

**GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF CHEMICALS & PETROCHEMICALS**

**RAJYA SABHA
UNSTARRED QUESTION NO 642
TO BE ANSWERED ON 08.02.2019**

Plight of Hindustan Insecticides Limited

642. SHRI ELAMARAM KAREEM:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:-

- (a) whether Government is aware that Hindustan Insecticides Limited (HIL) is on the verge of closure due to scarcity of working capital;
- (b) whether it is also a fact that the banning of certain pesticides has affected HIL adversely;
- (c) the steps taken by Government to revive HIL and to help its employees;
- (d) whether Government is ready to hold a Ministry-level meeting with the stakeholders to address the issues pertaining to HIL and resolve it; and
- (e) whether Government would provide more working capital to HIL and try to usefully utilize the machinery in it?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (RAO INDERJIT SINGH)

(a): HIL (India) Ltd. (HIL; formerly Hindustan Insecticides Limited) has been facing shortage of working capital due to various reasons, including delay in DDT related payments by the Ministry of Health & Family Welfare (MoH&FW) to whom DDT is exclusively supplied by the company as per the orders placed by MoH&FW. However, despite the working capital constraints, HIL has recorded persistent growth in respect of turnover and profit by diversification into seed production and marketing and trading of fertilizers during the last few years and presently is not on the verge of closure.

(b): The banning of Endosulfan in 2011 as per orders of Hon'ble Supreme Court has adversely affected HIL.

(c) & (d): To address the delay in DDT related payments, the Department has from time to time taken up the matter with MoHFW to expedite the release of DDT dues of HIL. For the interest loss suffered by the company over the years due to delayed DDT payments, a proposal for compensating HIL for the interest loss, or in lieu thereof, to write off/waive the company's Govt. loans & interest dues has been sent by the Department to the Ministry of Finance. The Government has also approved a proposal for mortgage of HIL's surplus land parcel at Zakhira in Delhi in favour of nationalized/public sector banks as security for raising funds so as to enable the company to raise additional working capital for its business and operational requirements. Further, as and when required, meetings are held with the MoHFW, Ministry of Finance and other stakeholders to discuss and resolve the issues pertaining to HIL.

(e): HIL being a commercial organization arranges its working capital requirements through its own resources, including loans / funds raised from banks. Also, as per instructions dated 03.02.2016 of the Ministry of Finance, the window of investment and working capital loan to CPSEs from Govt. of India, in general, has been closed. Utilization of the plant/machinery is done by the company based on the availability of working capital and as per its business and operational requirements.
