

# OFFICE OF THE LEADER OF OPPOSITION

Gujarat Vidhansabha, Gandhinagar.

## Press Note

23<sup>rd</sup> October, 2012

- After wasting over Rs 8000 crore in explorations in KG basin, Egypt and elsewhere, The Narendra Modi government is in the process of committing another mega scam in GSPL's cross country pipeline projects.
- The Modi administration is in the process of rigging bid conditions to help a Kutch-based pipeline manufacturer. By rigging the bidding, GSPC board is allowing monopoly of the group, which is known for its unholy nexus with Modi and BJP leaders.
- I have learnt from reliable sources that the bid for three pipeline projects will have such conditions that it would suit only one company, which has already created a cartel of contractors.
- I have also learnt that the pipeline company has promised Rs 500 crore funds to the ruling party for Gujarat assembly polls in return of the favour in the form of selecting his pipelines.
- Some top bureaucrats of GSPC, GSPL, Energy department, finance department and CMO are involved in the scam, which is in the making.
- Gujarat Cm Modi owes an explanation to the state: Why no transparency in the bidding process and why open market competition is being thwarted to unduly favour one particular company, whose track record is highly dubious.
- CM must understand that these pipeline projects are in joint venture with central PSUs like IOC, HPCL and BPCL. I am writing a letter to the CMDs of these PSUs regarding the nefarious designs of the Modi government to unduly benefit one private industrial group at the cost of public exchequer.
- Where is 20 TCF gas that CM announced way back in 2005? How much gas has been produced from blocks in Egypt and other countries ?
- Earlier, at the behest of Chief Minister, majority stake in GSPC's Pipavav power plant was given in the most dubious way to one non-existent Swan Energy without any bidding process. The deal was cancelled only after I filed a PIL in the Gujarat High Court.
- Again at the behest of the Chief Minister, a 5000 crore project of LNG terminal, proposed for Pipavav in Saurashtra, has been shifted to Mundra, again to benefit another pet industrialist.

In this proposed project, there is absolutely no transparency regarding shareholder agreement between GSPC and Adani and waterfront rights of the proposed project. And no bidding route is being to award contracts for building the terminal.

GSPC's group company GSPL had bagged three cross-country gas pipeline projects Mehsana-Bhatinda (1,611 km), Bhatinda-Srinagar (740 km), and Mallavaram-Bhopal-Bhilwara-Vijaipur (1,738 km).

GSPL holds 52 per cent stake, while other JV partners such as IOCL, BPCL and HPCL will have 26 per cent, 11 per cent and 11 per cent stake holding respectively. These three projects are worth over Rs 13000 crore.

Now, execution of these pipeline projects are about to begin so the GSPL and Modi government officials are preparing tender documents regarding awarding contracts for pipeline projects.

It is learnt from the insiders that tenders for procuring pipelines and civil works are being prepared in such a manner with certain conditions that only a Kutch based pipeline manufacturing firm gets selected as sole supplier of pipelines. This is aimed at thwarting competition, which would bring competitive rates, and allow monopoly of a single firm, which would create cartels of its own contractors for civil works.

This is being done at the behest of the Chief Minister because the firm concerned has reliably offered election funds of Rs 500 crore to the ruling party in the state assembly polls. Earlier, this company had, again by rigging bidding process, obtained contracts of supply of pipelines for water supply in the BJP government.

In this scam in making, several high profile officials of the GSPL, GSPC, energy department and finance department are involved to carry out the deal as per instructions of CM.

Narendra Modi runs the administration on double standards. He talks about transparency and propriety but does not find such qualities as desirable virtues in private practice. His is the shamelessly most corrupt government in the history of modern Gujarat.

In last 10 years under Narendra Modi's rule, Gujarat has seen multi billion rupees scandals in the energy sector. Under the Modi rule, state PSU GSPC and energy and petrochemicals department have emerged as the epicenter of all mega scandals involving thousands of crores.

Earlier, in the name of exploration Rs 8000 crore public money has been drowned in the drain by this most corrupt regime in the history of Gujarat. This Chief Minister had publicly announced that 20 TCF gas reserves have been found in GSPC's KG basin block and within three years, that gas would be brought to Gujarat. Seven years have already gone and there is no indication of even one standard cubic feet gas from KG basin or from various blocks in Egypt and elsewhere.

If this was not enough, majority stake in GSPC's gas based power plant had been given on a platter to one non descript Swan Energy in a most corrupt manner without any bidding or any transparent procedure.

Not only the majority stake was sold, this manifestly corrupt administration had even given away 70 % of the carbon credit to Swan Energy, whose promoters are known for under table dealings with BJP leaders.

To ensure such modern day white-collar plunderers do not loot that public treasury, I had to approach the Gujarat High Court challenging the veracity of the deal. Subsequently, the said deal was cancelled.

If the CM has an iota of shame and sense of propriety and sincerity in him, he must provide a candid public explanation on the irregularities being committed at his instance to benefit one company, which has a dubious track record in getting government contracts.

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To,  
The Editor,

Hon'ble Leader of Opposition has requested to kindly publish this press note in your esteemed newspaper.

**(J. J. Rasanía)**  
Personal Assistant