

(c) if so, the details thereof ?

**THE MINISTER OF STATE IN THE
MINISTRY OF COMMERCE (SHRI P. A.
SANGMA) :**

(a) Foreign exchange earnings from consultancy services were about Rs. 1 crore in 1973-74 and have increased to about Rs. 62 crores during 1983-84. Federation of Indian Export Organisations (FIEO) has proposed to raise the level of consultancy exports to about Rs. 250 crores by 1989-90.

(b) and (c) The following incentives and facilities are available to Indian Consultancy Organisations :

- (1) Consultancy services exporters whose annual foreign exchange earnings by way of export at services are not less than Rs. 5 lakhs, are eligible for foreign exchange facilities for business development, purchase of tender document, payment of commission, bid bonds etc.
- (2) In order to cover risks, ECGC has designed policies to cover specific transactions of service exports.
- (3) Ad-hoc applications for import of designs and drawings, office equipment, instructions, tools and accessories and other items may be considered from technical consultancy firms, construction agencies, and design engineering firms.
- (4) Marketing Development Assistance is provided to consultancy organisations which are registered with FIEO for undertaking market studies, opening of foreign offices, publicity campaigns and feasibility studies.
- (5) Under Section 80-0 of the Income Tax Act, consultancy organisations are entitled to the deduction upto 50% of the net foreign exchange earnings in computing total income.
- (6) EXIM Bank has introduced a scheme under which deferred payment facilities are available from EXIM Bank in respect of consultancy jobs to be undertaken from India.

**Purchase of Conveyor Belts by Bokaro
Steel Plant**

3821. SHRI CHINTAMANI JENA :
Will the Minister of STEEL, MINES AND
COAL be pleased to state :

(a) whether Bokaro Steel Plant had placed orders for purchase of conveyor belts in the month of February, 1985;

(b) whether orders were placed on much higher rates than the lower offers received causing a loss of about four million rupees to the plant;

(c) whether the firms which gave lower offers were the approved suppliers of Bokaro Steel Plant; and

(d) if so, the reasons for placing orders at higher rates ?

**THE MINISTER OF STATE IN THE
DEPARTMENT OF STEEL (SHRI K.
NATWAR SINGH) :**

(a) Yes, Sir.

(b) Orders are placed on lowest technically acceptable offers from parties who could supply proven quality. Since Conveyor belts are critical items, orders are divided between the lowest, the second lowest and in some cases upto third lowest suppliers depending upon the quantities.

(c) Yes, Sir.

(d) For critical applications only three suppliers were considered proven sources by the Plant. For non-critical applications all suppliers on the approved list are treated on identical footings and order is placed considering rate, delivery and service performance. Lower offers were not accepted on account of their being either technically unacceptable or being from sources not proven earlier. In some cases orders were divided to diversify the sources of supply.

**Orders Placed by Bokaro Steel Plant in
February, 1985.**

3822. SHRI CHINTAMANI JENA :
Will the Minister of STEEL, MINES AND
COAL be pleased to state :

(a) whether Bokaro Steel Plant had placed several orders to purchase different items in February, 1985;

(b) whether Tender Committee was constituted in all the cases;