

(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;

(c) whether the chairman of all these Committees was GM (W) who was due to retire on 28th February, 1985;

(d) whether all these orders were placed on higher rates than the lowest offers received;

(e) whether it was brought to the notice of higher officers that irregularities have been done in purchase of all the items by Bokaro Steel Plant in February, 1985; and

(f) if so, the action taken in this regard ?

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

(a) Yes, Sir.

(b) There are Standing Tender Committees to examine the tenders valued at more than Rs. 40 lakhs. In respect of other cases, purchase proposals are approved by competent authority in accordance with powers delegated. Depending upon the items to be purchased the Standing Tender Committees are presided over by GM (Works) or GM (Projects). The Tender Committees consist of members from Materials, Finance as well as from other Departments depending upon the items;

(c) General Manager (Works) was the Chairman of the Standing Committee in respect of the following tenders, orders for which were placed in February, 1985 :—

(i) Purchase of Carbon Blocks;

(ii) Purchase of Conveyor Belts.

The incumbent to the post of General Manager (Works) Chairing the above Tender Committee retired on the 28th February, 1985.

(d) In some cases orders were distributed amongst lowest two or three acceptable tenderers with a view to diversify sources of supply;

(e) and (f) Certain irregularities were alleged in one of the cases referred to in (c) above. These allegations are being enquired into.

Increase in Trade with Italy

3823. SHRIMATI JAYANTI PATNAIK : Will the Minister of COMMERCE be pleased to state :

(a) whether steps have been taken by Government to increase trade with Italy?

(b) if so, the various items on which Indo-Italian trade has been established;

(c) the performance of Indo-Italian trade in 1984-85; and

(d) the details thereof ?

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

(a) and (b) It is a constant endeavour of the Government to increase trade with other countries, including Italy. India and Italy carry on trade in a number of commodities on a continuing basis.

(c) and (d) Indo-Italian trade during 1984-85 increased as per the provisional figures available for April-September :

	April-Sept. 1983	April-September 1984
Exports	72.75	94.82
Imports	100.43	103.87
Total	173.18	198.69

Shortage of Coal Faced by Non-core Consumers

3824. SHRIMATI JAYANTI PATNAIK : Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether non-core sector consumers are experiencing shortage of coal;

(b) if so, the reasons of short supply of coal to the non-core sectors; and

(c) the steps proposed to be taken to meet the demand of coal in the non-core sector ?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE) :

(a) to (c) With the increased coal production in Coal India Ltd., there is no difficulty in meeting the demand of consumers linked to CIL, However, due to difficulties in rail movement, the consumers having lower priority in rail movement are not getting their full requirements by rail.