

LOK SABHA DEBATES

LOK SABHA

Tuesday, December 17, 1985/Agrahayana 26,
1907 (Saka)

*The Lok Sabha met at Eleven of
the Clock.*

[MR. SPEAKER *in the Chair*]

ORAL ANSWERS TO QUESTIONS

[*English*]

Evaluation of Global Offers for Construction of HBJ Pipeline by Gas Authority of India

*410. SHRI K. P. UNNIKRISHNAN :
Will the Minister of PETROLEUM AND
NATURAL GAS be pleased to state :

(a) whether the Gas Authority of India Limited (GAIL) was nominated to evaluate the global offers for construction of Hazira-Bijapur-Jagdishpur (HBJ) pipeline;

(b) whether they have submitted their report;

(c) the main recommendations of this report; and

(d) when Government propose to take a final decision in this matter ?

THE MINISTER OF STATE OF THE
MINISTRY OF PETROLEUM AND
NATURAL GAS (SHRI NAWAL
KISHORE SHARMA) : (a) Gas Authority
of India Limited invited tenders in June-July,
1985 for construction of the HBJ Gas
Pipeline.

(b) Yes, Sir.

(c) and (d). The offers received in response to the global tender are in the process of evaluation. It will not be in public interest to disclose the details at this stage.

SHRI K. P. UNNIKRISHNAN : My distinguished friends, the hon. Minister for Petroleum, has resorted to understatement in his answer for obvious reasons. For the last few weeks there have been several newspaper reports quoting official sources—not the press correspondent's own story—that bids have been opened. Obviously, these must have been opened in the presence of people who have quoted. It is also reported that the lowest bid of Rs. 739.38 crores of Spi-Capag and N. K. K. and Toyo, a consortium of French and Japanese companies, is lower than the bid of Snamprogetti and Dodsai by Rs. 119 crores. Therefore, all the people outside have known what it is all about. After all, it is a tendering process and the whole thing is a public process. But now Parliament is kept in the dark. He says that he is not in a position to disclose it in public interest. First of all, I would like to know whether these reports are correct. The Resident Representative of Snamprogetti, Mr. Quatrochi, holds a press conference. And he also says that they are higher but only by 4 per cent. This press conference is also attended by His Excellency, the Ambassador of Italy in India who says that he has already written to the Government of India for reconsideration of their tender. I must seek your protection at this point. Since all this is already known to the public it is publicly discussed, why is the hesitating in the name of public interest, in giving Parliament this information ? Are these reports correct ? Will the Government reconsider, as per the request of His Excellency, the Ambassador of Italy or Snamprogetti, their tender ?

SHRI NAWAL KISHORE SHARMA : With regard to press reports I have also seen a few of them. The press might have quoted the official sources, but I deny this,

because as far as the Minister or GAIL is concerned, they have neither released nor gone to the press. With regard to the question whether the bids have been opened, it is also a fact that the bids have been opened, and it is also a fact, as I have said in my reply to part (b) of the question, that the GAIL have submitted their report. I have never said that the report is not received. The report is with regard to the price bids of the HBJ pipeline but as regards the details as to who is the lowest bidder and in whose favour the decision is going to be taken, this matter is being dealt because there are certain things which have to be examined. The financing pattern is one of them. There have been certain objections also by some of the parties and these have also to be gone into because before arriving at a decision, it would be in the larger interest of the country to look into all the objections so that we may not commit any mistake. This being a very important gas pipeline, we do not want to take any chance. I hope this satisfies my hon. friend.

SHRI K. P. UNNIKRISHAN : Whether I am satisfied or not, the House will have to be satisfied. In August 1984, the previous Government took a considered decision. Based on our policy for the last 35 years in seeking self-reliance, we created a Gas Authority of India Limited and amongst its objectives was to design and construct trans-country pipelines. If you go through the memorandum of association of this Authority created by the Parliament as a part of the policy of the then Government, and rightly so, you will find this. Once this Government came into power, it overturned this basic approach and the Gas Authority was put in charge of evaluation and overall responsibility, a kind of blanket responsibility. Whatever it is, bygone are bygone. Now, the construction of this pipeline was to start even in February 1985, then they changed it to April, 1986, and now we are in December 1985. I quite follow and appreciate the Minister's viewpoint that everything has to be considered, but still he is not in a position to tell the House as to when he will take a decision. Guna plant, one of the plants for which gas is to be supplied, was to be ready in December 1986 and then they changed it to March 1987 on the basis of a 25 months schedule. Now the point is whether after reviewing, he will be

in a position to keep to this schedule or has he revised the schedule? What is his present schedule and whether by considering all this, also the claim of having a single point responsibility, he will be able to achieve his targets?

SHRI NAWAL KISHORE SHARMA : Sir, this question of single point responsibility has been discussed in detail in this House and the Government took a conscious decision in the larger interest of the country. I had, while replying to this question earlier, stated that by the end of 1985, the contract would be awarded, and I stick to it. By the end of this year, the contract on the HBJ pipeline would be awarded. So far as the completion of the pipeline to Guna is concerned, I had earlier stated that we hope that this pipeline would be constructed up to Guna by the time the fertilizer plant requires gas for its fertilizer production, and I hope this would be done.

SHRI INDRAJIT GUPTA : I would like to know from the hon. Minister firstly, whether he would tell us—not names—the number of bidders for this project whose bids are under consideration, whether all of them are foreign companies or there are any others also.

Secondly, in view of the fact that it is well known—and you also know very well—the longest gas pipeline in the world was constructed from Siberia to the Western Europe with the Soviet technology and equipment which seems to be quite satisfactory to the Western Europeans and who have accepted it, why did the Government not, before opening these tenders for all sorts of multi-national companies to come in, ever try for the Soviet technology and equipment in spite of the fact that we have excellent State to State relations between India and Soviet Union. Did they try to explore the possibility of getting the Soviet technology and assistance for this pipe-line?

SHRI NAWAL KISHORE SHARMA : With regard to getting Soviet assistance in this case, since we decided on a single point responsibility on the basis of international tender, there was no question of discussing this with the Soviet Union for getting their assistance.

SHRI INDRAJIT GUPTA : Why?

SHRI NAWAL KISHORE SHARMA :
Of course, I do not deny their experience in laying down the pipe-line. If the Soviet Union thought it proper, they could also have applied.

So far as the names of the parties are concerned, I can mention there are four parties which have given their bids. They are SPIE CAPAG of France, CONDUX of Mexico, SNAM PROGETTE of Italy, Nova Corporation of Canada. These parties have their other partners. With regard to Spie Capag, its partners are N.K.K. of Japan, Toyo Engineering Corporation of Japan, TCIL, BHEL, Punj and Sons and L and T. With regard to Condux, its other partners are : TCIL and BHEL. With regard to Snam Progetti, its other partners are Dodsai.....

MR. SPEAKER : You can lay it on the Table.

SHRI NAWAL KISHORE SHARMA :
I will lay it.

MR. SPEAKER : Next question.

(Interruptions)

SHRI S. JAIPAL REDDY : There are so many questions on gas pipeline.

MR. SPEAKER : I know my job. I do not want to be guided. I have already spent fifteen minutes.

SHRI S. JAIPAL REDDY : Let us be permitted to ask some more questions.

MR. SPEAKER : You cannot question my authority.

SHRI S. JAIPAL REDDY : We are only trying to persuade you.

MR. SPEAKER : I have allowed fifteen minutes on it. It is enough.

Setting Up of Chemical Complexes in States

*412. **SHRI M. RAGHUMA REDDY :**
SHRI DHARAM PAL SINGH MALIK :

Will the Minister of INDUSTRY be pleased to state :

(a) whether the Union Government have any proposal under consideration for setting up a chemical complex in each State; and

(b) if so, the sites selected for this purpose in each State and the financial implication of each project ?

THE MINISTER OF STATE IN THE DEPARTMENT OF CHEMICALS AND PETROCHEMICALS (SHRI R. K. JAICHANDRA SINGH) : (a) No Sir.

(b) Does not arise.

SHRI M. RAGHUMA REDDY : The reply of the Hon. Minister is true, Sir. He has not considered anything regarding this. We are importing a large number of chemicals from abroad at the cost of foreing exchange. I would like to know whether the hon. Minister will consider to set up chemical industries in each of the States as a substitute to the import of chemicals.

SHRI R. K. JAICHANDRA SINGH :
As stated in my answer, we do not have the proposal to set up a chemical complex in each State, but as and when an application comes either from the private companies or from the Industrial Development Corporation of the States and when the need for it arises, we will definitely do it.

SHRI M. RAGHUMA REDDY : Sir, we are importing some of the important Chemicals even today from abroad. I would like to know from the hon. Minister whether he is considering to set up these industries in all the States either in the public sector or in the private sector. In Andhra Pradesh, in Godavari basin, large quantity of gas is available. May I know whether the Minister is going to consider the setting up of petrochemical industry in Andhra Pradesh ?

SHRI R. K. JAICHANDRA SINGH :
The question relates to the Chemical complex. The question of setting up petrochemical complex in Andhra Pradesh will be considered on merits.

SHRI DHARAM PAL SINGH MALIK : May I know the hon. Minister whether the targets of the production of