

### **Awarding of contract for Modernisation of Durgapur Steel Plant**

**483. SHRI PRAMOD MAHAJAN:  
KUMARI CHANDRIKA PR-  
EMJI KENIA:**

Will the Minister of STEEL AND MINES be pleased to state:

(a) whether orders placed abroad by SAIL for modernisation programme of the Durgapur Steel Plant were based on global tenders or on restricted basis;

(b) what was the value of the orders placed on Mannesman Demag of West Germany and Birla Technical Services of Calcutta as part of the modernisation programme of the Durgapur Steel Plant last year;

(c) whether a comparative study of these contracts placed by Durgapur Steel Plant and of expenditure incurred by TISCO recently for similar projects was carried out in terms of total cost and foreign exchange content; if so, what are the results thereof;

(d) what was the value of work done by Birla Technical Services in India for integrated steel plants when they had submitted their bid for modernisation of Durgapur Steel Plant; and

(e) the inhouse capabilities Birla Technical Services had for providing engineering design services and for manufacturing equipment when they submitted their bid for Durgapur Steel Plant modernisation ?

THE MINISTER OF STEEL AND MINES WITH ADDITIONAL CHARGE OF THE MINISTRY OF LAW AND JUSTICE (SHRI DINESH GOSWAMI): (a) Orders placed abroad by SAIL for the modernisation programme of Durgapur Steel Plant were based on global tenders from prequalified short-listed parties.

(b) The value of the orders placed were:

M/s. Mannesman Demag Hutten-  
technik (MDH) Rs. 309.61 crores

M/s. Birla Technical Service (BTS)  
Rs. 461.60 crores

(c) No, Sir.

(d) Nil.

(e) According to SAIL, M/s. Pan African Consultancy Services, a joint venture of M/s. Birla Technical Services and MECON have rendered project management and technical services to the (integrated) Ajaokota Steel Plant at Nigeria since 1981. Though it is true that BTS did not have strong inhouse capabilities for engineering design services and for manufacturing equipment for Steel Plants, according to SAIL M/s. Birla Technical Services have a number of sister concerns like M/s. Hindustan Motor, M/s. Orient Engineers, M/s. Hyderabad Industries Limited, who are experienced in equipment manufacturing.

### **Alleged Kickbacks from a German Firm for Modernisation of Durgapur Steel Plant**

**484. SHRI PRAMOD MAHAJAN:  
KUMARI CHANDRIKA PR-  
EMJI KENIA:**

Will the Minister of STEEL AND MINES be pleased to state:

(a) whether his attention has been drawn to the news-item which appeared in the *Current* of April, 21—27, 1990 regarding kickbacks alleging commission of Rs. 17 crore taken from a German firm for modernisation of Durgapur Steel Plant;

(b) if so, what are the details thereof;

(c) what action is proposed to be taken in the matter; and

(d) what steps are contemplated to avoid such happenings in future ?