

**GOVERNMENT OF INDIA  
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES  
LOK SABHA**

UNSTARRED QUESTION NO:2336  
ANSWERED ON:03.12.2009  
REVIVAL OF INSTRUMENTATION LTD.  
Rajesh Shri M. B.

**Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:**

- (a) the details and number of units of Instrumentation Ltd. making profit/loss/
- (b) whether any revival package for Instrumentation Ltd. has been approved by the Government; and
- (c) if so, the details thereof?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI ARUN YADAV)

(a) Instrumentation Ltd., Kota (ILK) has two production units at Kota and Palakkad. It also has two other units namely Project-Distributed Digital Control (P-DDC) unit, Kota which deals in Turnkey projects and a Marketing unit at Kota which deals in retail sales. No separate profit and loss accounts are prepared for each unit. The turnover of these units is as follows:-

(Rs. in lakhs)

No.      2007-08    2008-09

1. Kota Unit    4321.97    3086.37

2. Palakkad Unit    9909.66    11061.28

3. P-DDC Unit, Kota    7537.68    9174.06

4. Marketing Unit, Kota    2911.23    1987.75

(i) Total turnover    24680.54    25309.46

(ii) Total profit/ loss (-)    3336.19    282.59  
(Accounts yet to be  
passed in AGM)

(b) Yes, Madam.

(c) The revival package for Instrumentation Ltd. approved by the Government on 11.2.2009 contains the following:-

(i) Interest free mobilization advance of Rs. 30 crores from BHEL to ILK, to be liquidated by ILK in 5 years in equal installments through supplies to be made to BHEL against their orders. This mobilization advance would be utilized by ILK for its technological upgradation and diversification programmes.

(ii) Interest free advance of Rs. 25 crores from BHEL to ILK at the beginning of each year for the next three years beginning from 2008-09. This advance would be adjusted during the same year against supplies to be made as per BHEL orders.

(iii) Additional Government Guarantee for Rs 20.00 crores, without waiver of Guarantee fee for a period of five years or JV formation,

whichever is earlier, for enabling furnishing of performance bank guarantees for fresh tenders.

(iv) Continuation of existing Government Guarantee of Rs. 25.00 crores along with exemption of guarantee fee from the date of approval of revival package for a period of five years or JV formation, whichever is earlier.

(v) Provision of Rs. 38.36 crores as 3.5% preference share capital redeemable within 3 years from the date of normal redemption of the bonds (31SDec. 2009) from profits to be earned by the Company. This amount would be utilized by ILK for redemption of VRS bonds worth Rs. 35 crores and payment of annual interest of Rs. 3.36 crores in December 2009. The dividend on these preference shares would be converted to equity.

(vi) Provision of Rs. 10 crores as 3.5% redeemable preference shares, to be redeemed within 10 years, to be used for providing VRS to an estimated 100 employees. The dividend on these preference shares would be converted to equity. The position will be reviewed after one year of implementation of the package with reference to the success of the first tranche for considering subsequent tranches of funds.

(vii) Write off of Gol loan of Rs. 246.1010 crores as on 31.12.2008.

(viii) Waiver of entire outstanding interest of Rs. 258.2605 crores as on 31.12.2008 on Gol plan and non-plan loans and freezing of interest thereon beyond 31.12.2008.

(ix) To allow ILK to approach BIFR for seeking various exemptions/concessions from various Government Agencies.

(x) ILK will go in for joint venture formation with a public sector/private sector partner having majority stake, within a period of 3 years of the approval of the revival scheme.

(xi) Winding up of three shell Companies namely (1) IL Power Electronics Limited (ILPEL), Jaipur, (2) Instrumentation Digital controls Limited (IDCL), Kota and (3) Instrumentation Control Valves Limited (ICVL) Palakkad.

(xii) Permission for reversal of earlier decision of CCD for disinvestment of 51% of the holding of ILK in ICVL, Palakkad in favour of M/s Larsen & Toubro Ltd as this revival package envisages revival of ILK as a composite entity including ICVL.

(xiii) Permission for implementing DPE's 1997 pay scales in the company out of their own resources prospectively.

(xiv) To raise the age of superannuation from 58 yrs to 60 years for retaining technical manpower during the revival process.