

extra expenditure of about Rs. 1.69 crores; and

(c) if so, what were the reasons for not negotiating a reasonable price at par with the international price offered by a Polish supplier?

THE DEPUTY MINISTER IN THE MINISTRY OF RAILWAYS (SHRI MALLIKARJUN): (a) to (c) A statement is attached.

#### Statement

On the basis of global tenders invited by the Ministry of Railways in November, 1973, for purchase of Roller Bearing Axle Boxes, order for 33,000 Nos. Roller Bearing Axle Boxes was placed on the indigenous supplier in May, 1974, after holding negotiations with the indigenous supplier and also the Polish firm who among others, had quoted in response to this tender. When the tender was being finalised, the Ministry of Industrial Development allowed an expansion in April, 1974, in the licenced capacity of indigenous supplier and on this basis the entire requirements of Roller Bearing Axle Boxes of the Railways could be met by the indigenous supplier. The import was, thus considered not inescapable and therefore, the Polish supplier's offer for 25,000 Nos. of Roller Bearing Axle Boxes was not availed of. Further in July, 1975, the Ministry of Railways placed another order on the same indigenous supplier for the supply of 42,000 Nos. of Roller Bearing Axle Boxes on the Basis of a single tender enquiry. Since the indigenous supplier had the capacity to meet the Railways' requirements fully and the prices quoted by the indigenous supplier were considered reasonable, the question of extra expenditure in placing the orders for 33,000 Nos. 42,000 Nos. Roller Bearing Axle Boxes on the indigenous supplier, does not arise.

As regards negotiating a reasonable price at par with the international price offered by the Polish supplier, it is stated that the Ministry of Railways held negotiations with the indigenous supplier and on this basis,

they reduced their price substantially. The negotiated price of the indigenous supplier, though higher than the negotiated price of Polish firm, was considered justified on the basis of cost escalations which had taken place since the placement of the last order on them.

#### Supply of defective brake heads to Amritsar workshop

305. SHRI R. R. MORARKA: Will the Minister of RAILWAYS be pleased to state:

(a) whether it is a fact that out of a total supply of 6850 brake heads made by a firm required for manufacturing wagons by Amritsar workshop, about 75 per cent were found defective and not conforming to the specifications;

(b) if so, whether there was no pre-supply inspection of these brake heads; if there was, how such a huge quantity of this item in defective condition, came to be supplied;

(c) if answers to parts (a) and (b) above be in the affirmative whether any responsibility has been fixed for the numerous failures in this case; and

(d) what is the total loss suffered by the Railways as a result of these defective supplies?

THE DEPUTY MINISTER IN THE MINISTRY OF RAILWAYS (SHRI MALLIKARJUN): (a) Yes. Out of the total of 6850 Nos. brake heads. 1727 Nos. only were found conforming to specification;

(b) Pre-supply inspection was done by Research Designs & Standards Organisation of the Railways. Certain manufacturing defects in welding, alignment and dimensions came to the notice when the supply was put to use. Evidently Research Designs & Standards Organisation failed to carry out proper inspection;

(c) The fact finding committee appointed to investigate has pin pointed the responsibility for failures and on the advice of Central Vigilance Commission major penalty action has been taken against the concerned staff of Research, Designs & Standards Organisation and the Railway;

(d) Total loss was estimated to be Rs. 2.87 lakhs plus Central Sales Tax. Rectification of defective stores shall, however, reduce the loss from Rs. 2.87 lakhs plus Central Sales Tax to Rs. 1.61 lakhs i.e. the amount required to be incurred on rectification.

### **Laying of cast iron pipe line by Western Railway**

306. SHRI R. R. MORARKA: Will the Minister of RAILWAYS be pleased to state:

(a) whether it is a fact that cast iron pipe line laid by the Western Railway between Kali Dam and Filter House at Dahod Station sometime in March 1975 at a cost of Rs. 11.09 lakhs and with a further expenditure of Rs. 1.58 lakhs incurred for repairs and replacements, is not commissioned and the old mild steel pipe line is still being used;

(b) if so, what are the reasons for putting a new pipe line; and

(c) what action Government have taken against the suppliers of the defective pipes?

THE DEPUTY MINISTER IN THE MINISTRY OF RAILWAYS (SHRI MALLIKARJUN): (a) and (b) The new C.I. pipe line was laid since the old M.S. pipe line had suffered corrosion over the period of years in service. Since there were bursts in the new pipeline after its commissioning in March 1975, necessary repairs had to be undertaken. The repaired pipeline has been tested and found to be in working order. The old pipeline is being retained in view of the latest requirements of water and also as an alternative during emergencies.

(c) No action has been taken. The pipes were duly inspected and certified by the DGS&D.

### **Indo-Soviet Cooperation**

307. SHRI F. M. KHAN: Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) what are the details of follow-up action taken in the various fields of Indo-Soviet cooperation during the last six months;

(b) to what extent Government have been benefited by such co-operation during that period; and

(c) what steps have been taken to further strengthen the cooperation between the two countries?

THE MINISTER OF EXTERNAL AFFAIRS (SHRI P. V. NARASIMHA RAO): (a) During the 5th Session of the Indo-USSR Joint Commission for Economic, Scientific and Technical Co-operation held in June, 1979, in Moscow, it was agreed that specific working programmes for cooperation in the fields of light industry, food, pulp and paper, drugs, building materials industries, geology, irrigation and in other fields stipulated in the Long-Term Programme of Economic, Trade, Scientific and Technical co-operation signed in March 1979 would be prepared in 1979-80. In pursuance of this decision, during the first six months of 1980, specific working programmes in the fields of irrigation, electronics, machine building, pulp and paper, drugs and pharmaceuticals and agriculture have been drawn up.

(b) These specific programmes, which are mainly in the non-traditional fields of cooperation between India and the USSR, are expected to give a new impetus to the development of these industries in India and also lead to larger exports of non-traditional goods from India to the USSR.

(c) The Long-Term Programme of Economic Cooperation with the USSR, which spans a period of 10-15 years