

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

483. SHRI PRAMOD MAHAJAN:
KUMARI CHANDRIKA PREMJI
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 De-mag 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-teknik (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 PREMJI
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 ?

THE MINISTER OF STEEL AND MINES WITH ADDITIONAL CHARGE OF THE MINISTRY OF LAW AND JUSTICE (SHRI DINESH GOSWAMI): (a) to (d) Government are not aware of any kickbacks. SAIL awarded the contracts for Durgapur Steel Plant modernisation in consultation with Metallurgical and Engineering Consultants (India) Ltd. (MECON), their Prime Consultants. The selection of M/s. Mannesman Demag Hütten-technik (MDH) of West Germany by SAIL for some packages of the DSP modernisation project was on the basis of MDH being the lowest tenderers and possessing the requisite experience and capabilities.

Crisis in Coffee Industry

485. SHRI KRISHNA KUMAR BIRLA : Will the Minister of COMMERCE be pleased to state :

(a) whether Government are aware of the crisis being faced by the coffee industry in the country at present ;

(b) if so, what are the reasons leading to the present crisis in the

coffee industry stating the average percentage of annual fall in production and exports during the last three year-wise and the consequential fall in foreign exchange earnings thereby ;

(c) what export incentives are being given by Government to the coffee growers ; and

(d) what steps are contemplated by Government to save the coffee industry from total collapse ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI ARANGIL SREEDHARAN) : (a) and (b) The coffee industry was confronted with a difficult situation last year. This was because international prices of coffee had crashed on account of the failure of the International Coffee Agreement in July, 1989. There has been no fall in exports of coffee. The details of production and exports of coffee during the last three years are as under :—

Year	Production (July-- June)	Exports (Tonnes)	Value (Rs. crores)
1987-88	1,22,275	92,461	259.84
1988-89	2,14,057 (P)	98,256	337.68
1989-90	1,30,000 (E)	1,30,172 (P)	351.80

(E)- Estimated

(P) - Provisional

The fluctuations in coffee production are on account of cyclic nature of coffee crop.

(c) and (d). Some of the recent steps taken by the Government to provide relief to the coffee growers/ industry are as under :—

(f) Upward revision of Minimum Release Price (MRP) of coffee w.e.f. 08/03/1990 ;

(if) The Central Excise Duty on coffee has been reduced from Rs. 105/- per quintal to Rs. 50/- per quintal ;