

**GOVERNMENT OF INDIA  
DISINVESTMENT  
LOK SABHA**

UNSTARRED QUESTION NO:2980  
ANSWERED ON:10.08.2001  
DISINVESTMENT IN HINDUSTAN CABLES LIMITED  
MADHAVRAO SCINDIA;RENUKA CHOWDHURY

**Will the Minister of DISINVESTMENT be pleased to state:**

- (a) whether the Government have decided to go in for disinvestment in respect of Hindustan Cables Limited, Fibre Optics Unit, Naini, Allahabad, the sole PSU in India manufacturing optical fibre cables and equipments required for DoT, MTNL and a pioneer in cable industry despite its outstanding performance and profits earned;
- (b) if so, the reasons therefor ;
- (c) whether the Workers Unions, some other organisations sent representation to Government against the move;
- (d) if so, details thereof;
- (e) whether some other PSUs in similar situations like the Hindustan Latex Limited have been excluded from the disinvestment scheme; and
- (f) the reasons therefor ?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE DEPARTMENT OF DISINVESTMENT, MINISTER OF STATE MINISTRIES OF PLANNING, STATISTICS & PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE DEPARTMENT OF ADMINISTRATIVE REFORMS AND PUBLIC GRIEVANCES (SHRI ARUN SHOURIE)

(a) & (b) In the back drop of increasing competition, need for cost effective and latest technology, inability to raise funds and continuous poor performance, the Government, in January, 1997 had accorded approval for disinvestment through Joint Venture route in Hindustan Cables Limited(HCL). The company continued to incur losses and the networth of the company as on 31.3.2000 was (-) Rs.93.03 crore. The decision to disinvest in HCL is in accordance with the policy of the Government that the Government would in generality of cases bring down the Government shareholding in public sector undertakings operating in non-strategic areas to 26% or below. In pursuance of the aforesaid decision, a public advertisement was issued in February 2001 inviting Expressions of Interest from prospective strategic partners.

(c) & (d) Unions of the workers, Associations of the employees and other organizations have represented expressing the views that HCL has in the past two years made a turn around and it should not be disinvested.

(e) & (f) Government has decided not to disinvest in Hindustan Latex Limited for the present. It is inappropriate to compare Hindustan Cables Limited with Hindustan Latex Limited as HCL is in the telecom sector which is witnessing rapidly changing technology and intense competition. Therefore, the urgency of inducting a strategic partner. On the other hand, Hindustan Latex Limited does not have these compulsions.