

Shri Morarji Desai: Negotiations.

Shri Vajpayee: For how long?

Shri Morarji Desai: As long as they are not successful.

Mr. Deputy-Speaker: Next question.

Engineering Contract for Messrs. Hochtief Gammon, Bombay

*81. **Shri Morarka:** Will the Minister of Steel, Mines and Fuel be pleased to refer to the reply given to Starred Question No. 1670 on the 15th April, 1958 and state:

(a) the actual terms and conditions of Rs. 7,77,94,000 contract given to Messrs Hochtief Gammon, Bombay;

(b) whether global tenders were invited; and

(c) where was this contract finalised, in India or in Germany?

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): (a) A statement is placed on the Table of the Lok Sabha [See Appendix I, annexure No. 74]

(b) Global tenders were not invited but likely foreign firms were invited to tender and two foreign firms, one from the U.K. and another from the U.S.A., had quoted.

(c) The contract was finalised in India.

Shri Morarka: From the statement it appears that out of a total sum of Rs. 7.78 crores, Rs. 2.72 crores are by way of supervision and equipment charges. May I know the basis on which these supervision fees of this huge amount were fixed?

Sardar Swaran Singh: That was a negotiated deal and it was as a result of the negotiations that these figures were accepted. I may add, as I have mentioned in the statement, that this is a target sum and there is an incentive for saving and there is an inhibition against exceeding the target.

Shri Morarka: The hon. Minister just now said that it was a negotiated deal.

Is it not a fact that the Government Advisers to the Steel Plant are themselves a major partner in this contract?

Sardar Swaran Singh: I do not really understand the import of the expression 'Government Advisers'. It is true that one of the foreign partners in this firm who have obtained the contract was originally in partnership with other firms who were consultants to Government on the technical aspect

Shri Morarka: Is it not a fact that one of the partners in this firm who was also a partner in another concern which had taken the work on contract in Kandla did not execute that work satisfactorily and the company was obliged to impose a penalty of Rs. 25 lakhs on that firm has been given this huge contract?

Sardar Swaran Singh: The hon. Member appears to be knowing quite a bit about this thing and he has referred to the conduct of that firm even in relation to some other contracts which, I must confess, I do not know. But, I will check up the information that he has supplied

Shri Dasappa: The sum given for site supervision and equipment amounts to Rs 157 lakhs. Could I have a break-up of that, how much for supervision and how much for equipment?

Sardar Swaran Singh: I am afraid that these matters of detail are not with me.

Shri Nath Pai: May I know whether the Ministry's approval was obtained before this contract was signed and whether any of the Directors of the Hindustan Steel (Private) Ltd. objected; and, if so, what was the nature of these objections?

We should have a few more questions on this. We wanted to have a debate on this but we have been told that the debate will not be taking place. We would be glad if you will allow a few more questions.

Mr. Deputy-Speaker: So long as the Question Hour can permit on a particular question

Sardar Swaran Singh: I think his apology for putting the question drowned the question itself. I would request him to repeat the substantive part of the question.

Shri Nath Pai: May I know whether the Ministry's approval was obtained before the contract was signed and whether any of the directors of the Hindustan Steel (Private) Ltd had raised any kind of objection to the signing of the contract and, if so, what was the nature of that objection?

Sardar Swaran Singh: The contract was entered into after obtaining Government approval. As to whether any particular director in the meeting of the Board of Directors objected to this or not I cannot say offhand because normally the recommendation of the Board is there. I do not know, as a matter of fact, whether any particular director objected to it or not. But in a Board of Directors if a matter is decided by majority, that majority view will come to Government.

Shri Narayanankutty Menon: From the statement I find that a bonus equivalent of about Rs 2 lakhs for every month if the contract is completed before 30th September, 1960 is to be given to this particular firm. May I know why no provision was made for any penalty, supposing the firm delays the execution of the contract beyond 30th September, 1960?

Mr. Deputy-Speaker: The question may be put without suppositions.

Shri Narayanankutty Menon: In this statement it is said that Rs 2 lakhs are to be given as fees every month if the execution of the contract takes place before 30th September, 1960. Why was not a penalty clause included in this if this particular firm did not execute the contract by this particular time?

Sardar Swaran Singh: It might have been done. It is a matter for argu-

ment upon which 'opinions' may differ.

Mr. Deputy-Speaker: He wants to know whether there is any penalty provided in case the work is not completed within that particular period. That is the question.

Sardar Swaran Singh: I would require separate notice for that.

Shri Prabhat Kar: Every contract contains a penalty clause (Interruptions).

Mr. Deputy-Speaker: There is no provision or he does not know at present.

Shri Prabhat Kar: Questions are being put by various Members and the hon. Minister wants notice for them. The questions are very specific and relate to the terms and conditions.

Mr. Deputy-Speaker: If they are specific, that information is available.

Shri Prabhat Kar: He was asked about the terms and conditions. He has not got it. He was asked whether there was any objection by anybody. He has not got it. If these questions are specific, the Minister should be prepared for answering questions.

Mr. Deputy-Speaker: That would be a separate thing.

Shri Prabhat Kar: I would draw your attention to this fact and ask whether the hon. Minister is replying properly to these questions.

Mr. Deputy-Speaker: I will take note of it.

Shri Supakar: How many categories of consultants and supervisors are supervising this type of contract?

Sardar Swaran Singh: I must confess I have not got the full import as to what the hon. Member means by saying what are the categories of people who supervise the contract. Does he mean the execution of the work which is the subject-matter of the contract?

Shri Supakar: How many supervisors and categories of supervisors and consultants are there in Rourkela to supervise and do the work of consultants in such types of contracts as these?

Mr. Deputy-Speaker: That would be a difficult thing for the Minister.

Shri Nath Pai: I should like to know as to what is the actual payment so far made to Messrs Hochtief Garamon and what is the sum expected to be paid before the contract is completed and also—we had already referred to it—who were the advisers to the Government before the contract was signed. We should ask for some more time.

Mr. Deputy-Speaker: The same question has been put and if there is an answer it would come.

Sardar Swaran Singh: Obviously, I cannot carry with me all the details of the actual payments that have been made up to a particular point; that is a matter of detail about which a lot of information will have to be collected. If any particular date is specified, I can certainly ask the Hindustan Steel to give me that information.

The second part is about the advisers. Does he mean advisers at the time of finalisation of the contract? There are various types of advisers.

Mr. Deputy-Speaker: Yes, at the time of entering into the contract.

Shri Nath Pai: Sir, I suggest that some more time may be given. . .
(Interruptions)

Mr. Deputy-Speaker: Order, order. I have allowed sufficient time. I am not going to allow any further question. This is the last one that he is answering on this question.

Shri Harish Chandra Mathur: This side of the House may also be given a chance.

Mr. Deputy-Speaker: There may be other remedies; they can be re-

sorted to. One question cannot be allowed to take all the time.

Shri Nath Pai: I want to make this proposition.

Mr. Deputy-Speaker: That may be; the propositions can be made and they can be considered.

Sardar Swaran Singh: The General Manager and the technical advisers were both associated at the time when this contract was finalised.

Shri Nath Pai: I am not asking a question but I am making the proposition which you allowed me to make, it is very simple. I had appealed to the Speaker to allow a discussion on the Hindustan Steel (Private) Limited's report submitted to the House and I have been informed that as the matter was discussed during the voting of the Demands of that Ministry, there would not be time. We appeal to you now and what we want to say is this. In view of so many questions . . .

Mr. Deputy-Speaker: Order, order. Whatever is included as a question here in this list is after all a question, it is not a discussion—half-an-hour or two hour discussion. I cannot permit this question to be pursued indefinitely. I have allowed sufficient time. The other remedies are open and so it can be discussed.

Kerala High Court Bench

*82 Shri Kumaran: Will the Minister of Home Affairs be pleased to refer to the reply given to Starred Question No 2103 on the 9th May, 1958 and state the position as it now stands regarding the establishment of a permanent Bench of the High Court of Kerala at Trivandrum about which a resolution was passed by the Kerala Legislative Assembly?

The Minister of Home Affairs (Pandit G. B. Pant): The matter is receiving consideration.

Shri Kumaran: At the time when the Home Minister answered my