

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:3295

ANSWERED ON:19.08.2004

CONTRACT TO US SUBSIDIARY SAW PIPES BY GAIL

Badiga Shri Ramakrishna;Das Gupta Shri Gurudas;Mane Smt. Nivedita;Singh Shri Kirti Vardhan;Singh Smt. Pratibha;Tripathy Shri Braja Kishore

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether GAIL had awarded a contract to US subsidiary SAW Pipes for Dehej Vijapur Pipeline Project;
- (b) if so, the details of terms and conditions thereof;
- (c) whether SAW Pipes Limited has refused to Refund one forth of the contract which is saved on freight and customs;
- (d) if so, the details in this regard;
- (e) whether SAW Pipes has violated the terms and conditions of the contract; and
- (f) if so, the action taken against the SAW Pipes?

Answer

MINISTER OF PETROLEUM & NATURAL GAS & PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) & (b): No, Sir. GAIL had awarded the contract to M/s Saw Pipes Limited, India and not to Saw Pipes, USA. The awarded value of the contract is about Rs.467 crore. The purchase order on Saw Pipes Limited, India, was for the supply of 270 Km of line pipes for Dahej - Vijaypur Pipeline (DVPL).

(c) & (d): M/s SAW Pipes Limited (SPL) has refused to pass on to GAIL the commercial benefit due for the deviation granted to them. Therefore, an amount of Rs.23 crores (commercial benefit, as estimated by M/s Engineers India Limited (EIL), the Project Management Consultant of GAIL) has been deducted by GAIL from the invoices of M/s SPL. In addition to this, excise duty of Rs.5.91 crores has not been reimbursed by GAIL to M/s Saw Pipes Limited.

(e): No, Sir.

(f): Does not arise.