

open tender to obtain quotations for the supply of plant and equipment worth about Rs. 35 lakhs required for the BHC plant;

(b) if so, the reasons therefor;

(c) whether it is also a fact that the Hindustan Insecticides Ltd. recommended strongly and sought Government's approval to award the contract for the supply of plant and equipment worth about Rs. 35 lakhs to M/s. Technical Enterprises, New York and their Associate French firm;

(d) whether it is also a fact that the Hindustan Insecticides Ltd. did not furnish the full details regarding their quotation; and

(e) if so, the action taken or proposed to be taken against the Officers concerned?

The Minister of State in the Ministry of Petroleum and Chemicals and of Planning and Social Welfare (Shri K. Raghu Ramaiah): (a) Yes, Sir.

(b) When the Board of Directors came to decide how the quotations for the supply of plant and equipment should be obtained from likely sources, it was found the Hindustan Organic Chemicals, another Government undertaking under this Ministry, had just received quotations for an identical BHC plant. It was, therefore, decided by the Board to utilise those quotations.

(c) Yes

(d) Hindustan Insecticides Ltd. submitted all details but some clarifications had to be obtained from the company before Government decided the ordering of the plant.

(e) The question of taking action against any officers does not arise in view of the replies given to the foregoing parts of the question.

Hindustan Insecticides Ltd., New Delhi

3986. Shri Umanath:
Shri Satya Narain Singh:
Shri E. K. Nayanar:
Shri P. Gopalan:

Will the Minister of Petroleum and Chemicals be pleased to state:

(a) whether it is a fact that Government have approved the proposal of Hindustan Insecticides, to put up a new Benzene Hexachloride Plant of 3000 tonnes/year at its Alwaye unit;

(b) if so, when the approval was communicated to Hindustan Insecticides Ltd.,

(c) whether it is also a fact that the estimated cost of production for Benzene Hexachloride, as revised after devaluation, is higher than the selling price of the product from the existing units in India in private sector; and

(d) the justification in allowing Hindustan Insecticides Ltd., to go ahead with its scheme to put up BHC unit even though the estimated cost of the product would be higher than the price at which it is being sold at present by other manufacturers?

The Minister of State in the Ministry of Petroleum and Chemicals and of Planning and Social Welfare (Shri K. Raghu Ramaiah): (a) Yes, Sir.

(b) On the 3rd November, 1965.

(c) No.

(d) Does not arise.

Hindustan Insecticides Ltd.

3987. Shri Umanath:
Shri Satya Narain Singh:
Shri E. K. Nayanar:
Shri P. Gopalan:

Will the Minister of Petroleum and Chemicals be pleased to state:

(a) whether it is a fact that the purification plants for bye-product sulphuric acid supplied by M/s. Technical Enterprises to the Hindustan Insecticides Ltd. were taken over by the

Company more than a year after they had been commissioned;

(b) if so, the reasons therefor;

(c) whether it is also a fact that no performance test as provided in the contract was carried out by the plant suppliers, before the company took over the plants;

(d) if so, the reasons for not insisting on a performance test before the company accepted the plants;

(e) whether it is a fact that the purification plant for the bye-product sulphuric acid was to pay itself off in the very first year of its operation at the rate of daily saving of Rs. 1200; and

(f) if so, the details of actual operation for each of the plants put up by the Hindustan Insecticides Ltd.?

The Minister of State in the Ministry of Petroleum and Chemicals and of Planning and Social Welfare (Shri K. Raghu Ramiah): (a) No. They were taken over after about 10 months.

(b) Trial runs had to be conducted for a longer period, because production took time to get stabilised.

(c) Performance tests, as provided in the contract were carried out by the Company and accepted by plant suppliers.

(d) Does not arise

(e) The purification plant has to recover simultaneously sulphuric acid and mono-chloro-benzene from spent acid obtained from the DDT plant. It was estimated that the net value of the sulphuric acid and mono-chloro-benzene recovered would come to about Rs. 1200 per day; at this rate the plant would pay for itself in about 1½ years' time

(f) In the first year of its operation, the net value of the sulphuric acid and mono-chloro-benzene recovered by the Delhi plant amounted to Rs. 4,00,000 and this works out to a

daily earning of about Rs. 1200. At Alwaye, however, the net earnings could not come up to the expected level during the first two years of operation, as sulphuric acid was not lifted by M/s. Fertiliser and Chemicals Travancore Ltd. In 1966-67, the net value of the recovered sulphuric acid and mono-chloro benzene came to Rs. 4,55,407, which meant a daily earning of about Rs 1380.

Hindustan Insecticides Ltd.

3988. Shri Umanath:

Shri Satya Narain Sinha:

Shri E. K. Nayanar:

Will the Minister of Petroleum and Chemicals be pleased to state:

(a) whether it is fact that M/s. Technical Enterprises, to whom the contract for the supply of two spent sulphuric acid purification plants were awarded by the Hindustan Insecticides Ltd, did not supply the full tankage provided in the contract;

(b) whether it is also a fact that the plant suppliers did not supply the necessary spares as provided in the contract;

(c) whether it is also a fact that the Hindustan Insecticides Ltd., had to incur considerable expenditure in procuring equipment as replacements for the rejected items supplied by the contractor;

(d) whether it is also a fact that the Hindustan Insecticides Ltd., had to incur expenditure in modifying the equipments supplied by the contractor, since they were not fabricated as per the drawings supplied to the Hindustan Insecticides Ltd.;

(e) whether the Hindustan Insecticides Ltd., made any recoveries from the plant supplier against the short supply and the additional expenditure incurred by the company in procuring and modifying the equipment; and

(f) if so, the details of the recoveries made?