. The question is: in case it is beyond our capacity to do it, whether it was possible to purchase the technological knowhow on out-right basis or not? Five years have elapsed. This is a valuable time and the production during this period is lost. It is a great loss to the country and loss on the agricultural front cannot be estimated. Because of this loss, the country has suffered greatly. So, taking all these factors into consideration, I would like to know whether it was not possible to make out-right purchase of the technological knowhow. In case that was not possible, then the point that has been narrated by my hon. Friend, Mr. Unnikrishnan becomes very relevant here, because here apart from the national interest, apart from the production, self-reliance, etc. other points arise; the very credibility of the Government is involved. My friend is right in saying that very high top persons are involved in this. I want the Minister to clear whether that involvement, as has been said and authenticated by Mr. Unnikrishnan, is true or not. If it is not denied by the Minister, I want to know whether that involvement is on political ground. I do not know whether it is on some extra-political consideration, some personal attachment, some administrative attachment or family attachment. With that the whole country is involved. If such things do happen in our country, then none can say what will happen to the country as a whole and there are many other issues involved. Sir, why these issues are involved? I do not

want to plead for either Braun or this company or that company. If the hon. Minister is not in a position to clear this, then the House will have to decide to have a High Power Committee to thoroughly enquire into the matter and then a time-limit should be fixed and thereafter it should be decided because this cannot be solved over night. So, I think this is an issue which is to be cleared and by a brute majority decision you cannot muzzle the voice of the country.

SHRI HARISH KUMAR GANGWAR (Pilibhit): Mr. Deputy-Speaker Sir, the other day we discussed the Maruti Acquisition Bill and today another similar thing has come in the House.

I want to know from the hon. Minister whether it is not a fact that the World Bank loan of 250 million dollars is in jeopardy because of the unusual manner in which the decision was taken.

Further, I would like to ask whether it is not a fact that the expert committee headed by Shri Pal Pothan after detailed negotiations with the three firms and after visiting operating plants engineered by them came to the unanimous conclusion that Shri C. F. Brawn should be awarded the contract for all the four ammonia plants, not only because C. F. Brawn was the cheapest in the total evaluated price, but because their technology was the most advanced? The Brawn technology offered unlike others about 15 to 20 per cent saving in energy and the conversion of all the ammonia produced to urea. The value of this can be quantified at a recurring benefit of 55 crores annually at the present international cost of energy and urea.

Lastly, I would like to know whether the decision of the Government was actuated by reasons other than technical. That is why the World Bank is unwilling to finance the project. The decision of the Government thus has caused loss of the best available technology which was most economical backed by all the required guarantees and lost us goodwill among international firms besides the promised world bank financing.

These are my three questions on which I would like to have the answers of the hon. Minister.

SHRI A. K. ROY (Dhanbad): Mr. Deputy-Speaker, Sir, I am from fertiliser industry. I was in the Planning and Development division which has now become FPDIL. I know something of this great man, Shri Paul Pothen, so-called Brawn Company, Haldar Topso, this Minister. It is a shameful affair that India is charged doubly aligned, though it is non-aligned politically. I do not know about the truth of it, but technologically I can say that we are not non-aligned, we are doubly aligned. Some are discovering Italian connections, some are discovering French connections, some are discovering American connections, some are discovering Japanese connections and some are discovering connections of very high political families.

SHRI K. LAKKAPPA (Tunkur): What about Chinese connections?

SHRI A. K. ROY: I know when Nangal fertilizer plant was built, some correspondents of the Far-Eastern Review, that is not Chinese, visited Nangal fertilizer plant and they also visited one plant in China. They said that while the production capacity of the Chinese plant is same as that of Nangal plant, and the Chinese plant is absolutely indigenous, the Nangal plant is totally American imported plant, the Indian engineers are afraid to touch even its nuts and bolts.

I have nothing to do with Shri K. P. Unnikrishnan's charge, but there are certain peculiar things which should be probed. Even I would go to the extent of saying that if the House refuses to constitute a probe, the opposition should have an independent citizens probe body for this.

Who is this Paul Pothen and who is C. F. Brawn. Last year when the fertilizer technology was debated this House, I told Shri Bahuguna, the then Minister incharge regarding the decision in respect of four plants of fertilizers. It is absolutely a wrong decision, basically wrong. There should

be no Brawn, Kellogg, Haldar Topsoe or Toyto; we have got in India our own technology to have plants with a capacity of 900 tonnes of ammonia per day. Our Ramagundam and Talcher plants are coal-based. From November, the production has started and the results are very good, and it is absolute. Sir, in terms of urea it is to produce 1,500 tonnes, it is giving 1,350 while their average is only 51 to 60 per cent. That is based on coal, coal gasifications. In Namrup, from gas base, Sir, from 600 tonne capacity, the FPDIL is already producing. I propose why don't you give the Indian firm FPDIL to make at least three, one for knowing the technology etc. you can give to anybody. But these four plants, involving crores of rupees, you are giving to the foreign firms. In India, our technologists, our engineers, are capable of doing it for 900. Why don't you divide it? Instead of giving 1350, you divide to 900. One for knowing the technology you can put up and give it to the Indian engineers and an organisation like FPDIL or another. Now, Sir, previously when they gave to Brown, Brown employed FPDIL as sub-contractors. Now, the two plants have been already taken from the FPDIL and that entire organisation is in crisis. I want to put only one single question: Whether this Minister instead of running after American connections, your Italian connections, whether probed the national connections, the capacity of our own research organisations and how much India would suffer, had we depended on FPDIL or our indigenous technology for producing 900 tonnes of ammonia by our own means?

THE MINISTER OF PETROLEUM, CHEMICALS AND FERTILISERS (SHRI P. C. SETHI): Mr. Deputy-Speaker, Sir, I am thankful to the Hon. Members who have raised this issue so that some of the misgivings which they have got and which have been created unnecessarily out of a political bias, I will have the opportunity to clear.

Sir, the fertiliser industry in our country has been suffering with low

[Shri P. C. Sethi]

production since last 1-1/2 to two years, particularly last one year, because of the fact that since the Assam agitation started, Namrup-1, and Namrup-2 have not been giving us any production. Then, Sir, because of the movement and non-supply of the crude through the Barauni pipeline, the entire transport system of the country is now so much under pressure with the imported petroleum products and crude and we have to move the petroleum products and crude right from our ports to the far eastern and the northern parts of the country. With the result that the supply position of some of the raw materials just like the raw material like coal is not coming in proper quantity to Bhatinda, Panipat, LSHS is not coming because Barauni is closed to Sindri, Panipat and Bhatinda. Sir, because of the bad power situation and drought conditions, the power supply has been bad with the result that some of our best plants like Talcher and Ramagundam which have come on coal, were shut down and could not start their commercial production because power was not available. Similarly, Phulpur which the Hon. Member Mr. Unnikrishnan has mentioned, was constructed which work started in 1976. Sir, Phulpur is ready and Phulpur could be commissioned. Phulpur is not being commissioned not because it is not ready and it has not been constructed but, because Phulpur is not getting the raw materials required. Similarly, Gorakhpur plant is suffering because of the power supply. Similarly, Sir, some of the other plants are also suffering.

The West Bengal plant in Hasira is one of the best fertiliser plants but the West Bengal government, in spite of its various promises right from 1976, to supply 39 MW of power has totally failed to supply any power; it has recently started giving 3.5 mw; with the result the government had to sanction the setting up of

a 20 mw power station based on turbine. Fertiliser industry is suffering loss of production as Mr. Unnikrishnan said; it is on account of various factors which are not our creation. Some fertiliser factories are suffering losses because of labour situation; it is the creation of the previous government. They have totally misguided the workers of the country and totally destroyed the labour relationship and they made every one free to speak in whatever manner they like with the result that labour relations in some of these plants have also resulted in loss of production. It is true that nitrogenous fertiliser capacity in our country has been established to the tune of 36 lakhs tonnes and we would be producing only 22.5 lakh tonnes; therefore there will be a shortfall of 14 lakh tonnes. To the extent, because consumption is there; imports will have to be increased which would necessarily result in drain of foreign exchange. On the whole I would say that if the plants are allowed to receive raw material, if the situation in Assam improves, and if the power situation improves and if the transport system further improves then I am sure the fertiliser industry would be able to do much better than what it is doing today. Therefore, to say that fertiliser industry was doing very well in 1978 and it is not doing well now, it is only to ignore the basic facts, the difficulties which the fertiliser industry is facing. Rather than bringing them before the House he has tried to throw the entire political burden on the present government for the short performance of the plants. That is how Mr. Unnikrishnan started looking at the fertiliser industry with a very bleak picture. He quoted the saying that when Rome was burning Nero was fiddling. It is nice to quote with a feminine voice but it is very difficult to assist the situation... (An Hon. Member; Sweet voice). Feminine voice is always sweet. Besides having a sweet voice, he has been sweet himself. I have said that on account of the reasons I have given we have suffered.

I should like the Press, the entire country and all the hon. Members to realise how much we are looking at the facts from the point of view of the merits of the case and how much politicking has been going on in this country, political assassination, character assassination, particularly of the high-ups in this country. Only because somebody has a foreign relation, that does not necessarily mean that the interest of the country has been lost, particularly by those who have suffered not only in the present generation but also in the last three generations for the good of the country. Therefore, it is very mean, rather hitting in the back to bring in such issues and say that because of these relations these contracts have been given. Various enquiries as Mr. Unnikrishnan pointed out were started. What has happened to Thakru Commission's report? Nothing has been done; nothing has come out. Similarly, out of other enquiry commission's report nothing has come out. Only on the basis of political bias such things are referred to here, without going into the merits of the case. If this is done like this, it would not be possible for anybody because somebody has an American wife, somebody has an Italian wife, somebody a Swiss wife and somebody a French wife. Therefore, it will be difficult. I should like to put the whole case of technology transfer in the proper perspective based on merits. How much strong is the Braun lobby and Braun's work in the Government of India office can be easily assessed from the fact that Mr. Unnikrishnan possesses with him photographic copies of the various notings which he is prepared to place on the Table of the House. (*Interruptions*). They may be true or may not be true, but he has claimed they are true. Why should I say? I am saying what I have to say.

SHRI SATISH AGARWAL: Unless you contradict it, they shall presume it is true.

(*Interruptions*).

SHRI P. C. SETHI: Not only Mr. Unnikrishnan, but there are many other Members of the House who have got photographic copies. Therefore, apart from the merits of the case, it is a very important fact—if a company like Braun has access to Government of India's office and the files in the manner they have done it and in the manner they have been doing it, then what would be the fate of the defence of this country? Therefore, this very fact—how did he get copies—requires a CBI probe and requires a thorough investigation and enquiry into the matter. It is not only the business deal which is important. The main thing is, if the secret files and documents of the Government of India are made available to people who are interested in raising such questions, then it will be very difficult to save this country from the defence point of view.

As far as this contract is concerned, right from the beginning, when I took over in February, I was convinced that heavy pay-offs have been done by C. F. Braun and they have tried.

A HON. MEMBER: *Vice-versa*.

SHRI P. C. SETHI: It is not *vice-versa*. It is true and it is coming out every day, the manner people are being fed and pay-offs are being made and it is becoming absolutely clear how Braun had prejudiced the whole matter and how these reports were prepared, barring the facts which should have been taken into consideration. Right from the beginning in this case, when this matter went to one of the Ministers of State, although he had no option but to agree because it is very difficult for a Minister of State to disagree with the Secretaries Committee's Report, but even while agreeing with the Secretaries Committee's Report for Braun, he had very clearly mentioned that it would not be in the national interest to give all the contracts to one party. (*Interruptions*) He was of the opinion that it should be divided. When I took over, in January, I thought it



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necessary that this matter must be looked into by a second expert committee. The second expert committee went into the whole matter and by a majority of four, they also came to the conclusion that at least all the four plants should not be given to one party. Therefore, to say that Government of India has totally over-ruled the expert committee's opinion is absolutely wrong.

DR. SUBRAMANIAM SWAMY : Will you repeat that? You said, by a majority of four?

SHRI P. C. SETHI: Four said one thing and three said one thing. While they have said Braun, at the same time, they have said that the contract should be given to two parties and not to one. Therefore, the second expert committee's view was before us when we started looking into the matter. When we started looking into the matter, first, to say that in the matter of fertilisers, construction experience is not very important—this is a very important point, because in the case of companies who have worked here, we have seen their work and their performance. Braun had no experience as far as the building of the fertiliser plants in India is concerned. That was one of the considerations.

The second very important thing was that when the negotiations were started, Braun was prepared to transfer the technology only if the contract of all the four plants was given to them. They were not prepared to unequivocally transfer the technology if the plants were distributed and they got only the order of two plants. Therefore, it was not an important question whom we should give. The main important thing in this is that we have got the capacity. EPDIL is one of our good construction organisations which is dealing in fertilisers. We can build plants of 900 tonnes of ammonia capacity. Therefore, the

question was of getting the technology of a much higher capacity i.e. 1350 tonnes of ammonia to be produced per day. Therefore, a complete transfer of technology was absolutely necessary. It was from this point of view that we went into this. It is not a question of forward looking or backward looking technology. When we went into this question further, we found that Braun technology was almost at the plateau. It had no research and development activity. It had no catalyst research.

SHRI K. P. UNNIKRISHNAN: Can you say that Topsøe has anything catalyst to their credit?

SHRI P. C. SETHI: I am coming to that. Gradually everything will be unfolded and you will be completely exposed, Mr. Unnikrishnan.

Therefore, the technological transfer in the case of Braun was not complete and they were not prepared to do it in the manner in which the other parties had offered us. Apart from that, whatever guarantees they were prepared to give, there were legal lacunae in that. He said that there was one member who was a legal expert. Sometimes, it happens that even the legal experts may not be able to see the defects. The defect was there. They were not prepared to give complete guarantee for the functioning of the plant. They were putting only this that unless it is proved that Braun has been responsible for some mistake or for some setback, they would not take the guarantee of the production or anything that happened. Therefore, it had the legal lacuna. In this contract, no performance guarantee was there to the extent required. That was clarified not only by me but even by my predecessor, Mr. Veerendra Patil, when he came out with a press statement. We also went from this point of view.

It is said that Braun is a very good company. It is also said that Pullman

Kellogg has been taken over by some other company. It has also been emphasised that I wrote on the file Pullman Kellogg. Mr. Unnikrishnan's whole thrust and whole emphasis is against Snam, is against Italian, is against Snam having 51 per cent shares in Topsoe. As far as I am concerned he has accused me of showing favour to Pullman Kellogg which is an American company and not an Italian company. Therefore, I do not understand why, when he has been quoting me, he has been saying that I have been favouring Pullman Kellogg right from the beginning. I have not favoured either Pullman Kellogg, or anybody else. In the context of what was being said by Braun, which was something nauseating, I wanted the whole thing to be examined *de novo*. That is why I wanted the case and all the parties to be examined, because I know deliberately they were trying to cut out examination of the whole party and their main point was that the order should be given to them. I particularly mentioned that this case must also be examined. He was saying that I was acting under some political pressure, or some extra constitutional authority, in order to favour the Italians. While he is quoting the example of my writing to show I am favouring Pullman Kellogg, the entire thrust of the objection which he has raised is against Harper Topsoe, and not against Pullman Kellogg. Therefore, I am unable to understand as to why he was doing that.

We also examined this question as to how many plants Braun has built round the country and how many plants Topsoe has built, not only in this country but throughout the world and how many Pullman Kellogg have done. We found that, as far as Braun is concerned, in the last two years Braun could build only one plant while Harper Topsoe have about 17 and Pullman Kellogg have about 11 or 12. This is the position. Apart from that, I would like to point out that I have got a full list.

DR. SUBRAMANIAM SWAMY: Why did not the Technical Committee realise this?

SHRI P. C. SETHI: The Technical Committee did not realise this. If they did not realise anything, do you mean that the Government has no authority to look into it? I have got a complete list of how many plants Harper Topsoe have done. They have done it in Puerto Rico, USA, Norway, Spain, Italy, Georgia (USA) and of various capacities, of 1,350, 1,200 and 1,500 capacity. They have done more than 97 plants all through the world as yet. As far as bigger capacity is concerned, even bigger capacity has been done by them. The Italian plant is 1,200. They have done 1,500 tonnes, 1,000 tonnes and 900 tonnes.

SHRI K. P. UNNIKRISHNAN: 1,350 tonnes capacity, comparable capacity, one for three years, one for two years, 100 constructions, with collaboration DASF in West Germany; Kellogg have two plants in Mexico.

SHRI P. C. SETHI: I have got the list. I am very happy that Shri Unnikrishnan knows all about this. But, unfortunately, his reasoning is totally coloured. I would not be mistaken if he says... (*Interruptions*) Therefore, I would request you... (*Interruptions*)

21 hrs.

With regard to technology also, the Committee felt that the technology offered by Braun was developed by them in early Sixties and further progress in the field of forward looking technology could not be expected from them because they have already reached a plateau. Therefore, from all the points of view, we have considered the transfer of technology very important, we have considered the experience of the parties very important, and apart from that, I would also like to bring some of the other basic facts which have been

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raised by other Members like Mr. Niren Ghosh and Dr. Swamy. Dr. Swamy has asked me about the cost analysis, Mr. Niren Ghosh has asked me about the question of ammonia conversion into urea, which also Mr. Unnikrishnan mentioned casually. I would like to point out that as far as the conversion is concerned, in the final contract which Haldor Topsoe have signed the position has completely changed not only with regard to the conversion from ammonia to urea, but with regard to consumption of energy. With regard to cost also, I would like to point out that from the cost point of view also they are very comfortable and the whole situation has completely changed after we have taken into consideration the recruit contract which has been signed, which has been negotiated, which the original Committee did not take into account the 200 series offered by them which has been now taken into consideration. The entire technological picture and the cost picture and the conversion picture has completely changed and the situation is like this. Now, Braun guaranteed a carbon dioxide recovery of 1740 tonnes a day which would enable a production up to 2,320 tonnes a day of urea. With the present situation, the Haldor Topsoe figure is 1700 tonnes per day which corresponds to a figure of 2,267 tonnes. That means, for two plants it will be 4,534 tonnes and the total capacity of the urea plant itself is 4,500 tonnes. Therefore, the conversion of ammonia to urea would be about 34 tonnes more than what could be consumed in the urea plant itself. The situation with regard to conversion has completely changed.

With regard to the cost also, I would like to point out that CF Braun gave the figure of 65 million dollars for a single 1350 tonnes per day plant plus 3.65 million average per plant for off-side facilities to be shared with the second ammonia unit. With regard to this also I will come to later on.

With regard to the consumption of energy, now the situation is like this. As far as the fees is concerned, after the final negotiation the net which has been offered by Braun is \$ 125,319 million and the Topsoe is \$ 103,625 million. Therefore, here again it is 19 million less as far as the cost is concerned.

With regard to energy consumption, natural gas, raw water, power, steam etc., I shall give the figure for all combined in order to save the time of the House. Braun's consumption was 555.15 while Haldor Topsoe was 561.8.

DR. SUBRAMANIAM SWAMY: It seems the technical committees did not realise it.

SHRI P. C. SETHI: When you are not able to realise it, what can I do? Therefore, as far as the relative energy consumption also is concerned, now it has been proved that the difference is hardly that much. With regard to energy consumption, I would also like to point out that the total saving in about ten years would be in the vicinity of Rs. 3.5 to Rs. 4 crores and not the astronomical figures which Mr. Unnikrishnan has quoted, while in the initial phase itself we are paying Rs. 4 crores less to Haldor Topsoe.

Therefore, I would say that this entire case should be looked at from the point of view not of anger, not from the point of view of political bias, not from the point of view of character assassination of this or that person. Particularly Mr. Unnikrishnan seems to be very fond of character assassination of the highest person in this country, realising little that there is nobody to replace that person.

Therefore, I would urge upon him and friend like him that reality should be seen, that the merits of the case should be seen and no character assassination should be resorted to.

I am very happy at last to find a very good company—Dr. Subrama-

niam Swamy, Mr. Unnikrishnan and  
Mr. Niren Ghosh.

MR. DEPUTY-SPEAKER: I am not  
permitting you. It is over.

AN. HON. MEMBER: And Satish  
Agarwal.

SHRI P. C. SETHI: Satish Agarwal,  
I can understand, is an advocate. He  
does not indulge in such things in  
which the others are indulging.

Mr. Unnikrishnan and Mr. Niren  
Ghosh and Dr. subramaniam Swamy—  
it is a strange company. Therefore, I  
would only say that there is something  
common among them in this matter. I  
would not like to say anything more  
than that. But I would urge and  
again request them that in such mat-  
ters they should not be guided by  
emotions or try to put politics into  
everything. In how many matters  
has character assassination been re-  
sorted to? It was done in the case of  
Maruti. Now Mr. Unnikrishnan has  
quoted the Shah Commission for my  
action of 1976 in the previous Ministry.  
If there was anything in the Shah  
Commission about the award of the  
contract which was given at that time  
to Snam, why did the Shah Commission  
not proceed with it?

He says I told such and such a  
person that I would put him in jail  
under MISA. I was not the person  
who could put anybody in jail under  
MISA. I was not the Chief Minister  
when this thing was done. I had come  
over to the Centre. I would have done  
it when I was Chief Minister, but I  
was the Fertiliser & Chemicals Minis-  
ter here.

Therefore, I would request and urge  
upon them that they should go back  
and do their home work again, and if  
necessary we can have a further dis-  
cussion in the matter when we meet  
next.

SHRI A. K. ROY (Dhanbad): I wish  
to ask for a clarification.

21.10 hrs.

DISCUSSION RE. REPORT OF SHRI  
JUSTICE C. A. VAIDIALINGAM

MR. DEPUTY-SPEAKER: Now we  
take up discussion regarding Report of  
Shri Justice C. A. Vaidialingam. Shri  
Lakkappa.

SHRI K. LAKKAPPA (Tunkur): I  
beg to raise a discussion on the Report  
of Shri Justice C. A. Vaidialingam,  
Special Judge, dated the 25th January,  
1980 of his inquiry into the allegation  
against family members of the former  
Prime Minister (Shri Morarji Desai)  
and the family members of the former  
Home Minister (Shri Charan Singh)  
laid on the Table of the House on the  
11th March, 1980.

(Interruptions)\*\*

MR. DEPUTY-SPEAKER: Nothing  
other than what Shri Lakkappa said  
will go on record.

SHRI NAWAL KISHORE SHARMA  
(Dausa): I rise on a point of submis-  
sion. Under Rules 340 I have to submit-

"At any time after a motion has  
been made, a member may move  
that the debate on the motion be  
adjourned."

I request that the debate may be ad-  
journed to the next Session.

SHRI SATISH AGARWAL (Jaipur):  
You refer the whole matter to the  
Commission of Enquiry.

(Interruptions)

SHRI SATISH AGARWAL: Let the  
Government prosecute them.

(Interruptions)

MR. DEPUTY-SPEAKER: It is only  
a discussion.