
Larsen and Toubro in race for KIOCL DI spun pipe plant order

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BS reported that Larsen & Toubro is the front runner among two companies in the race to bag the INR 300 crore order for construction of the ductile iron spun pipe plant of KIOCL Ltd. KIOCL plans to set up a 100,000 tonnes per annum DISP plant at Mangalore as part of its diversification.

Mr K Ranganath CMD of KIOCL said that L&T has emerged as the L1 bidder for the project.

Recently the KIOCL board shortlisted L&T and another company through a global bidding route for the proposed project. The KIOCL board is likely to meet next week to take a final call in this matter.

The scope of work includes design, engineering, procurement, manufacturing, inspection, packing and forwarding, supply, erection, testing, commissioning and performance guarantee tests and handing over of 100,000 tonnes per year capacity of ductile iron spun pipe plant on lump sum turnkey basis.

This is the second time that L&T has been shortlisted for the project. Earlier, in April 2008 the company participated in the global tender to bag the project. However, KIOCL board had called off the project following a higher price quoted by a bidder as against the company's expectations. The board wanted a better offer due to global recession and decided to go for fresh tender in January this year. Subsequently, in February this year, the company floated global re-tender. In response, it received three offers.

However, following techno commercial evaluation two offers were found acceptable including L&T.

Mr Ranganath told Business Standard that "The price bids of both the acceptable offers were opened and L&T has emerged as the L1 bidder. The proposal for placement of order on L1 party is being processed for approval of placement of order. L&T is asking some extra points and we are currently negotiating with them and once the board decides the bid will be finalized."

(Sourced from Business Standards)

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