

### Barrel Deal by Indian Oil Corporation

7328. SHRI S. P. VERMA : Will the Minister of PETROLEUM AND CHEMICALS be pleased to refer to the reply given to Starred Question No. 1063 on the 12th July, 1971 and state :

(a) whether the Indian Oil Corporation has made a gain of Rs. 58.36 lakhs in the barrel deal, as claimed by him ; and

(b) if so, the basis on which the figure of gain has been worked out ?

THE MINISTER OF PETROLEUM AND CHEMICALS (SHRI P. C. SETHI) :

(a) and (b). Indian Oil Corporation invited sealed Public Tenders in January 1971 for the supply of nine lakh barrels to meet their anticipated requirements at Bombay.

On the basis of the rates quoted in these sealed tenders, which were opened in the presence of the tenderers on 25th January, 1971, the Corporation stood to gain about Rs. 58.36 lakhs by accepting the lowest rates quoted by Messrs Steel Containers, vis-a-vis the sealed tendered quotations of Bharat Barrels. Orders were placed on Steel Containers. The resultant financial benefits to the IOC are given below:

- (i) Rs. 10.80 lakhs in the cost of fabrication of 6 lakh barrels from imported steel. (The difference in the tendered rates of Bharat Barrels and Steel Containers was Rs. 1.80 per barrel).
- (ii) Rs. 39.06 lakhs in the total cost of 3 lakh barrels from indigenous steel. (Bharat Barrels quoted Rs. 67.96 per barrel against Rs. 54.94 of steel Containers).
- (iii) Rs. 8.50 lakhs due to the saving in the utilisation of IOC's imported

steel for fabricating 6 lakh barrels. (Bharat Barrels offered to fabricate 38 barrels per tonne whereas only Steel Containers offered 39 barrels per tonne from the IOC's imported steel). This saving is foreign exchange.

### Allotment of Barrels Manufactured by the Fabricators out of the Steel Sheets allotted to them.

7329. SHRI S. P. VERMA : Will the Minister of PETROLEUM AND CHEMICALS be pleased to refer to the reply given to Starred Question No. 1063 on the 12th July, 1971 and state :

(a) the steps taken to implement the condition imposed by the Ministry of Industrial Development that 75 per cent of the barrels manufactured by the fabricators out of the steel sheets allotted to them must be supplied to Oil Companies ;

(b) if no steps have been taken, the reasons for the same, specially when the Estimates Committee have recommended in this regard in their Report; and

(c) whether with the policy adopted, certain favoured units would be working more than one shift while the others would be compelled to keep their capacity almost idle ?

THE MINISTER OF PETROLEUM AND CHEMICALS (SHRI P. C. SETHI) :

(a) and (b). The Estimates Committee (Fourth Lok Sabha) dealt with the subject of the allocation of raw material to the Barrel Industry in Paragraphs 2.119, 2.120 and 2.122. of their 85th Report. Extracts of these three paragraphs are laid on the Table of the House. [Placed in Library. See No. LT 834 /71] The operative part of the Estimates Committee's recommendation is the last sentence of paragraph 2.120 which reads as follows :