

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

UNSTARRED QUESTION NO:891
ANSWERED ON:04.08.2011
REVIVAL OF INSTRUMENTATION LIMITED
Rajesh Shri M. B.

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

- (a) whether there is any revival plan for Instrumentation Limited;
- (b) if so, the details thereof;
- (c) the current status of the plan;
- (d) whether Government is considering a Joint Venture between Instrumentation Limited and Bharat Heavy Electricals Limited; and
- (e) if so, the details thereof?

Answer

MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI PRAFUL PATEL)

(a): Yes, Madam.

(b) & (c): Revival package in respect of Instrumentation Limited was approved by the Government on 23.2.2009. The details of the revival package and the current status are as under:-

Sl.No. Details of revival plan of ILK Current status of plan

i) Interest free mobilization advance of BHEL has since released Rs. 3 crore Rs.30 crore from BHEL to ILK, to be for ILK's technology upgradation and liquidated by ILK in 5 years in equal diversification programmes. installments through supplies to be made to BHEL against their orders. This mobilization advance would be utilized by ILK for its technological up-gradation and diversification programmes.

ii) Interest free advance of Rs.25 crores Implemented. 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 order.

iii) Additional Government Guarantee for Government guarantee of Rs. 20 crore Rs.20 crores, without waiver of Guarantee has been issued for a period of one fee for a period of five years or JV year effective from 20.6.2009. The formation, whichever is earlier, for lead bank-SSBJ-has since accepted the enabling furnishing of performance bank same with conditions of G-Sec rate and guarantees for fresh tenders. mortgage clause.

iv) Continuation of existing Government Implemented. Guarantee of Rs.25 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% Funds released by Government in sanction preference share capital redeemable within dated 9.12.2009 and the same has been 3 years from the date of normal redemption utilized for redemption of bonds in of the bonds (31st Dec.2009) from profits December, 2009. This amount 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% Implemented. 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. This 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 GOI loan of Rs.246.10 crores Implemented. as on 31.12.2008.
- viii) Waiver of entire outstanding interest Implemented. of Rs.258.2605 crores as on 31.12.2008 on GOI plan and non-plan loans and freezing of interest thereon beyond 31.12.2008.
- ix) To allow ILK to approach BIFR for BIFR has cleared the relief and seeking various exemption/concessions' concessions sought by the company at from various Government Agencies. its meeting held on 25.2.2010. The company has since taken up these issues with the concerned agencies of Govt. of Rajasthan, etc.
- x) ILK will go in for joint venture The company has been requested to formation with a public sector/private explore the possibility for formation sector partner having majority stake, of joint venture with a public within a period of 3 years of the sector/private sector partner having approval of the revival scheme. majority stake, clearly detailing the scope and modalities besides the advantages/synergy expected taking into account the future potential for its growth.
- xi) Winding up of three shell Companies Implemented. namely (1) IL Power Electronics Limited (ILPEL), Jaipur, (2) Instrumentation Digital Controls Limited, Kota, (IDCL) and (3) Instrumentation Control Valves Limited, Pakakkad, (ICVL).
- xii) Permission for reversal of earlier Administrative approval for reversal decision of CCD for disinvestment of of the earlier decision for 51% of the holding of ILK in ICVL, disinvestment issued on February, 2009. 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 Implemented. pay scales in the company out of their

own resources prospectively.

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

(d) & (e): No, Madam. However, BHEL has been assisting IL in technology upgradation and diversification programmes.